



**Feed the Future Ethiopia Livelihoods for Resilience - Oromia
Cooperative Agreement No. AID-663-A-17-00005**

**A USAID-funded Activity, implemented by Catholic Relief Services (CRS/Ethiopia) and
Ethiopian Catholic Church Social Development Coordination Office of Meki (MCS)**

**Narrative Report
Reporting period: January 1- March 31, 2018**



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List of Abbreviations

| Abbreviation | Description |
|--------------|--|
| ADA | Agriculture Development Army |
| AGRA | Alliance for a Green Revolution in Africa |
| AOR | Agreement Officer's Representative |
| ARP | Agricultural Recover Program |
| BA | Barrier Analysis |
| CA | Community Animators |
| CC | Community Conversations |
| CDCS | Country Development Cooperation Strategy |
| CLA | Collaboration, Learning and Adaption |
| CRP | Climate Risk Plan |
| CRS | Catholic Relief Services |
| DEC | Development Experience Clearinghouse |
| DFSA | Development Food Security Activity |
| DiNER | Diversity for Nutrition and Enhanced Resilience |
| DIP | Detailed Implementation Plan |
| DQA | Data Quality Assessments |
| EDC | Education Development Center |
| EMMP | Environmental Mitigation and Monitoring Plan |
| ENA/EHA | Essential Nutrition Actions/ Essential Hygiene Actions |
| FAs | SILC Field Agents |
| FFP | Food for Peace |
| FRM | Feedback and Response Mechanism |
| FSP | Financial Service Providers |
| GOE | Government of Ethiopia |
| GTN | Growth through Nutrition |
| HDA | Health Development Army |
| HTP | Harmful Traditional Practices |
| IYCF | Infant and Young Child Feeding |
| LCF | Livelihood Community Facilitators |
| LMA | Labor Market Assessment |
| LOP | Life of Project |
| MCS | Ethiopian Catholic Church Social Development Coordination Office of Meki |
| ME&L | Monitoring, Evaluation and Learning |
| MEAL | Monitoring, Evaluation, Accountability and Learning |
| MOANR | Ministry of Agriculture and Natural Resources |
| MOH | Ministry of Health |
| MPP | MEAL Policies and Procedures |
| MSP | Multi-Stakeholder Platform |
| NSA | Nutrition Sensitive Agriculture |
| OCC | Overlap Coordination Committees |
| OMC | Overlapping Management Committee |
| PSC | Project Steering Committee |
| PSNP | Productive Safety Net Programme |

| | |
|------------------|---|
| RUSACCO | Rural Savings and Credit Cooperatives |
| SBCC | Social and Behavior Change Communication |
| SOE | State of Emergency |
| SILC | Savings and Internal Lending Community |
| SMART | Skills for Marketing and Rural Transformation |
| SMART Couples | Strengthening Marriages And Relationships Through Communication and Planning Couples |
| SMILER | Simple Measurement of Indicators for Learning and Evidence-based Reporting |
| SMS | Subject Matter Specialists |
| SPIR | Strengthen PSNP 4 Institutions and Resilience |
| SURE | Sustainable Undernutrition Reduction in Ethiopia |
| TFH/TIH | The Faithful House/The Islamic House |
| VESA | Village Economic and Social Associations |
| WAY | Working Age Youth |

1. General Information

| | | |
|--|----------------|---|
| Name of the IP: Ethiopian Catholic Church Social Development Coordination Office of Meki | | |
| Sub grant agreement number: ET-17-SUBAGR-8446-000P0341-01-00 | | |
| Activity Area | Region: Oromia | Woreda: Boset, Sire, Zeway Dugda, Dodota, Adami Tulu Jido Kombolicha (ATJK), Arsi Negele, Heben Arsi, Shalla and Siraro |
| Reporting period: January 1-March 31,2018 | | |
| Name of Person Preparing the Report: Ian de la Rosa | | |
| Date: April 30,2018 | | |

2. Executive Summary¹

Main Achievements and Reflections

- Nearly 75% of Livelihood Groups (LGs) have been developed by Feed the Future Livelihoods for Resilience – Oromia (hereby called Activity). In Q3, there will be a comprehensive field-based data review which will allow the Activity to learn more about the composition of LG and adapt accordingly.
- DFSA and the Activity worked together to develop a common Skills for Marketing and Rural Transformation (SMART) curriculum to be used for both projects. The plan is for CRS and partner staff to do an intensive TOT by zones to all Lead Community Facilitators (LCF), Community Animators (CAs) and Development Agents (Das) so to reduce time in cascading the training and allow them to rapidly roll-out to LG members.
- The Activity has completed and uploaded to DEC (Development Experience Clearinghouse) the 1) Gender and Youth Assessment and 2) Assessment of Crop-Value/Market Systems Final Report. In addition, the Activity has finalized the Multi-Stakeholder Assessment of Youth Development, completed Financial Services Barrier Analysis data collection, is finalizing the Off-farm Value-Chain Report, and has contracted the Labor Market Assessment (LMA). After releasing an Expression of Interest (EOI) to conduct a capacity assessment of financial services providers (FSPs), CRS did not receive qualified candidates to carry out the assessment so is planning to do it internally.
- Collaboration remained a strong theme for Q2 with the Activity and DFSA conducting a comprehensive review of its layering strategy, harmonize with CRS's \$2-million OFDA - funded Agricultural Recovery and Resilience for Oromia, coordinating with World Vision about Siraro co-implementation, co-chairing a Project Steering Committee with CARE, and establishing an informal Access to Financial Services Interagency Technical Working Group.
- In terms of youth, the Activity has developed and pre-tested its Working Age Youth (WAY) curriculum and is rolling it out across the Activity areas. In addition, the team has engaged

¹ Based on USAID feedback, the Executive Summary format has been changed to capture higher-level and strategic issues.

with the Oromia regional office about the youth revolving fund and is evaluating possibilities of working with it.

Challenges:

- *Insecurity limited access:* With the general civil unrest, the resignation of the Prime Minister, the instatement of the State of Emergency (SOE) and no internet access in Oromia for approximately a month, the Activity faced travel restrictions, preoccupied GOE officials, and hampered communications. This required 1) relocating trainings outside of the operational areas, 2) relying on telephone and SMS communication only, and 3) postponing some community-based trainings to Q3.
- *Delays in Assessments:* The off-farm value-chain assessment is being finalized and will be sent to USAID/FFP approval in early Q3. In the meantime, the Activity will utilize findings to inform its activities (e.g. livelihood pathway selection) while assessment reports are being finalized. Formal dissemination to GOE and keyholders will take place after USAID approval. With the withdraw of the initial LMA consultant, the DFSA secured approval from USAID/FFP to contract the assessment to EDC. With the current security situation, the Activity does not anticipate delays and anticipates having the report completed and approval by July.
- *Difficulty in carrying out capacity gap assessments of agro-dealers:* This Activity was intended to be led by Alliance for a Green Revolution in Africa (AGRA) as part of its letter of commitment, however, due to complications in registration with the GOE, AGRA has been unable to lead this process. Therefore, CRS is re-evaluating 1) whether to conduct this assessment in FY18 or to move this Activity to FY19 in preparation for the belg planting season, and 2) whether to conduct this capacity assessment internally or externally.

