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Evaluation of Livelihood Interventions funded through USAID
Famine Fund Support to the Productive Safety Net Program
And
OFDA 2005 Livelihood Annual Program Statement



October 2006

This publication was produced for review by the United States Agency for International Development.
It was prepared by Weidemann Associates, Inc.

**EVALUATION OF LIVELIHOOD INTERVENTIONS FUNDED THROUGH
USAID FAMINE FUND SUPPORT TO THE PRODUCTIVE SAFETY NET
PROGRAM AND OFDA 2005 LIVELIHOOD ANNUAL PROGRAM
STATEMENT
FINAL REPORT**

Submitted by:
Weidemann Associates, Inc.

Submitted to:
USAID/Ethiopia

Contract No.:AEG-I-00-04-00010-00 Task Order #07

Period of Performance:
September-January 2007

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LIST OF ACRONYMS

ABG	Asset Building Group
ADP	Area Development Program
AIDS	Acquired Immune Deficiency Syndrome
ALT	Alternative Livelihoods Transition
CFW	Cash for Work
CIDA	Canadian Institute for Agricultural Development
CRS	Catholic Relief Services
CS	Co-operating Sponsor
DA	Development Advisor
DAP	Development Assistance Program
DFID	Department for International Development (UK)
DPPC	Disaster Prevention and Preparedness Commission
EFSR	Emergency Food Security Reserve
EC	European Commission
ETB	Ethiopian ETB
FAO	Food and Agriculture Office
FFP	Food for Peace
FFW	Food for Work
FSCB	Food Security Coordination Bureau
GFDRE	Government of the Federal Democratic Republic of Ethiopia
HIV	Human Immunodeficiency Virus
IR	Intermediate Result
KMA	Kabele Marketing Association
MLVP	Market -led livelihoods for vulnerable populations
MOA	Ministry of Agriculture
ORDA	Oromya Region Development Agency
PA	Producers' Association
PSNP	Productive Safety Net Program
PSO	Program Support Initiative
REST	Relief Society of Tigray
SO	Strategic Objective
SNNPS	Southern Nations Nationalities' and Peoples State
SPSNP	Support to the Productive Safety Net Program
USAID	United States Agency for International Development
WFP	World Food Program

ACKNOWLEDGEMENTS

Weidemann Associates Inc. appreciates the extensive support and cooperation of all who participated and assisted in the conduct of this evaluation.

In particular we would like to thank both Federal, Regional and Woreda authorities for their willingness to spend time with us and for their help in coordinating the work.

Our special thanks go also to the USAID office ALT staff for all their support in facilitating this study, for providing us with direction and facilities and for assistance in obtaining the information needed to conduct the study.

In addition we would like to thank the Cooperating Sponsors for their assistance in providing program data, and for their willingness to provide information and be available to us when needed. We particularly appreciate the universal cooperation of all CS field staff and their helpful organization of field visits, interviews and beneficiary discussion groups.

Finally, and most importantly, we would like to acknowledge our gratitude to the many SPSNP and OFDA beneficiaries who waited hours to speak to us, answered seemingly endless questions patiently and provided us with a unique insight into the problems that they are facing and the solutions that they are adopting to move towards sustainable household food security.

EXECUTIVE SUMMARY

This report details the evaluation of selected livelihood interventions in support of the Productive Safety Net Programme (PSNP) financed from the USAID Famine Fund. This is the first evaluation of such interventions, and covers only a proportion of the wide range of interventions undertaken by cooperating sponsors, many of which were only 75% complete at the time of assessment. As such, it is anticipated that some conclusions may be altered in the light of subsequent project developments.

SPSNP projects were required first to assist PSNP beneficiaries to graduate from the program through its livelihoods diversification and expansion component and secondly to address the two main elements of the PSNP (resource transfers and community asset building) through its capacity building component. The former component (livelihoods diversification and expansion) is the subject of this evaluation.

The original SPSNP proposals submitted by Co-operating Sponsors showed some uniformity of approach. In general, the proposals described programs and interventions that built upon Cooperating Sponsors past experience. Most of the proposed interventions were based around either social mobilization (e.g. savings and credit groups) and/or agricultural activities (e.g. backyard gardening, shoat rearing or beekeeping). In some cases, there was considerable infrastructural input (e.g. substantial water diversion structures), while in others, smaller amounts of physical inputs were provided. The proposals indicated a general awareness of the need for assistance in market development, and the need for attitudinal development was universally highlighted.

The process of project implementation appeared to have proceeded smoothly with one general exception. Although initial disbursements in January 2005 had been timely, the close coordination with local administrations required for SPSNP projects resulted in negotiations with regional authorities that delayed almost all projects by 4/5 months, so that in most cases project implementation did not begin until April/May 2005. Otherwise, Cooperating Sponsors indicated that most programs have progressed as expected since that time.

Project staff generally indicated that the development of a positive attitude amongst beneficiaries was a key element of every project, but that it required a longer time frame than was possible within a two-year project. Generally however, progress in project implementation can be considered good. Key indicators detailed in PMP documents have generally been met, although it must be accepted that for the most part, such indicators reflect project performance rather than project impacts.

The overall number of beneficiaries targeted during the first 18 months of the programs totaled 83,000 households or 415,000 beneficiaries (using the accepted approximation of five beneficiaries per household). This represents approximately 9% of the initial PSNP population and 6% of the revised figure and is slightly less than half of the coverage originally anticipated in the RFA. The total amount of funding spent on the development of household assets (as opposed to PSNP capacity development) amounted to US\$8.36 million. This is equivalent to an investment of US\$101 per household or US\$20 per beneficiary.

The intervention targeting process was subject to some criticism by SPSNP beneficiaries; it is suggested that the targeting process should seek to generate successful economic development on the basis of attitude, aptitude, and capacity. The selection process should involve selected members of the community and the local administration, but should not be allowed to become an “equitable distribution of assets”. The fact that the PSNP will support the more vulnerable members of the community allows such selective targeting to be achieved with minimal negative humanitarian effect.

The coverage anticipated by the original Famine Fund RFA was approximately one million beneficiaries or 20% of the PSNP. In practice, even with a substantial reduction in coverage, the Cooperating Sponsors nevertheless generally indicated that the areas covered have exceeded their original expectations and that their resources have been overstretched as a result. The intensive targeting looked for in the RFA was rarely achieved. This single factor (extent of coverage) appeared to contribute most significantly to the level of success of different projects. A critical impetus, derived from more than one and preferably at least three interventions was generally considered necessary to move a household towards food security. Extended project coverage reduced the number of interventions at the household level to the point where in some cases at least 80% of beneficiaries were only receiving one intervention and consequently were not making discernible progress towards food security.

The finance resources available within the SPSNP envelope were originally set at a maximum of ETB140/beneficiary. (US\$16.4 million total funding, with an expected target group of one million beneficiaries). In practice, investment appears to have been of the order of ETB174 (US\$20) per beneficiary due to reduced coverage. The cost of the interventions needed to achieve sustainable food security is estimated at approximately US\$70-90 per beneficiary (given an average household size of five people). This is approximately four times the level of funding initially provided for SPSNP activities.

A number of Cooperating Sponsors under SPSNP have started the process of group formation. The groups generally showed positive results, but it was evident that, the extent of the effectiveness of social mobilization varies from Cooperating Sponsor to Cooperating Sponsor, largely as a function of the degree of assistance provided to the group by field staff. In particular the Evaluation Team noted deficiencies in the performance and management of revolving funds, which require immediate correction to avoid the inculcation of bad practices in credit management amongst beneficiaries.

The performance of revolving funds accumulating repayment for assets received by individuals or groups contrasts markedly with the performance of revolving funds in savings and credit groups. There was a clear sense of beneficiary ownership and self-determination in the latter case, which tended to be lacking in the former. It is recommended that both the Cooperating Sponsor and USAID undertake more rigorous monitoring of revolving funds initially offering small loans with short repayment periods and using peer pressure to ensure timely repayments.

Most Cooperating Sponsors have not placed significant emphasis on market development. This is due not only to an apparent lack of skills and capacity on their part but also to the fact that produce from SPSNP-sponsored activities such as honey or vegetables can either be consumed locally or that no marketable output has so far been produced.

It was observed that in almost all aspects of all projects, appropriate technologies had been used that could be easily replaced or repaired by beneficiaries.

Cooperating Sponsor projects were generally well compliant with gender issues and that most interventions were equally distributed between genders, although some exceptions were noted. In particular, participation of women in study tours was less than that of men. However, in terms of impact, there were no significant differences between genders in the extent of increased food security reported, in terms of both increased cash and food availability. Generally the survey results showed little differences between gender disaggregated data sets. This is not unexpected. Cooperating Sponsors have had long exposure to gender issues in Ethiopia and have developed appropriate responses.

Key factors affecting project success include the integration of interventions. Most beneficiaries indicated that at least three interventions are required to achieve sustainable food security. and it was clearly reported and observed that greater impact was achieved if interventions were provided within the scope of

an integrated community-based program. Field staff emphasized that the integration of programs within a common “software” environment (i.e. imparting a consistent philosophy of self-help and business development) is essential to the success and sustainability of all diversification initiatives. The integration of SPSNP interventions with PSNP programs was also observed to be a positive factor.

Field staff unanimously emphasized the importance of developing a positive beneficiary attitude in order to achieve sustainable development. To a considerable extent, all CS hardware and technical training interventions are effectively providing a “framework of opportunity” within which attitudinal development must take place.

Complementarity of PSNO and SPSNP interventions was generally observed to be good. The PSNP has successfully supported chronically impoverished communities and allowed SPSNP activities to be more successful as a result. However, it appears that Cooperating Sponsors have yet to make full use of the opportunities for focused development that the PSNP provides.

Given the limited resources available for SPSNP interventions, it is important that interventions should be easily replicated wherever possible, but experience in this area is variable. Generally, the lower cost, immediate impact interventions appear (not surprisingly) to be most replicable. These include backyard vegetable production, credit and savings groups and the provision of shoats on revolving basis. Frequently however, the evaluation team did observe complex and integrated interventions, especially those involving high initial capital costs or a significant degree of organization/administration that would not easily be replicated by small communities or individual households.

Interviews with field staff and local administrators indicated that all Cooperating Sponsors have developed good working relationships with government at the grass roots level. However, relationships with *woreda* and zonal level administration were less consistent. Generally however, the *woreda* administrations have welcomed the SPSNP interventions seeing them as complementing PSNP activities while Cooperating Sponsors have filled resource gaps where needed.

It was noted that in most interventions, the private sector was limited to the role of buyer. There was little observed attempt to involve private sector participation in other roles such as seedling nursery management, inputs supply, repairs to equipment or out-grower schemes. In particular, only limited evidence was observed of Cooperating Sponsors linking groups or individual households to public sector financial institutions to secure micro-credit.

In almost every case, SPSNP interventions were being undertaken in *woredas* and *kabeles* that had been subject to previous interventions by the CS. This meant that the interventions could not be considered as discrete initiatives, but rather as the culmination of a series of events extending back over several years prior to the SPSNP intervention. Such integration of programs over time may promote synergism, but it tends to confound the accurate analysis of impact

In general the evaluation team was not able to assess the actual sustainability of interventions. It noted with concern that major group interventions required continual CS input at this stage, however, those interventions that provided discrete support to individual households did indeed appear to be potentially sustainable.

The evaluation team found plenty of evidence on the ground to assess that overall, despite shortcomings, the impacts of both SPSNP interventions have been positive. 87% of beneficiaries stated that the activities they had undertaken under SPSNP had resulted in increased production of food for their own consumption. Of these 37% stated that livestock production/rearing had led to the most production of food for own consumption. Sixteen per cent of positive respondents stated that the increase was large,

67% stated it was moderate and 17% stated it was insignificant. However, impact has been limited where Cooperating Sponsors have spread themselves too thinly geographically.

Nevertheless, the SPSNP intervention can be assessed to have shown significant impact, albeit at a lower level, over a longer time frame and amongst a more restricted target group than originally anticipated. It is also expected that this impact will have a degree of sustainability, although again this is limited by the high degree of reliance upon cooperating sponsors that the more complex group interventions require.

Amongst the more traditional interventions, three activities stood out as being both well accepted, replicable, and generally sustainable. These were the facilitation of savings and credit groups, provision of shoats and establishment of household water supply systems. Each of these interventions had different strengths and was most appropriate in certain areas. Two areas of activity stood out as being of limited relevance under the current circumstances. The first of these was vocational training, which proved relatively costly and limited in both the number of beneficiaries that were assisted and the circumstances where skills could be applied. The second area of limited relevance was in the marketing of traditional agricultural produce. It was observed that at current levels of production, generated by SPSNP activities, outputs could be readily disposed of in rural markets without difficulty or additional assistance being required.

The underlying principles that determine the most effective practices were assessed. The importance of an integrated approach was recognized together with the ability to limit interventions to selected areas and specific target groups, including particularly those who would be able to make the best use of interventions. In addition, the relevance of a given intervention to the beneficiary community was considered critical to success.

All Cooperating Sponsor field staff reported that successful interventions also require coordination with local administration and in particular capacity development at the DA level so that successful interventions can be both sustained and replicated elsewhere. Limited capacity at the local administrative level is perhaps the biggest issue facing the successful implementation of SPSNP or any subsequent development initiative. The creation of successful examples should be one of the two underlying targets of the SPSNP exercise, and interventions should be integrated and focused to achieve this goal. The second target - of achieving successful replication of sound interventions depends upon the availability of local resources, and complementary programs will/are definitely required to facilitate this.

It appeared that most of the interventions undertaken by Cooperating Sponsors fell short of the original expectations of those who had drafted the initial SPSNP RFA in the sense that most interventions repeated previous agriculturally focused programs and relatively few introduced new concepts or methodologies such as vocational training or other off-farm income generating activities. However, the evaluation team observed that the interphase between relief and market-orientated interventions (that are more typical of development) involves at least two stages. In the first, beneficiaries are assisted to achieve sustainable household food security with occasional surplus production. In the second, they are assisted to develop a consistent commercial surplus for the market with direct oversight and assistance from the Cooperating Sponsor. It is at this second phase of intermediate development that more market focused interventions are relevant. Until the second phase has been reached the traditional interventions are more appropriate to the level of development of both individual households and the surrounding economic environment.

Cooperating Sponsors have been accepted as stakeholders in the national development process to supplement limited local capacity. However within this context, it was observed that the role expected of Cooperating Sponsors by local administrations is one that attempts to achieve too much with too limited resources. All parties should accept that the role of the Cooperating Sponsors in development is limited

(by capacity, resources and by national mandate) to that of assistance and demonstration or the establishment of pilot models that government can replicate and take to scale.

The RFA for the SPSNP indicated that Cooperating Sponsors should liaise and learn from each other in terms of best practices. The opportunity for collaboration in this regard has not been fully exploited.

