



# **GRAD**

## **Graduation with Resilience to Achieve Sustainable Development**

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Cooperative Agreement No.AID-663-A-12-00001

### ***Intermediate Result Assessment Report for FY 2013***

A USAID project, implemented by a Consortium led by CARE and including CRS, REST, ORDA, Agri-Service Ethiopia, SNV, and Tufts University



Prepared by: Dadimos Development Consultants  
Mulugeta Tefera  
Wondwossen Jima  
Biniyam Nishan  
Alpha Solomon

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Mulugeta Tefera  
Dadimos Development Consultants  
[mulugeta@dadimos.com](mailto:mulugeta@dadimos.com)

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## List of Acronyms

ASE	Agri-Service Ethiopia
CCU	Consortium Coordination Unit
CFI	Chronically Food Insecure
CRS	Catholic Relief Service
DA	Development Agent
DECSI	Dedebit Credit and Saving Institution
FEMA	Farmers Economic and Marketing Association
FFP	Food for Peace
FGD	Focus Group Discussion
FHH	Female Headed Household
FTF	Feed the Future
GoE	Government of Ethiopia
GRAD	Graduation with Resilience to Achieve Sustainable Development
HABP	Household Asset Building Program
HH	Household
HHs	Households
HICES	Household Income and Consumption Expenditure Survey
IGA	Income Generating Activities
IPCC	Intergovernmental Panel on Climate Change
IPs	Implementation Partners
IPTT	Indicator Performance Tracking Tables
IR	Intermediate Result
KII	Key Informant Interview
M&E	Monitoring and Evaluation
MFI	Microfinance Institutions.
MHH	Male Headed Household
MSP	Multi-Stakeholders Platform
NNP	National Nutrition Program
OCSCO	Oromiya Credit and Saving Company
ORDA	Organization for Rehabilitation and Development in Amahara.
PAT	Poverty Assessment Toolkit
PMA	Productive Marketing Association
PSNP	Productive Safety Net Program
REST	Relief Service of Tigray
RUSACCO	Rural Saving and Credit Cooperatives
SNNPR	Southern Nation Nationality and People
SNV	The Netherlands Development Organization
TLU	Tropical Livestock Unit
USAID	United State Agency for International Development
USG	United State Government
VESA	Village Economic and Saving Association
WMF	Welfare Monitoring Survey

## Executive Summary

GRAD “Graduation with Resilience to Achieve Sustainable Development” is a five-year USAID funded project. It applies the lessons learned and experiences gained from the implementation of another USAID funded program which phased out in 2011 called PSNP *Plus*. Through the leadership of CARE, GRAD is implemented by a consortium of partners including Agri-Service Ethiopia (ASE), CARE Ethiopia, Catholic Relief Society (CRS), Organization for Rehabilitation and Development in Amhara (ORDA) and Relief Service of Tigray (REST) with Netherlands Development Organization (SNV) as the technical partner for value chain development and agricultural extension. Tufts University is also the member of this consortium responsible for leading the impact evaluation (baseline, mid-term and final evaluation) of the project.

The goal of the project is to sustainably graduate 50,000 households from the Productive Safety Net Program supported by Government of Ethiopia (GoE) and out of chronic food insecurity by strengthening people’s resiliency to cope with income and food related shocks. The project aims to improve people’s overall productivity, increase on-and off-farm income and create new income and livelihoods opportunities. It is built upon a causal model proposing a push and pull dynamic resulting in an incremental progression from chronic food insecurity to food security with associated improvements in PSNP graduation.

This annual intermediate results (IR) assessment is part of GRAD’s M&E requirement indicated in the IPTT to assess project achievements in 2013 or in its second year implementation period. The assessment was conducted in the four regions (Amhara, Oromiya, SNNPR and Tigray), where the five implementing organizations operate.

The 2013 GRAD IR assessment was based on both primary and secondary data sources. The primary data were obtained from men and women project clients, VESA leaders, project implementing partners and members of multi-stakeholders platforms (MSP). Secondary data were also sourced from the project records including monitoring reports, MSP minuetts, GRAD project proposal, baseline survey reports and associated study reports produced by the project.

### Assessment Results<sup>1</sup>

#### *Strategic Objective Indicator*

- Based on USAID’s poverty assessment toolkit for Ethiopia about 21.7% of GRAD client population are very poor (under 1.25 USD/day) while about 88.5% are poor (under 2.5 USD/day).

#### *Result #1 Indicators*

- Currently about 89% of GRAD households have cash savings with VESA groups averaging 10.7 USD/HH (200 Birr/HH).
- About 83.1% of sample households have participated in different livelihood enhancement activities initiated by GRAD and received one or more form of support through VESA groups. About 71.5% of VESA members have been involved in livestock fattening and about 22.4% of them sold animals in the last 12 months.

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<sup>1</sup> All the data presented in this report are through 30 June, 2013.

### ***Intermediate Result #1.1 Indicators***

- The total incremental sales calculated for sample households (785) for the reporting period is 508,529 Birr (USD 28,252).
- The gross margins generated from livestock fattening activities were USD 68.7, 16.9 and 15.4 per animal for cattle, sheep and goat respectively. The total gross margin for all sample households is estimated to be Birr 2,358 (USD 124.5) per tropical livestock unit (TLU).
- Based on project records, large number of household were engaged in a range of value chains promoted by GRAD. The following are the number of households engaged in value chains during 2013 FY (until June 30, 2013).
  - Livestock = 17,771
  - Honey = 287
  - Pulse = 2,977
  - Vegetables = 2,978
  - Red pepper = 1,712
  - Malt barley = 1,248
  - IGA = 13,949

### ***Intermediate Result #1.2 Indicators***

- To promote access to financial services for the poor, GRAD has three financial products, including loan, savings and micro-insurance, tailored to target clients.
- Overall, 15,097 households supported by GRAD, obtained a total of USD 3,176,848 in the form of agricultural and rural loan in the second year of the program's implementation.

### ***Intermediate Result #1.3 Indicators***

- GRAD trained 146 government and GRAD staff on demand driven approach to extension service provision. From these trainees 75 of them were DAs. Until the reporting period of this IR assessment, the trainings were provided in CARE, REST and CRS operational areas. ASE and ORDA have plans to conduct the trainings in the near future.
- Since the trainings were provided recently or planned to be provide to the government DAs and GRAD community facilitators, there are no households so far served by the trained DAs.

### ***Result #2 Indicators***

- Based on the survey data analyzed using FFP Standard Indicators Methodology Guide, currently 15.2 % of HHs are in a moderate hunger or severe hunger.
- The survey data depicts that about 23% of PSNP households are also selling their productive assets due to shocks.

### ***Intermediate Result 2.1 Indicators***

- To improve the nutritional status of households, GRAD has trained a total of 9,028 households in dietary diversity practices.

- Currently, data is not available on number of HHs with new home gardens or existing ones that have been strengthened.

#### ***Intermediate Result 2.2 Indicators***

- About 75% of VESA groups adopted at least two climate change adaptation practices promoted by the project.
- A total of 13 climate change adaptation practices are adopted and implemented

#### ***Intermediate Result 2.3 Indicators***

- About 75.8% of women have reported that there is an increase in women's influence over HH decision making.
- Almost half (48%) of VESA leaders are women.

#### ***Intermediate Result 2.4 Indicators***

- The survey on aspiration of households for graduation shows that currently about 60% of GRAD households have shown the readiness and commitment to graduate within an expressed timeframe.
- About 75% of VESA leaders are also monitoring food security of their membership on annual basis.

The assessment team has compiled the field findings on factors affecting graduation from Safety-Net by factors of enablers, constraints and enhancers as follows:

<b>Enablers</b>	<b>Constraints</b>	<b>Enhancers</b>
<ul style="list-style-type: none"> <li>- Existence of GRAD project</li> <li>- Growing change in peoples' attitudes towards saving and hard work due to motivational trainings</li> <li>- Participation in profitable VCs and IGAs</li> <li>- Increased financial service delivery scheme</li> <li>- Increased engagement in improved agricultural practices</li> <li>- Increased extension services and capacity building.</li> <li>- Increased awareness of the community on nutrition and gender</li> </ul>	<ul style="list-style-type: none"> <li>- Prevalence of Livestock disease</li> <li>- Inability to pay back loans due to death of livestock</li> <li>- High interest rate</li> <li>- Poor market linkage and integration</li> <li>- Concurrent and summer season loan repayment schedules</li> <li>- High and rising cost of fertilizer</li> <li>- The erratic rainfall condition</li> <li>- Small size of land holding</li> <li>- Shortage of animal feeds</li> <li>- Limited health services for livestock</li> <li>- Outstanding loans inhabited HHs from accessing new loans</li> <li>- Limited capacity and interest of MFIs</li> </ul>	<ul style="list-style-type: none"> <li>- Strengthen the market linkage for value chains producers</li> <li>- Adjust the time of loan repayment with the time to get good market price for value chain products</li> <li>- Strengthen and support profitable IGA activities</li> <li>- Strengthen livestock health service</li> <li>- Promotion of climate change adaptation strategies</li> <li>- Strengthen motivational trainings and community dialogues on graduation</li> <li>- Promote HH savings by engaging formal financial service providers</li> <li>- Reduce loan interest rate</li> </ul>

#### ***Result #3 Indicators***



- One Evidence-based document generated and disseminated. This paper focused on reflection and strategic recommendations from PSNP *Plus* and GRAD projects.
- Sixteen Alliances of MSP were forged by GRAD. These MSP alliances are based on the value chains promoted by GRAD. So far 37 MSP meetings were conducted on different values chains in the different IPs' program operational areas.

***Intermediate Result #3.1 Indicators***

- Three public-private partnerships are formed by GRAD with three private companies namely, Gondar Malt Factory, Welelji Agricultural Industries and Eden Field Agri-Seed Enterprise.
- It is found to be too early to report on identification of livelihood models/intervention intended to be developed by GRAD.

***Intermediate Result #3.2 Indicators***

- Two policy review documents related to institutional linkage of VESA with formal financial institutions and outstanding loan management were prepared.

# 1. Introduction

## 1.1 Background

GRAD “Graduation with Resilience to Achieve Sustainable Development” is a five-year USAID funded project. It applies the lessons learned and experiences gained from the implementation of another USAID funded program which phased out in 2011 called PSNP *Plus*. Through the leadership of CARE, GRAD is implemented by a consortium of partners including Agri-Service Ethiopia (ASE), CARE Ethiopia, Catholic Relief Service (CRS), Organization for Rehabilitation and Development in Amhara (ORDA) and Relief Society of Tigray (REST) with Netherlands Development Organization (SNV) as the technical partner for value chain development and agricultural extension.

This project aims to help PSNP beneficiaries graduate from chronic food insecurity while increasing their income and assets as well as enhancing resiliency to shocks. It intends to do this by applying the “push and pull” strategy, developed by USAID for Ethiopia, into a complete and integrated package of interventions for on-and-off-farm economic opportunity creation, access to financial products, and demand-oriented extension services. By focusing on gender equality, improving nutrition, enhancing climate change adaptation and stimulating graduation aspiration among chronically food insecure (CFI) target households, it will build resiliency both at household and community level.

Tufts University is the lead institution in conducting baseline, mid-term and final evaluation to of the project. As the leading partner CARE is in charge of coordination, implementation and technical issues on selected sectors along the GRAD project implementation.

Recognizing the enormity of this project, a M&E system has been put in place in order to trace project changes along with project implementation. The focal point for the annual outcome indicators is the Indicator Performance Tracking Table (IPTT). This annual intermediate results assessment is part of GRAD’s M&E requirement indicated in the IPTT to assess project achievements in 2013 or in its second year implementation period.

## 1.2 Project goal, objectives and intermediate results

The goal of the GRAD project is to:

- Sustainably graduate 50,000 households from PSNP support by GOE and out of chronic food insecurity by strengthening people’s resiliency to cope with income and food security related shocks,
- Improve people’s overall productivity by increasing on-and off-farm income and creating new income and livelihoods opportunities,
- Increase household income at least by \$365 over the five-year project cycle.

The project is built upon a causal model proposing a push and pull dynamic resulting in an incremental progression from chronic food insecurity to food security with associated improvements in PSNP graduation.

The following results and intermediate results will contribute to the achievement of the strategic objective:

<b>Result 1—Enhanced Livelihood Options of Chronically Food Insecure Households in Highland Areas</b>
IR 1.1 On- and off-farm economic opportunities, inclusive value chains and market access for targeted HHs stimulated.
IR 1.2: An inclusive financial sector promoted and access to a range of financial products and services expanded:
IR 1.3: Extension services upgraded
<b>Result 2 – Improved Household and Community Resilience</b>
IR 2.1: Women’s resilience and access to inputs, services and information increased
IR 2.2: Nutritional status of infants, children and reproductive age women improved
IR 2.3: Climate change adaptation improved
IR 2.4: Promote aspirations for graduation among targeted PSNP HHs and enhance enablers of graduation
<b>Result 3 – Strengthened Enabling Environment to Promote Scale-up and Sustainability</b>
IR 3.1: Collaboration among stakeholders consolidated to promote joint learning and scale up
IR 3.2: Enabling environment improved

### 1.3 Objectives of the IR Assessment

The intermediate result (IR) assessment for 2013 is designed and implemented with the following objectives:

- Assess the intermediate results of GRAD based on project M&E plan indicators
- Asses how the benefits of the project are distributed among FHH and MHH.

### 1.4 Geographic Coverage and Timing of the IR Assessment

This intermediate result assessment was conducted in the four regions (Amhara, Oromia, SNNPR, Tigray), where the five implementing organizations operate. In these regions, the assessment covered 15 out of 16 woredas where GRAD operates. Within each woreda, according to the population of beneficiaries, certain kebeles were randomly selected. The field data collection in most regions started June 10, 2013 and lasted for 11 to 12 days. The table below shows selected sample kebeles within each woreda by implementing partners (IPs).

**Table 1: List of sample kebeles by woreda and program area**

Program Area/Region	Woreda	Kebele
ORDA/Amhara	Libokemkem	Berkute
		Mendere-Mariam
		Yifag
	Lay-Gayint	Welela Bahir

		Checheho
		Akabet
		Mekuwabia
		TiTera
CRS/Oromia	Arsi Negelle	Rafu -Charisa
		Kartafawaransa
		Mudhi-arjo
	Zeway -Dugda	Chafe -jila
		Gonale
	A.T.J.Kombolcha	Reji
CARE/SNNPR	Hawella Tula	Lelise -danbe
	Lokaabaya	Chefa Sinae
		Aldabo
		Jermancho
		Feleka
	M/Gorebe	
	Shebedino	Remeda
	Hawassa zuria	Jaradado
Udo wetete		
ASE/SNNPR	Meskan	Batifuto
		Gola
		Berresa
		Dida
	Mareko	Hobe Jare Demeke
		Gola Dare Demeke
		K/Kertfa
		Udasa raphe
REST/Tigray	Raya Azebo	Hawelity
		Ulega
	Raya Alamata	Afogria
		Tsetsera
	Ofla	Sesela
	Enda Mekoni	Hayalu
		Nekas
		T/haymanot

## 1.5 Methodology of the Assessment

### 1.5.1 Data Collection

The 2013 GRAD IR assessment was based on both primary and secondary data sources. The primary data were obtained from men and women project clients, VESA leaders, project implementing partners and members of multi-stakeholders platforms (MSP). Secondary data were also sourced from the project records including monitoring reports, MSP minutes, GRAD project proposal, baseline survey reports and associated study reports produced by the project.