Top 10 Main Activities for Q3

1. Cascade Skills for Marketing and Rural Transformation (SMART) Skills to partner and government field-staff and LG Members.
2. Finalize the Financial Services Barrier Analysis and share it with USAID as well as prepare an action plan based on these findings.
3. Conduct the Financial Service Provider Capacity Assessment
4. Finalize the agreements with at least 2 MFIs and start linking clients to them
5. Recruit an external consultant to conduct detail value chain analysis for sheep and goats (i.e. shoat) and oxen fattening.
6. Contract the LMA and have working draft by end of Q3
7. Collaborate with the CRS's OFDA-funded Agricultural Recovery and Resilience for Oromia and SNNPR Activity in the 5 overlapping woredas
8. Develop a comprehensive Collaboration, Learning and Adaption (CLA) plan in collaboration with DFSA.
9. Develop an Innovation Fund Operation Manual with anticipation to disburse Innovation Funds in late Q3/early Q4.
10. Recruit an external consultant to conduct the annual survey in Q4.

3. Activity Overview

Feed the Future Livelihoods for Resilience - Oromia is a five-year USAID funded Activity that aims to support the livelihood options of chronically food insecure households in Oromia region. The Activity's goal is to improve the sustainable economic well-being of Productive Safety Net Programme (PSNP) households in Arsi Zone (Sire, Dodota and Zeway Dugda), West Arsi (Shalla, Arsi Negele, Heben Arsi and Siraro), and East Shoa (ATJK and Boset). The Activity will assist 24,500 PSNP households with a goal to successfully graduate 18,375 PSNP households.² The grant agreement was signed effective February 1, 2017 and ends January 31, 2022.

4. Description of Activity Achievements

SO 1: Vulnerable households have increased income and diversification through on-farm opportunities including crop and livestock market systems

1.1. Women and youth have increased access to and control of household and community resources

1.1.1. Clients join livelihood groups

Establish LGs (including YLGs): Livelihood Groups (LGs) are the building blocks for the Activity interventions. In Q2, 51 LGs were formed. The LG formation was done in a way that ensures increased female participation and females hold 50% of the leadership positions in the 51 LGs. From the LGs formed in Q2, 11 were youth livelihood groups (YLGs). The YLGs consisted of 278 members (M=150, F=128), 46% of whom are female members. From inception to date, 1210 LGs of the target of 1,470 LGs were formed. As noted in the Q1 report, the project was planning to conduct a field visit to review and validate LG data. Unfortunately, this review did not take place due to insecurity; therefore, the project will conduct this validation exercise in Q3. Subsequently, these findings will help inform the Activity's strategy in the development of new LGs.

Register/record Livelihoods Groups/members by the Activity and WFSTF: In Q2, 2,664 clients were registered by the Activity and Woreda Food Security Task Force (WFSTFs).

² Note that this used to read, "The project will assist 29,399 PSNP households with a goal to successfully graduate 22,050 PSNP households." However, the numbers have been changed to align with the Modification #2 signed on April 12, 2018

Train LGs on group management/governance skills: Training on the group management/governance skills was provided to the leaders of 228 LGs. The trainings were facilitated by community animators (CAs).

Provide leadership & decision-making training for LG Leadership Team: In Q2, leadership and decision-making trainings were provided to 264 LG leadership teams (M=152, F=112) for three days. The purpose of the trainings was to improve the LG/YLG leaders' skills on group management and decision-makings. The training covered topics like leadership and characteristics of good leaders.

Provide leadership & decision-making training for LG Women Leadership Team: A total of 305 (217 from non-overlapping) women LG leaders participated in a leadership and decision-making training.

1.1.2. Clients select livelihoods pathway

Orient LGs on mapping household capacity and risks and selection of livelihood pathway. A livelihood pathway selection guideline was developed to provide a road map for CAs, Field Agents(FAs), Development Agents (DAs) as well as staff, partners, and stakeholders of the Activity and DFSA. The guide outlines key steps facilitators should follow, in order, to effectively support the pathway selection process at kebele level.

Prepare checklist for clients who have selected pathways: The livelihoods checklist registration template was adopted from the PSNP PIM and included in the livelihood pathway selection guide. The checklist will be used to register a client's basic information, selected livelihood pathways, livelihood investments, and sources of finances. In addition, it also helps track progress made by households.

1.1.3. Clients trained on business skills

Train LG members on Basic Business Skills: CRS has developed a Skills for Marketing and Rural Transformation (SMART) guideline which presents an integrated and sequential approach to build the capacity of small holder farmers to link with markets. The training curriculum consists of group management/organization, natural resources management, finance, marketing/business skills and innovation; both finance and group management topics were covered in previous trainings. In this round, a five-day training of trainers (TOT) on SMART Skills focused on basic business and marketing, natural resource management(NRM), and innovation. The TOT was provided to 25 CRS and partner organization staffs who work directly on DFSA activities. The TOT will cascade SMART Skills training to LCFs, CAs and DAs, who will in turn, roll-out the training to LG members in Q3.

1.1.4. Clients have approved business plans

Train LG Groups on business plans development: This is Activity was rescheduled to Q3.

Develop business plans: This is Activity was rescheduled to Q3.

1.1.5. Clients oriented to facilitate equitable decision-making

Conduct gender analysis and youth analysis: The Gender and Youth Assessment was approved by USAID/FFP in Q2 and uploaded on DEC ([Attachment D: Gender and Youth Assessment \(https://pdf.usaid.gov/pdf_docs/PA00STN9.pdf\)](https://pdf.usaid.gov/pdf_docs/PA00STN9.pdf)).

Conduct Gender Barrier Analysis: Although this Activity was not initially in the FY18 Annual Workplan, after the Gender and Youth Assessment, it was felt that a more detailed understanding of the specific behaviors merited further research. The Gender Barrier Analysis was conducted together with DFSA in the three overlapping woredas. The assessment results are now under review by different technical staffs.

Train selected clients on TFH/TIH: The Activity, in collaboration with DFSA, organized The Faithful House/The Islamic House (TFH/TIH) ToT for ten couples (two from the non-overlapping woredas, eight from overlapping woredas). In addition to improving understanding of HIV, the main themes of the training were faithfulness, confidence, and participation within the household. The selection criteria for the couples in attendance were: acceptance by the community and willingness to travel to the rural kebeles to train couples in Activity woredas. As a result of this, the trained couples provided beneficiary training to 74 couples within ATJK and Dodota woredas.

Link LG members (especially women) to adult literacy services providers: Within Heben Arsi, Arsi Negele and ATJK woredas, 112 female targets are now linked to an adult literacy service. The Activity was carried out in collaboration with the local education office and DFSA. Education office support by providing teaching material and teacher while DFSA allocated an incentive for assigned teachers.