If sustainability is to be achieved then some form of exit strategy is required. However, none of the Cooperating Sponsors appeared to have an exit strategy in place and nor was this an issue they mentioned or indicated that they had thought about. Nevertheless, given the limited resources available to carry out SPSNP interventions, it is necessary that Cooperating Sponsors should develop the capacity to relocate their programs once development has reached an appropriate stage in a given area. It will therefore be necessary to develop a longer-term outlook, considering how their relationship with beneficiaries should evolve to the point where they are managing more and more activities themselves, forging linkages with extension and the private sector independently of the Cooperating Sponsor. At present this aspect of the development process has not received adequate attention.

Key conclusions and recommendations can be summarized as:

- Extension of SPSNP programs to a five-year (total) time frame.
- Redirection of targeting processes to concentrate on aptitude, attitude and capacity.
- Greater emphasis on the development of a positive self-help attitude.
- Integration of resources to provide at least two and preferably three interventions per household.
- Increased funding through the introduction of other donor resources.
- Greater use and profiling of savings and credit groups.
- Reinforcement of credit procedures and training of field staff in credit management.
- Increased private sector participation in the development process
- Increased community participation in the planning process
- Increased sharing of lessons learned and best practices between Cooperating Sponsors.
- The development of Cooperating Sponsor exit strategies within the context of realistically achievable programs.

Specific recommendations are also made for improved project design and selection.

1. INTRODUCTION

This report details the evaluation undertaken by Weidemann Associates Inc. of selected livelihood interventions in support of the Productive Safety Net Programme (PSNP) financed from the USAID Famine Fund. This is the first evaluation of such interventions. It is based upon extensive field investigation, but covers only a proportion of the wide range of interventions undertaken by cooperating sponsors, many of which were only 75% complete at the time of assessment. The projects under evaluation are still operational and may in some cases be subject to further modification. As such, it is anticipated that some conclusions may be altered in the light of subsequent project developments

Under these circumstances, the conclusions of this report cannot be considered fully comprehensive, particularly where negative conclusions might be drawn; in which case, criticisms must be taken to refer to specific instances and circumstances. On the other hand, where positive conclusions and recommendations have been made, there are reasonable grounds to assume that these have more general predictive value. The evaluation has therefore been undertaken from a positive perspective, of assessing the overall value of the projects financed by the Famine Fund, of seeking out the most effective interventions in terms of both impact and sustainability, and of gathering insights into the transition from relief to development that these projects have been supporting so as to provide potential guidance for the design and implementation of further interventions in this critical area.

1.1. Composition of Study Team

The work was conducted by the Weidemann Associates Study Team consisting of Dr. George Gray (Development Specialist), Mr. Ali Dastgeer (Evaluation Expert) and Mr. Gebremeskel Desalegn (Agricultural Economist), working with two field interviewers (Mr. Tankir and Mr. Xiauo) who trained and supervised the activities of over 50 enumerators in the field. Data was subsequently processed by Agridev Consult. The report was compiled by the three principal consultants.

1.2. Outline of This Report

This report consists first of an introduction (this chapter) explaining the purpose of the evaluation exercise and giving a brief outline of the methodology used. It is followed by a chapter providing background information on the Support to the Productive Safety Net Program (SPSNP) initiative. The third chapter provides a detailed evaluation of the SPSNP initiatives from a general perspective, while the fourth assesses cross cutting issues including gender, relevance and sustainability. In the fifth chapter, key factors affecting success are discussed while the overall impact of projects is considered in chapter six. Chapter seven lists those interventions, which appeared to have the greatest potential impacts, while Chapter eight considers the role of the Cooperating Sponsors in this SPSNP development scenario. Finally Chapter nine presents the conclusions and recommendations of the evaluation.

This evaluation made extensive use of a field questionnaire that supports the narrative text and conclusions. To reduce the length of the report, few of the tables generated have been reproduced within the text. They are instead referred to either in text boxes or in the text itself. References to tables numbered G1 to G69 refer to the complete tabulated data set which is to be found in Annex G.

1.3. Methodology and constraints

This study used two specific methodologies to evaluate the different projects. The first methodology, undertaken by the principal consultants, consisted of structured interviews using detailed checklists to

obtain general information, both on the overall environment in which programs have been implemented and on the specific interventions themselves. In the first instance the consultants interviewed other donors and agencies working in the field of livelihood development, including CIDA, EC, WFP, the World Bank, and the Food Security Coordination Bureau (FSCB). Secondly, information was collected from each of the Cooperating Sponsors with regard to baseline data and their specific experiences concerning the implementation and outcomes of the SPSNP initiatives at the head office level. Thirdly, twelve projects were visited in the field¹. These had been selected by USAID, on the basis of geographical coverage and the activities undertaken, to be broadly representative of SPSNP interventions overall. In the course of field visits, the principal consultants used standardized checklists to interview project implementation staff, local administration (where available) and beneficiaries.

The second methodology was based upon simple questionnaire to obtain data from a cross section of beneficiaries regarding the relevance, impact and sustainability of the different livelihood initiatives. The questionnaire was presented by local teams of interviewers (educational level of Grade 10 or above) who were given preliminary training in the required selection and interview process. Forty respondents were selected from each *woreda* as shown in Table 1. Beneficiaries were selected to obtain a representative cross section in terms of gender, age and income level within each *woreda*. As far as possible, the questionnaire was structured to allow statistical significant results to be readily determined. A copy of the questionnaire is attached (Annex F). It is recognized that the limitation of 40 respondents per *woreda* restricts the significance of results obtained at a *woreda* level, however, when accumulated across 11 *woredas*, the results show significant trends from which useful conclusions can be drawn.

The limited time available required that the study team be divided into two groups, each group visited six projects in a given study area, (Table 1). The principal consultants in each team undertook structured interviews while the field interviewers held training sessions and supervised initial data collection. Where the enumeration exercise could not be completed in a single day, the field interviewers traveled separately within each study area to collect all completed questionnaires. In total the Evaluation Team visited 52 separate *kabeles*, a full list is appended in Annex G.

¹ Ten of the project undertook SPSNP interventions and two were for similar OFDA livelihood initiatives.

Table 1. Project Sites Visited

Woreda	Cooperating Sponsor	In Support of:	Interventions
Degua Temben	REST	PSNP	Cooperative development, marketing, provision of inputs, training, water harvesting, micro-irrigation
Aheferom	REST	PSNP	
Enderta	CRS	OFDA	Provision of Agricultural Assets thru' Vouchers and Technical Assistance
Lay Gayint	CARE/ORDA	PSNP	Voucher-based training within farmer groups, development of seed banks, off-farm income generation activities, savings and loan groups, formation of market linkage nodes.
Tach Gayint	FHI	PSNP	Assistance in apiculture, provision of shoats, bio-intensive gardening, new crops and varieties, micro-irrigation, forestry, and attitude change
Habru	STC (UK)/ORDA	PSNP	Micro enterprise development, small scale irrigation, soil and water conservation, training in business management, restocking (shoats and poultry) community and family nurseries, apiculture, grain and seed banks, kitchen gardens and forage development.
Dodota Sire	CRS	PSNP	Seed and livestock fairs, multiple uses of water, training in rural business development, production and marketing of white pea beana
Chiro	CARE	PSNP	Voucher-based training within farmer groups, development of seed banks, off-farm income generation activities, savings and loan groups, formation of market linkage nodes.
Sodo Zuria	World Version	PSNP	Provision of Shoats and cattle, silk worm production, provision of improved seeds, pumps for micro irrigation, fruit trees.
Kedida Gamella	CHF	PSNP	Savings and Credit Group, training artisans (weaving, pottery and business skills), Support to women's business center
Meskan	CHF	OFDA	Development of 5 asset building groups for poultry, shoats, vegetables and cereals
Meskan	CHF	PSNP	Water resource development, apiculture, poultry rearing, silk production and marketing, enset processing, construction of bridges and access roads.

One recognized constraint of this methodology was that it did not provide a sound comparison between SPSNP beneficiaries and those PSNP beneficiaries who were not receiving the additional support of SPSNP. This was due to logistical constraints in that while the Cooperating Sponsors could assist in the congregation of SPSNP beneficiary discussion groups and interviewees for the evaluation team, the team had no means of identifying or selecting appropriate non-SPSNP beneficiaries either within the timeframe or with the resources available. However, in the course of beneficiary discussion groups, questions were repeatedly put to assess how much development SPSNP beneficiaries might have achieved using the resources available under the PSNP alone. Beneficiary responses were unequivocal that under the PSNP alone, households could be expected to achieve little development of their own assets.

It should be noted that while the original SOW of the Evaluation Team did include 2005 interventions, field visits were restricted to only two OFDA project sites. As a result, it has been difficult for the Team to draw comprehensive conclusions as to the effectiveness of OFDA FY2005 livelihood interventions in general. Nevertheless, the team was able to assess the two OFDA sites visited in terms of developmental impact and has incorporated the lessons learned within the overall conclusions of this report.

The Scope of Work for this evaluation is included in Annex D and a summary of the key questions, cross referenced against the relevant sections in this report, in Annex E.

Throughout this report, the authors have avoided references to individual Cooperating Sponsors where possible. This is because, in the team's opinion, the Cooperating Sponsors are all performing with equal effort and professionalism, but under widely differing circumstances. Moreover, it was quite clear that most differences in performance could be ascribed mainly to individuals – not institutions. Under such circumstances it would be misleading to make specific references or comparisons.

2. SUMMARY OF THE SPSNP INITIATIVE

2.1. Underlying Assumptions and Objectives

The USAID SPSNP is financed from the Famine Fund, through Cooperative Agreements with a total award value of \$16 million over a two-year period (now subject to a one year extension), the primary objective of which is to decrease the number of persistently poor requiring food or cash assistance to meet basic needs. The SPSNP is a supporting and complementary element to the PSNP (Productive Safety Net Programme). This larger program is based on the hypothesis that predictably vulnerable individuals require predictable assistance so they may protect and/or rebuild assets². Through the provision of consistent, multi-year assistance to vulnerable households and in ways that strengthen their (and their communities') coping abilities, targeted beneficiaries have potential to re-attain and maintain food security in the long-term.

The PSNP is designed around two basic transfer mechanisms: Public Works and Direct Support for the labor poor, which are targeted at chronically impoverished beneficiaries over the course of a three to five year period, through two main components (resource transfers and community asset development). USAID considered that in addition to these two components, livelihood diversification and expansion are important elements of a program designed to achieve sustainable household food security. Increased income or food production opportunities, would allow PSNP beneficiaries to become self-reliant and thus graduate from the PSNP program.

The SPSNP was thus required first to assist PSNP beneficiaries to graduate from the program through its livelihoods diversification and expansion component and secondly to address the two main components of the PSNP (resource transfers and community asset building) through its capacity building component. The former component (livelihoods diversification and expansion) is the subject of this evaluation. It should be emphasized that capacity development at the local administration level has not been assessed.

Under the five-year goal (FY2004-2008), USAID addresses four strategic objectives (SO) and one program support objective (PSO) See Annex C. Activities conducted under the SPSNP were expected to be primarily be reflected within Intermediate Result (IR) 4 of SO 16: "Livelihood options for the food insecure protected, expanded and diversified". The assumptions underlying IR4 are detailed in Annex C. However, certain key elements deserve emphasis:

² This hypothesis is quoted verbatim from the SPSNP RFA.

- The purpose of this IR is to meet people’s basic needs in a predictable manner that will reach them before they lose crucial assets. It is also important to provide different options to allow people diverse livelihoods and to enable them to meet their food needs throughout the year.
- By protecting livelihood systems and increasing opportunities to diversify livelihood options, IR 4, contributes to overall economic growth by enabling the chronically poor to participate in the market and production-based activities.
- The economic resiliency of the chronically poor will be achieved when they are able to rely on diverse livelihood strategies during times of both abundance and hardship, surviving the next shock with no outside assistance and without depleting their productive assets
- Under this IR, by the end of 3-5 years, it is anticipated that sustainable increases in livelihood diversification opportunities will exist in all targeted *woredas*.
- In three years, success in protecting assets, while increasing the capacities and opportunities of the persistently poor to participate in rural growth, should result in the stabilization of the numbers of Ethiopians regularly requiring food assistance and within five years these numbers should begin to decline.

The primary objective of the SPSNP was to build upon the anticipated impacts of the PSNP (protection of household assets development of community assets), to develop a sustainable system that would protect, build, and diversify household assets, such that the resiliency to manage through shocks could be achieved. A robust economic growth strategy was envisaged together with a new approach to engaging with the chronically vulnerable that would not only provide safety nets, but would assist them with innovative asset protection and productive expansion opportunities.

A wide range of possible activities for livelihood diversification were envisaged including agro-forestry, adoption of new drought-resistant crops, efficient irrigation technologies, seed nurseries, bee-keeping, improved livestock marketing or training in the range of new value-added businesses that were expected to emerge as a result of other activities under SO16. In particular, it was expected that SPSNP projects would collaborate with and disseminate lessons learned from USAID/Ethiopia’s Seeds and Fertilizer Input Systems Program, Agribusiness and Markets, and Irrigation programs.

In addition to the above, SPSNP projects were expected to liaise with the Agribusiness and Trade Expansion project and with the “Market -led livelihoods for vulnerable populations (MLVP) development activity. Finally, since traditional gender roles in Ethiopian society limit the country’s ability to move forward; women’s participation in the SPSNP was considered to be paramount and were also assessed in this evaluation.

2.2. Coordination and Partner Collaboration

It was assumed that greater synergy and improved outcomes would result from coordinated activities in each targeted region. In addition to working closely with each other, Cooperating Sponsors were expected to program activities as part of the GFDRE’s Food Security Coordination Bureau (FSCB) Safety Net Program. Rather than operating as independent organizations, they were to operate as integral members of the GFDRE PSNP, programming in collaboration with government counterparts. It was also expected that a regional consortium operating modality would improve cooperation and coordination amongst partners, and would improve communication between *woreda*, regional and federal levels.

Cooperating Sponsors were expected to prioritize programs in the designated SPSNP *woredas* based on the following criteria: 1) existence of other USAID programs; 2) level of need (percent chronically food insecure, access to health services); 3) potential for impact; 4) prior Applicant programming/investment in

the area; and 5) evidence of *woreda* willingness/desire to integrate SPSNP programming into the PSNP framework.

Cooperating Sponsors were encouraged to develop informal partnerships with other USAID/Ethiopia partners or international organizations implementing programs in the selected target areas.

2.3. Targeting

SPSNP programs were expected to *intensively target* livelihood diversification and expansion in *woredas* where they would be working closely with *woredas* officials so as to innovate effective PSNP elements with high rates of success. At the same time, programs were expected to incorporate **extensive targeting** by focusing on improving systems that reach beyond initial impact *woredas* and by working closely with regional governments, so as to extend program impacts using local, zonal and regional administrative capacity.