The primary data collection followed quantitative and qualitative approaches depending on the nature of the project's IR indicators and the objectives of the IR assessment. The quantitative data were mainly obtained through household surveys using a structured questionnaire. The IR assessment questionnaire was largely made similar with that of the questionnaire applied for the project baseline survey with some additional set of questions to capture household perspectives on the project implementation and an additional poverty assessment module. The poverty assessment module is adapted from USAID's Poverty Assessment Tool (PAT) for Ethiopia (USAID, 2010).

The household survey questionnaire originally prepared in English was translated into three regional languages including Tigrigna, Amharic and Afan Oromo after it was field pre-tested and commented by CARE staff. The field pre-test of the questionnaire was carried out in Adami Tulu Woreda, which is one of the implementation woredas of GRAD in Oromiya Region.

Similarly different sets of participatory tools were developed by Dadimos team to guide qualitative data collection from different project stakeholders. These tools were:

- VESA leaders KII guide
- VESA members FGD guide
- MSP members interview guide
- Household case study interview guide

These participatory tools were also reviewed by CARE staff and field tested to reflect the project implementers requirement and ground realities. The Dadimos team made changes to the tools based on the comments of CARE staff and lessons from the field pre-test.

## 1.5.2 Sampling method

### *Household Survey*

The assessment applied a two-stage sampling strategy, in which the primary units (clusters) were kebeles and the secondary units were households. Kebeles were selected through randomized process called Probability Proportional to Scale (PPS), while households were selected from GRAD clients in the sample kebele by applying systematic random sampling technique. The list of kebeles in GRAD implementation areas and list of households in the sample kebeles were provided to Dadimos team by the implementing partners.

The household sample size was determined based on the sample size required per implementing agency to capture the expected changes in the value of indicators due to GRAD interventions in its lifetime. For this purpose, the research team calculated the sample sizes required to capture such changes for different indicators by using their associated baseline and target values stated in the project indicators performance tracking table (IPTT). From the three indicators we tested, “% of GRAD HHs selling productive assets during periods of shock” was found to require relatively large sample size. Based on this, in order to determine the sample size, we have applied the following standard sampling formula and procedure:

$$n = D [(Z\alpha + Z\beta)^2 * (P1 (1 - P1) + P2 (1 - P2)) / (P2 - P1)^2]$$

Where,

- n = minimum sample size of each implementing partner;

- $D$  = design effect for cluster designs (we assumed an implicit value of  $D = 2$ );
- $P1$  = the level of the indicator when measured as a proportion at the time of baseline which in this case is 50% as taken from the GRAD IPTT;
- $P2$  = the expected level of the indicator at end of GRAD which is 30%, by targeting the size of change to be 20%;
- $Z\alpha$  = the Z-score corresponding to the degree of confidence desired in order to conclude that a change of the size ( $P2 - P1$ ) is not due to chance ( $\alpha$  – statistical significance level of 0.95 gives  $Z\alpha=1.645$ ); and
- $Z\beta$  = the Z-score corresponding to the degree of confidence desired in order to detect with certainty a change of the size ( $P2 - P1$ ), if such a change has effectively taken place ( $\beta$  – statistical power equals 0.8 gives  $Z\beta=.84$ ).

Then the computed result was increased by 10% to compensate for missing and non-response cases. This has approximately brought the total number of households per implementing agency to be 160. Based on this a total of 800 households were planned and 785 were effectively interviewed for this IR assessment. Further, by considering 20 households per kebele, eight kebeles were sampled per IP. Based on this, a total of 40 kebeles were covered. The results summarized in Table 2 shows that nearly a quarter (24%) sample households considered for the IR assessment were female headed (FHHs).

**Table 2: Number of households covered by the survey**

		REST	ORDA	CARE	ASE	CRS	Total
FHH	N	58	45	19	36	29	<b>187</b>
	%	35.8	28.1	11.9	24.7	18.1	<b>23.8</b>
MHH	N	104	115	140	110	131	<b>600</b>
%		64.2	71.9	88.1	75.37	81.9	<b>76.2</b>
<b>TOTAL</b>	<b>N</b>	<b>160</b>	<b>160</b>	<b>159</b>	<b>146</b>	<b>160</b>	<b>785</b>

### *Qualitative Assessment*

The qualitative assessment was conducted in some of kebeles selected for household survey and at IP level. Based on this, a total of:

- Nine VESA leader KIIs composed of 8-12 participants from 3-4 different VESA groups. Normally, each VESA group has 5 leaders and any representative was welcomed to the discussion.
- Twenty VESA members FGD; 10 women and 10 men FGDs. The men and women FGDs were held separately. Participants of these groups are members of the general assembly and NOT leaders of VESA.
- Five MSP interviews, 1 per program area either on woreda level or on regional level
- Ten household case studies; 5 men and 5 women. Equal number of inclining and declining households were identified and interviewed.

Tagging system has been used to refer direct quotes from the qualitative data to identify the respondents' location by program area and woreda as well the method the data was collected. The definition of the tags is under Annex (4).

## 1.6 Limitations of the study

Alike any other research undertakings, there were some limitations observed during this assessment. One of the major limitations was the late start of the program and inability to get the expected results for some indicators specifically related to vegetables, pulses, malt barley and honey value chain activities supported by GRAD. In most program areas, the program has only been functional for less than 12 months which wasn't adequate time for maturation of value chains; therefore, could not be included in the survey. For the case study of the qualitative data, it was difficult to fully state whether or not beneficiaries were inclining or declining given the short period of time.

Secondly, the timing of the assessment was very close to *keremt* (rainy season). This affects quality of data, since the farmers were in time constraint to get back to their farm for land preparation and sowing for the next cropping season. It also had an effect on the efficiency of the survey team since some areas were hard to access with a vehicle. Putting this into consideration, even after random selection of certain kebeles, program managers of each woredas were contacted to check on the accessibility of kebeles for the teams to carry-out the data collection effectively. Unfortunately, even after taking this precautionary step, some kebeles were still hard to get to and we have to change them.

Thirdly, topics such as asset, income and sales are difficult topics to get full and honest disclosure on. On the quantitative data collected, there were some non-response cases for the tools designed to figure out incremental sales and gross value of products. It is better, in the future, if incentives were to be given to VESA group leaders for periodic confidential reporting on data useful for incremental sales and cost of production. This periodic and confidential collection of data could perhaps help generate a more accurate data in this regards. VESA groups (not for individuals) can also be given with some form of financial incentives to motivate them for accurate and periodic reporting. As well, it would be beneficial if there is a simple computerized database system to manage value chains data that would be handled by M&E offices at an IP level.

## 2. Assessment Results

The final goal of GRAD is to sustainably graduate and build resilience of 50,000 PSNP HHs through asset creation and market led livelihoods. GRAD envisages achieving this goal through the realization of three results, which include

1. Enhanced livelihood options of chronically food insecure households in highland areas;
2. Improved community and household resilience;
3. Strengthened enabling environment to promote scale-up and sustainability.

The 2013 IR assessment focused on measuring key achievements with regard to these results and their associated indicators and intermediate results indicators. In addition, the assessment estimated poverty prevalence among GRAD clients which is the indicator for the final goal (strategic objective) of the project. The following section of this chapter will describe the quantitative and qualitative findings of the current IR assessment.

## 2.1 Final Goal: HHs Sustainably Graduated and Resilient

Percentage of target population living in poverty, below 1.25 USD/day, is the indicator for the final goals of GRAD. The poverty prevalence among GRAD clients was estimated using the household survey data collected based on USAID Poverty Assessment Tool (PAT) for Ethiopia. Data from the Ethiopia 2004/2005 Welfare Monitoring Survey (WMS) and the Household Income and Consumption Expenditure Survey (HICES) were used by USAID to develop the Ethiopia PAT, which closely replicates the poverty results of the WMS and HICES surveys using a smaller number of carefully chosen, statistically derived indicators (USAID, 2010).

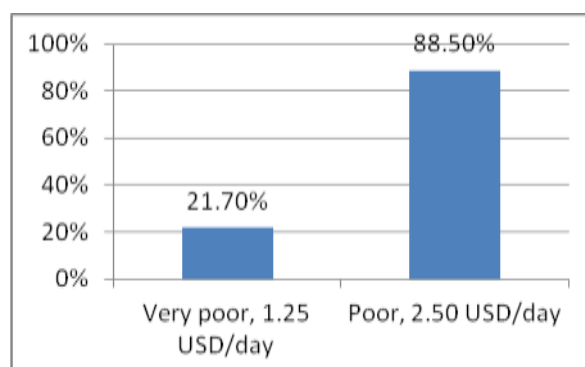


Figure 1: Percentage of GRAD population in poverty

The data collected using PAT questionnaire was migrated to MS Access database fitted with a program code to generate poverty prevalence when executed using Epi Info (TM) 3.5.4. Based on internationally recommended poverty line, which is 1.25 USD/day, about 21.7% of GRAD target population is regarded as very poor. The same dataset also shows 88.5% of the target population to be poor, using 2.50 USD/day line.

## 2.2 Result # 1: Enhanced livelihood options

Result # 1 of GRAD, *enhanced livelihood options of chronically food insecure households*, has two indicators covered by this assessment. These indicators are:

- Average annualized saving per VESA members
- Perceived availability, quality and accessibility of inputs, finance and extension services among target HHs

**Average annual saving:** GRAD has formed social and economic groups called **Village Economic and Social Association (VESA)** at village level. These associations are the entry points to ensure availability, quality and accessibility of inputs, finance and extension services among target HHs. All GRAD client households are PSNP participants and members of the VESA groups. In this IR assessment, VESA group member households were asked the amount of cash savings they have with their groups. Based on this, VESA members have at average Birr 200 (USD10.70) cash saving per household with VESA groups at program level (Table 3). Statistically the t-test result shows there is no significant difference in average saving level between FHHs and MHHs. However, the average saving per VESA member varies by GRAD IPs, with the highest (Birr 328) in REST operational area and lowest in ORDA operational area (Birr 58).

Table 3: Current level of Cash Savings of VESA Members (Birr or USD per households)

IP	Birr	USD <sup>a</sup>	% of VESA members having savings
REST	328	17.54	95.0%
ORDA	58	3.10	84.3%

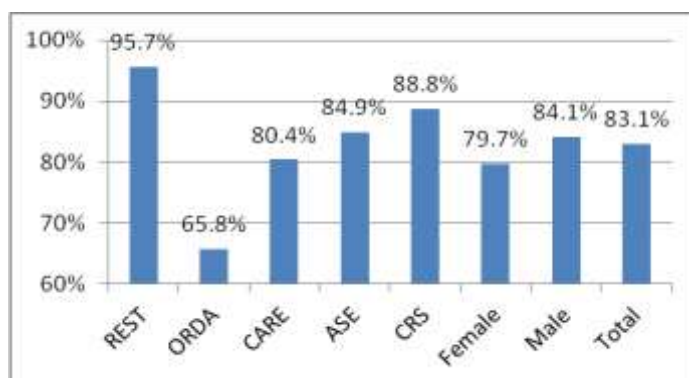


CARE		233	12.46	99.4%
ASE		249	13.32	95.9%
CRS		90	4.81	71.3%
Total	FHH	203	10.81	94.1%
	MHH	199	10.61	89.0%
		200	10.70	89.0%

a) Calculated based on current official exchange rate, 1 USD = 18.80 Birr

#### Availability of Services among Target

**Households:** GRAD provides trainings, access to credit, agricultural inputs, and market information services through VESA on a range of economic activities indicated in the Table 3. According to the findings of the household survey, about 83% of sample households (VESA members) were provided at least one type of service for one or more economic activities they participated in (Figure 2).



**Figure 2: Percentage of households (VESA members) received at least one type of support**

As shown in Table 4, access to services by GRAD clients through VESA is high for livestock fattening compared to other economic activities identified and promoted by GRAD. About 73% of sample households involved in livestock fattening including cattle, sheep and/or goats. In the reporting period, about 71.5% sample households received at least one of the above indicated four services while they were involved in livestock fattening business. When this data is examined by type of services, 43.3%, 26.0%, 11.0% and 16.7% of sample households obtained GRAD supports in the form of trainings, access to credit, access to inputs and market information exchange (respectively) in relation with livestock fattening.

**Table 4: HH practicing in different economic activities and receiving support from VESA**

	Practitioners (785)		Received at least 1 type of support	Training	Credit access	Inputs	Market information
	%	No.					
Cattle fattening	45.5%	357	42.9%	36.3%	19.1%	9.3%	13.1%
Sheep or goat fattening	56.8%	446	54.7%	48.9%	31.6%	12.3%	19.5%
Cattle, sheep and/or goat fattening	73.0%	573	71.5%	43.3%	26.0%	11.0%	16.7%
Honey production	14.6%	115	13.4%	9.8%	0.9%	4.1%	1.5%
Potato	18.3%	144	15.3%	13.4%	0.4%	3.7%	0.8%
Onion	12.2%	96	10.4%	7.1%	1.1%	1.1%	1.4%
Red pepper	8.8%	69	6.8%	4.5%	0.4%	0.8%	1.3%
Pulse (red bean)	15.8%	124	13.6%	11.7%	3.3%	3.6%	3.1%
Pulse-Faba bean	6.0%	47	3.1%	2.4%	0.9%	0.8%	0.6%
Pulse-White pea bean	4.7%	37	4.3%	4.2%	0.0%	0.1%	0.4%

Malt barley	5.6%	44	4.7%	4.5%	0.5%	0.6%	0.3%
Off-farm income generating activities	9.4%	83	9.0%	8.4%	1.7%	0.7%	1.5%

As shown in Table 4 above, few households have also been involved in honey, vegetables, malt barley and off-farm income generation activities (IGAs) in the different GRAD operational areas. The proportions of households involved in these economic activities were very limited mainly because at the time of this assessment, households were identified by the program but have not started to obtain the services (Table 5).