Train LG Leadership Team on community conversations (CC): To aid with CC and facilitation skills, 131(M=81, F=50F) facilitators were selected from LGs in Arsi Negele, Shalla, ATJK, Heben Arsi, Ziway Dugda and Siraro woredas and provided with a TOT on possible content. The CC facilitators were also selected based on level of education, understanding of social and economic problems affecting the target beneficiaries, and acceptance by members of the LGs. The TOT was given by senior MCS staff in Meki. The CC manual has also translated into Afaan Oromo and shared to the local partner staffs.

Conduct CCs at LGs level: The project is defining its CC delivery mechanism and approach and will introduce CC in Q3.

1.2. Smallholder men, women and youth have increased use of improved agricultural techniques and technologies

1.2.1. Clients trained on improved agricultural practices

Provide training for LG members on homestead gardening: In Q2, IPs recruited two nutrition experts to fill vacant positions. The two nutrition experts attended a four-day Sustainable Undernutrition Reduction in Ethiopia/ Nutrition Sensitive Agriculture (SURE/NSA), as well as a one-day Blended Integrated Nutrition Learning Material (BINLM) training that was organized in collaboration with Growth through Nutrition(GtN), DFSA, the Federal Ministry of Health, and the Federal Ministry of Agriculture and Natural Resources. The training will cascade down to the LG members. A three days TOT was provided to 45 (36=M, 9=F) Health Extension Workers (HEWs), Agriculture Extension Workers/ DAs, and Lead Community Facilitators (LCFs) selected based on competencies from all the nine woredas.

The topics covered include, undernutrition and its consequences, dietary diversity, counselling on good Adolescent, Maternal, and Infant and Young Child Feeding (AM-IYCF) practices, and cooking demonstrations on how to prepare complementary foods using locally available food. Moreover, sessions on NSA addressed agricultural practices that contribute to malnutrition in Ethiopia and sessions on gender and nutrition included topics such as why gender matters for nutrition, how gender and social norms affect nutrition, and strengthening women's access and control over resources. The trainees are currently training other HEWs, AEWs/DAs, and CAs within their respective woredas.

NSA training will also be delivered to the LGs by the trained HEWs and DAs while supported by CAs. Message topics for NSA sessions have been prioritized and selected for the coming two quarters with regard to the appropriateness of the topics for the seasons. Printing of NSA/ SURE materials to be used by HEWs, DAs and CAs is also underway.

Provide training for LG members on Climate Change Adaptation: Training on climate change adaptation skills and techniques was provided to 1,626 livelihood group members. Objective of the training was to increase skills of LG members on climate change adaptation techniques (i.e. double digging, making botanical fertilizers, bio-intensive seed spacing, and succession planting).

1.2.2. Agro-dealers supported

Conduct capacity gap assessments of agro-dealers: This Activity was intended to be led by Alliance for a Green Revolution in Africa (AGRA) as part of its letter of commitment, however, due to complications in registration with the GOE, AGRA has been unable to lead this process. Therefore, CRS is re-evaluating 1) whether to conduct this assessment in FY18 or to move this Activity to FY19 in preparation for the belg planting season, and 2) whether to conduct this capacity assessment internally or externally.

Provide training to agro-dealers: Activity not scheduled for Q2.

Organize exchange visits for agro-dealers: Activity not scheduled for Q2.

1.3. Smallholder men, women and youth have increased use of financial services

1.3.1. Clients trained on financial education

Train LG members on Financial Education: Continuing to build on Q1, training on financial education was also rolled-out in Q2 to respective kebele-level field agents (FA) and CAs in collaboration with DAs who were trained on financial education ToT in Q1. A total of 4,904 LG members (M=2,509, F=2,395) were trained on financial education. The training enables households to make good financial choices regarding income, expenses and budget, savings and borrowing. Moreover, the training enables them to decide on borrowing from external financial service providers to engage in the various value chains. Beyond this, it also helps them understand 1) how one protects their households from unexpected shocks and 2) basic principles of risk management and insurance. The Activity will continue to roll-out the financial education curriculum

1.3.2. Clients access internal financial services for on-farm activities

Pilot electronic transfer system of FA stipends: Activity not scheduled for Q2.

Technical Assistance Training 2 (TA2): In Q2, a TOT training on 1) Loan Fund Share-Out Scenarios, 2) Private Service Providers (PSP) Marketing Strategy, and 3) FA-PSP transition preparations and PSP Certification training was conducted jointly with DFSA. The training was provided by CRS regional technical staff to a total of six Activity staff. The training provided the participants with the tools to cascade to FAs who will then assist LG members during share-out in the following quarters. The training also helped FAs understand marketing strategies in preparation to transit to PSP. Upon certification, the PSP will start providing services for a fee in their respective kebeles. This will create a basis for sustainable community support, even after the Activity is complete. In Q3, the Activity will provide a refresher training on share-outs and PSP marketing.

Recruit FAs: In Q2, an additional nineteen FAs were recruited to serve the additional LGs established.

Train LGs on SILC: In Q2, an additional 339 LGs were trained on the SILC methodology that enabled them to self-manage, keep financial records properly, savings and other funds, and practice borrowing from internal saving. The practice of borrowing from internal sources improves loan management capacity of LG members and improves their capacity for external and higher loan size borrowing. In Q3, the SILC methodology training will be continued to rolled-out.

Clients save for on-farm activities: Following consecutive SILC methodology training, LG members were regularly saving (on weekly or two-weekly basis) the agreed upon amount. In the

quarter, a total of 954,205³ birr (of which, 193,274 birr was Social fund⁴) was mobilized by 9,902⁵ LG members. Cumulatively, 1,148,803 birr was saved in the two quarters allowing LG members the option to borrow from this internal savings community and providing a social fund to help members address emergency issues.

Clients borrow for on-farm activities: Although it is smaller, the LG members' savings enabled them to access internal loans and practice loan utilization and repayment which in turn builds loan management capacity for larger loans from external financial service providers. Total of 1,162⁶ clients (46% women) received loan amount 200,259 birr from internal savings.

Conduct Financial Services Barrier Analysis: In Q2, the Activity and DFSA conducted a barrier analysis (BA) on two identified behaviors: 1) borrowing money from formal financial institutions and 2) timely repayment of loan. The BA was conducted in Dodota and ATJK (non-overlap), Arsi Negele and Shalla (overlap with DFSA) and Siraro woreda (overlap with WVE). The general objective of the study was to develop strategies that result in a sustainable financial linkage between the PSNP IV community and financial services providers. Specifically, to:

- Identify why PSNP beneficiaries may or may not borrow money from formal financial institution
- Identify why PSNP beneficiaries that borrowed money from formal financial institutions may or may not repay the loan on time
- Develop strategies and action to address the identified determinants

The BA identified several determinants found to be significant.

For borrowing money

- **Self-Efficacy:** Households that did borrow money said that they were able to do so because they had the resources deposited in initial savings required by financial service providers. In addition, there was those interested in forming a savings group. For households that did not borrow money, the major deterrent was the inability of some group members to pay back loans.
- **Social Norm:** Influence of family members (husband, wife, and children) in approving/disapproving borrowing money from financial institutions was found to be significant.