Projects were to respond to both short- and longer-term objectives. These included the use of cash and food resources for immediate impact, such as protecting lives and smoothing consumption, while addressing longer-term objectives by enhancing community and household resilience to shocks, helping people build a more durable and diverse livelihood base (restoring and enhancing assets, resources, services and infrastructure), and enhancing the capabilities of individuals through a focus on health, nutrition and education. All projects were to contain elements the crosscutting themes of communities as a focal point and women's economic and political empowerment and to focus on water resource security. Overall, the SPSNP was expected to make a demonstrable contribution toward *reducing famine vulnerability in Ethiopia*.

2.4. Interventions proposed by Cooperating Sponsors

An assessment of the original proposals submitted by Co-operating Sponsors showed some uniformity of approach. In general, the proposals described programs and interventions that built upon Cooperating Sponsors past experience. With the exception of activities proposed by one new CS, there were no significant departures from activities that had been undertaken in previous Development Assistance Programs (DAP's). This may have been in part due to the relatively brief time available for proposal preparation in September and October 2004. It may also have been due to the fact that at that time, no knowledge was available as to how the PSNP would actually be implemented and what its impact might be on the ground. It is not surprising therefore Cooperating Sponsors were relatively conservative in terms of the type of interventions that they proposed to undertake. Interventions that had been successfully undertaken in previous projects were repeated in these proposals, or in some cases, ongoing interventions were built upon within the new SPSNP framework.

Although there were some exceptions (notably the greater emphasis on off-farm income generating activities in SNNPR and the more unified "watershed management" approach used in Tigray. Most of the proposed interventions were based around either social mobilization (e.g. savings and credit groups) and/or agricultural activities (e.g. backyard gardening, shoat rearing or beekeeping). Training was provided in a wide range of different skills either as an integral part of a specific intervention (e.g. training in goat management), or as a central element of income diversification (e.g. in blacksmithing skills). In some cases, there was considerable infrastructural input (e.g. substantial water diversion structures), while in others, smaller amounts of physical inputs were provided. The proposals indicated a general awareness of the need for assistance in market development, although the degree of emphasis also varied considerably, and significantly, the need for attitudinal development was universally highlighted, to the point of being described as a separate Intermediate Result in some Results Frameworks.

This is not to say that the proposed interventions were not appropriate to complement the PSNP. In many cases, projects were closely linked to PSNP activities and built upon them (e.g. backyard gardening activities based upon water collection ponds constructed under PSNP). Equally a number of new technologies were introduced as part of the SPSNP activities; some appeared relevant to the overall development process, others less so. There was a clear sense that in this regard, most projects were “feeling their way” as they progressed and that learning by doing had replaced the less risky approach of undertaking an analysis of costs and benefits prior to the introduction of a new technology. Given the short time frame available for project development and implementation, this is not surprising.

2.5. General overview of progress to date

The process of project implementation appeared to have proceeded smoothly with one general exception. Although initial disbursements in January 2005 had been timely, the close coordination with local administrations required for SPSNP projects resulted in negotiations with regional authorities that delayed almost all projects by 4/5 months, so that in most cases (with the exception of Tigray) project implementation did not begin until April/May 2005. This appeared to be due to the new conditions existing under the PSNP, including uncertainty as to the targeting of beneficiaries. However in some areas, the fact that Cooperating Sponsors had been working on similar initiatives in the same areas prior to the SPSNP programs meant that some limited activities were possible from February /March.

Cooperating Sponsors indicated that most programs have progressed as expected since that time, although at evaluation, implementation was inevitably no more than 75% complete and it was clear that some key results would not occur until November 2006 at the earliest (e.g., first harvests of honey for some beneficiaries) and many impacts would not be apparent until 2007.

Some interventions had progressed more slowly than expected. In some specific cases this had been due to logistical and administrative problems (e.g., difficulties in obtaining suitable livestock, shortage of drip irrigation equipment, limited availability of seed for new varieties). Generally however, there had been delays in two areas. First, in the implementation of market development programs and in the provision of market support. This was not the case in those projects for which marketing was a central theme (e.g. the marketing of haricot beans to international brokers, or the marketing of milk or honey), but project staff indicated that less emphasis than originally anticipated had been placed on marketing in those projects for which market development was a supporting element rather than a central issue (e.g., backyard garden development); on balance this may in fact have been an appropriate management response (see section 8.1 below).

Secondly, project staff generally indicated that the development of a positive attitude amongst beneficiaries was a key element of every project, but that it required a longer time frame than was possible within a two-year project. This aspect of development was something that was not always clearly defined, but was variously described by project staff as “a positive outlook”, “the necessary software”, “being business orientated”, a “can-do” attitude”, “ a self-help outlook” and “thinking outside the box”. Although this last description is a hackneyed management phrase, it does perhaps best describe the need to move away from the fatalistic outlook, constrained both by physical and social limitations that restricts the choices available to many beneficiaries.

Project staff in a number of cases highlighted the fact that “we have given them (the beneficiaries) the hardware (shoats, drip equipment, beehives etc) now we need to make sure they have the software”. The importance of this intangible element is widely recognized, but ways and means of imparting it are not well understood and there is a general sense that in the first 21 months of these projects, “software development” has not kept up with the provision of the hardware.

Generally however, progress in project implementation can be considered good. Key indicators detailed in PMP documents have generally been met, although it must be accepted that for the most part, such indicators reflect project performance rather than project impacts.

3. DETAILED EVALUATION OF PROGRAM IMPLEMENTATION

3.1. Physical Coverage of *Woredas* and *Kabeles*

The SPSNP projects under review have been implemented in 522 *kabeles* in 26 *woredas*. The numbers of *kabeles* and targeted beneficiaries together with associated ratios are given in Annex G . The coverage in terms of *woredas* represents a relatively small percentage (less than 10% of the total PSNP *woredas* in Ethiopia); within the PSNP *woredas*, coverage in terms of *kabeles* was much higher, averaging 61% and ranging from 20% of the *kabeles* in a *woreda* to 100%. Clearly at the higher levels, resources were more diluted and some implementation costs (such as travel) would be greater due to the wider geographical coverage. Within each *kabele* covered, the percentage of PSNP households targeted for SPSNP interventions averaged 37% and ranged from 3% to 100%. The percentage of PSNP households targeted for interventions within each *woreda* was very similar, at 30%, indicating that the *kabeles* in which the Cooperating Sponsors were active represented the majority of PSNP beneficiaries in their *woredas*.

The differences in coverage were quite marked and closely associated with the nature of the interventions undertaken. Thus where off-farm income generating activities had formed a significant part of the programs, coverage was consistently limited. Between 3% and 18% of all PSNP beneficiaries in the relevant *kabeles* received SPSNP assistance under these circumstances, as compared with between 55% and 76% of PSNP beneficiaries in Amhara *woredas* where more traditional interventions (such as the provision of shoats and backyard gardening) were practiced. These differences were also reflected in the amount of funding utilized per beneficiary. In the more focused situation of support to off-farm income generating activities, investment in training and other household development interventions ranged between US\$146 and US\$472 per household, while where coverage was more extensive, resources available to each household were understandably less, in this case between US\$21 and US\$60 per household.

In those projects where clear focus had been achieved within the context of integrated watershed development programs, the investment per beneficiary household was highest of all, ranging between US\$477 and US\$948 per household.

The overall number of beneficiaries targeted during the first 18 months of the programs totaled 83,000 households or 415,000 beneficiaries (using the accepted approximation of five beneficiaries per household). This represents approximately 9% of the initial PSNP population and 6% of the revised figure and is slightly less than half of the coverage originally anticipated in the RFA. The total amount of funding spent on the development of household assets (as opposed to PSNP capacity development) amounted to US\$8.36 million. This is equivalent to an investment of US\$101 per household or US\$20 per beneficiary.

3.2. Planning and targeting

The degree of project planning seemed to vary considerably according to individual circumstances. In those cases where the CS had very close links with local government, SPSNP activities appeared to be part of an integrated program (such as a watershed management plan) that had been developed in cooperation with the different arms of local government. Under such circumstances it also appeared that the CS had been able to support the local administration by providing technical skills (e.g. water

engineers). This is significant given the clearly identified shortage of skills and coordination at the *kabele* and *woreda* level and undoubtedly contributed to the development of a coordinated intervention package that was synergistic with the PSNP activities.

In other cases, projects appeared to have “followed on” from previous activities undertaken by the same CS in the same area. This may have occurred in close collaboration with the local administration, but this was not always the case. The outcome of such a process was projects which appeared to be most appropriate to the circumstances, but which could not necessarily be viewed as an integrated response, or to build upon PSNP activities. Whether this apparent absence of “planning from first principles” could be ascribed to lack of preparation time, novelty of the PSNP environment or restricted thinking on the part of Cooperating Sponsors could not be determined, but it is evident that a new program, building upon the lessons of the last two years, should avoid the temptation to repeat traditional interventions unless they can be seen to contribute to an integrated approach to development within the context of the PSNP.

At a grass roots level, beneficiaries highlighted shortcomings in the planning process. On more than one occasion, it was learned that beneficiary communities had not participated in project planning and design and that the sense of community ownership had been reduced as a result. Some initiatives were being undertaken without enthusiasm (women caring for silk worms complained that the work was tedious and not remunerative “but we do it anyway because we have been asked to and it would not be right to refuse”). This shortcoming was as evident in those programs undertaken in close cooperation with the local administration as in those undertaken by the Cooperating Sponsors alone. In some cases, the evaluation team observed initiatives which had not been requested by beneficiaries, which included untested technologies and for which beneficiaries were expected to pay all or part of the costs over time (e.g. the provision of cream separators to dairy groups). At the same time, it was apparent that not all beneficiaries were aware of the responsibilities that they had taken on by becoming members of some business groupings, including the assets that they jointly owned and for which they were liable. It appeared that while overall project concepts might have been subject to community approval, detailed project mechanisms had not always been discussed with beneficiaries, giving rise to a paternalistic development process in which the CS was working out all details and beneficiaries were simply complying with the requirements placed before them.

The targeting process was similarly criticized by some beneficiaries, who complained that targeting by the community in conjunction with the CS and community administration, was not the most appropriate selection method. A commonly voiced criticism was that selected individuals who either spoke the loudest or had influence with the administration were too frequently selected as beneficiaries (indeed, “repeat beneficiaries”, who had taken part in more than one program over a number of years were observed by the evaluation team on more than one occasion) and it was recommended that the community elders should have a greater role in selecting beneficiaries, since they knew who had the greatest need. At the same time, beneficiaries occasionally complained that they had been selected to receive specific interventions without regard for their aptitude or needs. “They gave us chickens when we wanted sheep”, suggesting a somewhat arbitrary selection process that lacked detail.

Cooperating Sponsors indicated that they targeted “the poorest of the poor” and the local administration appeared to support this philosophy. In practice however, either as a result of undue influence exerted as above, or because of practical limitations the evaluation team saw little evidence that such philosophy was strictly applied. Beneficiaries appeared to be selected on the basis of access, capacity to develop the assets provided, or influence, in addition to the more formal criteria of poverty and need.

There are in fact sound arguments for moving away from an equitable selection process identifying the “poorest of the poor” to one that takes an individual’s capacity to successfully respond to a program of interventions into account. There is a clear distinction between the charitable distribution of relief, which

normally attempts to cover all those in need and support to the process of development, where resources are rarely adequate to cover the entire target group. Given the restricted availability of resources and the vast potential target group of PSNP beneficiaries, there is a real possibility that using a “relief type” of targeting, resources might be so diluted as to create no discernible impact. If this is to be avoided, targeting should instead focus on those beneficiaries who have the capacity to best utilize available resources and who can create both economic and visual impact within the community, on the basis that it is better to support a limited number of successful examples that can be followed by other beneficiaries using additional resources as and when they become available. The alternative, of providing limited support to a wide number of beneficiaries, might be equitable, but creates neither useful development nor effective precedents for others to follow.

It is suggested that the targeting process adopted by Cooperating Sponsors should not follow the traditional principles of relief targeting. Neither should it be unduly influenced by community meetings, but should instead seek to generate successful economic development on the basis of attitude, aptitude, and capacity, while avoiding the “professional beneficiary” syndrome that can lead to a select group of individuals becoming regular targets for successive programs. This is a more difficult targeting process than that required for relief exercises and it is to be expected that at the very early stages of economic development that SPSNP programs support, such targeting will be less than perfect. Under other circumstances, targeting would be based upon a front-ended matching contribution that would oblige the beneficiary to assume some element of ownership and risk. Within the PSNP target group, where beneficiary assets are extremely limited, it is difficult to impose such a requirement. This highlights the need for the careful and detailed selection of beneficiaries on a participatory basis where possible. Such a selection process should involve selected members of the community and the local administration, but should not be allowed to become an “equitable distribution of assets”. If the information held within the community can be accessed in an biased way, then it is reasonable to expect that improved targeting of beneficiaries who can make the best use of resources would lead to more successful interventions more effective demonstrations and hence more incentives for replication.

Targeting those who can make the best use of interventions may sound harsh, however, under circumstances where finances are limited, the achievement of successful projects that can serve to incentivize others is more important than diluting the impact of interventions to the point where no sustainable benefits are achieved. Other potentially more vulnerable members of the community may be sustained by PSNP support until adequate resources were available for more widespread development initiatives. This is one of the significant differences (and benefits) of the PSNP program – it permits greater focus on specific beneficiaries without the risk of malnutrition that would be incurred if the same approach was adopted without safety net support.

The original RFA recognized that resources for SPSNP development would be limited and made recommendations for *intensive* targeting that could be *extensively* utilized. The validity of this approach has been borne out by the experience of the last two years. Where intensive targeting has been possible, interventions have been more successful and incentives for replication greater. It is reasonable that some Cooperating Sponsors might prefer to engage households in multiple activities while simultaneously reaching a large number of beneficiaries. However, given current resource limitations such a strategy will be limited in its effectiveness. Under such circumstances, Cooperating Sponsors who wish to achieve impact must either lobby for more resources, or focus activities on potential success areas/beneficiaries, recognizing that the PSNP will look after those who cannot be addressed immediately.

3.3. Coverage/degree of focus

The coverage anticipated by the original Famine Fund RFA was approximately one million beneficiaries or 20% of the PSNP. This has proved overoptimistic and the actual number of beneficiaries has been

closer to 415,000⁴¹⁵⁴. Despite this apparent concentration of resources, the Cooperating Sponsors nevertheless generally indicated that the areas covered have exceeded their original expectations and that their resources have been overstretched as a result. Although the original RFA looked for the “intensive targeting” of resources, this was rarely achieved. It was reported that during initial negotiations with local authorities, Cooperating Sponsors were commonly requested to extend the scope of their coverage to cover a greater number of *kabeles* than originally intended. In some cases this resulted in the coverage of the entire *woreda* and meant that field staff spent considerable time traveling from one project site to another (in extreme cases in excess of five hours). At the same time, the number of specific interventions per beneficiary was reduced to one or two at most, reducing impact at the household level and extending the potential time taken to achieve food security.