**Table 5: Percentage of sample households received at least one type support from VESA/GRAD in the past 12 months**

List of activities	Branch					Total		
	REST (161)	ORDA (159)	CARE (159)	ASE (146)	CRS (160)	FHH (186)	MHH (599)	Both (785)
Cattle fattening	46.6%	62.9%	32.1%	41.1%	31.9%	47.3%	41.2%	42.9%
Sheep or goat fattening	62.7%	57.9%	50.9%	41.1%	59.4%	56.5%	53.9%	54.6%
Honey production	5.0%	31.4%	19.5%	2.7%	7.5%	14.5%	13.0%	13.4%
Potato	5.0%	43.4%	17.6%	9.6%	0.6%	15.1%	15.4%	15.3%
Onion	6.2%	30.8%	0.0%	15.1%	0.6%	9.7%	10.7%	10.4%
Red pepper	4.3%	2.5%	0.0%	21.9%	6.3%	6.5%	6.8%	6.8%
Pulse (red bean)	4.3%	4.4%	44.7%	1.4%	12.5%	8.1%	15.4%	13.6%
Pulse-Faba bean	3.1%	6.9%	1.9%	0.7%	2.5%	3.2%	3.0%	3.1%
Pulse-White pea bean	3.1%	1.3%	15.7%	1.4%	0.0%	3.2%	4.7%	4.3%
Malt barley	1.2%	20.8%	0.0%	0.0%	0.0%	3.2%	5.0%	4.7%
Off-farm IGAs	0.30%	3.45%	9.45%	22.95%	10.65%	8.05%	9.35%	9.10%

The following quotes are direct voices of the men and women VESA members explaining the type of GRAD supports they received and how they applied the supports to enhance their livelihoods.

Different trainings on the use of improved seeds, fertilizer, and row planting and weeding were provided to us. Many of us are exercising these improved ways of farming. For example, for maize the first weeding (Shuqunaa duraa) should start between 18th- 21<sup>st</sup> days, the second weeding (Baaqaa) on the 36<sup>th</sup> day and the third weeding (Amachisaa) on the 52<sup>nd</sup> day. [CRS\_AR/FGD-M]

The program started in September 2012. We are in a process. No change so far. We have not yet started what we have learned. We may grow barley as we are advised. Otherwise, we have not yet started to implement what was advised to us. [OR\_LIB/FGD-M]

CARE Ethiopia taught us how we can be profitable by sowing haricot bean. After the training, there are people who have taken loan for improved haricot bean seed and we have started to sow it. [CAR\_LK/FGD-W]

We have been trained on how we could produce more. According to the training we received, there are some who have started to sell fattened animals 3 or 4 times a year. I know someone from our villages who have sold up to 15 sheep and goats. [RES\_EM/FGD-M]

Data from GRAD community across all program areas revealed that they receive extension support from both government officials as well as GRAD. Trainings were given to GRAD beneficiaries before they loaned their value chains. However, some VESA communities from REST and ORDA claim the training support on value chains lack continuity. Respondents from REST reveal they were promised to get trainings every three months but it was not practical.

They [ASE] are always with us; they give us advice and training in fattening and animal care for both men and women equally and the same for non beneficiaries. [ASE\_MA/FGD-W]

The extension workers of CARE Sidama (promoters) live in our kebele even before GRAD. These people are always providing us advices and how we can benefit from Sidama MFI. [CAR\_LK/FGD-W]

We have accessed trainings on our value chains but there was no follow up after took the loans. The community facilitator monitors our food security status but nothing beyond that. [RES\_RAL/FGD-M]

We have got training on how we could rear queen bee and produce honey. [OR\_LIB/FGD-W] Awareness on extension services like proper tillage of land, appropriate use of fertilizer is given to all the community. [CRS\_AR/FGD-W]

With regard to gender issues communities from all program areas claim that FHH and MHH have equal chance of accessing extension and input support services. Specifically some FGD discussants from REST indicated that women are getting priority in input support such as chickens.

Sometimes they [women] get better service than us [men], for example they get 6 chickens and we don't. [RES\_RAL/FGD-M].

Through VESA we didn't get any input but there are extension services including trainings and Yes women get equal access but there is no special attention. [OR\_LAG/FGD-W]

## 2.2.1 IR 1.1: On- and off-farm economic opportunities

Under IR 1.1, *on- and off-farm economic opportunities, inclusive value chains and market access for targeted HHs stimulated*, GRAD focuses on identified value chains that are most appropriate for the target HHs. This IR assessment has focused on three indicators including:

- Gross margin per unit of land or animal dedicated to the value chain supported by GRAD
- Value of incremental sales (collected at farm level) and attributed to GRAD implementation
- Number of GRAD households engaged in new profitable IGAs.

GRAD conducted a study and identified value chains having comparative advantages in each of its operational woreda. The study classified the value chains as livestock fattening and rearing, beekeeping, vegetable production and malt barley production (See Annex 1 for details). We developed survey questionnaire to collect useful data for the estimation of gross margins and value of incremental sales from the

**Table 6: Percentage of households fattened and sold livestock in the past 12 months**

Livestock type	Implementing partners					Total
	REST	ORDA	CARE	ASE	CRS	
Cattle	14.3%	1.3%	2.5%	2.1%	0.6%	4.2%
Sheep	18.6%	3.8%	6.3%	17.8%	4.4%	10.1%
Goat	16.1%	1.9%	10.7%	10.3%	11.3%	10.1%
Total	49.1%	6.9%	19.5%	30.1%	16.3%	22.4% <sup>a</sup>

*Note: the total percentage is less than the sum of percentages by livestock type as there were some households engaged in fattening of more than one livestock type.*

different value chains supported by GRAD. Based on the findings of the quantitative survey, livestock fattening is the only value chain having sales between the start of GRAD and this IR assessment. The result of the current IR assessment shows, 22.4% of the survey households were engaged in and obtained income from livestock fattening activities supported by GRAD<sup>2</sup> (Table 6). Nearly 10% of households were involved in each sheep and goat fattening while about 4.2% of them participated in cattle fattening and generated income. As indicated in Table 4 above, the total proportion of households engaged in these economic opportunities is about 71.5%, which is far higher than the percentage of households that obtained income. Thus, majority of the GRAD clients are still waiting to sell their animals and generate income.

### **Gross Margins**

According to the Feed the Future (FTF), gross margin is the difference between the total value of production of the agricultural product (crop, milk, eggs, fish) and the cost of producing that item, divided by the total number of units in production (hectares of crops, number of animals for milk, eggs; pond area in hectares or crate count for aquaculture). Gross margin per hectare or per animal is a measure of net income for particular value chain activity. Based on this definition total sales value of each value chain activity supported by

<sup>2</sup> As indicated in Table 4 about 71.5% of GRAD households were involved in livestock fattening and received support from GRAD. Until the time of this assessment only 22.4% of the sample households involved in and obtained sales income from livestock fattening.

GRAD and associated inputs costs, excluding own labor and fixed investments were collected from sample households.

As indicated above, at the time of this IR assessment, livestock fattening was the only value chain activity supported by GRAD that had sales. The other value chains such as vegetables and honey production activities supported by GRAD were not matured for sales at the time of this assessment. Thus, the gross margins were calculated only for livestock fattening business activities. In the calculation of gross margins for livestock fattening, the sum of total input costs for the purchase of live animals, feed, water, veterinary services, transportation and tax payments were taken into account. The total revenue generated from sold animals by livestock type was taken as total sales value. Based on this, gross margins for cattle, sheep and goat fattening activities in GRAD operational areas for the FY 2013 were estimated at Birr 1,291 (USD 68.7), 318 (16.9) and 290 (15.4) per cattle, sheep and goat, respectively. The current year's gross margin combining the three types of animals was Birr 2,358 (USD 124.5) per tropical livestock unit (Table 7).

**Table 7: Gross Margin per animal and TLU from livestock fattening**

Livestock Type	Total (Birr)					# of animals	Gross Margin per Animal		Gross Margin, Birr per TLUb
	Purchasing cost of live animal	Cost of animal inputs	Total Cost	Sales value	Gross margin		Birr	USDa	
Cattle	119,727	9,434	129,160	179,500	50,340	39	1291	68.7	1,173
Sheep	134,680	13,781	148,460	236,863	88,403	278	318	16.9	3,533
Goat	134,242	9,757	143,998	223,736	79,738	275	290	15.4	3,222
FHH (N=42)	111,910	9,011	120,921	185,896	64,975				
MHH (N=133)	276,738	23,960	300,698	454,203	153,505				
All (N=175)	388,648	32,971	421,619	640,099	218,480				

a) Calculated based on current official exchange rate, USD 1 = Birr 18.80

b) Assuming 1 TLU = 250 kg live weight of animal, 1 bull = 1.1 TLU, 1 Sheep/goat = 0.09 TLU

c) Mean number of animals per HH: cattle = 1.15, sheep = 3.52, goat = 3.48; NB: a HH may have sold more than 1 type of animal

### **Incremental sales value**

FTF defines value of incremental sales as the value (in USD) of the total amount of agricultural products sold by farm households relative to a base year and can be calculated based on the total value of sales of a product (crop, animal, or fish) during the reporting year minus the total value of sales in the base year. A survey questionnaire format, fitting this definition was developed during this IR assessment. Based on this format the total volume and sales from value chains supported by GRAD was collected for the current and a year before. The data for the year before was considered as a base year data and the difference in the value of sales per unit volume of the product between the two years was taken as incremental sales value.

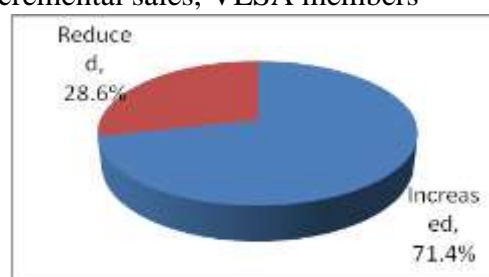
Based on this definition, the finding the YF 2013 IR assessment, in Table 8, indicates that the total incremental sales from livestock fattening was estimated at Birr 508,529 (USD 28,252).

When the total incremental sales value is examined per animal by livestock type it will be USD 164, 9 and 14 for cattle, sheep and goat respectively.

**Table 8: Incremental sales in Birr/USD from livestock fattening**

	This year total		Base year total		Incremental sales		
	Number of animals sold	Value of sales	Number of animals sold	Value of sales	Total in Birr	Total USD	Per animal USD
Cattle	39	179,500	41	64,250	115,250	6,403	164
Sheep	278	236,863	40	27,550	209,313	11,629	9
Goat	275	223,736	72	39,770	183,966	10,220	14
Total		640,099		131,570	508,529	28,252	

Alongside with the collection of data for estimation of incremental sales, VESA members were asked if the total sales value of this year was higher or lower than the sales value reported for the base year. Further, respondents were asked to indicate factors that positively or negatively affected the value of sales from animal fattening activities. As indicated in Figure 3, about 71.4% of respondents reported increase in the value of sales from fattened animals in a year time, while the rest 28.6% indicted reduction.



**Figure 3: Percentage of households reported increase or decrease in value of sales**

Among the households reported the increase in the sales value, about 65.3%, 49.0% and 38.8% indicated that better access to feed, good sales price, and better access to animal health services, respectively, as main reasons for this increase (Table 9).

In addition, 30.6% of households associated the increase in value of sales with good animal health management and increase in numbers of animals fattened. Similarly, about 14.3% of respondents indicated fattening of good quality breed and construction of improved animal shades resulted in increased sales value.

The following quotations taken from FGD participants further explain the reasons for expanded incremental value of sales and accumulation of asset by households due to different forms of supports attributable to GRAD.

**Table 9: Percentage of households by reasons for increase in sales value**

Reasons	Cattle/Bull	Sheep	Goat	Total
Better access to feed	81.8%	61.5%	60.0%	65.3%
Good price obtained	9.1%	76.9%	52.0%	49.0%
Better access to animal health services	9.1%	53.8%	44.0%	38.8%
Good animal health management	18.2%	30.8%	36.0%	30.6%
Increased number of animals fattened	9.1%	30.8%	40.0%	30.6%
Fattened good quality/better breed	9.1%	7.7%	20.0%	14.3%
Better animal shade	0.0%	38.5%	8.0%	14.3%
Others	9.1%	0.0%	4.0%	4.1%

Increase in loan access from the internal saving (from VESA groups) and the loan that is being provided by Agri Service Ethiopia through microfinance is the reason for the increase in fattening activities. We started to fatten goats, calf and sheep with that money. [ASE\_ME/FGD-M]

This time, the people understand the profitability of bull fattening. Moreover, the price and the market demand for goats is increasing from time to time. [CRS\_AD/FGD-M]

Previously, there were a few people who got access to HABP package to participate in livestock fattening activities. Now, after the coming of ASE, most of us started animal fattening using the internal loan from VESA and the loan provided to us by ASE. For instance, I took 4000 Birr loan from ASE [through Omo MFI] and by matching with my own money I bought a bull for fattening. Previously I knew nothing about fattening. Through the advice offered to me I could make it and become profitable. Thus loan I obtained allowed me to see light and gives me a hope in changing my life. [ASE\_ME/FGD-W]

Previously we were not that much involved in fattening because we did not have the financial and technical capacity. Now we involve more in fattening with the help of *furuska* (feed). We are using the money from the loans that we get as well as the training in fattening we received. [ASE\_ME/FGD-M]

It is because we are getting loan for fattening and advisory service from GRAD that we are able to see some changes as compared with the condition we were in before. [OR\_LAG/FGD-W]

There are people in our community who were able to sell their cattle for good price and payback in full the loans they took. Then from the profit they gained, they bought sheep and goat. [RES\_O/FGD-W]

We have been trained on techniques on how we could produce more. According to the training we received, there are some who have started to sell what they have fattened 3 or 4 times a year (I know some people who have sold up to 15 sheep and goats). [RES\_EM/FGD-M]

Likewise, GRAD households reported reduction in sales value due to a range of factors. Among others, shortage of feed, poor animal health management and low sales price were reported by 63.2%, 47.4% and 35.8% of these households respectively. Similarly, as indicated by the respondents, poor access to animal health services and selection of inferior quality animal breeds have also contributed to the reduction in sales value (Table 10).

The qualitative findings from the FGDs also indicate loans are provided and collected according to preset schedules by financial service providers. This situation prevents households from planning to sell animals during the period that they can harvest good price. First, loan collection conducted in summer season (July to August) forces households to sell animals when market prices are low. Since this period is a hungry season for many, a large number of households bring animals to the market to sell in order to buy food. Secondly, in some areas, such as REST, majority of households are asked to pay loans concurrently as a result large numbers of animals are supplied to the market. Therefore, these two factors were indicated as constraints for households involved in animal fattening to get better price for their animals. Table 10 and subsequent quotes from community FGDs exhibit the key reasons for reduction in value of sales from livestock fattening business.