For timely loan repayment

- **Self-Efficacy:** Investing borrowed money on productive business was found to make timely repayment of loan easy. Whereas in times of drought/natural disaster, loss of produce and fodder, made it difficult to repay loans on time.

³ This saving comprises of all the money mobilized by clients in this reporting period

⁴ Based on feedback from USAID on the Q1 FY19 report, the Activity reported the social fund as part of the total saving in the narrative while disaggregating savings 1) loan fund and 2) social fund in the IPTT.

⁵ This comprises of all clients who have saved in this reporting period.

⁶ The saving purpose is not disaggregated by livelihood pathways at this level

- **Negative Consequence:** Selling produce at low price to repay loan on-time was one of the significant determinants perceived as negative consequence.
- **Social Norm:** The perception that most people approve on-time repayment of loan was found to be significant. Family is the closest one for the priority group who endorses on-time payment.
- **Reminder:** Remembering when to repay a loan was reported to be somewhat difficult by borrowers. Financial Service Providers (FSPs) have a great role in addressing this through regular monitoring, providing copies of loan contract and repayment schedule.
- **Action Efficacy:** Priority groups perceive that it is somewhat likely not to get additional loan if not paid previous loan.

In Q3, the Activity will finalize the paper and share it with USAID as well as prepare an action plan based on these findings.

1.3.3. Clients access external financial services for on-farm activities

Clients linked to MFIs

Conduct MFI's capacity assessment: The assessment, that incorporates both MFIs and RUSACCOs, was planned jointly with DFSA. In Q2, Expression of Interest (EOI) on Financial Services Providers (FSPs) Capacity Assessment was posted to invite potential consultants ahead of the call for proposals. However, the number of applications received was not sufficient. Additionally, applications received for the EOI were not strong enough to offer the assignment. Following this, the Activity and DFSA agreed to manage the assessment in Q3 using internal resources with close support from CRS regional office.

Provide Loan Guarantee Fund: This Activity was not planned for in the FY19 Annual Workplan, however, in wanting to provide loans to some Activity beneficiaries, the Activity started negotiation with Metemamen MFI who have performed well during GRAD and planned to finalize the agreement in early Q3. The same discussion started with Vision Fund MFI which is one of the potential MFIs in the area. Engagement with the two MFIs, including six RuSACCOs in Sire and Dodota woredas, will enable the Activity to link selected high potential clients and access higher loan. In Q3, the Activity will finalize the agreements with at least two MFIs and start linking clients to them.

Provide Conditional Capacity Fund to MFIs: Activity not scheduled for Q2. It was scheduled for Q4 following the completion of the Financial Service Provider Capacity Assessment.

Clients linked to RUSACCOs

Conduct RUSACCOs' capacity assessment: Activity not scheduled for Q2, scheduled for Q3. Also see Activity under 'Conduct MFIs' Capacity Assessment' .

Provide Conditional Capacity Fund to RUSACCOs: Activity not scheduled for Q2, scheduled for Q4

Monitor Youth Fund and determine strategy to enable Activity clients to access: In Q2, the Financial Services for the Poor Specialist with CRS MF Specialist reached out to Director for

Rural Job Opportunity Creation Directorate, Oromia Region Bureau of Agricultural and Natural Resource. Currently awareness rising is ongoing in Oromia region to enhance and equip zonal and woreda level staffs on the process and facilitation of the youth fund. As it was mentioned by the Director, the source of the fund mainly was federal and regional government, including regional MFI. The fund allocation was 40% to urban, and 60% to rural job creation. Although management of the fund is under the Rural Job Opportunity Creation of Agricultural Bureau and the Urban Job Opportunity Creation of Urban Development and Housing Bureau, its implementation is assisted by different government line stakeholders (Trade Bureau, Social Affairs, Cooperative Promotion Agency). In principle, beneficiaries are required to pass through different steps before accessing revolving fund: 1) screening, business plan preparation, and technical trainings, 2) licensed as MSE and savings started, competence certificate (specific to some businesses, like coffee roasting) and trade license, and 3) referred to the regional MFI (OCSSCO). In Q3, the Activity will collect further information to identify opportunities for the target beneficiaries to access youth revolving fund.

Initiate establishment of Access to Financial Services Interagency Technical Working Group: In the spirit of strengthening collaboration, learning and adaptation between the FTF/FFP Activity partners, CRS organized a meeting on January 11, 2018, where technical staffs from CRS-Ethiopia, World Vision, FH-Ethiopia, and Mercy Corps attended and discussed the saving and lending models that are currently being implemented with PSNP beneficiaries. The meeting created an opportunity for the participating agencies to 1) share their experiences on the application of the saving models, 2) discuss similarities and differences between the models, 3) discuss challenges and opportunities associated with promotion of the saving groups and 4) recommend the way forward for future collaboration and learnings. Following the meeting, a ToR was developed to guide the TWG meeting and the interaction and collaboration between members of the TWG. In Q3, CRS will convene another Access to Financial Services Interagency TWG to discuss different modalities linking PSNP clients to FSPs.

Participate in USG's Development Credit Authority (DCA) meetings: The Activity CoP and Financial Services for the Poor Specialist participated on a meeting held by USAID. Currently, MFIs and RuSACCOs whom the Activity expects to engage with in order to facilitate financial linkage to its target beneficiaries have limited liquidity. Understanding this, in April 2018, DCA conducted a one-week in-country assessment. DCA team met with CRS and CARE, two MFIs, four commercial banks and GoE regulators. The Activity looks forward to receiving an update on the direction that USAID and DCA are considering in providing loan guarantees to commercial banks to provide loans to MFIs for loanable capital.

1.4. Smallholder men, women and youth have increased engagement with agricultural commodities in markets

1.4.1. Clients trained in technical skills for specific on-farm enterprises

Conduct on-farm value-chain assessment: CRS hired Connexus Corporation to conduct a joint crop value chain assessment for the Activity and DFSA [[Attachment E: Assessment of Crop-Value/Market Systems Final Report \(https://pdf.usaid.gov/pdf_docs/PA00SX4G.pdf\)](https://pdf.usaid.gov/pdf_docs/PA00SX4G.pdf)]. The firm conducted a crop value chain analysis in thirteen woredas of Oromia region and Dire Dawa

Administrative Council. The study generated a priority list of crops for the two activities interventions through participation of the activities' beneficiaries, government and private sector actors (cooperative unions, traders).

The crop value chain assessment analyzed wheat, maize, onion, cabbage, red chili pepper, potato, sweet potato, and haricot bean. The study indicated that crop value development can improve income and nutrition of smallholder farmers. Export markets are opportunities for crop value chains. Lack of irrigation, capital-intensive value chains (vegetable value chains), storage problems, market prices fluctuations, diseases and aflatoxin (for groundnut) were found to be the challenges to crop value chain development. Improving the productive capacity of PSNP HHs, linkages to markets and processors access to financial services were recommended to develop the crop value chain. The crop value analysis report was approved by USAID/FFP. In Q3, the Activity will facilitate the business plan preparations and technical trainings for households who chose the crop value chains. In addition, the Project will recruit an external consultant to conduct detail value chain analysis for sheep and goats (i.e. shoat) and oxen fattening.