In only one instance did the CS report the unhindered freedom to concentrate resources in a limited area. In this case, the close relationship between that CS and the local administration allowed the CS a greater degree of autonomy. This cooperation and concentration, together with the close integration with other programs (including PSNP) meant that resources were more effectively utilized, and impacts at the household level were greater, more immediate and more successful.

This single factor (extent of coverage) appeared to contribute most significantly to the level of success of different projects. As discussed below (see section 5.1: “Integration of Interventions”), a critical impetus, derived from more than one and preferably at least three interventions was generally considered necessary to move a household towards food security. Extended project coverage reduced the number of interventions at the household level to the point where in some cases at least 80% of beneficiaries were only receiving one intervention and consequently were not making discernible progress towards food security. Conversely, in some areas here concentration of resources had been possible, approximately 50% of targeted households had benefited from at least three interventions and anticipated achieving food security within four years.

3.4. Individual interventions

Cooperating Sponsors provided as many as 22 different interventions within a given target area. For ease of reference and comparison, these have been categorized under the following general headings:

- Provision of inputs
- Investment in large-scale infrastructure
- Vocational Training
- Formation of and support to Savings and Credit Groups
- Household Water harvesting
- Backyard gardening
- Market facilitation

Each of these categories contains a number of different interventions, which in turn might be implemented in different ways by different Cooperating Sponsors. At the same time, the environment within which different interventions might be implemented was also subject to considerable variation. Thus the degree of destitution was greater in some areas than in others, while availability of markets might be greater in some areas (particularly in SNNPS) than in others. This variation made it difficult to compare different interventions objectively. Nevertheless, it was possible to observe interventions that were clearly successful and others that were less so. It was also possible to determine areas of potential improvement that could make some interventions more effective. These aspects are considered in greater detail below. However, since it is important to understand exactly what sort of mechanisms are being considered, a brief description of each of the more common interventions is given in Annex A.

3.5. Cost: Benefit Analysis

The finance resources available within the SPSNP envelope were originally set at a maximum of ETB140/beneficiary. (US\$16.4 million total funding, with an expected target group of one million beneficiaries). In practice, investment appears to have been of the order of ETB174 (US\$20) per beneficiary due to reduced coverage. Given an average household of five beneficiaries, this amount would provide approximately ETB870 per household. In practice, this amount appeared to be less than adequate. The average cost of a single intervention, including all necessary supports such as training rarely amounted to less than ETB900 (e.g. the provision of six shoats valued at ETB 150 each), and in some cases exceeded ETB1,200 (e.g. the installation of a hand-dug well). The evaluation team noted an average cost per intervention of at least ETB 1,000.

Chronically impoverished beneficiaries repeatedly emphasized the need for more than one intervention per household if they were to begin to move towards sustainable food security. At least three separate intervention packages were considered necessary in most cases (e.g. shoat rearing, beekeeping and backyard gardening) in order to provide the cash income and diversity of production necessary for a household to support itself on an ongoing basis. In the example given above, the three enterprises might annually yield seven shoats (worth ETB 1,050 if sold young), 40kg of honey (valued at ETB1,600) and three crops of vegetables (valued at ETB 900), giving a total annual income of between ETB 3,000 and ETB 4,000 (US\$350-460). The cost of the interventions needed to achieve such a level of income is estimated at approximately the same level (i.e. ETB3,000- 4,000, or US\$345-460 per household), or US\$70-90 per beneficiary (given an average household size of five people). This is approximately four times the level of funding initially provided for SPSNP activities.

On the basis of these field estimates, it would appear that assisting a chronically impoverished household to achieve a position of sustainable food security would require an investment of \$400. This implies a total investment of \$400 million to support the graduation of five million PSNP beneficiaries (assuming that two million PSNP beneficiaries will not be able to participate in the graduation process).

It might be argued that over time, and with experience, interventions might be better designed and targeted and thereby more cost-effective, reducing this overall cost. It must be recognized however that the figures quoted do not take all supporting costs into account. Moreover, the initial beneficiary households are in many cases lower cost targets (easily accessible, greater aptitude) and once such “low hanging fruit” have all been targeted, costs of interventions to other more remote and less developed households may actually increase. There are grounds therefore to conclude that the achievement sustainable development of most PSNP beneficiaries will cost at least \$400 million.

The above cost: benefit analysis is clearly only a rough approximation. Nevertheless it serves to indicate the extent of investment required at this level of development. An analysis of the average costs involved in raising a household from destitution to sustainable food security is a guide that can assist in determining the feasibility of both funding levels and goals in terms of beneficiary numbers and might usefully be repeated and refined in future project proposals.

4. CROSS CUTTING ELEMENTS

4.1. Social Mobilization and Group Formation

A number of Cooperating Sponsors under SPSNP have started the process of group formation. Groups may be general credit and savings groups or cater to a specific activity such as groundnut, honey or fruit production groups. A number of positive impacts can be observed from these groups including:

- Beneficiaries have been able to undertake activities that would have otherwise been impossible for them to do on an individual basis due to prohibitive costs associated with the activity. Economies of scale and distribution of responsibilities have made production and marketing easier, reducing costs and increasing profits.
- They provide fora for villagers to come together and discuss production methods and improved techniques. Villagers and the Cooperating Sponsors report that farmers who undertake study tours to other *woredas* or other regions can, on return, relate observations made during the tours and share ideas. At the same time, they enable the Cooperating Sponsors and government extension to interact with a larger number of people thereby reducing costs and increasing efficiency.
- In the case of credit and savings groups, they enable collective savings to be undertaken which can then be used to revolve credit. Particularly poorer farmers are able to thus access cheap, flexible credit for a variety of social or economic needs. Interest earned remains within the group assisting in further building up group capital.
- They assist in empowering villagers who can over time realize their potential and, as a group, undertake bigger projects in the future even without the assistance of the Cooperating Sponsor

However, the extent of the effectiveness of social mobilization varies from Cooperating Sponsor to Cooperating Sponsor. In some areas, groups are actively saving and revolving funds, in others the amounts saved is meagre and no utilization of it has been planned. This appears to be a reflection of the degree of assistance provided to the savings group by field staff.

Social mobilization does take time as communities have to develop an attitude to work together on a common economic activity: responsibilities are determined and duties assigned; bye-laws are made and applied

and internal disputes have to be settled. At the same time, savings and regular meetings begin; internal lending and development of collective enterprises ensues. All this is to say that nurturing of groups takes time and it has been observed that the two-year period of SPSNP is too limited to enable groups to mature to their potential. In social mobilization efforts around the world, it has been generally observed that it can take five years or more before groups can begin functioning independently.

Successful Social Mobilization for Credit

The credit and savings groups in Lay Gayint stood out as being remarkably effective. In that system, 'Savings Advisors' (more progressive than average farmers), assist in the introduction of new technologies to the groups. Around twenty of the 104 Savings Advisors are women. So far, in that *woreda*, 592 groups have been formed with 10,222 members and the estimated total savings are ETB298,500.

The groups save a small number of ETB each month and provided easily accessible credit to members from group savings. Around twenty of the 104 Savings Advisors are women. According to the Cooperating Sponsor, the credit and savings groups are effective entry points enabling it to reach the most vulnerable households better.

On the other hand, groups nurtured by other Cooperating Sponsors were poorer. Inappropriate advice meant that they were lagging in revolving their funds or in saving as efficiently. No training in internal lending was provided in the courses that group leaders attended. It is recommended that USAID in future make social mobilization a key prerequisite for the Cooperating Sponsors it funds. It should also encourage the building of the capacities of staff in the field in social mobilization both through classroom training and exposure visits.

Questionnaire Data

Of the 440 beneficiaries interviewed using under the quantitative survey, 146 stated that they had received assistance in forming savings groups and 167 stated that they had received assistance in cooperative formation. (Some of them may have received assistance in both).

424 respondents replied to the question whether they had, as part of the activity/ies, joined a group or association promoted by the NGO. Two thirds or 75% stated they had. Of these 71% stated that their group was regularly saving. A quarter or 25% of these stated that on average members saved less than 1.25 ETB, 33% between 1.26 and 2 ETB and 42% over 2 ETB. Of the 424 respondents,

Of the 274 respondents who answered whether the group was undertaking any credit activities, 24% stated that it was. Only 30 members reported that they had taken credit from the group. 23% stated they had taken less than 47.5 ETB, 43% stated that they had taken between 47.5 and 100 ETB and 33% stated they had taken over 100 ETB

In some cases, social mobilization is either not envisaged within the project or is lagging behind other interventions. Some Cooperating Sponsors who had envisaged the establishment of Farmer Field Schools or Savings Groups early in their work-plans have still to begin the formation of such bodies. Ideally, it should have been one of the initial interventions because it takes time to develop strong groups. This lack of attention to it points to a lack of capacity amongst Cooperating Sponsor staff and/or inappropriate planning and placement of different interventions.

4.2. Performance of Revolving Funds

It was observed, particularly in Tigray, that some Cooperating Sponsors have used assets purchased under the SPSNP program to established revolving funds. Equipment or livestock, for example, is purchased and given to a household, which is supposed to repay over a number of years. The funds built up from repayments are then, ideally, to be used to service other households in similar or different activities. This is a good mechanism to enable poor households to build assets or undertake an income-generating venture. Because they have to repay, there is a much better chance that they will have a greater sense of ownership and be more responsible. Simultaneously, it enables the Cooperating Sponsor to service a greater number of households with limited funds than would have been the case if grants had been given.

The attitude adopted to this revolving mechanism by some beneficiary groups and Cooperating Sponsors has been over-flexible. Significant-sized loans have been given for relatively large periods (3-5 years) to beneficiaries without emphasis on timely repayment. This attitude fails to instill financial discipline in loanees and repayment records were observed to be poor (<70%).

There are a number of reasons for such an attitude. First, the Cooperating Sponsor is under no obligation from USAID to return any credit that is repaid to it. USAID gives grants, not loans under SPSNP. The Cooperating Sponsor revolves or plans to revolve the funds, but with no pressure on it to make itself part-sustainable, it has no incentive to insist on timely repayment of principal and interest from its beneficiaries. Secondly, at least in the field sites visited, that while the lender is the Cooperating Sponsor, the beneficiary has to return the loan to the *woreda*/kebele administration or to his/her savings group or a committee consisting of the Cooperating Sponsor, *woreda* official and head of the department of agriculture and rural development. Observations indicated no strong sense of ownership of this money, and consequently the responsible body has little incentive to chase up defaults. Thirdly the capacity of Cooperating Sponsor field staff in micro-finance management is often limited and low exposure to successful micro-finance models has meant that an overly tolerant or paternalistic attitude has been accepted possible as a means of encouraging uptake.

In other parts of the world, it has been witnessed that such a lax attitude will ultimately lead to not only high defaults, but also to a breaking of the partnership and trust between the Cooperating Sponsor and the village households. It will also harm the credit-worthiness of beneficiaries making it difficult for them to access funds from other sources.

The performance of revolving funds might be enhanced through a more intensive monitoring process that would first look for specific principles in the project design in terms of the revolving fund repayment process. These would include how interest rates and repayment conditions are determined, procedures in the event of default, the anticipated level of repayment (hopefully between 90 and 95%) and repayment period. In addition, the project design should clearly indicate the ownership of funds. If funds are provided to a group, the basis on which individuals participate in the group ownership process and what happens to funds revolved in the event that the group is dissolved. Finally, project design should indicate the purpose to which revolved funds should be put, including whether the first beneficiaries can be eligible to draw new loans (on the basis of sound performance) or the funds are to be specifically revolved to new beneficiaries. If such information is supplied in the project design or inception report, then a quarterly report for each loan project should include details on disbursement rates, recovery rates, reinvestment levels, percentage of non-performing loans, and absolute default rates, including reasons for any variation from original expectations. It is accepted that the Cooperating Sponsors might receive funds as a grant, but if it is offered to beneficiaries as revolving fund then both the beneficiaries and the Cooperating Sponsors must treat it as such – as a key part of the development process.

Linkages with micro-finance institutions such as WISDOM or with government banks, which lend to rural businesses or farmers were not witnessed in any *woreda* visited. Currently, businesses and income generating activities are at early stages and gaps in finance are filled from group savings or from the Cooperating Sponsor but as businesses start becoming bigger, institutional links will be required to formal institutions and all CSs have so far been weak in promoting such links.

4.3. Ownership and management of group assets

The performance of revolving funds accumulating repayment for assets received by individuals or groups contrasts markedly with the performance of revolving funds in savings and credit groups. In the first instance, the financial commitments were not always well understood by beneficiaries and ownership of the revolving finance tended to be unclear. In the second case, each member of the savings and credit group was well aware of the repayment terms (since they had decided this themselves), knew who had received loans and could exert peer pressure to ensure repayment. There was a clear sense of beneficiary ownership and self-determination in the latter case, which tended to be lacking in the former.

This sense of ownership, or lack of it, extended to group assets (such as milk marketing outlets or honey extractors) that had been provided to producer groups and for which individual members were committed to make repayments. While the CS was aware of the responsibilities of group members, it was not always apparent that individual beneficiaries knew what was expected of them. It appeared that management and oversight by the CS was crowding out the development of business acumen and a sense of responsibility amongst beneficiaries.

It is recommended that both the Cooperating Sponsor and USAID undertake more rigorous monitoring of revolving funds initially offering small loans with short repayment periods and using peer pressure to ensure timely repayments. USAID is also recommended to encourage the capacity-building of Cooperating Sponsor and *woreda* officials in micro-finance models through classroom training and exposure visits. The volume of ODA to Ethiopia may shrink over the coming years, and sustainable microfinance systems are one mechanism through which the Cooperating Sponsors and Ethiopia as a whole can reduce their dependency on external assistance.

4.4. Market development

Cooperating Sponsors indicated in their work plans that market linkage development was crucial to the activities they were undertaking. This, according to them, is also one of the hardest activities. A few Cooperating Sponsors are actively developing such linkages and are expecting to deepen market linkages further in their areas of operation. For example, market linkage activities have been undertaken for pottery, honey and silk producing Asset Building Groups or ABGs, where the Cooperating Sponsor has played a facilitating role in displaying products at events in Addis Ababa, as well as in regional markets, fairs and hotels. Assistance has also been provided in one *woreda*, to a ginger marketing ABG comprising 60 women and to the development of a market linkage between a silk buyer in Addis Ababa and its silk producing ABGs. During the second quarter of 2006, over 15 kg of silk was sold by two groups in Meskan alone. The next step in the market development process would be the federation of ABGs into KMAs or Kebele Marketing Associations.