**Table 10: Percentage of households by reasons for reduction in sales value**

Reasons	Percentage
Shortage of feed	63.2%
Poor animal health management	47.4%
Low sales price	36.8%
Poor access to animal health services	26.3%
Fattened poor quality animal	15.8%

*Note: the sum of percentages across columns is greater than 100% as there were multiple responses by households.*

Availability of feed has decreased in our area because grazing land has been changed to crop farming. [CRS\_ZD/FGD-M]

The income from cattle fattening could have been better but the time they [loan service providers] set for repayment of loans coincide with the lowest sales season for livestock. (summer season). As a result, large numbers of households concurrently supply fattened animals to the market for lower prices than they could get if they waiting longer. [RES\_RAL/FGD-M]

I took Birr 4,000 loan from GRAD program. With this loan, I bought four sheep. Three of them died due to a disease and I am now left with one sheep. [RES\_RAL/FGD-W]

The above findings from the household survey and qualitative information indicate all households have not optimally practiced the required animal sales enhancement strategy. When majority applied these strategies some were not able to do so for different reasons. From these results it is possible to infer that access to extensions services, investment capital in the form of loan and availability of market information for making better sales decisions vary from place to place or household to household. Therefore, in the coming years GRAD should give due attention so that the different sales enhancement strategies are addressed in the creation of economic opportunities, inclusive value chains and market access for targeted HHs.

### ***Number of GRAD households engaged in new profitable IGAs***

Number of GRAD households engaged in new profitable IGAs is the third indicator for IR 1.1 to measure the type and level of on- and off-farm economic opportunities created for PSNP households through VESA groups. According to the secondary data obtained from GRAD CCU, livestock fattening and small scale IGAs were the top economic opportunities engaging 17,771 and 13,949 households, respectively (Table 11).



**Table 11: Number of GRAD households engaged in new economic opportunities by value chains and IGAs**

IP	Achievement by Value Chain Type						IGA
	Livestock	Honey	Pulse	Vegetables	Red pepper	Malt barley	
ASE	761			267	710		1343
CARE	1880		1039	23			7894
CRS	3808		1218	238	1002		1142
ORDA	1882	104	224	1581		1248	2772
REST	9440	183	496	869			798
TOTAL	17,771	287	2,977	2,978	1,712	1,248	13,949

*Source: GRAD project records*

### **2.2.2 IR 1.2 Access to a range of financial products and services expanded**

As stated in its proposal, GRAD envisions advancing an inclusive financial sector by promoting cooperation and coordination among key actors while building the capacity of service providers and recipients to introduce appropriate products to enter into financial markets. GRAD in its PMP has the following three indicators to be monitored through its annual IR assessment.

- Number of financial products tailored to target household demand
- Number of target HHs accessing formal financial services
- Value of agricultural and rural loan

Multiple data sources including project records, household survey and qualitative assessment results are used to examine access to financial services by GRAD clients. The abovementioned three indicators for IR 1.2 are addressed by using project records obtained from GRAD CCU. In addition, to further examine the services from both formal and informal financial institutions in rural areas; the IR Assessment included the findings of household surveys and qualitative data analysis in this section of the report.

#### ***GRAD Financial Strategy and Financial Products***

To promote access to financial services for the poor, GRAD has three financial products tailored to target its clients. These services are:

- Reaching out households with loans for investment in identified value chains and other IGAs,
- Mobilization of local savings and
- Provision of micro-insurance.

#### ***HHs accessing financial services***

The project records summarized in Table 12 indicate access to formal financial services in the form of loans attributable to GRAD. Whereas, the household survey and FGD findings

explain the actual situations and trends, from the perspective of GRAD households, with regard to access to formal and informal financial services in the form of loan and saving.

GRAD provides loan guarantee fund to the financial institutions committed to serve project clients. The formal institutions participating in providing financial services to GRAD clients are MFIs and RUSACCOs, depending on the woreda. Based on project records compiled by CCU, GRAD enabled 15,097 households to have access to financial services (mainly loan) through these formal institutions in the second year of the

**Table 12: Access to financial services (loan) by households as of June 30, 2013**

IPs	Number of HHs	Percentage
ASE	761	5.0%
CARE	2,223	14.7%
CRS	3,661	24.2%
ORDA	2,400	15.9%
REST	6,052	40.1%
<b>Total</b>	<b>15,097</b>	<b>100.0%</b>

project. As shown in Table 12 there is significant variation across the different IPs in regards to access to formal financial services with the involvement of GRAD. About 40% households that accessed financial services were from REST operational areas while 24.2%, 15.9% and 14.7% are from CRS, ORDA and CARE, in that order. The share of percentage of households that obtained financial services from formal institutions in ASE were very limited (5%) as compared to the performance exhibited by other IPs.

This variance between program areas is due to saving and loan culture, pre-existence financial service providers, capacity of MFIs, outstanding loan history of beneficiaries and GRAD starting time. Unlike the rest of the IPs, REST project area clients are allowed to borrow money even if they have outstanding loans (as long as it is Birr 1500 or below). ASE program area has the lowest number of households accessing formal financial services. This is mainly due to the lack of capacity and commitment from Omo MFI to work with GRAD, coupled with late start of the program. According to key informant from SNV, outstanding loans with formal financial institutions hindered the expansion of access to loan by GRAD households except in REST areas. The following quotes from the different key informants exhibit the reasons for variation in number of households that have accessed financial services.

REST provides loans to program clients with outstanding loan of less than or equivalent to 1,500birr with healthy repayment history and having the capacity to invest and manage the additional loan. **[GRAD/KII-CCU]**

In some kebeles households did not receive loan from MFIs because of outstanding loans. **[CRS/KII-MSP]**

The problem in this area is that most people have outstanding loans from years back and this prevents them from taking out a new loan from ACSI (MFI). **[OR/KII-MSP]**

Organization [ASE] started operation in our area in early 2013. After it starts its operation, it organized us in to saving groups. Each group started saving and provide loan to members who are in need of involving in fattening and other petty trade business. **[ASE\_MA/FGD-W]**

Before Agri Service, the accessibility of loan was negligible. . . Access to loan from Omo Micro Finance is given to people who are well to do, they do not give loan to Safety Net beneficiaries. **[ASE\_ME/FGD-M]**

Sub-branch office of Omo MFI Meskan is less committed and put GRAD activities aside as it comes from non-governmental agency giving priority to activities from woreda sector offices and delay is compounded by the fact that the financial capacity of Omo MFI sub-branch at Mareko yet unpredictable as the MFI couldn't extend credit to beneficiaries as intended. This has had significant adverse impact on progress of the project. (GRAD, 3rd Quarter Report, 2013)

According to the information gathered from a discussion with a key informant from SNV as well as GRAD monthly newsletter issued in February 2013, negotiations to improve the issue of outstanding loan is currently underway in Amhara region using the experience from REST program area as a guiding tool. For ASE program area, based on GRAD's 2013 third quarter report, efforts are being made through discussion and preparation of joint action plan by Omo MFI and ASE in resolving the low performance of access to financial service to program clients. Thus, based on the action plan, it is expected that the two parties follow through with their commitments. Additionally, those program areas that were predisposed to have smaller number of households accessing formal financial services due to lack of existing financial infrastructure and capacity will need to boost their efforts to meet the program targets.

### ***Value of agricultural and rural loan***

Value of agricultural and rural loan is the third indicator for IR 1.3 which shows the amount of loan obtained by GRAD clients to invest on identified value chains and other IGAs. Based on the project records presented in Table 13, about 3.2 million USD has been accessed by a total of 15,097 households through formal financial service providers (MFIs and RUSACCOs) in year 2013. At an average, a household accessed loan amount of USD 127 or Birr 3,956. The total and per household values of loan, presented in Table 13, varied by IPs. About two-third (63%) of the total loan value was given to GRAD clients in REST operational area while only about 5% of went to ASE operational areas. At the same time, value of agricultural and rural loan for REST is high at 320 USD/HH while it is the lowest in CRS with 96 USD/HH.

The financial service provided to these households is based on partnership agreements between GARD IPs and service providers. To this end GRAD provides a loan guarantee fund to the financial service providers. One eighth of the loan provided to the households is the loan guarantee fund allocated by GRAD while the remaining seven out of eight is from the service providers. The matching fund from GRAD is a guarantee available to the service providers to develop confidence for them to provide loan to poor households.

**Table 13: Total value of agricultural and rural loan accessed by GRAD HHs**

	Total USD	Percent	# of HHs	USD/HH	Birr/HH
ASE	169,111	5.3%	761	222	4,177.77
CARE	273,934	8.6%	2,223	123	2,316.67
CRS	350,200	11.0%	3,661	96	1,798.35
ORDA	376,527	11.9%	2,400	157	2,949.46
REST	2,007,076	63.2%	6,052	332	6,234.80
Total	3,176,848	100.0%	15,097	210	3,956.07

*Source: Project Record*

*Note: USD 1 = Birr 18.8*

As shown in Table 13, the total and per household loan access across IPs were mainly dependent on the performance and capacity of financial service providers (MFI and RUSACCO), starting period of GRAD's operation as well as the type of value chains practiced by households. The performance of financial institutions associated with different reasons are explained in the section below, mainly including possibility of providing additional loan without settlement of outstanding loan and accessibility of the institutions. In some IP areas, such as ASE and REST, the most widely practiced value chain during the reporting period was livestock fattening which requires higher investment loan per household compared to CARE and CRS where vegetable and pulse production was predominant. Regardless of the loan size per household, improving the performance of financial service providers in terms of their accessibility and provisioning of loan on top of exiting outstanding loan will improve the value of agricultural and rural loan accessed by households.

GRAD client households can access agriculture and rural loan from formal financial service providers (MFIs and RUSACCOs) by presenting a business plan prepared by individuals.

Further to understand how households used this loan, informants of the IR assessments were asked the amount of loan they received was used based on their business plans. Based on this, about 89.5% and 100% of rural loan provided by MFIs and RUSACCOs, respectively, was used as per the business plan households applied for. The remaining amount (nearly 10%) of loan fund was used by households for unplanned investment activities of other social and consumptive needs.

**Table 14: Percentage of agricultural and rural loan used based on household business plan**

IP	MFI	RUSACCO	Total
REST	88.4%	100%	88.4%
ORDA	97.6%	100%	98.5%
CARE	91.1%	N/A	90.3%
ASE	96.7%	100%	96.9%
CRS	85.5%	100%	85.6%
Total	89.5%	100%	90.1%

### ***Findings of HH Survey and Qualitative Assessment***

In the household survey, VESA members were asked which financial service providers they use for saving money and accessing loans (Table 14). The survey findings indicate that nearly two in three (66.2%) GRAD clients have received loans from different formal and informal financial service providers in the last 12 months. In this respect MFIs are the leading service providers by reaching out to about 52% of sample households with loans followed by VESA groups which have provided loans to 11.2% of sample households in the referenced period. Only a few proportion of households, 3.9% and 0.9% received loans from RUSACCOs and Multi-purpose cooperatives during this period.

**Table 15: Percentage of households and mean value (Birr) of loan in the past 12 months by financial service providers**

IP	VESA		RUSACCO		Multi-purpose Coop		MFI		Total Average	
	%	Mean	%	Mean	%	Mean	%	Mean	%	Mean
REST	0.6%	500	1.9%	1,200	0.0%	0	92.5%	5,562	93.2%	5,553
ORD	6.3%	155	15.7	3,892	3.1%	4,200	18.9	5,08	41.5	4,12

A			%				%	5	%	7
CARE	19.5 %	203	0.0%	0	0.0%	0	37.7 %	3,553	57.2 %	2,412
ASE	31.5 %	470	1.4%	3,000	1.4%	1,707	28.1 %	4,112	57.5 %	2,376
CRS	0.0%	0	0.6%	3,600	0.0%	0	80.0 %	3,579	80.6 %	3,579
FHH	11.8 %	365	4.8%	4189	0.5%	3000	52.7 %	4491	67.7 %	3880
MHH	10.9 %	335	4.0%	3367	1.2%	3559	51.3 %	4497	65.4 %	3847
Total	11.2 %	340	3.9%	3,565	0.9%	3,488	52.0 %	4,464	66.2 %	3,819

*Note: Percentages are calculated against the total sample size while means are computed for households who received loans in the last 12 months*

The following information obtained from the qualitative assessment also supports the quantitative findings in terms of the use of loans from VESA groups by the households.

From the internal savings so far, no loans were given to members.  
[CRS\_AR/KII-VESA]

We use the internal saving to distribute loan to members who want to be involved in petty trade and fattening. [ASE\_MA/KII-VESA]

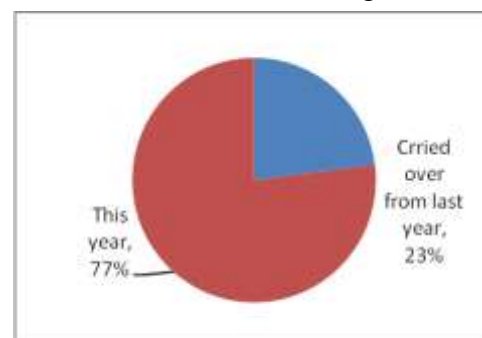
Priority is given to those whose proposals get approved by the general VESA assembly. [CAR\_HZ/KII-VESA]

We use our internal saving as contingency incase a bad day comes. Everybody doesn't ask for loans. For instance, in our VESA group, 7 people asked but we only gave to four and we are planning to give the next three in the next coming months. [RES\_O/KII-VESA]

We mostly use the internal saving to buy garlic and potatoes for farming and subsidize anything else we need to buy for an IGA we might have.  
[OR\_LI/KII-VESA]

The average loan size sample households received in past 12 months, from one or more financial service providers was Birr 3,819. The loan size provided by MFIs was Birr 4,464 per household which is the highest compared to the rest of financial service providers. VESA groups, which are informal financial service providers, are the second in terms of coverage and provided Birr 340 per household in the reference period.

An overwhelming number of GRAD households (95.7%) have some level of savings with formal and informal financial service providers. VESA groups established by GRAD are community-based financial institutions providing the leading saving services in terms of coverage for about 89% of sample households. MFIs are also the



**Figure 4: Source of current saving level by proportion**  
Source: VESA Members FGDs

most important formal financial institutions with which about 23.6% of households keep their savings. As opposed to this, only a few households use RUSACCOs (7.9%) and multi-purpose cooperatives (4.1%) for savings.