Disseminate on-farm value-chain assessment: Major findings were shared at a validation workshop that was both internal (with CRS and partners) and external (USAID, Ethiopian agricultural research institutions, seed enterprises, World Vision, CARE, FINTRAC, SNV and others). The crop value chain assessment report was approved and uploaded on USAID Development Experience Clearinghouse (DEC) system. The report was also shared to Oromia regional government.

Provide technical skills training for on-farm pathway: The woreda subject matter specialists (SMS) will provide technical trainings on improved crop and livestock production/fattening to CAs and DAs and model farmers. In addition, CRS may hire short term consultants to develop standardized manuals for the technical trainings after thorough analysis of gaps and needs.

1.4.2. On-farm IGA groups established/strengthened

Establish/strengthen kebele based on-farm IGA groups: The establishment of IGA/marketing groups will be in Q4.

1.4.3. On-farm IGA Groups supported on market linkage

Conduct MSP for on-farm value chain: The establishment of Multi-Stakeholder Platforms (MSP) will happen in Q4 of this fiscal year as the value chain implementation is starting in Q3.

Facilitate woreda level trade fairs/market: This Activity is going to happen in Q4 of this fiscal year as the value chain implementation is starting in Q3.

SO2: Vulnerable households have increased income and diversification through off-farm livelihood options

2.1. Men, women and youth engage in off-farm livelihoods activities

2.1.1. Clients trained in technical skills for specific off-farm enterprises

Conduct off-farm value-chain assessment: CRS hired an external consulting firm Loyya Consults to conduct a joint Activity/DFSA off-farm value chain assessment. The firm conducted off-farm value chain analysis in thirteen woredas of Oromia region and Dire Dawa Administrative Council. The study generated priority list of off-farm value chain interventions through participation of the activities' beneficiaries, government and private enterprises.

The major off-farm value chain identified that t economic activities in the study areas were generally characterized as weak in value chain development and have poorly functioning market systems. The priority off-farm value chains identified were local food catering, retail shops, agro-processing (*baltina*), wood work, construction, hairdressing, sisal production, bakery, and weaving. In Q3, the Activity will facilitate the business plan preparation and technical trainings for who chose the off-farm livelihood pathway.

Disseminate off-farm value-chain assessment: Major findings were shared at a validation workshop attended by CRS MCS, HCS, USAID, Oromia Regional Government, Save The Children, World Vision, CARE, Mercy Corps and others. The full assessment report will be shared to stakeholders in Q3.

Provide technical skills training for off-farm pathway: The woreda SMS from Woreda Food Security Urban Job Creation Office will provide technical training on production and marketing of off-farm value chains to CAs and DAs and model of-farm VC operators.

CRS will hire consultants to develop standardized manuals for the off-farm technical trainings after thorough analysis of gaps and needs.

2.1.2. Off-farm IGA Groups established

Establish/strengthen kebele based off-farm IGA groups: This Activity is going to happen in Q4 depending on collective marketing needs of the target groups.

2.2. Men, women and youth have increased use of financial and business development services

2.2.1. Clients access internal financial services for off-farm activities

See above section on internal financial services for on-farm activities.

2.2.2. Clients access external financial services for off-farm activities

See above for assessment of FSPs and conditional operational fund

2.3. Men, women and youth have increased diversification of off-farm IGAs and non-farm enterprises

2.3.1. Off-Farm IGA Groups supported on market linkage

Establish MSP for off-farm value chain: See above section on on-farm IGA Groups

Facilitate woreda level trade fairs/market for off-farm value chains: See above section on on-farm IGA Groups

SO3 Vulnerable households have increased their income through gainful employment

3.1. Jobseekers adopt increased use of employment knowledge, skills and information for job-seeking

3.1.1. Youth trained in life skills

Conduct Youth Multi-Stakeholder Capacity Assessment: Mercy Corps, a technical partner for CRS DFSA, and the Activity hired the same consultant in August 2017 to develop tools and analysis for the Multi-Stakeholder Assessment for Youth Development ([Attachment F: Multi-stakeholder Assessment of Youth Development](#)). The assessment will help determine the attitudes towards youth by government, community, and implementing partners and therefore inform Activity interventions. The assessment was conducted in Shala, Arsi Negele, Dodota, Siraro, Heben Arsi and Sire woredas with the community level assessment was conducted only in Shala, Arsi Negele and Dodota woredas. In each of these woredas, one kebele was selected and assessments along with house-to-house surveys were conducted from both PSNP and non-PSNP households. In reviewing the different youth activities by different stakeholders, challenges for these activities include but are not limited to lack of funding, lack of capacity to carry out activities, and lack of investment in youth livelihoods development by stakeholders. In addition, the assessment identified several social and environmental factors such as population increase and climate change, which often led to a lack of livelihood-appropriate resources to support young people to become independent and self-sufficient. The assessment recommended that youth were to be given the tools to create their own jobs or engage in self-employment, with the aim of business growth creating further opportunities for other young people, who in turn will become job creators as their small enterprises grow. While the main sectors selected by the stakeholders in this survey were crop production (i.e. grain and vegetables) and animal husbandry, the Activity should further select specific sectors on which youth can focus (i.e. mixed vegetables, goats, dairy).

In addition, DFSA conducted a youth barrier analysis in the four overlapping woredas (Ziway Dugda, Arsi Negele, Heben Arsi, and Shalla) to understand the current practices and behaviors of the youth related to looking for job and starting up their own businesses. Once these findings are released in Q3, the Activity will use these findings to further define its youth interventions and determine whether to duplicate in non-overlapping woredas.

Develop/adapt work readiness curriculum with the participation of implementing partner organizations and other relevant institutions: In the reporting quarter, the Activity's Working Age Youth (WAY) curriculum is adapted with the participation of MCS Activity Lead

Community Facilitators (LCF) and HCS DFSA youth officers/experts. Following the adaptation of the WAY curriculum, the MCS Activity youth officer and eleven MCS LCFs took training of trainer workshop to train members of the Youth Livelihood Groups in the Activity non-overlapping woredas.

Train youth clients on life skills training: In the quarter, 78 (M-61, F-17) working-age client youth were trained in Dodota, Sire and Boset woredas. The training modules included; planning for future development, communication in work place, work habit and work conduct, leadership and teamwork and job search and looking for local job opportunity.

3.1.2. Clients trained in technical skills

Conduct Labor Market Assessment: Due to delays in contracting, the consultant was not available to conduct the Labor Market Assessment (LMA). After receiving approval by USAID/FFP, CRS contacted Education Development Center (EDC), the second potential candidate during the competition for the assessment. EDC expressed its willingness to conduct the LMA. CRS secured approval of EDC form USAID. The LMA will start in the month of April 2018 and continue through the third quarter.

Disseminate labor market assessment: The dissemination of the labor market assessment will be done at the end of Q2 or beginning Q3, depending on the completion of the assessment.