The above response is well suited to a beneficiary community situated in a relatively accessible area with a developed marketing structure. A contrasting methodology has been developed in the northern part of the country where, in order to tackle poor market systems and market information systems, the Cooperating Sponsor has:

- formed honey and milk cooperatives which are trained and then assisted to become self-managed,
- built storage and distribution centres for these groups and provided them skills and equipment, and
- organized trainings for *woreda* officials and extension staff in marketing.

With these exceptions however, most Cooperating Sponsors have not placed significant emphasis on market development. This is due not only to an apparent lack of skills and capacity on their part but also to the fact that produce from SPSNP-sponsored activities such as honey or vegetables can either be consumed locally or that no marketable output has so far been produced. ORDA, for example, states that it has struggled with marketing and currently limits its role to only facilitating the provision of information in marketing through what it calls 'market nodes'.

Questionnaire Data

Of the 440 beneficiaries interviewed using under the quantitative survey, only just over 10% reported receiving assistance in marketing.

Almost all Cooperating Sponsors have lagged in the promotion of off-farm activities (with the exception of production-related activities such as sericulture or apiculture). Where such activities were proposed, they were of the traditional variety: training of men and women in pottery, masonry, carpentry and weaving for example or as blacksmiths. Even in these vocations, beneficiaries have found it difficult to find gainful employment. The output of weavers e.g. has to compete with better quality imported products, which are modestly priced. It is difficult, however, to see what other or new activities could be undertaken in the economic setting of rural Ethiopia where purchasing power is low and demand for marketable goods and services limited.

4.5. Appropriate technology usage

It was observed that in almost all aspects of all projects, appropriate technologies had been used that could be easily replaced or repaired by beneficiaries. In some instances, where inputs had initially been sourced externally, local manufacture by had been encouraged allowing integration with other projects (e.g. In Tigray, a group of carpenters had been organized to produce frames for modern beehives).

Circumstances were observed where the sourcing of replacement parts required the intervention of the CS, thus drip irrigation technology can now be sourced within Ethiopia, but this is beyond the current capacity of most individual beneficiaries who do not have access to the distant markets where the

necessary materials are available. Equally it was indicated by CS field staff, that some of the more complex spare parts in technology provided to beneficiaries would be fabricated in their own workshops (as opposed to private sector manufacture) raising the question not of appropriate technology but of management towards sustainability. This was a consistent element of the more complex integrated projects- not that the technology used was inappropriate, but that its management did not always anticipate or develop interaction between beneficiaries and the private sector at all levels.

4.6. Gender

Forty four per cent of questionnaire respondents were women, and all responses could be disaggregated by gender, allowing a useful assessment of gender related issues. The original RFA placed some emphasis on gender sensitive interventions. In practice it was evident that Cooperating Sponsor projects were generally well compliant with gender issues and that most interventions were equally distributed between genders. Some exceptions were noted: Poultry farming in particular was more common amongst women, while more men undertook small-scale irrigation, (Table G37). A larger proportion of men were provided with beehives, seed and seedlings, while more women were provided with poultry sheep and goats. (Table G40) However, it is notable that these were the only areas where differences appeared significant. One significant and important difference observed was the smaller proportion of women undertaking study tours (Table G42). Although it is recognized that social conventions may work against this, it is nevertheless recommended that particular attention be paid to the inclusion of women in study tours in future projects.

Interestingly in both cases (cash and food) a larger proportion of women reported large increases. Equally significantly however, more women reported using the additional cash to purchase assets and fewer women reported any increase in the diversity of diet as a result of the successful interventions (Tables G50 and G51).

The participation of women in savings groups was equivalent to that of men, although women tended to both save and borrow smaller amounts (Tables G62 and G64). In terms of credit it was notable that where respondents had borrowed money to finance activities, no differences were seen between male and female access to credit. Again, while as many women as men expected to expand their small businesses, women anticipated access to credit to the same degree as men. These results suggest that within the context of the SPSNP projects, gender is not a factor with regard to access to credit. This is an unexpected response and merits further investigation.

The anticipations of women with regard to the achievement of sustainable food security were equivalent to those of men (Table G52) In both cases the modal expectation was that food security would not be achieved within at least three years, less than half of both men and women expected to graduate within a five-year time frame (from the onset of PSNP) and less than 10 % expected to achieve food security within the time frame of the original SPSNP program.

Generally the tabulated results show little differences between the disaggregated data sets. This is not unexpected. Cooperating Sponsors have had long exposure to gender issues in Ethiopia and have developed appropriate responses. In addition, the proportion of female-headed households in the targeted communities is relatively high (in some cases over 50%) so that targeting of female beneficiaries was high.

5. KEY FACTORS AFFECTING PROJECT SUCCESS

5.1. Integration of different interventions

Because projects were so wide in their compass, many beneficiaries took part in only one intervention (as described in section 3.4). In some cases, this proportion was as high as 80%, in others almost all beneficiaries took part in at least two and sometimes three different interventions. This had a clear effect upon food security. Isolated interventions had little discernible impact upon food security and assets acquired in the course of those interventions were more vulnerable as a result. Most beneficiaries indicated that at least three interventions are required to achieve sustainable food security. These interventions need not necessarily be fully integrated and indeed an element of diversification would help mitigate future risk. However, it was clearly reported and observed that greater impact was achieved if interventions were provided within the scope of an integrated community-based program.

The concept of the integrated rural development program has been well tested and found to be effective in some areas (such as immediate local impact), but lacking in others, particularly in terms of sustainability. Experience has shown that development within a selected community should be community driven if it is to continue once support has been withdrawn and requires a supportive environment in terms of government capacity if it is to be emulated elsewhere. Interviews with both *woreda* and *kabele* officials and with Cooperating Sponsor field staff suggest that while government policy may be supportive of SPSNP interventions, actual capacity to initiate parallel interventions in other *woredas* may be very limited.

Nevertheless, although the concept of integrated rural development solution may be less than adequate to meet the current development challenge (especially given the limited resources available), it is considered more effective to focus SPSNP interventions within specific areas and communities than to attempt to cover a greater number of beneficiaries over an entire *woreda*. This integration can be considered from two aspects. On the one hand, integration can take place within the context of an overall development plan. The typical example being the watershed development model developed by WFP and widely utilized in Tigray. Such a plan allows considerable synergy between different elements. Thus, beekeeping benefits from closed grazing areas, which also increase groundwater percolation and raise the water level in hand-dug wells, while enclosed areas also provided fodder for dairy cattle and shoats on a cut and carry basis during the dryer months³. On a different level, field staff emphasized that the integration of programs within a common “software” environment (i.e. imparting a consistent philosophy of self-help and business development) is essential to the success and sustainability of all diversification initiatives.

The integration of SPSNP interventions with PSNP programs was also observed to be a positive factor. In those communities where community water supplies had been created, time available for fieldwork and other activities had been substantially increased. PSNP-developed soil conservation measures protected water collection cisterns from excessive silting and enhanced the value of hand-dug wells. Further synergies might exist if PSNP community works could be realigned to support household asset development, in which case the frequency of individual household water collection structures might be significantly increased.

³ Despite the integrated nature of the Watershed Development Plan, it was noted that two frequent elements are inherently contradictory. On the one hand, large structures are developed by communities to collect run-off for subsequent household and livestock use. On the other, bunds, cisterns and land closure devices are employed to maximize infiltration and percolation to the water table. If these latter devices become effective then the former will fail.

5.2. Attitudinal Development

Field staff unanimously emphasized the importance of developing a positive beneficiary attitude in order to achieve sustainable development. Such attitudinal development was not well described, but could be assessed as an increased “self-help” mentality, increased business acumen, reduced donor dependence, increased self determination and a sense that the future need not be worse than the present. It was also universally recognized that such change can only be a gradual process and it may take five years or more before it can pervade an entire community. Nevertheless, such change or “software development” is essential to the developmental process. Without an attitude of self-determination amongst target households, replication will not occur, sustainability will be limited and new business initiatives will not begin.

The development of a positive attitude can be enhanced by three key interventions:

- Training – both technical, vocational and commercial.
- Exposure to success – “seeing is believing” was a phrase heard at every field visit.
- Provision of opportunity – generally the inputs necessary to begin new income generating activities.

These three elements are all essential if a positive attitude is to be successfully developed. It is trite, but effectively true that:

<p>Attitude without opportunity= frustration Opportunity without attitude= non-sustainability Attitude + opportunity= sustainable development</p>

To a considerable extent, all CS hardware and technical training interventions are effectively providing a “framework of opportunity” within which attitudinal development must take place. The significance of this approach cannot be overemphasized. Interventions that achieved limited commercial impact (such as savings and credit groups) nevertheless had a substantial positive impact upon beneficiary attitude, which was undoubtedly stimulating replication and self-determination. Those beneficiaries who had benefited from such groups could be expected to be effective recipients of future, more complex interventions.

It was clear that while all field staff recognized the significance of a positive attitude, few could define it clearly or describe ways in which it could be stimulated. There is a definite need to examine this area of development more closely and for Cooperating Sponsors to design and undertake programs with attitudinal development as a primary focus.

It is also clear that since the necessary changes are slow, a two or three year intervention will not be adequate to promote the required impact. Moreover, change can be expected to be even slower in those situations where interventions are diluted by being spread over a wide area or amongst a large number of beneficiaries. These observations were supported by most field staff and have clear implications for future initiatives.

5.3. PSNP/SPSNP Complementarity

SPSNP interventions are based upon the assumption that the PSNP will successfully protect individual household assets and will assist household development through the development of community assets. Experience has shown that these assumptions (and particularly the former) were largely justified. Although the PSNP was subject to a range of administrative and logistical problems, and continues to be suffer from capacity constraints at the local administrative level, the program was indeed successful in its

primary goal of protecting household assets and with the exception of some areas of Amhara, food security in PSNP *woredas* was largely sustained. This impact was judged by beneficiaries and CS field staff to be critical to the success of SPSNP interventions. On the one hand, field staff reported that beneficiaries would not have been able to participate in SPSNP interventions if they had been obliged to try and support themselves. On the other beneficiaries reported that without the PSNP, heads of households would have migrated out of the family area looking for temporary work.

In its second goal, the PSNP has resulted in the construction of community assets such as the construction or rehabilitation of a range of infrastructure including roads, bridges, terracing works and soil conservation, water channels, water harvesting reservoirs and dams. In this respect the PSNP has had more mixed success and shown mixed relevance to the SPSNP. Thus, vehicle-worthy roads have been less relevant for subsequent activities initiated under SPSNP largely because market development and the production of a surplus is still in its infancy amongst SPSNP beneficiaries so that most produce can be brought to market on the back of donkeys. At the same time, it was learned that limited coordination and capacity at the *woreda* level had resulted in some poorly defined PSNP projects that were not well integrated with any overall development plan. The Evaluation team also learned that in some cases, the development of infrastructure was undertaken not because there was a need for it, but to create man-days of employment for PSNP target beneficiaries.

On the other hand, other infrastructure, particularly the terracing works and water structures, can be seen as a necessary pre-condition upon which subsequent SPSNP activities have been built (although some of these structures had been created prior to either the SPSNP or PSNP programs). Many SPSNP activities could not have been undertaken at all or their output would have been less had this PSNP infrastructure development not preceded them. Water structures of storage and channeling in particular have enabled water availability for horticulture, animal husbandry and improved cereal variety cultivation. Equally, the undertaking of Food/Cash for Works, if implemented by the same CS that undertook SPSNP enabled both the CS and the beneficiaries to develop a deeper relationship with and understanding that benefited the implementation of SPSNP activities. This was not always the case; in some *woredas*, Cooperating Sponsors are only implementing SPSNP and did not benefit from program integration to the same extent.

With regard to food security, the universal opinion of both Cooperating Sponsors and beneficiaries was first that the PSNP as it is currently practiced will not result in the achievement of household food security in the foreseeable future. Secondly, that SPSNP interventions, when properly integrated could enable households to become food secure. However, the time period of two years for SPSNP was too short to achieve food security, (especially given that the first few months of most programs were spent in negotiation and were essentially planning phases). Even the expected third year extension was not considered enough; a longer period of between 5-10 years of sustained interventions was generally agreed to be necessary for any meaningful sustainable impact to be observed. Although these responses may be considered to exhibit a degree of “donor dependency”, the evaluation team agrees with the observation that a two or three year program is not long enough and that a time frame of at least five years is necessary to ensure lasting success.

There is one further aspect of the PSNP program that is very relevant to SPSNP initiatives – namely that experience has now shown that the PSNP does effectively provide a mechanism to mitigate malnutrition amongst destitute communities, as a result of which, SPSNP-type initiatives need not be driven by an over-riding urgency to assist all beneficiaries. The need to achieve universal coverage is largely met by the PSNP, allowing development programs to be more focused and to target for success without risk to the most vulnerable. This is perhaps the most important aspect of the PSNP from a developmental perspective – that it allows a paradigm shift in Cooperating Sponsor targeting mechanisms. It does not appear that this has yet been fully appreciated by all stakeholders.

5.4. Replication

Given the limited resources available for SPSNP interventions, it is important that interventions should be easily replicated wherever possible. Experience in this area is very variable. The evaluation team found evidence that replication is happening in some areas and with regard to some interventions, although given the limited period of implementation, it is difficult to determine the extent of such replication. Generally, the lower cost, immediate impact interventions appear (not surprisingly) to be most replicable. Thus backyard vegetable production was one area where replication was clearly observable as its tangible benefits could be quickly appreciated. Similarly, the number of credit and savings groups organized by farmers themselves was rapidly increasing as non-beneficiaries approached the Cooperating Sponsor to provide bye-laws and to assist with registration. The provision of shoats that were revolved on an in kind basis is another example of a readily replicable intervention.

Frequently however, the evaluation team did observe complex and integrated interventions, especially those involving high initial capital costs or a significant degree of organization/administration that would not easily be replicated by small communities or individual households. It is difficult to see how a village community could undertake water diversion works of the complexity and to the standards observed in Enderta, or how individual households could construct⁴ or water cisterns without the facilitation of organizations such as the Cooperating Sponsors. The provision of shoats on a cash basis, where repaid funds were meant to be revolved was an example of a less replicable intervention by virtue of its high start-up cost and lax fund management.

In general, the interventions with the greatest immediate impacts were higher cost and less replicable. Those with lesser (albeit immediate) impacts were more replicable. Interventions with longer-term impacts were intermediate in this regard. It was notable that no replication of vocational training inputs was reported – i.e. no trainees had been approached to pass their skills on to others.

In addition to these constraints, replication was frequently reported to be limited by the high turnover amongst government staff in local departments in Ethiopia. This means that those officials with whom the Cooperating Sponsor has developed goodwill and who have been sensitized to plan and implement activities in a participatory, bottom-up manner can be relocated and new Development Advisors (DAs), unaware of the approach, take their place so that sensitization must begin again. It is noted that the government accepts that in order for replication to be effective resources will have to be allocated to capacity building of DAs in participatory planning and in concepts such as watershed management and market development. Most participating Cooperating Sponsors do organize training courses for *woreda* officials and extension staff in their own SPSNP *woredas* but these are a fraction of the total *woredas* in the country. On a larger scale, WFP in collaboration with the Ministry of Agriculture and Rural Development is in the process of training up Development Agents at the *woreda* and *kabele* levels.