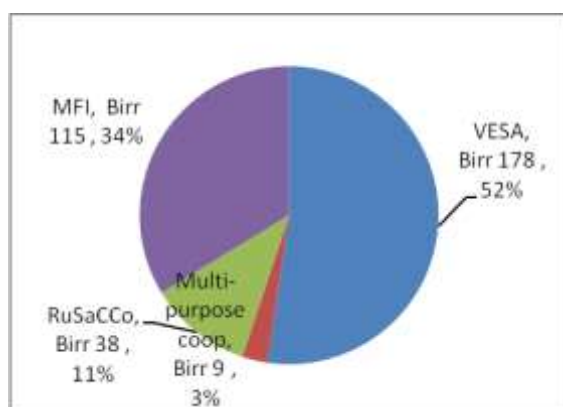
**Table 16: Percentage of households and mean saving (Birr) with financial service providers**

IP	VESA		RUSACCO		Multi-purpose Coop		MFI		Total Average	
	%	Mean	%	Mean	%	Mean	%	Mean	%	Mean
REST	95.0%	328	16.1%	248	0.0%	295	6.8%	425	98.8%	421
ORDA	84.3%	58	12.6%	793	2.5%	106	10.1%	639	90.6%	240
CARE	99.4%	233	8.8%	431	0.6%	30	22.0%	674	98.7%	423
ASE	95.9%	249	1.4%	807	0.0%	0	5.5%	403	97.9%	278
CRS	71.3%	90	0.0%	0	5.0%	159	71.9%	421	92.5%	405
Women	91.9%	203	7.5%	387	4.8%	122	17.7%	458	96.2%	315
Men	88.1%	199	8.0%	511	3.8%	271	25.4%	493	95.3%	369
Total	89.0%	200	7.9%	483	4.1%	229	23.6%	487	95.7%	357

Note: Percentages are calculated against the total sample size while means are computed for households who had savings at the time of the survey

As indicated in Table 15 above, the proportion of households saving cash with VESA groups is high with some degree of variation across IPs. In CARE operational area, nearly all (99%) of VESA members have cash saving with VESA groups, while in CRS area 71.3% of them indicated the same. Overall, these findings illustrate that promotion of saving with VESA groups established based on GRAD's implementation strategy to be acceptable and appropriate for promotion of savings among PSNP clients. With regard to formal financial institutions, in places where they are operational, RUSACCOs, seem to be preferable than MFIs for saving purposes. This is mainly because clients get extra income from dividends on top of the interest income as they are the owners of the institution. In addition, RUSACCOs provide relatively relaxed loan in terms of loan repayment time.

We prefer to save in RUSACCO than DECSI because RUSACCO gives us a profit dividend and the interest they charge us when we take out loans is far less than what DECSI charges us. [RES\_RAL/FGD-M]



**Figure 5: Average saving per household by type of service providers**

Source: HH Survey

Further, using proportional piling method, community focus group discussants were asked to what extent they have changed their cash saving level since the start of GRAD. In each group, discussants were given 100 counters to estimate the proportion current saving carried over from last years and raised in the last 12 months (after they engaged in VESA groups).

Based on this, a total average of the results was obtained from 14 focus groups; out of their current saving, 23% was carried over from last year and 77% was raised in the current year. This shows that as a result of the involvement in VESA the households have increased their saving level by three folds. This is largely attributed to increase in number of households who have started saving since the start of GRAD through VESA.

Although the high proportion of households that started saving shows the interest of GRAD clients to save, the amount of saving per households is generally low at this time. According to the findings of the household surveys, the average cash saving with financial institution is Birr 357 per household (Table 15). As shown in Figure 5, almost half of the total saving is mobilized through VESA groups while the mobilizations by MFIs, RUSACCOs, and multi-purpose cooperatives account for 34%, 11% and 3% of the total household savings respectively.

The reasons for experiencing less contribution of loan services from RUSACCOs and Multi-purpose cooperatives are this institutions serve members who can afford predetermined regular contributions that the poor, like PSNP clients, might not be able to afford.

Saving proportion with VESA groups turned out to be high within short period of time of their establishment mainly because they are nearer to the community, less bureaucratic and motivated. In addition, the formal financial institutions have less interest for mobilizing savings as it is costly for them to work in that scale with poor people. Therefore, GRAD's continued efforts are required in engaging formal financial institutions in promotion of saving.

The following quotations from VESA group leaders KIIs exhibit the views of the community with regards to the roles and attitudes of formal institutions to promote saving by poor people.

The poor are excluded by OCSCCO (MFI) if they don't have asset as a guarantee to take loan. [CRS\_ZD/KII-VESA]

Unions and cooperatives serve well to do people. They have nothing to do with us. Apparently they are less important for and far away from us. [ASE\_MA/KII-VESA]

Before Agri Service, the access to loan is negligible. . . Omo Micro Finance used to give loan for people who are well to do, they do not give loan to safety net beneficiaries. [ASE\_ME/FGD-M]

### **2.2.3 IR 1.3: Extension services upgraded**

Base on IR 1.3, GRAD envisages upgrading agricultural and business extension services to transfer knowledge to farmers and assist the rural transformation process. In relation with this, the current IR assessment focused on the following two indicators defined in GRAD's proposal:

- Number of DAs trained and actively applying demand driven approach to extension service provision to target GRAD households

- Number of GRAD households served by trained DAs

According to the secondary data from project records shown in Table 16, GRAD trained 146 government and GRAD staff on demand driven approach to extension service provision. From these trainees 75 of them were DAs working in rural kebeles. From the total number of participants of the trainings, 23 were women and 123 were men. Until the reporting period of this IR assessment, the trainings were provided in CARE, REST and CRS operational areas. ASE and ORDA have plans to conduct the trainings in the near future. The trainings carried out so far included regional, zonal and woreda experts from the agricultural sector bureaus/offices as well as community facilitators and livelihood experts from the implementing partners.

Since the trainings were provided recently or planned to be provide to the government DAs and GRAD community facilitators, there are no households so far served by the trained DAs. However, all the implementing partners have planned to provide training to GRAD client households in the subsequent seasons.

**Table 17: Number of government and GRAD staff participated in trainings on demand driven extension approach**

	Region/woreda	Number of training participants											
		Region/zone/woreda experts			DAs			GRAD staff			Total		
		M	F	Total	M	F	T	M	F	T	M	F	T
1	SNNPR (CARE)												
1.1	H/tula	2	2	4	5	2	7	0	1	1	7	5	12
1.2	H/zuria	4	0	4	13	1	14	0	0	0	17	1	18
1.3	Shebedino	3	1	4	0	0	0	3	0	3	6	1	7
1.4	L/Abaya	4	0	4	7	0	7	0	0	0	11	0	11
1.5	Zone office	1	0	1	0	0	0	0	0	0	1	0	1
1.6	Region office	2	0	2	0	0	0	1	0	1	3	0	3
	Sub total	16	3	19	25	3	28	4	1	5	45	7	52
2	Tigray region(REST)												
	E/Mekoni	3	1	4	6	3	9	0	3	3	9	7	16
	Ofla	3	1	4	3	3	6	2	0	2	8	4	12
	R/Alemata	4	0	4	3	0	3	2	1	3	9	1	10
	R/Azebo	3	0	3	3	0	3	4	1	5	10	1	11
	Zone office	0	0	0	0	0	0	0	0	0	0	0	0
	Region	0	0	0	0	0	0	1	0	1	1	0	1
	Sub total	13	2	15	15	6	21	9	5	14	37	13	50
3	Oromia (CRS)												
3.1	A/J/kombolocha	3	0	3	6	0	6	1	0	1	10	0	10
3.2	Z/dugda	5	0	5	7	1	8	1	0	1	13	1	14
3.3	A/Negelle	0	0	0	5	1	6	1	0	1	6	1	7
3.4	Shalla	4	0	4	6	0	6	1	0	1	11	0	11
3.5	Region	0	0	0	0	0	0	1	1	2	1	1	2
3.6	Sub total	12	0	12	2	2	2	5	1	6	41	3	44



					4		6						
	Grand Total	41	5	46	6 4	1 1	7 5	18	7	25	12 3	23	146

*Source: Project record*

## 2.2.4 Summary

Based on the result of household survey data analyzed using USAID PAT model for Ethiopia about 21.7% of GRAD clients are very poor (under 1.25 USD/day) while about 88.5% are poor (under 2.5 USD/day).

Currently about 89% of GRAD households have cash savings with VESA groups averaging 10.7 USD/HH (200 Birr/HH). Based on this, an overwhelming majority of PSNP households participated in VESA groups were able to adapt saving practices within a short period of time since GRAD started. The average saving level by FHH and MHH households is nearly equivalent.

About 83.1% of sample households have participated in different livelihood enhancement activities initiated by GRAD and received one or more form of support through VESA groups. The different services provided in this respect include trainings, access to credit, input supply and market information. In the past year, the main focus of GRAD was found to be on livestock fattening. However, there are also recently initiated GRAD supports on other identified value chains and off-farm IGAs.

About 71.5% of VESA members have been involved in livestock fattening and about 22.4% of them sold animals in the last 12 months. The gross margins generated from livestock fattening activities were USD 68.7, 16.9 and 15.4 per animal for cattle, sheep and goat respectively. Similarly comparison of sales values of this year with the sales from last year showed increments per unit of animal equivalent to USD 164 for cattle, USD 9 for sheep and USD 14 for goat.

Nearly 28.6% of GRAD households reported reduction in incremental sales between the references periods considered above. Shortage of feed, poor animal health, low sales price and fattening of inferior quality animal breeds were cited as the reason for reduction in incremental sales.

Based on project records, large number of household were engaged in a range of value chains promoted by GRAD. Significant numbers of household were engaged in livestock fattening (17,771) and off-farm IGAs (13,949).

To promote access to financial services for the poor, GRAD has tailored three financial products including loan provisioning, mobilization of savings and micro-insurance scheme. Through this scheme supported by GRAD, 15,097 households obtained a total of USD 3,176,848 in the form of agricultural and rural loan in the second year of the program's implementation. Apart from this, about 11.2% of sample households interviewed during the assessment survey indicated to have access to loan with an average value of Birr 340 (USD 18) per household in the past 12 months prior to the survey from VESA groups initiated by GRAD.

One of the financial strategies of GRAD is promotion of savings by households through VESA groups and to eventually link them with formal financial service providers. Until the time of this assessment, 89% of sample households have cash saving worth of Birr 200 (USD 10.6) per household kept with VESA groups.

About 95.7% of GRAD beneficiaries reported Birr 357 per household cash savings with VESA groups and other formal rural financial service providers. Out of the total saving owned by households, 52% was mobilized by VESA groups and 77% was accumulated in the last 12 month while the rest 22% was carried over from previous years.

In the IR assessment reporting period, GRAD trained 146 government experts and DAs as well as GRAD promoters and livelihood specialists on demand driven approach to extension service provisions in three IPs operational areas. Other two IPs were getting ready to provide similar trainings in their respective operational areas. However, since the trainings were given recently or to be given soon, no households were trained by DAs on demand driven extension approach.

## **2.3 Result #2: Improved community and household resilience**

GRAD consortium understands resiliency to mean reducing vulnerability of households and communities to climate-related shocks and strengthened capacity to cope with (absorb) and recover from economic (income and market related), food production and health related shocks. With respect to resilience the focus of GRAD is on strengthening household capacity to prevent and minimize back-sliding of graduated HH by lifting up their resiliency against vulnerabilities.

GRAD is engaged in interventions that further expand HH options to protect against and recover from the impacts of shocks without irreversibly depleting assets as well as financial and social capital.

In this regard, the main objective of GRAD is to contribute to increased resilience in four areas that will mutually reinforce the economic opportunities stated. Result 1 of the project logic includes:

- Gender equality and women's empowerment,
- Community natural resource management and capacities to adapt to climate change,
- Household and community dietary diversity and nutrition, and
- Aspirations for graduation.

In relation to this, result # 2 of GRAD, *improved community and household resilience*, has two indicators covered by this intermediate results assessment. These indicators are:

- Percentage of HHs with moderate or severe hunger
- Percentage of United State Government (USG) supported PSNP households selling productive assets during periods of shock.

### ***Household Hunger Scale***

Household hunger scales (HHS), developed by USAID, and is used to measure the percentage of households with moderate or severe hunger (2011). It is a result indicator

applied in GRAD to measure access to food at household level. HHS is constructed based on three variables showing the food access situation of households throughout the four weeks prior to the interview date. These variables were posed to the respondents in the following way:

- In the past [4 weeks/30 days] was there ever no food to eat of any kind in your house because of lack of resources to get food?
- In the past [4 weeks/30 days] did you or any household member go to sleep at night hungry because there was not enough food?
- In the past [4 weeks/30 days] did you or any household member go a whole day and night without eating anything at all because there was not enough food?

The detailed data elements and analysis methodology applied in this survey was based on Food For Peace's (FFP) *Standard Indicators Methodology Guide*.

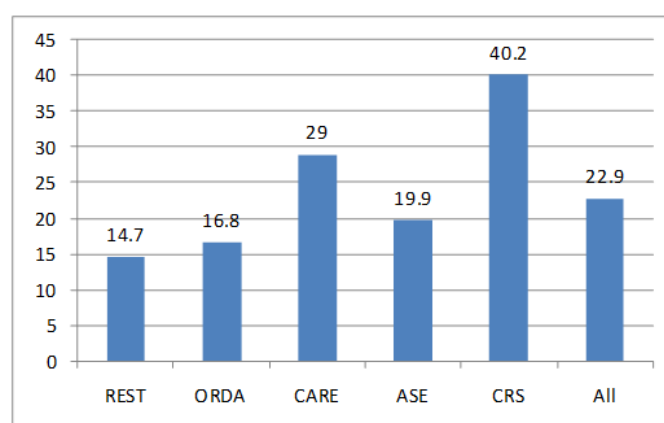
Table 18: Percentage of Households by HHS

Hunger scale	REST	ORDA	CARE	ASE	CRS	Total
Little or no hunger	94.5%	84.5%	79.2%	71.9%	92.5%	84.8%
Moderate hunger or Severe	5.5%	15.6%	20.8%	28.1%	7.5%	15.2%

The findings of the survey data analysis presented in Table 18 above show that only about 15.2% of households experienced moderate or severe hunger in GRAD operational areas during the survey season. However, the results by implementing partners depict that the hunger is more rampant among ASE, CARE and ORDA implementation areas in which about 28%, 21% and 16 % of households sustained either moderate or severe hunger respectively.

### ***HHs Sold Productive Assets***

Figure 6 below depicts that around 23% of sample households indicated that they have sold or exchanged their productive assets due to shocks. The assets were sold to cope with different shocks that predisposed them to livelihood insecurity. Specifically, these households were forced to sell or exchange livestock and fixed assets such as farm tools to buy food, or to pay for family health expenses.