Conduct assessment to identify available potential TVETS, research institutions, and other training institutions: With the need to accelerate youth trainings following the insecurity issues in Q2 and staff commitments to the LMA, the Activity will post an Expression of Interest (EOI) to determine if there are qualified consultants to conduct the assessment to identify training institutions and assess their capacity to provide services to the Activity clients.

Identify appropriate short-term technical trainings: See above section on on-farm and off-farm technical trainings.

One -Stop Centers established/strengthened and supported: As part of the LMA, One-Stops Centers will be mapped and assessed.

3.2. Job seekers are linked with prospective employers

3.2.1. Clients linked to potential employers

Conduct assessment on which communication channels are most compatible for youth to learn about employment opportunities: To be informed by the LMA

Disseminate information on communication channels: To be informed by the LMA

Link clients with potential employers: To be informed by the LMA

SO4 Feed the Future Livelihoods for Resilience - Oromia and other USAID Ethiopia and GoE interventions have increased innovation, scaling and sustainability of livelihood pathways

4.1. Livelihoods for Resilience - Oromia, USAID Ethiopia and GoE have improved layering, sequencing and cost effectiveness of interventions

4.1.1. Internal

Conduct LRO/DFSA Steering Committee: The LRO/DFSA Steering Committee was scheduled to be part of a quarterly joint field visit scheduled for the week of March 11, 2018. However, due to the security situation, both the quarterly joint field visit and LRO/DFSA Steering Committee were cancelled. In lieu of these, DFSA and the Activity convened a comprehensive LRO/DFSA Management Meeting (see below).

Conduct LRO/DFSA Management Meeting: Building on a series of management meetings between LRO/DFSA senior management and technical staff, a full-day coordination meeting was held with DFSA and LRO teams from CRS, MCS, Ethiopian Catholic Church Social Development Coordination Office of Hararghe (HCS), Mercy Corps and Center for Creative Leadership (CCL). The DFSA/LRO Overlapping Strategy was revisited to reflect the ongoing realities given that it was first drafted 12 months ago. In addition, it was agreed that the more standardized approaches should be applied across both activities and that further discussions were required on coordination of youth and employment interventions.

In collaboration with the OFDA-funded Agricultural Recovery and Resilience for Oromia and SNNPR Activity, CRS submitted a \$2-million Agricultural Recovery and Resilience for Oromia and SNNPR Activity proposal to OFDA in February 2018 and has received a pre-award letter (PAL). Of the Activity woredas, it will work in five non-overlapping woredas (Dodota, Boset, Sire, ATJK, and Siraro) with approximately 1,800 households of which the majority are PSNP clients. In the four overlapping woredas, the Activity will work closely with DFSA who will be conducting Diversity for Nutrition and Enhanced Resilience (DINER) fairs.

4.1.2. External

CRS/CARE Co-facilitate Livelihoods for Resilience Activity Joint Steering Committee: On February 7-8, 2018, CRS Feed the Future - Livelihoods for Resilience – Oromia and CARE's Feed the Future - Livelihoods for Resilience held a project steering committee (PSC), hosted by REST in Tigray. The PSC consisted of a one-day field visit to REST sites and a one-day meeting. Upon reflection, the main learnings and takeaways were: 1) there is a need to better understand the application and limitations of the youth development fund in its operational areas, 2) learning from REST on its previously conducted wealth ranking under GRAD and how it may be applied to the two projects, 3) different modalities for monitoring use of the loans (i.e. visits by community coordinators, check-ins by livelihood group peer, engaging with social courts), 4) pros and cons on early linkages to MFIs to access to loans, 5) there is a need to coordinate the terms and conditions of providing loan guarantee funds to MFIs, and 6) the establishment of a

federal GOE/NGO PSNP livelihoods forum and the potential for additional resources to support capacity building of PSNP field staff in key practices. CRS/MCS will be hosting CRS/CARE Project Steering Committee (PSC), tentatively on August 29-30, 2018

During the reporting period, CRS and CARE met with USAID on two major issues in Q2: 1) project baseline and 2) the possibilities of leveraging Development Credit Authority loan guarantee funds so that private MFIs can borrow loan capital from commercial banks. In addition, the two projects have shared information or discussed: terms of loan guarantee funds modalities, labor market assessments, and CLA strategies.

Coordinate LRO/WV SPIR Activities:

1. *Conduct LRO/WV SPIR Overlap Coordination Committees (OCC) at Addis Ababa level:* On February 2, 2018, the OCC met, approved the OCC and MEAL TWG ToRS, reviewed recommendation from USAID site visit, discussed GOE daily subsistence allowance (DSA) rates reviewed Q2 and Q3 activities, participated in each other value-chain and gender/youth dissemination events, and reflected on the LRO/WV SPIR collaboration to date. Of special note was:
 - a. Discussion during the WV DFAS PREP drafting in Q3 and the Activity Annual Workplan preparations in Q4 developing a non-binding joint action plan for Siraro
 - b. Recognition that the two activities have successfully coordinated donor visits, developed coordination mechanisms TORs, and orientated staff on the MOU. There was recognition that Q2 and Q3 would need to further refine how to disaggregate data and how to coordinate the introduction of the Activity's interventions into WV SPIR activities.
2. *Hold SPIR-LRO MEAL TWG meeting:* The SPIR-LRO MEAL TWG meeting was conducted from January 14-15, 2018 at Shashamane World Vision office. The TWG members reviewed and exchanged tools that were designed by CRS and WV to serve similar activities of LRO and SPIR. In early Q3, the SPIR-LRO MEAL TWG will to revisit the MEAL action plan.
3. *Conducted familiarization workshop with the Woreda Food Security Task Force (WFSTF):* In Q2, SPIR and the Activity jointly conducted a familiarization workshop for Siraro woreda Food Security Task Force(WFSTF). LRO and SPIR presented the MOU, the activities' targeting modalities, and the progress-to-date. It was agreed that the two activities would 1) share key documents and annual workplans with the WFSTF, 2) further refine the detailed collaboration plan, and 3) communicate directly with the WFSTF instead of the Woreda Task Force.
4. *Joint Visits of Village Economic and Social Associations (VESA):* Following the formation of the VESA by WV SPIR, both activities jointly visited the VESA groups to introduce Activity staff and monitor the quality of the VESAs.

Coordinate with FtF Value-Chain Activity: In addition to having continued conversations about structuring innovation funds, the Activity attended the FINTRAC-hosted Feed the Future Value Chain Activity Poultry Discussion on February 12, 2018. By attending this discussion, the Activity better understood the restraints that may inhibit poultry from being profitable for small-scale farmers.

Meet to coordinate with CRS DFSA engagement with GTN: The Activity and implementing partners staff participated in the MCHN TWG meeting. The meeting is conducted on a quarterly basis to help review previous quarters progress and identify gaps and successes and discuss any issues. The meetings involve presentations of progress of nutrition and health, WASH, and gender as well as SBCC activities with partners and CRS; they are a good platform to learn from successes and challenges, and to identify and address any issues related to layering and sequencing at partners and CRS level.