Finally, possibilities for effective replication are constrained by the attitude prevalent amongst some Cooperating Sponsors whereby inputs are provided and activities undertaken without any financial contribution by the beneficiaries. Cooperating Sponsors have justified this by stating that these are pilot activities requiring incentives for cautious beneficiaries to adopt them. In other cases, it has been argued that the cost of procurement of some equipment or input is beyond the financial capacity of the individual beneficiary or group e.g. milk selling centers or post-harvest storage centers. However, while these arguments may hold some weight, little attempt by the Cooperating Sponsors has been observed to shift this relationship towards one where beneficiaries are contributing more once the demonstration has been

⁴ Although no replication of hand dug wells was observed at Shere where an initial 15 six metre deep dug well was replicated by individual households.

Questionnaire Data

Of the 440 beneficiaries interviewed using under the quantitative survey, 433 answered whether they knew if other households had replicated their activity/ies. 22% replied that yes, many households had replicated, 40% replied that a few households had replicated while 37% replied that no households had replicated. 27% of men reported that their activities had been replicated by many households compared to a lower 15% of women.

successful and borne positive results. Where cost sharing has been encouraged e.g. by the provision of ruminants on credit, the credit periods are long, the credit amounts significant and repayment discipline poor.

As result of the circumstances described, there are few resources available to replicate successful initiatives. It may be too early for households to be expected to provide contributions for development activities as the project at this stage is barely 18 months old. However Cooperating Sponsors do not appear to have begun even planning how their relationships will evolve with their beneficiaries over the coming years. Under such management the level of replication will continue to be low.

In general it was observed that the level of replication of interventions was limited and that little consideration had been given to this element of the program in most cases, especially in the more complex, integrated cases (which tended to show the greatest impacts).

5.5. Linkages with Government

Interviews with field staff and local administrators indicated that all Cooperating Sponsors have developed good working relationships with government at the grass roots level (i.e. DAs and Producer Association (PA) administration). This includes the forging of practical working relationships with PAs for planning and targeting interventions, defining who can be classified as a beneficiary etc and with DAs for disseminating extension messages, training and transferring technology. Indeed, throughout most of the evaluation field visits, DAs generally accompanied Cooperating Sponsor staff wherever the evaluation team went.

However, relationships with *woreda* and zonal level administration were less consistent. Some Cooperating Sponsors were implicitly linked with government at all levels and experienced no difficulty in becoming fully integrated into the local planning process. Indeed, the balance of resources appeared to be such that these Cooperating Sponsor were augmenting or even substituting for limited local planning and administrative capacity. In other areas, limited capacity at the *woreda* level meant that PSNP interventions and community asset development projects were not well planned and it was difficult for Cooperating Sponsors to achieve the necessary degree of integration with the planning process.

Generally however, the *woreda* administrations have welcomed the SPSNP interventions seeing them as complementing PSNP activities while Cooperating Sponsors have filled resource gaps where needed. In addition some Cooperating Sponsors were well linked to research institutions and used both results and material to develop SPSNP interventions. Nevertheless, effective linkages with government are not helped by limited local administrative capacity and a shortage of DAs. It was repeatedly noted that while each PA is supposed to be served by at least three DAs, there is rarely more than one available and even these are frequently recalled for “retraining” purposes. This aspect of development could be improved; in order to further strengthen linkages with government, it is recommended that Cooperating Sponsors undertake study tours and exposure visits of *woreda* officials to sites where participatory bottom-up development has been operated by the Cooperating Sponsor for longer periods so that they can observe the impact of such efforts themselves.

5.6. Private Sector Linkages

It was noted that in specific circumstances, interventions had been designed to incorporate linkages to the private sector, both in the sale of produce such as milk, honey or haricot beans, silk, woven goods or pottery. However, in most other general interventions, the private sector was limited to the role of buyer. There was little observed attempt to involve private sector participation in other roles such as seedling nursery management, inputs supply, repairs to equipment or out-grower schemes. This is very much in

keeping with the prevailing philosophy that farmers are better served by cooperatives rather than by individual traders, but unless such cooperatives are well and competitively managed, such an approach requires continued input from the Cooperative Sponsor and limits the sustainability of the interventions. In particular, only limited evidence was observed of Cooperating Sponsors linking groups or individual households to public sector financial institutions to secure micro-credit. Given that both the Cooperating Sponsor's and community's financial resources are limited, efforts need to be made identify channels of credit which, as the nascent businesses and business cooperatives start planning to expand or improve, will be needed to cover resource gaps.

The introduction of the private sector provides new roles for the Cooperating Sponsor and assists in achieving an effective exit strategy with an increased probability of sustainable development. Thus the CS could promote private sector participation by inviting private sector players into the project as "Lead Farmers" or Lead Businessmen". The CS would then play two key roles: first in selecting and introducing the most appropriate private sector partners and secondly as an arbiter to avoid any element of exploitation in negotiations between the private sector partners and PSNP beneficiaries. Once a sound business relationship had been established, the CS could progressively withdraw from the arrangement, leaving the private sector partner with the commercial incentive to ensure the sustainability of the beneficiary enterprises.

6. OVERALL IMPACT ASSESSMENT

6.1. Attribution of Impact

It was noted that in almost every case, SPSNP interventions were being undertaken in *woredas* and *kabeles* that had been subject to previous interventions by the CS. This meant that the interventions could not be considered as discrete initiatives, but rather as the culmination of a series of events extending back over several years prior to the SPSNP intervention. In particular, where Cooperating Sponsors had been working over a lengthy period, a more responsive attitude could be developed amongst beneficiaries (although it was equally possible for a more entrenched paternalistic attitude to be developed by the Cooperating Sponsor).

This historical effect was evident not only in attitudinal development, but also in technical training and in watershed management program development, where it was commonly observed that beneficiaries had been subject to interventions over a significant period before the SPSNP programs had begun.

This raises the issue of "development perspective" as a key aspect of this evaluation. From the perspective of a donor, USAID/Ethiopia has viewed SPSNP interventions as discrete activities, funded from particular sources, which can be evaluated as having specific and measurable impacts. This however is not the view of those who work with or benefit from these resources.

From the perspective of a CS, many of the SPSNP interventions have been part of Cooperating Sponsoring programs that the CS has been carrying out with finances from different sources according to availability. Thus World Vision International has what are called Area Development Programs (ADPs) into which the SPSNP and the activities undertaken under it have been adjusted. Similarly, in the case of REST, SPSNP is a subset of its existing 5 year plans.

From the perspective of many beneficiary households, the SPSNP initiatives are part of a continuum of assistance, which may be subject to changing conditionalities, but which nevertheless represents a gradual progression (albeit with an end that is not always clearly defined).

It is therefore difficult to identify the specific impacts of SPSNP interventions per se. Many of the benefits observed could not be attributed to these programs alone, but to the gradual development process that had evolved from partnerships between Cooperating Sponsors and beneficiary communities established over more than the two-year period under consideration. Such integration of programs over time may promote synergism, but it tends to confound the accurate analysis of impact.

6.2. Progress towards Sustainability

The sustainability of interventions will depend upon the degree of alignment to beneficiary needs as well as how much it contributes to income. The evaluation team noted that producer groups whose objective seemed to be solely to support the provision of assets (such as shoats) lacked any form of inherent sustainability and once the supervision of the CS was withdrawn, beneficiaries who had received shoats would have no incentive to remain within such groups. This contrasted with groups such as savings and credit groups where the beneficiaries all stood to gain from the efficient functioning of the group as a whole.

Crop production conditions over the last three years have been above average and this can be expected to have created an environment favoring the sustainability of interventions. However, current observations suggest that actual sustainability is limited by the short implementation period of SPSNP interventions. Since in many cases a number of months in year one were taken up in negotiation, planning and start-up activities, implementation periods in most cases are no more than 18 months. Thus groups may have been formed but are not functioning at their optimum. Revolving funds for ruminants have not been strongly institutionalized at the community level – they have gone through one or at most two cycles. Activities such as drip irrigation have seen only one harvest and in some cases, such as fruit trees, none at all. A longer implementation period would have enabled more benefits, both attitudinal and physical, to have been realized thus ensuring greater sustainability.

In general however, most of the household level interventions for which infrastructural work had been completed could be considered to be potentially sustainable. Where inputs had been provided the benefits could generally be sustained; water-harvesting structures required little maintenance and backyard gardens could be repeatedly cultivated on a profitable basis.

Nevertheless, such sustainability appeared less certain in the case of the more complicated group intervention. In particular, interventions that required the supervision of the CS to ensure repayment of loans and to assist in the marketing of produce and repair of equipment would clearly require such continued input on an ongoing basis for at least another twelve months and possibly more before they might be considered self-sustaining.

Sustainability in this regard is intimately linked to the development of the necessary “software”, i.e. the business skills and attitude that will allow beneficiaries to make the correct decisions to ensure the success of marketing cooperatives and to guarantee the repayment of loans. As reported by all field staff, such attitudinal change is a gradual process, developed by the provision of suitable opportunities and enhanced by success in those ventures. Once attitudinal change has been achieved, its sustainability will depend upon a favorable business environment that offers further opportunities for development, but such changes cannot be expected to occur within the 18 months that have elapsed for most interventions.

In general the evaluation team was not able to assess the actual sustainability of interventions. It noted with concern that major group interventions required continual CS input at this stage, however, those

Questionnaire Data

When asked what their future plans were regarding the activities they were undertaking, 34% stated that they wanted to improve them and 52% stated they wanted to expand them. Only 1 respondent was thinking of stopping the activity while 13% stated they wanted to merely maintain the activities at the present level and in the present state.

interventions that provided discrete support to individual households did indeed appear to be potentially sustainable.

6.3. Overall Impact Assessment

The evaluation team found plenty of evidence on the ground to assess that overall, despite shortcomings, the impacts of both SPSNP interventions have been positive:

- The formation of savings and credit groups has enabled people to access credit on improved terms. Beneficiaries no longer have to obtain credit on tough and usurious conditions and can “get a foot on the first rung of the micro-finance ladder”. At the same time, their own savings in the groups are building up and they can develop small businesses of their own choosing.
- The promotion of vegetable production has empowered female-headed households in particular who now grow vegetables to eat and sell. The diet within the household has diversified and small amounts of income are being earned from selling at home or within the local market.
- Water pumps have reduced the time taken and distance traveled by women and children to fetch water.
- Animal husbandry has led to the greater production of milk, increased income and restocking of family assets.
- The formation of production and marketing groups has enabled the earning of greater income and lowering of costs as well as the introduction of appropriate, low-cost technology. The groups are taking the first steps towards building more productive businesses.
- The closer interaction of villagers with Development Agents, facilitated by the Cooperating Sponsors, has enabled knowledge and skills to be transferred and also vaccination campaigns of livestock to be more effectively carried out.
- Through all these activities, beneficiaries are developing a positive mindset of self sufficiency, self-determination and business skills.
- Women are participating more and expressing themselves more actively despite cultural inhibitions in almost all of the areas visited.

Observations supported the statement of a management member of one Cooperating Sponsor: ‘A year and a half after SPSNP, there is a lot more hope than I had before. There is a convergence of thinking and vision.’ SPSNP has enabled Cooperating Sponsors to move beyond handouts and short-term solutions and to experiment with developing sustainable livelihoods. Even if SPSNP were not extended, it will have

Questionnaire Data

Of the 440 beneficiaries interviewed using under the quantitative survey, 431 beneficiaries answered whether the activities they had undertaken under SPSNP had resulted in increased production of food for their own consumption. Of these 87% of both male and female respondents replied yes they had and of these 37% stated that livestock production/rearing had led to the most production of food for own consumption, followed by horticulture and poultry rearing at 15 and 14% respectively. Other notable answers were small-scale irrigation at 10% and beekeeping at 7%. Of those who stated that production of food for their own consumption had increased, 16% stated that the increase was large, 67% stated it was moderate and 17% stated it was insignificant. Gender segregated, 12% of men and 20% of women stated that the increase was large.

Questionnaire Data

429 people responded to the question whether the activities they had undertaken under SPSNP had resulted in increased cash income. Of these, 83% stated that it had. Around 40% of these stated that the largest increase was due to livestock fattening/rearing, 17% stated it was due to horticulture, 14% said it was due to poultry, 9% due to small-scale irrigation and 6% due to beekeeping. Of those who stated that cash income had increased, 12% stated that the increase was large, 77% stated that the increase was moderate and 11% stated that the increase was insignificant. Of the 351 respondents who answered what the increase per month in their net income had been, 25% stated that it was below ETB16, 27% stated it was between ETB16 and ETB50 and 48% stated it was over ETB50. Two thirds or 74% of those whose cash incomes had increased used it to buy food and 66% used it to buy household assets. Of the 426 people who responded to whether their household’s diet had diversified due to SPSNP activities they had undertaken, 80% stated that it had.

introduced positive models of livelihood development that other donors and the government could strengthen and replicate given adequate resources.

However, there are constraints, which hinder impact:

- The impact of such interventions will be limited if other issues impinging upon economic development in Ethiopia are not tackled too. One such issue is the high population growth. Not only does this have an effect on amount of nutrition available per capita and on division of land, high fertility also negatively affects working mothers' health and productivity. Although this problem was frequently mentioned by field staff, the number of activities being undertaken by Cooperating Sponsors under family planning and contraception is negligible under SPSNP.
- Impact has also been limited where Cooperating Sponsors have spread themselves too thinly geographically. This was undoubtedly the most significant observed constraint upon impact and has meant that activities have been dispersed and complementary activities may not have been undertaken due to resource constraints. Reasons for spreading thinly include donor pressure as well as local government pressure that the CS must have presence in each kebele. This pressure is not homogenous throughout the country it appears as some Cooperating Sponsors were observed to be working in all kebeles in some *woredas* and only in a select few in others, depending upon the demands of the particular *woreda* authorities. Where the CS has been able to concentrate its activities, impact has been significantly more obvious. This was particularly noticeable in the case of REST, which has been able to integrate several activities in a limited number of watershed sites e.g. terracing, erosion control and percolator trenches (under PSNP) with water harvesting, apiculture and vegetable production. Such sites serve as powerful demonstrations which can be effectively used for study tours and exposure visits for farmers from neighboring *woredas*.
- It is significant that the number of potential beneficiaries in each *woreda* or *kebele* is much higher than the actual number of beneficiaries that have been reached. Lower outreach is chiefly due to a limitation of resources, otherwise Cooperating Sponsors report that the number of people interested in, e.g., taking up sheep and goat breeding is much more than can be serviced.
- Finally, most Cooperating Sponsors indicated the time scale of the initiative is too limited and that the work is only half done – even where infrastructural development projects are complete, positive attitudes of self-determination still need to be fostered.