**Figure 6: Percentage of HHs who have sold or exchanged their assets.**

## **2.3.1 IR 2.1. Nutritional Status of Infants, children and reproductive age women improved**

GRAD recognizes that nutrition plays a critical role in economic and human development. In line with this, appropriate household nutrition actions in general and that of children under five in particular, enable the creation of a healthy and productive labor force which is vital to ensuring sustainable social and economic development. GRAD envisages addressing issues of food production, access and utilization in order to build household and community resilience and ensure sustained nutritional security. In doing that, the program is

complementing the National Nutrition Program (NNP) of the GoE and further its operational linkages with the PSNP/HABP by promoting certain elements of Essential Nutrition Actions through the Health Extension Program and mainstreaming nutritional considerations into value chains and Producer Marketing Association development and improvement of extension services. GRAD activities are widely intended to target pregnant and lactating women and children less than 2 years of age.

IR 2.1 of GRAD has intended to improve the nutritional status of infants, young children and reproductive age women. In relation with this, the current IR assessment focuses on the following two indicators defined in GRAD's proposal:

- Number of HHs trained in dietary diversity practices and
- Number of HHs with new home gardens or strengthening existing ones due to GRAD interventions

### ***Training on Dietary Diversity Practices***

In its effort to achieve the above mentioned objectives, community capacity building and awareness enhancement activities were implemented by the project. Based on the secondary data obtained from project records, a total of 9,028 households have gotten education about dietary diversity practices in year two of the project life time (Table 18). Female headed households constitute the majority (67%) of the trainees. As shown in this table the coverage of training has huge variations among IPs. REST has the highest in proportion of trainees (48%) of the trainee, while ORDA has the lowest (1.3%) coverage.

**Table 19: Number of HHs trained in dietary diversity**

	ORDA	CRS	ASE	REST	CARE	Total	%
Female	118	2,757	116	2,433	662	6,086	67.4
Male	0	13	287	1,924	718	2,942	32.6
Total	118	2,770	403	4,357	1,380	9,028	

Households participated on FGD discussions have confirmed that they have received practical trainings on nutrition related issues. The following are the main focus areas of the delivered training:

- Importance of avoiding over cooking food not to lose nutrients
- Preparation of household food consisting of diversified diets, such as vegetables, pulses, dairy products and meat,
- Hygienic ways of keeping prepared food, and
- Improving infant, pregnant and lactating women feeding practices

FGD participants in REST areas explained that they have been provided with varied cooking materials with the aim of creating the opportunity of quick adaption to the practices in the training. The cooking materials delivered were in a group basis. Except in the case of ORDA, all FGD participants from other IP's have explained that they indeed have started to apply the utilization of the dietary food for children, pregnant and lactating women.

CARE Ethiopia has trained us about proper food preparation and the type of food that has to be fed to children and pregnant and lactating women. We are trained on vegetable food preparation and to avoid over cooking to not lose the dietary value of food. [CAR\_LK/FGD-M]

Previously, we give birth but not give care to our children. But, after the training, I regularly started to follow up on their hygiene and food intake. As a result the health status of my children is improving. [ASE\_MA/FGD-M]

We had harmful cultural practice of feeding butter to a new born child. However, after the training, we have stopped this kind of practice. [RES\_RAL/FGD-M]

Female headed households and other female members are trained on nutrition by GRAD and there is improvement in our nutritional (dietary diversity) status of children and women. For example after the training, I myself have started to prepare food for my child at home using different crops and oil. [RES\_RAZ/FGD-W]

We have been trained in nutrition and currently we are implementing what we have learned. We are properly feeding and taking care of our children. As a result, our children's health status and physical condition has been improving. [OR\_LAG/FGD-W]

The second indicator of IR 2.2, the number of HH with new home gardens or strengthened the existing ones due to GRAD intervention, is supposed to be compiled from project records. However, the results on this indicator are not included in this report because the required data were not ready from project implementing partners.

### **2.3.2 IR 2.2: Impacts of Climate Change on Households Reduced**

GRAD understands the concept of climate change as any change in climate over time, whether due to natural variability or as a result of human activity. Climate change adaptation or adaptive capacity is also the ability of a system to adjust to climate change (including climate variability and extremes) to moderate potential damages, to take advantage of opportunities and/or to cope with the consequences.

GRAD is delivering activities to raise awareness of the community regarding the effects climate change has on agricultural and livestock production; human and livestock diseases; pattern and amount of rainfall; as well as, soil health and vegetation cover. This would enable the community and local development actors to reflect on coping and adaptation mechanisms to climate changes. It also intends, to create linkages between beneficiaries and those organizations promoting environmentally friendly interventions. In line with these ideas, IR 2.2 of GRAD aims to reduce the impact of climate change on households. In relation with this, the current IR assessment focuses on the following two indicators:

- Percentage of community (VESA groups) that have adopted at least two climate change adaptation practices promoted by the project
- Number and type of climate change adaptation practices adopted and implemented.

In each of the IPs operational areas three VESA groups KIIs were conducted during this IR assessment. The VESA groups KIIs, were asked if they have started to practice different climate change adaptation practices at community and household level. Based on this, out of

15 groups 12 (80%) of them indicated that they have started to exercise climate change adaptation practices. The responses of KIIs also show, that except in ASE areas, all VESA groups have climate change adaptation practices (Table 19).

**Table 20: Percentage of sampled VESA groups adopted at least two climate change adaptation practices**

GRAD Implementing partners	# of VESA groups interviewed	VESA groups adopted at least two climate change adaptation practices	
		Number	%
CARE	3	3	100
ASE	3	0	0
ORDA	3	3	100
REST	3	3	100
CRS	3	3	100
<b>Total</b>	<b>15</b>	<b>12</b>	<b>80</b>

### *Types of climate change adaptation practices adopted and implemented*

The assessment team did not obtain defined list of climate change adaptation practices promoted by GRAD from IPs. However, VESA leaders were asked the type of climate change adaptation practices adopted and implemented at household and community level. In total, 12 different types of climate change adaptation practices were reported by the KIIs in four out of five IPs operational areas, whereas no such practices were identified by VESA leaders in ASE areas. The late start of the project is a major factor for this. The table below indicates the list of climate change adaptation practices adopted and implemented in REST, ORDA, CARE and CRS areas.

**Table 21: Type of climate change adaptation practices adopted and implemented**

Climate change adaptation practices	REST	ORDA	CARE	ASE	CRS	# of IPs
Biogas(Energy related practices)	✓	✓				2
Compost	✓	✓	✓			3
Homestead vegetables growing	✓		✓			2
Improved or early maturing seed	✓		✓			2
Micro basin					✓	1
Flood control structures	✓				✓	2
Forest protection	✓	✓	✓		✓	4
Pond to collect rainwater	✓		✓			2
Soil bund					✓	1
Stone bund					✓	1
Terracing	✓	✓				2
Tree planting	✓	✓			✓	3
Trench	✓	✓			✓	3
Number	10	6	5	0	7	

The following quotes are some of the evidences that complement the above mentioned climate change and adaptation practices implemented at household and community level.

Well, as per the training we have received by the project, we have understood the consequences of climate change. As a result, we have been working on tree planting, making compost, terracing and creating trenches to prevent environmental degradation such as soil erosion. We have hired guards to protect this fenced area of forest. We are told to work side by side with the community and we are doing just that. [OR\_LAG/KII-VESA]

In our area, we have been working on the following climate change adaptation activities: soil and water conservation (terracing), trench, construction of pond to collect rainwater, construction of flood control structure, tree planting, planting early maturing crops, growing homestead vegetables, small scheme irrigation activities in places where there is water in the dry season, and prepared compost to increase the fertility of the soil [CAR\_HZ/KII-VESA]

### **2.3.3 IR 2.3: Increment in Women's Resilience and Access to Inputs, Services and Information**

As a strategy of empowering women, GRAD focuses on accessing group platforms such as VESAs that operate at the community level. It aims, through active participation of women in these community platforms, to create increased equitable decision making and esteem for women within the household. Furthermore, GRAD also takes all opportunities to encourage women as group leaders, members of Food Security Task Force, Village Agents, model farmers, health workers and other roles that will give them personal esteem and status within their community. It also seeks to and makes goods and services accessible and appropriate for women.

In line to the above strategies, IR 2.3 of GRAD has intended to increase women's resilience and access to inputs, services and information. As per the project, these activities were intended to be conducted in parallel to create a more supportive environment through the engagement of men. In relation with this, the current IR assessment focuses on the following two indicators defined in GRAD's proposal:

- Percentage of women and men reporting increase in women's influence over HH decision making
- Percentage of women in leadership positions within VESA ,RUSACCO, other local institution

#### ***Women's influence over HH decision making***

In this IR assessment, adult and senior decision making women in sample households were asked to score the level of their influences in 14 household decision areas included in the project baseline survey. The decisions areas were also grouped into three categories:

- Production & livelihoods decisions
- Financial decisions
- Family issue decisions

The survey asked only currently married women living with their spouses. These women were asked to give a score among 1 to 4 representing the amount of influence they perceived

to have in the household. The score values were: 1= no influence, 2 = little influence, 3 = medium influence 4 = considerable influence.

The results show about half (50.8%) of married women perceived to have had medium to considerable amount of influence within the household. FHH were excluded, as were male participants in households without a female adult. Based on this, the results of the survey indicating the percentage of households having medium to considerable influences over household decision making by decision areas as well as IPs is presented in Table below. The results indicate the overall decision making role of women is low in CARE and ASE operational areas, where about 43.4% and 45.1% of women reported, respectively, to have medium to high influence in household decision making. When it comes to the decisions areas, women's role is weaker while making decisions on IGA and borrowing money. Specifically in CARE and ASE areas, these roles are relatively low on different decisions areas in relation with family issues such as food/meals, child education, and family planning and house constructions.

**Table 18: Percentages of Women having medium to considerable influence over household decision making**

	Decision areas	N	REST	ORDA	CARE	ASE	CR S	Total
<b>Production Livelihoods</b>	crop production	592	43.0	73.9	48.1	44.4	80.3	58
	farming inputs	580	40.2	76.0	45.9	43.4	77.4	57
	What crop to sale	615	36.1	81.8	46.7	44.1	86.1	59
	Livestock production	644	46.7	74.6	49.6	43.4	90.5	61
	livestock sell	604	44.3	74.6	44.0	43.4	84.7	58
	Business/IGA	540	57.9	28.1	51.9	54.6	14.6	41.0
	Average	595	44.7	68.1	47.7	45.5	72.3	55.7
<b>Financial decisions</b>	Lending money	599	42.1	71.3	48.5	43.3	85.3	58.0
	Major household expenditures	626	41.3	81.1	48.5	40.6	87.6	60.0
	Minor household expenditures	671	47.1	85.2	44.0	40.1	98.5	63.0
	Borrowing money	539	54.1	24.6	55.0	58.5	14.8	42.0
	Average	600	46.1	65.6	49.0	45.6	71.6	55.8
<b>Family issue decisions</b>	Food and meals	627	49.2	85.1	32.6	35	99.3	60.0
	Children's education	586	48.8	74.2	32.1	35.7	96.3	57.0
	Family planning	555	51.3	84.3	18.9	34.3	93.0	55.0
	House construction	494	35.2	81.1	33.3	35	67.9	50.0
	Average	592	46.1	81.2	29.2	35.0	89.1	55.5
Overall average			45.6	71.6	42.0	42.0	77.7	55.7



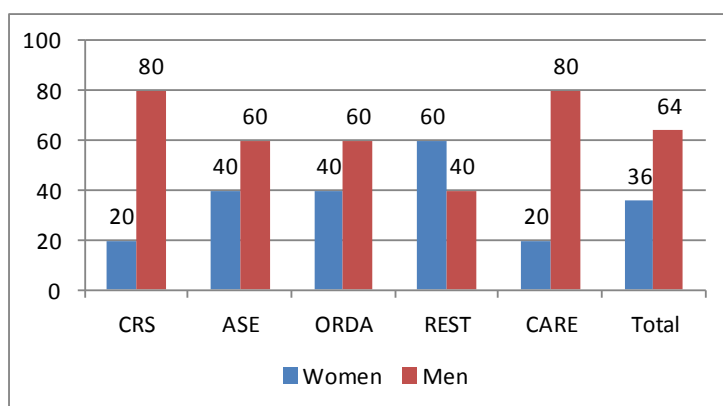
In relation with IR 2.3, the IR assessment result shows that about 75.8% of women reported to have decision making influence score of above 16.1 against the 14 decision areas identified by the baseline report. Table 19 displays the distribution of women by ranges of decision making influence score levels.

**Table 19: Decision score of women's influence over HH decision making**

Decision Score	REST	ORDA	CARE	ASE	CRS	Total
N=660	122	122	135	143	138	660
0-16.1	32.0	4.9	44.4	37.8	0.7	24.2
16.2-32.1	21.3	9.0	7.4	16.1	2.2	11.1
32.2-48.1	32.8	41.0	34.1	19.6	84.8	42.6
>48.1	13.9	45.1	14.1	26.6	12.3	22.1
>16.1	68.0	95.1	55.6	62.2	99.3	75.8

### ***Women's role in leading VESA groups***

GRAD project intends to contribute to the enhancement of institutional leadership role women play. Based on the data collected from key informant interview of sample VESA leaders, almost about 36% of the VESA leaders were women. This is a promising result that can be demonstrated as a good model to encourage the involvement of women in other leadership positions and ensure their personal esteem. However, percentage of women in VESA leadership position has significant variation by IPs. For CARE and CRS, about 20% of VESA leaders were women, while for REST, 60% of VESA leaders were women (Figure 7).