Among the major successes identified was the promise of coordination among DFSA, GtN, and the Activity. In this quarter, for example, SURE/NSA training was organized in collaboration with GtN, DFSA and Activity and with support from the Federal Ministry of Health and Ministry of Agriculture and Natural Resources to train partner staff. In addition, two Activity staff attended the training. DFSA cascades the training to HEWs and AEWs in overlapping woredas, whereas, the Activity facilitates training in non-overlap woredas. The Activity also provides the training to the livelihood groups.

Establishment of Access to Financial Services Interagency Technical Working Group: See above section on financial services for details.

4.2. Livelihoods for Resilience - Oromia continuously identifies and addresses knowledge gaps, successes and failures important to the Activity

4.2.1. Learning agenda is developed and resourced

Finalize learning agenda: As agree upon in the one-to-one consultation during the Collaboration, Learning, and Adaptation (CLA) week in October, the Activity submitted its draft learning agenda shortly after the CLA event. USAID returned comments in the middle of Q2. In Q3, the Activity will develop its comprehensive CLA plan in collaboration with DFSA.

Conduct research on learning agenda questions: The Activity will begin research on learning agenda questions following the development of the CLA Plan.

4.3. Successful organizations effectively utilize innovation grant for sustained innovation, scaling and sustainability of livelihood pathways

4.3.1. Innovation Funds funded relevant interventions

Sign agreements with Innovation Fund recipient: The Activity hired an Innovation Fund Specialist in Q2, who will start in April 2018. During Q2, the CoP has reviewed both the Innovation Fund Operation Manual and their development processes. The main takeaway has been that the major obstacle in the development of such guidelines has been how to align the aspirations of the administration of the innovation funds while still adhering to the organization's procurement, financial, and administrative policies, procedures and workflows. As such, once the

Innovation Fund Specialist has begun, the CoP and the Specialist will develop the vision and purpose of the use of innovation funds with programming, procurement, finance, and administrative staff so that all parties can agree on the workflow and ease the disbursement of the innovation funds.

Disburse funds to Innovation Fund recipients: Concurrently with the establishment of an Innovation Fund Operation Guidelines, the Activity will review the crop value-chain and off-farm value chain assessments to identify potential points of investments in Q3 and Q4.

5. Monitoring, Evaluation and Learning (ME&L)

Submit update on ME&L Plan (August 15): Activity not scheduled for Q2, scheduled for Q4.

Produce protocol for data management and MEAL information dissemination: For routine data collection forms that were developed in Q1, instruction forms are prepared and the forms were released in Q2. In Q3, the Activity will work closely with DFSA in identify short-term and long-terms Information and Communications Technology for Development (ICT4D) solutions for data collection and analysis.

Conduct annual data quality assessment: Activity not scheduled for Q1, scheduled for Q3.

Conduct quarterly visit to Activity sites: While the joint Activity/DFSA joint quarterly site visit and Steering Committee in Meki was scheduled for May, due to the civil unrest and State of Emergency (SOE), these were not held. In Q3, with the improvement of the security situation, the Activity will accelerate its technical field visits and is planning a joint quarterly site visit in early June. For more details on the Activity/DFSA Steering Committee, please see the section on internal collaboration.

Conduct annual survey: In Q2, the Activity reviewed and commented on documents of the USAID-led baseline survey considering the Activity's indicators and expectations. Many of the Activity indicators are not included in the baseline. Accordingly, it is discussed and decided that results of the first annual survey will provide base value for some of the Activity indicators that are not included in the USAID-led baseline. These indicators are confirmed with USAID. In Q3, the Activity will draft ToR for the annual survey and recruit an external consultant to conduct the survey in Q4.

Establish feedback and response system: In Q2, the feedback and response mechanism (FRM) manual was finalized. In Q3, the Activity will select kebeles to pilot identified FRMs and procure materials to establish the systems.

6. Management

A. Government Relations

Meeting with Oromia Regional Government: In March, CRS and MCS met with representatives of the Oromia government, including the Deputy Bureau Head and Head of Food Security and Rural Job Opportunity Creation Sector, Food Security Director, Livelihood Monitoring and Evaluation Officer and the Livelihood Agri-business Officer. The team reintroduced Feed the Future Livelihoods for Resilience – Oromia, presented the Activity/DFSA layering strategy and discussed FY19 activities so as help inform the Oromia regional government in its allocation

livelihoods capacity funds. In return, the Oromia regional government agreed to 1) provide directives to zone and regional staff to follow the GOE public works and livelihoods guidelines, 2) keep MCS and CRS abreast of the release of loanable funds to financial service providers and its impact on the release of the federal funds to the region for livelihoods capacity building, and 3) engage the other relevant ministries (e.g. Women and Children, Sports and Youth, Labor and Social Affairs, and Urban Job Creation) in the PSNP planning process.

Refamiliarized WFSTF on Activity: MCS the visited the woreda offices of Ziway Dugda, Arsi Negele, Heben Arsi, Shalla, ATJK, and Siraro (see WV SPIR Collaboration section) to refamiliarize the WFSTF committee on the on overall Activity goals, objectives and activities. In addition to regular contact, it was reconfirmed that the Activity and GOE staff meet formally every quarterly to review progress and quarterly plans.

Conduct Joint MCS/GOE Monitoring Visits: Joint MCS/GOE monitoring visits were conducted in Boset, Sire, Dodota, Ziway Dugda, ATJK and Arsi Negele woredas with government sector office representatives namely from the offices of Agriculture (LICU department), Planning and Economic Development, Livestock, Labor and Social Affairs, Women and Children Affairs, Health and Cooperatives. During the monitoring visits, LG members stressed that their priorities were trainings and linkages to market and financial services.

B. Donor Engagement

Hosted USAID Site Visit: The Activity hosted Reta Assegid, the Feed the Future Livelihoods for Resilience – Oromia Agreement Officer Representative, visited the Activity sites January 24 – 27, 2018. The main recommendations from the visit included:

| Recommendation | Action to Date |
|--|---|
| Conduct internal assessment to determine why some GRAD beneficiaries did not graduate and what impact this may have on the Activity, | Will include in discussion about CLA Plan (see MEAL Section) |
| Determine how households sit on the Pathway to Prosperity spectrum, | Approached REST for wealth-ranking tool Seeking TA from CRS regional and HQ office Considering for FY19 Annual Workplan |
| Further understand the youth development fund and if/how PSNP youth may benefit from it | Monitoring youth development fund (see Financial Services section) |
| Expediate negotiations with the MFIs based on GRAD experience | Opened negotiations with Metemamen MFI and Vison Fund (see Financial Services section) |
| Develop a Siraro specific action plan | Discussed at LRO/WV SPIR Steering Committee (see LRO/WV SPIR section) |
| Coordinate with PSNP IV | Held meeting with Oromia government to reintroduce the Activity and discuss livelihoods capacity funds (see Government Relations section) |

Conducted Environmental Compliance Training: A four-day training on environmental compliance provided to the Activity and Woreda Government staff. The training improved participants' *knowledge* and skills on incorporating environmentally sound design and management (ESDM) practices into Activity planning and implementation process, USAID environmental procedures (Reg. 216) and climate risk assessment.