Notwithstanding the above remarks, it should be noted though that in most cases, it is difficult to attribute any impact associated with an SPSNP activity solely to that USAID-financed intervention. Because the Cooperating Sponsors have been working in the *woredas* for several years prior to SPSNP and with resources from other donors, SPSNP must be seen as the culmination of a series of activities, building on earlier efforts. It is possible that SPSNP interventions undertaken without preceding work might have less impact.

Nevertheless, it is also quite clear that although the PSNP has been effective in its primary goal of protecting household assets and preventing food insecurity, neither beneficiaries nor those working in the field anticipate any significant progress towards the achievement of sustainable household food security unless additional interventions are put in place to develop household assets. In this regard, the SPSNP intervention can be assessed to have shown significant impact, albeit at a lower level, over a longer time frame and amongst a more restricted target group than originally anticipated. It can also be expected

that this impact will have a degree of sustainability, although again this is limited by the high degree of reliance upon cooperating sponsors that the more complex group interventions require.⁵

Overall therefore, SPSNP interventions have demonstrated significant benefits under particular circumstances. These benefits are limited in impact and will continue to be restricted unless the resources of either the Cooperating Sponsors or the local administration are significantly increased.

7. EVALUATION OF BEST PRACTICES

As stated in other sections of the report, the time period for the implementation of activities may be too short to judge whether a practice has been good. At the same time, some activities were clearly successful in some areas or under certain management but less successful in other areas or under different management. Nevertheless some general principles can be established and these are noted below:

7.1. Traditional Elements

Amongst the more traditional interventions, three activities stood out as being both well accepted, replicable, and generally sustainable. These were the facilitation of savings and credit groups, provision of shoats and establishment of household water supply systems. Each of these interventions had different strengths and was most appropriate in certain areas:

Savings and Credit Groups – were most relevant in the very poorest areas where beneficiaries had no means to access micro-finance institutions. They had the advantage of self –determination – beneficiaries formed their own groups, which they managed themselves and they were able to use loans for whatever business interest they wished. The group had a strong cohesion maintained by peer pressure and good loan performance. Although the impact of these groups was small, they nevertheless made a significant and immediate difference to the lives of those who participated in them.

Provision of Shoats – this was the most widespread intervention and was applicable to both crop and livestock production areas, although in crop areas, some beneficiaries indicated that ultimately they wished to trade their shoats for oxen. Nevertheless, as an intervention, small ruminant production was well suited to the limited grazing areas available, provided useful additional household income and could (provide the ruminants were repaid in kind) be replicated easily. The main disadvantage of this intervention was that it is susceptible to drought and might not be sustained through environmental shock. The questionnaire responses showed that this intervention was highly rated by beneficiaries, especially female headed households as a means of increasing income.

Establishment of Household Water Supply Systems – this was the most desired intervention, particularly in those areas such as in Tigray, where drought has been a recurring problem. Although the cost of the initial infrastructure was high (and this places a severe constraint on replication by individual

⁵ It is useful to compare the SPSNP interventions with the current household development program undertaken by the Government to complement the PSNP. This consists primarily of micro-credit facilities that are to be made available to PSNP beneficiaries. FSCB administration noted that the program suffered from a lack of trained personnel with the result that the amount of funds disbursed had been limited. More significantly however, the program required significant collateral before loans could be given and this was reported by SPSNP field staff to be beyond the capacity of the majority of SPSNP beneficiaries. The conclusion drawn by the evaluation team was that this program had been pitched at a higher level of development than most SPSNP beneficiaries had yet attained. In this regard, interventions such as savings and credit groups, which could be accessed by the very poor, were particularly useful in providing “intervening rungs” on the “developmental ladder”.

households), the advantages to a household were immediate and included not only supplementary crop irrigation, but enhanced backyard gardening, including the development of household drip systems, stock watering and even provision of household drinking water in extreme situations.

Study Tours – the practical value of study tours was repeatedly emphasized by beneficiaries. Visiting successful microprojects both incentivized other beneficiaries and allowed first hand experiences to be passed from one beneficiary to another. In a situation of limited resources, where replication is essential if benefits are to be spread over a wider area, study tours deserve to be a key element of all SPSNP projects as a primary means of disseminating information. The survey data reported that only 26% of trainees had been taken on study tours⁶ (Table G10). This is regrettable since beneficiaries have clearly indicated that they are the best means of understanding just what a particular intervention requires and what it can mean in terms of benefits. Study tours allow the “software” to be developed, including both technical knowledge and the necessary incentive to achieve comparable success. Future SPSNP initiatives should seek to include study tours as an integral component of every intervention such that once a given intervention had been successfully established then that success should be exploited to the maximum by demonstration to as many other beneficiaries as possible.

7.2. Innovative Activities

Although there were no innovative activities in the sense that they had not already been tested in neighboring countries or elsewhere in the world, there were some activities observed by the evaluation team that were innovative to Ethiopia or to the area/*woreda* in question.

- CRS has introduced in Ethiopia and other neighboring country what are called ‘seed fairs’ and ‘livestock fairs’. These fairs give several buyers and sellers the opportunity to interact in one place simultaneously. Buying beneficiaries are given vouchers using which they can buy the seed, tools or ruminants of their choice – both the variety and the type. At the end of the day, CRS pays cash to the sellers to the value of the vouchers they have collected. A brief evaluation undertaken on behalf of CRS of the seed fairs gave a generally positive assessment.⁷ CRS states that this method encourages the growth of local markets as local sellers get an opportunity to sell their products. Though not a primary purpose, CRS uses these fairs to disseminate information on HIV, nutrition and sanitation too.
- Watershed development in Tigray by REST has been an innovative activity if seen in the national context. Within a given watershed, several activities at community and household level are undertaken which complement each other including the harvesting of water, horticulture and drinking water for livestock. The terracing and rehabilitation of land and gully reinforcement allows for beekeeping, agro-forestry and livestock rearing to then take place – SPSNP activities at the household level being built on previous PSNP activities at the community level. REST states that water harvesting has been an incredible trigger especially considering that effective water management was ‘appalling’ in the area. The CS introduced a range of new water harvesting structures.

There is no systematic sharing of best practices or lessons being learnt by the various Cooperating Sponsors under SPSNP around the country. The progress reports submitted regularly by the Cooperating

⁶ Significantly fewer women (18%) undertook study tour than men (33%). Given the significant proportion of female headed households in the survey, this aspect requires particular attention.

⁷ Bramel P.J. and Remington T, CRS Seed Vouchers and Fairs: A meta-analysis of their use in Zimbabwe, Ethiopia and Gambia (undated)

Sponsors to USAID also lack documentation of lessons learnt. Such sharing should be actively encouraged by USAID if mistakes are to be avoided and good practices adopted.

7.3. Less Relevant Interventions

Two areas of activity stood out as being of limited relevance under the current circumstances. The first of these was vocational training. This was clearly successful in terms first, of imparting skills to a selected group of individuals and secondly, of moving those individuals very rapidly towards household food security. However, the approach proved relatively costly and limited in both the number of beneficiaries that were assisted and the circumstances where skills could be applied so that beneficiaries were not always able to find ready markets for their skills. This was a disappointing observation given the obvious need to diversify household incomes away from traditional agricultural activities, but it would appear that such diversification requires a market that has not yet been developed in most rural areas and that such skills might be more appropriate to peri-urban areas.⁸

The second area of limited relevance was in the marketing of traditional agricultural produce. In practice, Cooperating Sponsors had placed less emphasis on this aspect of development than had been generally indicated in initial proposals. However, it was observed that at current levels of production, such emphasis was in fact unnecessary and with the exception of honey, milk and some specific artisan products, most production generated by SPSNP activities could be readily disposed of in rural markets without difficulty or additional assistance being required.

7.4. Underlying Principles

There are a number of underlying principles that would appear to determine the most effective practices, the first of which being the importance of an integrated approach. Where interventions were integrated with local administrative development plans (such as watershed development plans) and where they built upon PSNP interventions then impacts were greater and sustainability was more probable. Secondly, and arising from the need for integration was the ability to limit interventions to selected areas and specific target groups, including particularly those who would be able to make the best use of interventions. Such a concentration of resources allows the development of communities who can move together towards food security in a sustainable way as opposed to isolated households whose future development would be much less certain. Thirdly, the effectiveness of practices appeared to be determined not only by the intervention itself, but also by its relevance to the beneficiary community and in particular by the manner in which it was implemented. The capacity of field staff as project managers and extension agents was observed to make a fundamental difference to the success or failure of interventions varying from savings and credit schemes to backyard gardens.

Finally and perhaps most critically from the aspect of sustainability there is the need to coordinate with local administration and in particular to build capacity at the DA level so that successful interventions can be both sustained and replicated elsewhere. This need was recognized by all Cooperating Sponsors who also recognized that limited capacity in this area was a nation-wide shortcoming of local government. In some cases, Cooperating Sponsors have tried to avoid this shortcoming by taking on the role of the local administration, but this fails to recognize that ultimately local government capacity must be developed if the needs of the PSNP beneficiaries are to be met.

⁸ It is important to note that 41% of beneficiaries surveyed received PSNP Food Aid only while only 25% received cash only, and 33% received both (Table G4). This may indicate some bias toward areas where markets would be less developed and market-based interventions less effective.

Limited capacity at the local administrative level is perhaps the biggest issue facing the successful implementation of SPSNP or any subsequent development initiative. Cooperating Sponsors have in the past taken on a role that to a considerable extent substituted for local administration in the distribution of relief. Such a role is not appropriate to the promotion of sustainable development. In the development arena, resources are limited and it is impossible to achieve the universal coverage of beneficiaries that might be the target of a relief exercise. Instead the best that can be hoped for is the creation of successful examples that can be replicated by other beneficiaries or by the local administration.

The creation of successful examples should be one of the two underlying targets of the SPSNP exercise, and interventions should be integrated and focused to achieve this goal. The second target - of achieving successful replication of sound interventions depends upon the availability of local resources, and complementary programs will/are definitely required to facilitate this.

8. ROLE OF COOPERATING SPONSORS IN SPSNP DEVELOPMENT

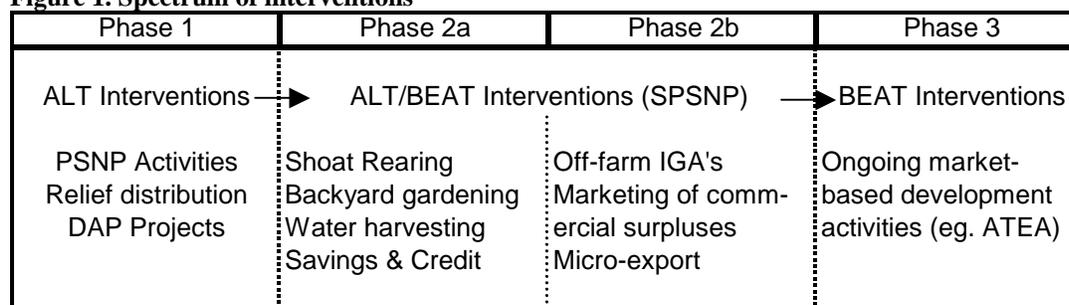
8.1. Nature of SPSNP Development

It appeared to the Evaluation Team that most of the interventions undertaken by Cooperating Sponsors fell short of the original expectations of those who had drafted the initial SPSNP RFA in the sense that most interventions repeated previous agriculturally-focused programs and relatively few introduced new concepts or methodologies such as vocational training or other off-farm income generating activities. However, it was also clear that the traditional interventions were in fact more appropriate to the level of development of both individual households and the surrounding economic environment.

This does not imply that the solution to graduation is to achieve diversified agricultural-based livelihoods on drought-prone, small fragmented, degraded parcels of land. Rather that the non-traditional and off-farm income generating activities tried so far have limited relevance on a wide scale and will be less effective in achieving sustainable household food security in the majority of current economic environments. To be more generally successful, these interventions will require increased private sector interest and investment in rural economies to exploit the non-traditional skills and products.

It was evident that the traditional interventions helped effectively destitute households to generate food and/or cash resources in various ways so that they could move towards household food security. In most cases this involved the production of food for the household with the possibility of a small surplus that could be marketed locally. In a few cases, there was a much greater emphasis on marketing (e.g. the export of pottery or marketing of white pea-beans), and it would appear that in these cases, the beneficiary households had already moved beyond subsistence production to a position where much greater emphasis could be placed on cash crops or industries. These interventions appeared to be a second phase of intermediate development that is not yet appropriate for the majority of PSNP beneficiaries because the economic environment is not conducive to such interventions (e.g. there may be no ready market for the goods or services). This is simplistically represented diagrammatically below:

Figure 1. Spectrum of interventions



The evaluation team concluded that the interphase between relief and market-orientated interventions (that are more typical of development) involves at least two stages. In the first, beneficiaries are assisted to achieve sustainable household food security with occasional surplus production. In the second, they are assisted to develop a consistent commercial surplus for the market with direct oversight and assistance from the Cooperating Sponsor. It is at this second phase of intermediate development (Phase 2b) that more market focused interventions are relevant. These might be associated with economies of scale (including organized groups or formal cooperatives) and the development of linkages to markets, finance and commercial technologies. If this second phase can be achieved, then more traditional developmental approaches become relevant whereby sustainable development without oversight is promoted. It would appear however, that the more market orientated second phase interventions are not appropriate until the first stage of achieving sustainable food security has been successfully met and only then if appropriate economic conditions (chiefly an adequate market) are available. Most SPSNP interventions are working at this first stage and this appears to be generally appropriate to the economic environment and conditions of the beneficiaries. The Government household development micro-credit program would appear to be more appropriate to “Phase 2b” of development and to be less relevant to the majority of PSNP beneficiaries.

8.2. Role of the Cooperating Sponsors

It would appear that Cooperating Sponsors will play a role in rural development in Ethiopia for the foreseeable future. In this context it is helpful that all Cooperating Sponsors have established good working relationships at the local administration (PA) level and most have good relationships at the *woreda* level. In general they have been accepted as stakeholders in the national development process to supplement limited local capacity. However within this context, it was observed that the role expected of Cooperating Sponsors by local administrations (and indeed the role which Cooperating Sponsors appear to have broadly accepted) is one that attempts to achieve too much with too limited resources

The resources required to facilitate and oversee the process of economic development are generally greater per beneficiary than those required to distribute relief. They are also quite different in terms of skill sets. Hence, within the development context of SPSNP programs, it is not realistic to expect Cooperating Sponsors to target each and every household within their *woreda/kebeles* of operation, since both financial resources and manpower are inadequate to achieve this.