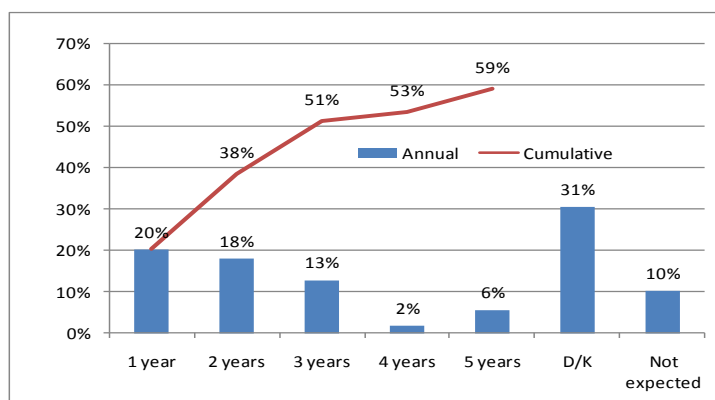


**Figure 7: Percentage of women in management committee of VESA groups**

### **2.3.4 IR 2.4: Promotion of aspirations for graduation among targeted PSNP HHs and enhance enablers for graduation**

The strategic objective of GRAD is to sustainably graduate CFI HHs from PSNP food support in targeted woredas. IR 2.4 of GRAD has intended to promote aspirations for graduation among targeted PSNP HHs and enhance enablers for graduation. In relation with this, the current IR Assessment focused on the following two indicators defined in GRAD's proposal:

- Percentage of GRAD participants showing readiness and commitment to graduate within an expressed timeframe
- Percentage of VESA/FEMA (committees) monitoring food



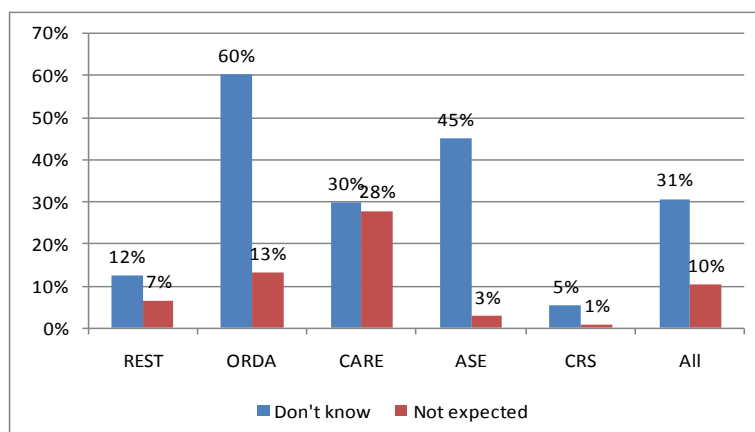
**Figure 8: Percentage of HHs aspirations to graduate from PSNP**

security of their membership on annual basis

### ***HHs readiness and commitment to graduate***

The percentage of GRAD participants showing readiness and commitment to graduate within an expressed timeframe is one of the indicators that measure the extent to which the project has changed the perception and plan of CFI households to graduate from PSNP. To this end, in the household surveys, GRAD clients were asked as to when they aspire to graduate from PSNP, given their existing conditions and future strives to improve their food security status.

The cumulative curve presented in Figure 8 shows that about 60% of households aspire to graduate in the next five years time. Over half (51%) of the sample households expect to graduate from PSNP in the coming three years. The rest (40%) of respondents have no clear plan for graduation. In this portion, about 31% of the



households expect to graduate but they do not know the time, while 10% of them indicated that they do not foresee themselves graduating at all (Figure 9).

**Figure 9: Percentage of HHs doesn't knowing and don't expecting to graduate from PSNP across IPs**

When graduation aspiration of households is examined by IPs, over three forth of households in CRS and REST operational areas indicated that they would graduate in the coming five years (Table 22). About half of the households in ASE operational area also showed their perception to graduate in five years time.

Graduation aspiration is found to be low in ORDA and CARE operational areas in which less than half of the respondents expect to graduate in the coming five years. In REST operational area,

**Table 22: Percentage of HHs aspire for graduation in each of the project areas**

IP	1 year	2 year	3 year	4 year	5 year
<b>REST</b>	51.1	19.5	7.1	1.3	1.9
<b>ORDA</b>	12.5	10.0	3.1	1.3	1.3
<b>CARE</b>	4.5	6.5	25.2	3.9	2.6
<b>ASE</b>	13.1	13.8	23.4	0.7	1.4
<b>CRS</b>	21.7	41.4	6.6	2.6	21.7
<b>Total</b>	20.3	18.1	12.9	2.0	5.7

perception of graduating early from PSNP is very high (51%). As indicated in Figure 10, about 60%, 45% and 30% of households in ORDA, ASE and CARE areas respectively showed their conviction to graduate from PSNP. However, these households have defined time frame as to when they think they will graduate. In addition, about 28% of households in CARE area and 13% in ORDA area have no self-expectation on graduation. As indicated through the focus group discussion, the GRAD clients without planned time and expectation to graduate require extended support services and motivations to boost their income and plan.

The following points are quotes from KIIs and FGD discussions. It depicts the situation of those who have the aspirations as well as those who don't.

The provision of saving, loan and extension services combined with motivational trainings are helping us to graduate soon. We say there should not be anyone dependent of PSNP. [CAR\_LK/KII- VESA]

We are really tired of being beneficiaries of Safety Net and we are exhausted of being involved on hard works [public works]. Being a Safety Net beneficiary is being a beggar. In this way our moral is deeply drawn down. We do not want to be labeled as beggars. Thus, if the climate gets better and the support of Agri-Service and others continues this way, we all have the determination to leave Safety Net. [ASE\_ME/FGD-W]

Due to the support we are getting from GRAD our attitude and awareness on graduation has remarkably improved. If the support is continues, I don't think anyone wants to stay in the Safety Net. All of us will graduate within few years, but we do except some people who may need more supports for some time. [ASE\_MA/FGD-M]

The reason why we said large number of people will never graduate is because they are ultra poor that don't even have one chicken and have not accessed any credit. There is high dependency syndrome that could be described in two ways: Those who are not working hard and want to benefit for the rest of their life and the others, who have the capacity to graduate but do not want to graduate. [RES\_RAZ/FGD-W].

We have been advised by the government that graduating from PSNP is inevitable through time. However, because they [PSNP staff] graduated individuals out of the program without properly checking household income, some individuals are still in need. It is for this reason that we guessed that there will be some farmers who could not graduate from PSNP before the five year PSNP plan period and government has to continue its support [CAR\_SH/FGD-M].

The assessment team has compiled its field findings on factors affecting graduation from Safety Net by factors of enables, constrainers and enhancers and presented in Table 20. Enablers are potential factors that currently are opportunities directly contributing and supporting households to graduate from PSNP. In contrary, constrains are factors that hinder household's potential to graduate. Enhancers are factors that if in the future practiced and introduced, could improve the household's potential to graduate from the program.

**Table 20: Summary of enablers, constraints and enhancers of graduation suggested by the community**

Enablers	Constraints	Enhancers
<ul style="list-style-type: none"> <li>- The existence of GRAD project</li> <li>- There is a growing change in people's attitude</li> <li>- People tend to work hard and participate in saving schemes due to motivational trainings</li> <li>- Participation in profitable value chains and IGAs</li> <li>- Increased financial products and service delivery: saving, loan and micro-insurance scheme</li> <li>- Increased engagement in improved agricultural practices</li> <li>- Increased extension services such as capacity building and awareness raising trainings.</li> <li>- Increased awareness of the community on nutrition and gender</li> </ul>	<ul style="list-style-type: none"> <li>- Prevalence of Livestock disease</li> <li>- Inability to pay back loans due to death of livestock</li> <li>- High interest rate</li> <li>- Poor market linkage and integration</li> <li>- Concurrent and summer season loan repayment schedules</li> <li>- High and rising cost of fertilizer</li> <li>- The erratic rainfall condition</li> <li>- Small size of land holding</li> <li>- Shortage of feed and grazing land for livestock</li> <li>- Outstanding loans</li> <li>- Limited capacity and interest of MFIs to work with CFI HHs</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce loan interest rate</li> <li>- Strengthen the market linkage for value chain produces</li> <li>- Adjust the time of loan repayment with the time to get good market price for value chain products</li> <li>- Strengthen and support profitable IGA activities</li> <li>- Strengthen livestock health service and feed production technologies</li> <li>- Promotion of climate change adaptation strategies</li> <li>- Strengthen motivational trainings and community dialogues on graduation</li> <li>- Promote HH saving by engaging formal financial service providers</li> </ul>

### ***VESA (committees) monitoring food security***

For both targeting and graduation purposes the woreda level Food Security Taskforce conducts an assessment to determine the asset level of poor HHs. However, this process is sometimes not transparent and induces fear of forced graduation among PSNP clients. In this regard, lack of community participation and engagement in the food security monitoring system and processes is the missing link. Therefore, GRAD envisages the communities engaged in monitoring food security status of target HHs and making the graduation process more transparent.

**Table 23: Proportion of VESA groups monitoring the progress of food security**

		CARE	ASE	ORDA	REST	CRS	ALL
Number of VESA groups interviewed		9	11	11	9	10	50
VESA groups conducting food security monitoring	#	3	9	8	6	7	31
	%	33.3	81.8	72.7	66.7	70	62

VESA group leaders were asked if they are involved in household food security monitoring activities. The information collected from the leaders of 50 VESA groups indicates that almost two in three (62%) VESA groups started to monitor the food security situation of their members (Table 22). The group leaders explained that they have the habit of informal discussion on various food security issues within their communities. The main areas of their

discussions are on topics and themes like climate change, child nutrition, access to loan and saving, gender, market price, and graduation aspiration. However, there is no systematic and formal mechanism designed by GRAD or other stakeholders on food security monitoring by VESA groups.

### 2.3.5 Summary

The household survey result shows that about 15% of household's experienced moderate or severe hunger during the survey season and 23% of respondents have sold their productive assets either to buy food, or exchange the asset or to pay for their health expenses.

Community capacity building and awareness enhancement activities were implemented by the project and a total of 9028 households have gotten education about dietary diversity practices. Female household are given great attention as they constitute the majority (67%) of the trainees. Based on the KIIs made with VESA leaders, about 75% of VESA groups have adopted at least two climate change adaptation practices. On average, around 13 types of climate change adaptation practices are implemented at household and community level.

Based on the survey result, about 75.8% of women reported to have decision making influence score of above 16.1 against the 14 decision areas identified by the baseline report. The survey result further explained that there exists a fundamental change as far as gender leadership role equity is concerned since almost half of VESA leaders were women.

Currently, majority (60%) of households explained that they have the aspiration and plan to graduate from PSNP within a specified timeframe. However, the proportion of beneficiaries who don't know their time of graduation and don't have the expectation to graduate is very significant and entails the need to increase effort in sensitization of beneficiaries. Most VESA community members (75%) monitor the progress of food security of their members in a continuous basis. However, there is no formal monitoring tool and system established.

## 2.4 Result #3: Strengthened Enabling Environment to Promote Scale-up and Sustainability.

The Ethiopia's five years Growth and Transformation Plan envisions that by 2014 all PSNP HHs will be graduated from food aid. GRAD aims to contribute its role for the realization of this ambitious goal set by GoE by pushing its impacts beyond its operational areas. The specific features of GRAD complemented with HABP are indicated as bases for collaboration, sharing, learning and for eventual scaling up. In this respect GRAD is seeking to inform and shape food security policy and programming at scale in the following ways:

- Documenting and disseminating evidence and lessons generated from PSNP *Plus*, HABP, GRAD and other programs;
- Conducting operations research on mutually identified issues and questions;
- Suggesting ideas for policy improvement; and
- Developing cost-effective and replicable approaches in the areas of microfinance, VC, extension, gender, nutrition and climate change adaptation.

Within the first three years, GRAD intends to institute three scale-up pillars. These are Quantitative, Functional and Political scale-up. Result # 3 of GRAD, strengthening enabling environment to promote scale up and sustainability has two indicators. These indicators are:

- Number and Type of evidence-based documents generated and Disseminated among key Stakeholders
- Number of Alliances forged by GRAD at Local and National levels

GRAD PMP also constitutes the following two intermediate results in project logic:

- IR 3.1: Collaboration among HABP and other stakeholders consolidated to promote joint learning and scale up
- IR 3.2: Supportive policies exist which encourage stakeholders to incorporate positive results of GRAD

This IR assessment covered the above three basic results indicators and two IRs. The following sub-section under Section 3.4 of this report assesses the results achieved by GRAD to date in relation with indicators of Result #3, IR 3.1 and 3.2.

### ***Evidence-based documents generated and disseminated***

The secondary data obtained from project records indicated that GRAD has generated and disseminated one report/paper to its stakeholders. The main theme of the document is reflections and strategic recommendations from PSNP Plus and GRAD to inform the HABP Midterm Review. This paper was primarily prepared by GRAD as a guideline document that would help in designing the upcoming plan of HABP for its next program period. As part of this process, SNV key informant interviewee noted that GRAD's CCU was recently able to sign MoU with HABP at federal level that marked willingness and collaboration of the government and GRAD to work synergistically towards a common goal. It has been indicated that such initiative would be a stepping-stone to promote sharing lessons and bring synergy between HABP and GRAD.

### ***Alliances forged by GRAD***

GRAD envisages collaboration and linkage among stakeholders to promote and scale-up the graduation process of CFI households through formation of alliance among various value chain actors and stakeholders at local and national level. One of the strategies is the establishment of multi-stakeholders platforms (MSPs). The main objective is to create different platforms that various actors come together and share experiences on selected value chains (VC). The MSPs also serve as a channel to create link between the various value chain actors thereby enabling farmers to access various technologies and inputs from research institute and private companies as well as creating market linkages and other opportunities for producers, wholesalers and retailers, as well as exporters.

The review of the project records as well as information collected from MSP key informants in all regions and from SNV staff indicated that about 16 MSP alliances were formed across GRAD operational areas (Table 23). It has been stated that for each selected VC there is an independent MSP across GRAD operational regions.

**Table 24: Number of MSP alliances formed by GRAD for the selected value chains**

Region	Honey	Livestock	Pulse	Vegetable	Malt barely	Red Pepper	Total
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Tigray	1	1	1	1	-		4
Amhara	1	1	1	1	1		5
Oromiya	-	1	1	1	-		3
SNNPR	-	1	1	1	-	1	4
<b>Sum</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>16</b>

Source: SNV, 2013

The number of MSPs established depends on the type of VCs promoted in each program region with the exception of red pepper. Red pepper is one of the VCs of SNNPR (CARE and ASE) and Oromiya (CRS). However, it has been noted that a common MSP on red pepper has been established jointly by the three IPs including CARE, CRS and ASE. This is because on the one hand, they have common VC actors and on the other hand, Marko woreda (ASE operational woreda) and its surroundings are well known for quality branded red pepper that would serve as center for the VC actors to get easy access to inputs like seeds, information and market outlets on red pepper.

*The following points articulate progress of MSP so far:*

### 1. Continuous and productive meetings were conducted

As table below depicts about 37 MSP meetings have been conducted in various selected VCs so far. In their meetings, the value chain actors and supporters come together to raise selected issues that would improve the life of GRAD target groups. Apart from serving as a platform for knowledge transference, these meetings are also serving as a channel for which various value chain actors get their voice heard and their needs recognized by the different support giving organs, both governmental and non-governmental.