Negotiated a Modification: CRS submitted a request for modification to purchase an addition vehicle, realign beneficiary numbers throughout the proposal document, and submit the annual workplan on August 31 for the remaining of the grant. In addition, USAID notified CRS that it would need to de-obligate \$300,000 as a short-term measure to meet their immediate cashflow needs.

C. Personnel

In Q2, a Collaboration, Learning and Adaptation (CLA) Officer to support the Activity (30%) and DFSA (70%). In Q3, an Innovation Fund Specialist will join the Activity in April 2018 and a MEAL Officer will join in May 2018. In addition, the Activity will recruit for a Youth, Gender and Employment Manager.

D. Procurement

In addition to the seven motorcycles purchased in FY18, CRS began the procurement of 17 Yamaha motorcycles that will arrive in Q3. The Activity has been approved for 24 motorcycles to be purchased under the grant.

7. Challenges and Mitigation Measures

A. Challenges

Insecurity limited access: With the general civil unrest, the resignation of the Prime Minister, the instatement of the State of Emergency (SOE) and no internet access in Oromia for approximately a month, the Activity faced travel restrictions, preoccupied GOE officials, and hampered communications. This required 1) relocating trainings outside of the operational areas, 2) relying on telephone and SMS communication only, and 3) postponing some community-based trainings to Q3.

Availability of competent consultant to undertake FSPs Capacity Assessment: as indicated under 1.3.3. the Activity, jointly with DFSA, posted an EoI to invite potential consultants ahead of posting ToR. However, only few applied for the EoI. Although ToR was posted following the EoI, the applications received were not competent enough to offer the assignment that will result delays in identifying FSPs to start facilitation of the financial linkage.

Delays in Assessments: The off-farm value-chain assessment is being finalized and will be sent to USAID/FFP approval in early Q3. In the meantime, the Activity will utilize findings to inform its activities (e.g. livelihood pathway selection) while assessment reports are being finalized. Formal dissemination to GOE and keyholders will take place after USAID approval. With the withdraw of the initial LMA consultant, the DFSA secured approval from

USAID/FFP to contract the assessment to EDC. With the current security situation, the Activity does not anticipate delays and anticipates having the report completed and approval by July.

B. Successes

Jointly, with DFSA, conducted Barrier Analysis with internal resources: In Q2, internal staffs from CRS and partner team up and conducted barrier analysis on two identified behaviors: borrowing money from financial services providers and on-time repayment of borrowed money/loan. In addition the staff successfully conducted and came up with feasible intervention areas.

C. Lessons Learned

Deliberate collaboration around MEAL: The Activity and SPIR established different structures to facilitate collaboration of the two activities. One of the structures is MEAL TWG. In Q2, the TWG members from both sides were invited to the OCC meeting to reflect on what they have discussed on their earlier meeting. The reflection and discussion helped the group to further elaborate its purpose and collect MEAL related agenda items that are concerns of the management to be discussed in the next meeting.

8. Next Quarter

SO 1: Vulnerable households have increased income and diversification through on-farm opportunities including crop and livestock market systems

Livelihood, Gender and Nutrition

- Cascade SMART Skills to LCFS, CAs, DAs and LG Members.
- Roll-out of Livelihood Pathway training modules to CAs, LCFs, and LG members
- Roll-out of the women's leadership, TFH/TIH, and CC to LG members
- Review adult literacy intervention and modalities based on DFSA experience
- Roll-out of SURE and NSA to LG members

Financial Services

- Continue to roll-out of the financial education curriculum
- Provide a refresher training on share-outs and PSP marketing
- Continue roll-out of SILC methodology training
- Convene another Access to Financial Services Interagency TWG to discuss different modalities in linking PSNP clients to FSPs
- Finalize the Financial Services Barrier Analysis and share it with USAID as well as prepare an action plan based on these findings
- Collect further information to identify opportunities for the target beneficiaries to access youth revolving fund
- Conduct the Financial Service Provider Capacity Assessment
- Finalize the agreements with at least 2 MFIs and start linking clients to them

On-Farm Value Chain

- Facilitate business plan preparations and technical trainings for households who chose the crop value chains

- Recruit an external consultant to conduct detail value chain analysis for sheep and goats (i.e. shoat) and oxen fattening.

SO2: Vulnerable households have increased income and diversification through off-farm livelihood options

- Share and disseminate Off-Farm Value-Chain Assessment
- Facilitate the business plan preparation and technical training for HHs have chosen the off-livelihood pathway.

SO3 Vulnerable households have increased their income through gainful employment

- Continue to roll-out the WAY curriculum
- Contract the LMA and have working draft by end of Q3
- Post EOI for TVET assessment to determine market potential and whether to do in-house

SO4 Feed the Future Livelihoods for Resilience - Oromia and other USAID Ethiopia and GoE interventions have increased innovation, scaling and sustainability of livelihood pathways

- Convene LRO/DFSA Steering Committee in early June
- Collaborate with the CRS's OFDA-funded Agricultural Recovery and Resilience for Oromia and SNNPR Activity in the five overlapping woredas
- Conduct LRO/WV DFSA Overlap Coordination Committees (OCC) at Addis Ababa level on May 5, 2018
- Prepare to host the CRS/CARE Project Steering Committee (PSC) on August 29 - 30, 2018
- Convene a SPIR-LRO MEAL TWG in early Q3 to revisit the joint MEAL action plan
- Develop a comprehensive CLA plan in collaboration with DFSA
- Develop an Innovation Fund Operation Manual with anticipation to disburse Innovation Funds in late Q3/early Q4

Monitoring, Evaluation, and Learning (MEAL)

- Conduct a field visit to review and validate LG data
- Identify short-term and long-terms Information and Communications Technology for Development (ICT4D) solutions for data collection and analysis
- Conduct an Activity/DFSA joint quarterly site visit in early June (complemented by the Activity/DFSA Steering Committee)
- Draft ToR for the annual survey and recruit an external consultant to conduct the survey in Q4
- Select kebeles to pilot identified feedback and response mechanisms FRM and procure materials to establish the system.
- Conduct a DQA

9. Financial Status

Of the \$2,530,660 obligated, the estimated Activity expenditure as of March 31, 2018 to the grant is \$1,422,563. As noted above under Donor Engagement, the Activity anticipates a short-term de-obligation of \$300,000.

10. Annexes

- Attachment A: Progress Against FY18 Annual Workplan
- Attachment B: QTR2 FY18 Accrual Report (and SF425)
- Attachment C: Success Stories
- Attachment D: Gender and Youth Assessment
(https://pdf.usaid.gov/pdf_docs/PA00STN9.pdf)
- Attachment E: Assessment of Crop-Value/Market Systems Final Report
(https://pdf.usaid.gov/pdf_docs/PA00SX4G.pdf)
- Attachment F: Multi-stakeholder Assessment of Youth Development