All parties should accept that the role of the Cooperating Sponsors in development is limited (by capacity, resources and by national mandate) to that of assistance and demonstration or the establishment of pilot models that government can replicate and take to scale. To attempt to adopt a wider or more ambitious role would be to usurp the function of government as the primary development institution in the country. This view was a consistent theme in discussions with donors including CIDA and WFP.

The Cooperating Sponsors do appreciate their limitations. They indicated that they would prefer to consolidate their work and be enabled to undertake activities in a concentrated manner in order to have a bigger impact. However, with pressure from government (and donors⁹) to spread extensively, they state that they cannot work as intensively as they would like.

In one specific case, a Cooperating Sponsor had indeed been able to work in a concentrated manner and had achieved significant impact as a result. The ability to achieve such focus appeared to be primarily derived from the close relationship between the CS and local government – to the extent that it appeared to be an integral part of the local administration itself - and the high standing in which the CS was held.

This approach deserves further comment. On the one hand, the approach was definitely effective in terms of integrating with wider development initiatives and in terms of impacts achieved. On the other hand, under this approach, the Cooperating Sponsor adopted a role of continued involvement and supervision with no apparent intention to move on from the targeted areas other than through the expansion of its own resources. As such, the CS definitely appeared to be substituting for, rather than supplementing the role of the local administration in development. Moreover, the integrated nature of the interventions meant that the Cooperating Sponsor played an all-encompassing role that largely excluded private sector involvement in marketing or service support.

Such an approach implies a degree of overall control that might be fraught with political undertones, especially in the arena of local (*woreda* and *kabele* level) politics. It is probably not the open model of development that proponents of liberalized markets and private sector economics would envisage, and it raises issues of paternalism, control, and freedom of choice. It also raises issues of fundamental policy – would such an integrated approach countenance off-farm income generating activities? or would it concentrate the bulk of its resources on the increased intensification of agricultural production?) However, despite these concerns, this integrated CS/local government approach appears the most effective way of working at this level of development.

This is not to say that such an overall level of control would be appropriate at the next stage of development, where commercial concerns are of greater significance, but at what is essentially subsistence level agriculture, producing small and occasional surpluses for local sale, the integrated model appears to have greatest impact. How such an approach would be able to address subsequent stages of development as communities become more commercially mature remains to be seen.

It must also be noted that other less directly engaged development models adopted by other Cooperating Sponsors were also effective in achieving impact, albeit in a less concentrated or integrated manner. In the long term, these other models may be more appropriate to sustainable commercial development, but at the stage where households are attempting to move from chronic impoverishment to sustainable food security, such commercial concerns are largely secondary. In the initial stages of development, the concentration of resources amongst Cooperating Sponsors that can demonstrate a high degree of integration and linkage with local government can be expected to have the greatest short-term impact.

8.3. Interaction between Cooperating Sponsors

The RFA for the SPSNP indicated that Cooperating Sponsors should liaise and learn from each other in terms of best practices. This was not observed to be happening. Instead, it was noticed that while a given intervention might be well undertaken in one area, a different Cooperating Sponsor undertaking a very

⁹ Although the RFA for SPSNP was quite specific in its description of intensive and extensive targeting, Cooperating Sponsors still indicated perceived pressure to report large numbers of both *woredas/kabele* covered and beneficiaries targeted.

similar intervention in close proximity might nevertheless achieve a much lower success rate. The main reasons for observed differences appeared to be small differences in implementation practice, which could easily be resolved if experiences were more readily shared.

In fact, instead of the cooperation that USAID/Ethiopia would have preferred, some Cooperating Sponsors indicated a reluctance to share experiences and knowledge on the grounds that they were in fact competing for funds and to allow another CS to gain insight into successful practices might result in the loss of “competitive edge” and consequent reduction of funding available.

This situation is regrettable since it is only the beneficiaries who suffer under such circumstances. Its remedy lies in the hands of USAID/Ethiopia who have to convince Cooperating Sponsors that funds are allocated on the basis of beneficiary need not on the basis of competitive excellence.

8.4. Cooperating Sponsor Exit Strategies

It must be recognized that most Cooperating Sponsors have been in Ethiopia, working often in the same *woredas* for years before SPSNP was developed. For example, Catholic Relief Services has been working in Ethiopia since the late fifties and REST since the late seventies. Similarly, ORDA was set up in 1984 as an emergency response to famine in the northern part of Amhara region. From this perspective, a two or three year program such as SPSNP does not appear to justify the development of a CS exit strategy.

If sustainability is to be achieved (and sustainability is indeed an essential element of all SNPSP interventions) then some form of exit strategy is required. However, none of the Cooperating Sponsors appeared to have an exit strategy in place and nor was this an issue they mentioned or indicated that they had thought about.

Under the specific circumstances of the SPSNP interventions, such a long-term attitude on the part of the Cooperating Sponsors is understandable. Although the original proposals anticipated a high level of success in moving beneficiaries towards food security, experience has shown that a longer time-frame than the originally specified two-year period is required and this has been consciously or unconsciously reflected in the CS attitude to this work. It would not be realistic to expect to leave beneficiary communities within a two-year time frame and Cooperating Sponsors have made no provision to do so. The development of an exit strategy would be relevant within the context of a five-year program concentrated over a specific group of beneficiaries and if an exit strategy is required then the SOW should be adjusted accordingly.

However, given the limited resources available to carry our SPSNP interventions, it is necessary that Cooperating Sponsors should develop the capacity to relocate their programs once development has reached an appropriate stage in a given area. It will therefore be necessary to develop a longer-term outlook, considering how their relationship with beneficiaries should evolve to the point where they are managing more and more activities themselves, forging linkages with extension and the private sector independently of the Cooperating Sponsor. At present this aspect of the development process has not received adequate attention.

9. CONCLUSIONS AND RECOMMENDATIONS

The primary conclusion drawn by the evaluation team is that the SPSNP interventions assessed had resulted in positive impacts which, if continued (in the case of the SPSNP interventions) could be expected to result in sustainable increases in household food security. Different interventions had met with varying degrees of success but impact was as much related to the detail of implementation as to the

nature of the intervention itself. In almost every case however, impacts had been diluted by excessive coverage and could be expected to be constrained by the limited implementation period. Nevertheless, where focus has been achieved, tangible progress has occurred which would not have been possible under the PSNP alone. **It is therefore recommended that consideration should be given to extending SPSNP interventions over a minimum five year (in total) implementation period, during which time, interventions should be focused on a limited target group of beneficiaries.**

The targeting of beneficiaries was observed to follow traditional relief processes including a focus on the poorest of the poor and to have been influenced by local administrative considerations. As a result resources have not been most effectively utilized. **It is recommended that in future consideration should be given to the targeting of those who can make the best use of interventions so as to provide effective demonstrations of the potential benefits to others. In this regard, the use of study tours and demonstrations was universally acknowledged to be effective in the field and deserves greater attention (as demonstrated by: a) specific project budget lines and, b) greater participation of women in study tours) in future.**

It was recognized that the development of a positive self-help attitude amongst beneficiaries is critical to the success and long-term sustainability of interventions. It was also recognized that this could take at least five years to pervade a community. **It is recommended that greater attention be given in programs to the development of a positive, self-help attitude, first by identifying and placing greater implementation emphasis on the processes involved in attitude change and secondly by using “hardware interventions” to support and enhance these process.**

Beneficiaries clearly indicated the need for at least two and preferably three interventions per household if sustainable food security were to be developed. Even under these circumstances, it was not expected that food security would be achieved in less than five years from program initiation. **It is recommended that programs be designed to allow for the integration of interventions to provide a truly diversified source of income or production, utilizing two or more interventions per household and that targeting be restricted to achieve this.**

On the basis of the field observation, it would appear that assisting a chronically impoverished household to achieve a position of sustainable food security would require a minimum investment of \$400. This implies a total investment of \$400 million to support the graduation of five million PSNP beneficiaries (assuming that two million PSNP beneficiaries will be inherently unable to participate in the graduation process). This is substantially greater than the amount of funds available to the Cooperating Sponsors or GFDRE for such development. **It is therefore recommended that consideration be given to inviting other donor institutions to adopt or support similar SPSNP programs to increase the degree of coverage and speed at which household food security may be achieved.**

Allowing for different circumstances and implementation techniques it was evident that the provision of household water resources was the most successful intervention with the greatest and most immediate impact. However, this was a generally costly intervention that could not be easily replicated by individual households. Besides this, the provision of shoats was widely accepted, generally low cost and easily replicated if revolved in kind, while backyard gardening was an effective activity for income diversification that could also be readily replicated. Off-farm income generating activities were significantly more limited in their marketability and appropriateness to rural beneficiaries in general. It was evident that the most successful and widely applicable interventions were those that built upon traditional production activities and did not exceed the absorption capacity of local rural economies. Off-farm income generating activities required greater assistance by the CS in developing markets.

This latter conclusion highlights the difficulties inherent in developing a truly diversified economy that is not completely dependent upon the weather in the rural areas. It suggests again that an integrated approach is required in which every aspect of economic development is developed simultaneously. The individual interventions undertaken by Cooperating Sponsors to develop such activities as blacksmithing, weaving or pottery had limited relevance to rural economies and may experience difficulties in terms of sustainability in the future.

Savings and credit groups were recognized as being powerful interventions that allowed beneficiaries a high degree of self-determination, were both replicable and sustainable and promoted the development of a self-help attitude. Although they did not have a great impact in financial terms, they nevertheless provided a first rung on the credit ladder and were particularly appropriate in the poorer areas. **While savings and credit groups may not be relevant under every circumstance, it is recommended that all Cooperating Sponsors become aware of the performance of the groups facilitated by ORDA/CARE in Laye Gayint as examples of a successful, low cost intervention that has had significant impact.**

It is recognized that both micro-finance and commercial sources of credit can provide useful assistance in economic development. However, in many cases, SPSNP programs were encouraging lax credit procedures that were not conducive to good loan management by beneficiaries and which would reduce the chances of successful participation in more stringent micro-finance or commercial credit systems in the future. **It is therefore strongly recommended that where funds are denominated as loans they should be treated as such and proper loan management procedures should be enforced. If less stringent conditions are appropriate then matching or pure grants should be provided rather than encourage the abuse of credit.**

In this regard it is also recommended that CS field staff be provided with further training in financial and particularly revolving fund management.

There was little evidence of private sector participation in most interventions beyond the role of purchaser of produce. No significant attempts appeared to have been made to involve commercial sources of finance or to involve the private sector as service providers to individuals or producer groups. This may have been because the scope of development is too small to attract private sector interest, but **it is nevertheless recommended that the private sector be involved in initiatives wherever possible as a means of ensuring commercial viability and sustainability. The role of the Cooperating Sponsor under such circumstances would be to introduce suitable partners and ensure the maintenance of equitable arrangements between all parties.**

Beneficiary responses indicated that the extent of community participation in the SPSNP planning process had been limited in some instances and as a result some interventions were either misplaced or irrelevant. This is a fundamental error that should be avoided. At the same time, it was apparent that not all beneficiaries were aware of the responsibilities that they were committed to when taking parting group activities that could have significant impact upon future sustainability. **It is recommended that the financing and implementation of interventions should be contingent upon demonstrable community involvement in the planning process and that all beneficiaries be made fully aware of obligations entered into when becoming members of producer groups.**

Cooperating Sponsors appreciate the value of study tours to inform, sensitize and motivate beneficiaries. However, there is little or no interaction between Cooperating Sponsors to share lessons learned or best practices. In fact some Cooperating Sponsors appear unwilling to share information on the basis that they are competing for USAID resources. **It is recommended that USAID/Ethiopia develops a more proactive system of information sharing amongst Cooperating Sponsors while working to develop**

an attitude of trust between Cooperating Sponsors on the basis that they are operating for a common good and can work more effectively through cooperation. In particular, USAID might request a report on “lessons learned” from each CS at regular intervals throughout the program

The role of the CS in the development process is very different from the role undertaken in the provision of relief. In particular, resource limitations require that CS interventions be of limited duration in a given area and that successful interventions should then be repeated elsewhere. Current philosophies of Cooperating Sponsors do not reflect such an approach. Instead there is a tendency to remain active in a given area for an extended period, becoming in some cases as much a part of the local administration as the administration itself. **It is recommended that this situation be reviewed and the existing policy of support to local government be strengthened so that Cooperating Sponsors can work to strengthen and supplement local administrative capacity rather than substituting for it. This may require the revision of CS proposals to indicate quite clearly the roles that local administration is expected to play in implementing development programs and the support (both technical and financial) that will be provided to them in order to facilitate this.**

No exit strategies appear to have been considered or developed. This situation is untenable given the scope of the development problem and the resources available to deal with it. It cannot be expected that Cooperating Sponsors will continue to facilitate development in a given area *ad infinitum*. Neither however can it be expected that Cooperating Sponsors would be able to achieve sustainable food security and leave beneficiary communities within a two-year time frame. The development of an exit strategy will only be realistic within the context of a minimum five-year program concentrated over a specific group of beneficiaries. **It is therefore recommended that while ongoing and future interventions should be revised to include clearly defined CS exit strategies, such strategies should be set within the context of longer-term and focused programs that have a realistic chance of achieving sustainable success.**

The Evaluation Team was tasked with recommending best practices in the light of observations made at the twelve project sites visited. This was not possible on the basis of observations alone; specifically because it was very clear that effectiveness depended less upon the nature of the interventions practiced than upon the care and professionalism given to project management. In most cases, this was determined more by specific individuals rather than principles or practices of any one intervention or CS. Nevertheless, a number of recommendations can be made that might contribute to improved design and selection of livelihood interventions:

- 1. Recognizing that resources for development are normally provided within the context of a limited (3-5 year) envelope, project designers should assess whether or not it is practicable to achieve development across all members of a target area and if not how best to achieve effective replication of interventions by non-beneficiaries.**
- 2. Project designs should identify criteria for targeting beneficiaries on the basis of (1) above – if effective replication is desired, then targeting for aptitude, attitude and capability becomes more important than targeting for need.**
- 3. Project designs should make particular reference to study tours and the encouragement of the replication of successful interventions.**
- 4. Project designs should clearly identify the level of development of targeted beneficiaries and whether traditional activities (Phase 2a) or more market-based interventions (Phase 2b) are appropriate according to that level.**
- 5. SPSNP projects should seek to provide at least two and preferably three different types of intervention per household.**
- 6. Project designs should include an effective exit strategy. If an exit strategy cannot be included then the validity of the project must be reassessed.**

- 7. Project designs should be shared with local administration and their buy-in to the concept of restricted and successful interventions serving as examples for effective replication should be obtained, prior to implementation.**
- 8. SPSNP projects should pay particular attention to the development of a self-help positive attitude, recognizing first that this takes at least two years and more probably five years to achieve throughout a community and secondly that the physical interventions effectively serve as a framework that supports the development of such an attitude.**
- 9. Projects should be selected on the basis at least in part of cost effectiveness. Project designs should include an estimate of the investment that will be required on a per beneficiary basis to achieve success.**