**Table 25: Number of MSP meetings conducted**

Region	Honey	Livestock	Pulse	Vegetable	Malt barley	Red Pepper
Tigray	2	3	1	2	1	-
Amahara	2	3	2	1	2	-
Oromiya	-	3	2	2	-	1
SNNPR	2	3	2	2	-	1
Sum	6	12	7	7	3	2
Total: 37 MSP meetings						

Source: SNV, 2013

The following voices quoted from KIIs exhibit some of the performances of MSPs:

Having discussed on the VC issues and once identified the problem and the work that should be done, we prepare an action plan. Then every stakeholder knows and takes responsibility thereby implementing it accordingly. [ASE /KII\_MSP]

Yes, we prepare action plan every three months. For example, we prepared action plan for livestock fattening in our meeting at *Shashemene*. Based on that plan, DAs and model farmers took trainings and technology demonstration at Farmers Training Centers (FTC). We also have a plan on 23<sup>rd</sup>

of July 2013 to evaluate the actions and to prepare new action plan. For white pea beans and horticultures we prepared action plan for the next three months and after three months we will meet and evaluate the actions and prepare action plan for the next time. [CRS/KII\_MSP]

The key informant interview with SNV also assured the inconsistency in the frequency of MSP meeting is observed across program implementation areas. One reason noted for this was the issue of the CSOs law that states overhead cost should not exceed 30% of the projects cost. In addition to this, tight program and shortage of time is one of the reasons not to conduct MSP meetings quarterly as per the agreed schedule. The following quotes from KIIs indicate the achievements and progress of MSP.

So far, as per our understanding, the plan was to conduct meeting in quarterly basis. However, as there is shortage of time, it has been planned to meet every six months. [CRS/KII\_MSP]

The MSP meeting is scheduled to be held in every six months. [CAR/KII\_MSP]

We meet once in every quarter at regional level, almost all the MSP members regularly attend the meetings. [ORDA\_/KII\_MSP]

The CSO law on 70/30 that state the overheads cost of a project should be no more than 30% and most of operational costs associated with MSP meetings are being considered as overhead. This has negatively affected them in conducting MSP meeting as frequently as they would like. In addition the time for such complex program is so tight. [GRAD/KII\_SNV]

## **2. Market linkages were created:**

The following market linkages were created so far by GRAD through MSPs in different IPs operational areas. MSP of CARE and CRS created market linkage on fattening value chain between farmers, whole and retail traders as well as exporters of shoats.

We also create a market linkage with traders at Shala, Arsi Negele and Adami Tulu *kebeles*. We have seen one farmer profiting a total of 4000 birr within one linkage. There is a retailer (middle) trader whose name is Tariku he buys shoats from farmers by 28birr per kilogram and sells to LUNA (exporter). [CRS/KII-MSP]

LUNA International Exporter and the retail traders such as Ato Seyum buy the fattened shots. They have explained to the value chain producers on how the fattening has to be carried out and the size of fattened animal they want to buy. LUNA buys for export purposes and the weight of each animal should not exceed 28 Kg while the local retailers buy all weight types. [CARE/KII-MSP]



Similarly the MSPs in ORDA and REST program implementation areas indicated that they made an attempt in creating market linkage for the various value chains mainly for livestock and honey that helped farmer to get better price.

With regards to cattle fattening, we try to link with a meat processing factory in Bahirdar and merchants from Sudan. For honey there is a chain with processing companies that export honey. This will help the farmers not to sell their honey in cheaper price. [ORDA/KII-MSP]

We have tried to create linkage with Abergele and we considered it as a great opportunity for our GRAD beneficiaries, but our attempt totally failed because of two reasons: The price that was provided by the company was less than the local market as it buys on kg basis. The other problem is, Abergele is closed because of its own internal problems. [REST/KII-MSP]

#### **2.4.1 IR 3.1: Collaboration among HABP and Other Stakeholders Consolidated to Promote Joint Learning and Scale Up**

GRAD complements HABP to reach all food insecure HHs in Ethiopia and contains several value added features. These features are the innovative inclusion of economically better-off “enablers” to make value chains and input/output markets more profitable for GRAD households. This particularly focuses on gender aspects of food insecurity, economic opportunities and an increased emphasis on market-oriented approaches. In addition, inclusion of enhanced strategies for building resilience into rural livelihoods; and expanded leverage and linkages with the business sector and other food security programs to generate impact beyond the boundaries of GRAD. These features of HABP and GRAD will be bundled together as the basis for collaboration, exchange, learning and eventual scales-up.

Widening collaboration by bringing the private sector, financial institutions, AGP and other food security programs is equally an important aspect. In relation to this, number of public - private partnerships formed by GRAD is an indicator to be covered by this assessment.

##### ***Public -Private Partnerships formed by GRAD***

One of the strategies in which GRAD uses to consolidate collaboration among stakeholder is the formation of public-private partnership in agriculture and nutrition.<sup>3</sup> By forging public-private partnership, GRAD seeks to create strong partnership linkage and collaboration (Input-Output linkage) so as to enable GRAD households and the actors involved to utilize the opportunities created by such partnership. In this regard, the program planned to form official public-private partnerships by allocating 400,000USD<sup>4</sup> through SNV.

The data obtained from project records and key informant interview with SNV staff indicated GRAD has formed three official partnerships and agreements with Welelji Agricultural Industries, Gondar Malt Factory (GMF) and Eden Field Agri-Seed Enterprise.

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<sup>3</sup> According to FTF indicator description public and private partnership in agricultural means (supply of agricultural inputs, production methods, agricultural processing or transportation) or nutrition means (improve the nutritional content of agricultural products as provided to consumers, develop improved nutritional products, increase support for nutrition service delivery)

<sup>4</sup> Information obtained from KII with SNV Staff

**Table 26: Private sector signed with SNV with their responsibility and budget contribution**

<b>Private sector signed agreement with SNV</b>	<b>Responsibility</b>	<b>Total budget in birr</b>	<b>% of budget contribution by private sector</b>
Weljeji Agricultural Industries	<ul style="list-style-type: none"> <li>- Promote agricultural technologies in areas where such technology is unknown.</li> <li>- Identifying 10-20 agro dealers in each region as beneficiaries of their service and also by signing 10 interested distributors to dispense the technology.</li> </ul>	99,599	42%
Gondar Malt Factory (GMF)	<ul style="list-style-type: none"> <li>- Train farmers and extension workers in Lay Gayint Woredas in malt barley agronomy practices, quality requirement as well as pre and post harvest management.</li> </ul>	190,050	29%
Eden Field Agri-Seed Enterprise	<ul style="list-style-type: none"> <li>- Provide basic seed and training on improved forage seed production to 40 model farmers,</li> <li>- Organize exposure visit to farmers in and across woreda and form 2-3 seed distributor agents in Oromiya GRAD woredas.</li> </ul>	120,539.14	39%

Based on the agreement, GMF started to give training to farmers on malt agronomical practices and capacity building to cooperatives and unions. It also attempts to create market linkage with the union and farmers to supply quality malt barley to GMF. On the other hand, Eden Field Agri-Seed Enterprise and Weljeji Agricultural Industries did not yet start operation rather they are on preparation stage.

#### **Livelihood models/intervention modalities identified, tested through action research and disseminated**

GRAD, for the smooth and successful implementation of the program has identified learning agendas in various thematic issues related to the program. One of these learning agendas is identification of livelihood intervention modalities that are to be tested by action research and disseminated to the end users. The data on project records indicated that it is too early to report on this, only intervention model identified and assessments are on the way.

#### **2.4.2 IR 3.2: Supportive Policies Exist which Encourage Stakeholders to Incorporate Positive Results of GRAD**

Appropriate enabling environment is crucial to sustain the successes of GRAD, HABP and other food security projects. Working with HABP, MOH, microfinance institutions and private sector partners, GRAD has defined and finalized issues for further analysis and identification of solutions. As a principle, the GRAD approach will not be based on

pressuring policy/decision makers; rather encourage stakeholders to incorporate methods that extend the positive results of GRAD.

Under this IR result, the number of policies analyzed with support from GRAD advanced within key policy forums and/or GRAD-related programs is the indicator to be covered by this assessment.

### ***Policies analyzed with support from GRAD***

The Consortium Coordination Unit (CCU) analyzed two policy issues related to the outstanding loans and VESA linkage with RUSSACOs and MFI. CCU developed two papers that focus on the noted learning agenda to the positive results of the GRAD. With regards to the linkage of VESA with RUSSACOs and MFIs, the paper come up with “the linkage model that basically try to build on the strengths of VSLAs, RUSACCOs, MFIs and tries to build compatibility across these three different types of institutions (ranging from informal to semi-formal to formal)”<sup>5</sup>.

Similarly, according to the key informant interview with CCU staff, policy issues on outstanding loan were analyzed. This analysis was putting into consideration the experience of REST program area, which allows loans from MFIs to households with debt of 1500birr or less. This was shared with IPs and support giving organs. With this, negotiation with ACSI has also been started.

### **2.4.3 Summary**

Based on the IR assessment result, the following summary points are made on IRs indicated under results three of GRAD.

- In generating and disseminating evidence-based documents, GRAD so far has been able to develop one document which is focused on reflections and strategic recommendations from PSNP Plus and GRAD to inform the HABP Midterm Review.
- The MSP and SNV key informant interview indicated that 16 MSPs have been formed across IPs. These MSPs established are based on the value chains promoted. MSP were indicated not to have memorandum of understanding or any other modalities that they use in bringing the various value chain actors towards common objective and interests.
- MSPs in some of the IPs (CARE, ORDA, CRS) were observed to be successful in creating market linkage mainly in livestock between farmers, retail traders and exports
- The activity of forming official public and private partnership plays crucial role in creating input model, linkage with the public and private sector with GRAD target group. GRAD project has started and formed a private-public partnership with Gonder Malt Factory, Weljeji Agricultural Industries and Eden Field Agri-Seed Enterprise
- The development and identification of livelihood models and interventions are indicated as too early to report during this IR assessment. But it is indicated that intervention models are identified and assessment is on the way.

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<sup>5</sup> Linking VSLAs to Financial Institutions: Need Assessment, product and process design CARE, Ethiopia (2012)

- GRAD developed two policy review documents which focused on the linkage of VESA with other formal financial institutions and on the issues of outstanding loan.

### 3. VESA Groups Minimum Requirement

#### Minimum requirements for VESA in GRAD Project

According to the GRAD project all IPs are expected to establish VESA groups in their respective program implementation areas. They are not only expected to establish VESA groups but also ensure the established VESA groups fulfill the stated minimum requirements.

The minimum requirements include:

- The VESA groups should have management committee (2 women)
- The management committees are expected to know their roles and responsibility and serve on voluntary basis.
- Ensure regular saving collected and effected only during regular meetings
- Put in place social fund as well as promote savings and loan
- Should to have saving box with two locks and members passbook
- Should have regular meetings with at least 80% of members present
- Should have internal by-laws endorsed by the general assembly
- Members should know the by-laws and abide by it
- Should effect Penalties for members who violate the rules
- Expected to discuss topics promoted by GRAD on a monthly basis

VESA leaders and members were asked to reflect their views on each of the above minimum requirements for a VESA group. The responses are organized and discussed section by section as follows:

#### *VESA by-law: Understanding and its Practical Application*

Responses from VESA community focus group and VESA leader key informant discussions revealed that all VESA groups in IP program implementation areas, have a by-law that is approved by the general assembly. We can also observe from the data in Table 26, compiled from FGDs on average 86% of VESA members understand and 82% abided by their VESA by-law. The VESA group member who understand but not abide by the by-law is relatively high in CRS (25%) and CARE (32%) as compared with the other IPs. Even if the percentage of VESA members, who understand the by-law, abided by it and regularly attend meetings, seems promising, a lot of work awaits IPs to raise awareness of members who do not understand the by-law.

**Table 27: proportion that shows VESA members understand and abided by VESA by-law**

IPs	%Understand the by-law		% Abide by the by-law		% Regular attendance of meeting
	Yes	No	Yes	No	
<b>REST</b>	96%	4%	89%	11%	95%
<b>ORDA</b>	95%	5%	85%	15%	92%
<b>CARE</b>	80%	20%	68%	32%	90%
<b>ASE</b>	90%	10%	95%	5%	100%
<b>CRS</b>	68%	32%	75%	25%	93%
<b>Aggregate</b>	86%	14%	82%	16%	94%

## ***VESA Meeting***

Among VESA members, on average, 94% of them regularly attend VESA meetings. This shows that all the VESA groups in all IPs fulfill the minimum requirement that states at least 80% of the VESA members should attend regular meetings. As indicated in Table 28 the frequency of regular meetings varied across IPs. In CARE Sidama and ASE program implementation areas, most of the VESA community leaders and members indicated that they hold meetings every week. In REST and ORDA, VESA meeting are conducted on monthly basis. In CRS program areas most VESA groups meet every two weeks for discussion only and meet monthly for effecting saving contribution.

They meet in monthly basis for saving and in every 15 days for discussion.  
[CRS\_ZD/FGD-M]

The meeting is every month for contribution and every 15 days for training.  
[CRS\_ZD/FGD-W]

We meet every week on Wednesday; market day [ASE\_ME/FGD-W]

Once a week and four times in a month is when we meet. [CAR\_LK/FGD-W]

We meet once a month in saint days like 27, 21, 16, 7, etc for different VESAs but one fixed day for one VESA. [RES\_RAL/FGD-M]

**Table 28: Summary of Status of meeting VESA requirements by IPs**

Requirements	Implemented on The Ground				
	ASE	CARE	CRS	ORDA	REST
Regular meeting	Weekly	Weekly	Every 2 weeks	Monthly	Monthly
By-law developed	Yes	Yes	Yes	Yes	Yes
Penalties Affected	Yes	Yes	Yes	Yes	Yes
Discuss one GRAD issue per meeting	Yes	Yes	Yes	Yes	Yes
Social fund	Yes	Yes	No	Yes	No
Saving	Yes	Yes	Yes	Yes	Yes
Saving Box	Yes	Yes	Partially	Yes	No
Passbook	Partially	Partially	Partially	Partially	Partially
Internal loan Activity	Yes	Yes	No	Yes	Yes

*Source: Qualitative Assessment, 2013*

## ***VESA Management committee***

When we see the composition of management committee from gender perspective, ASE, REST and ORDA fulfill the minimum requirement of at least two women out of the five elected members of the committee (see Figure 7). Whereas, in CRS and CARE areas, some VESA groups have less than two women leaders. Specifically, in Arsi Negele Woreda, Mudhi - Arjo Kebele of CRS operational area out of five VESA groups interviewed only one reported to have two women leaders while the rest four have none or only one. Therefore, this

demands careful assessment and reorganization of VESA management committee in some villages where CARE and CRS work.

### ***Saving Box and Passbook***

Having saving box and passbook are the other requirements in which each VESA groups should fulfill to pursue their activities in a more transparent, secured and smooth manner. The data collected from KIIs of VESA leaders and FGDs of community alike indicated that all VESA groups in ASE, CARE and ORDA have saving box with two padlocks and three keys each. However, not all VESA groups in CRS and non in REST have saving boxes so far. As to the passbook except ORDA, the VESA groups discussed indicated that they have passbook.

The VESA groups have contributed money to purchase saving box which has not yet happened. The saving box is to be constructed in Adama. The contributor/members and cashier signed during collection of saving money and have registration book. [CRS-ZD/KII-VESA]

The VESA groups have a saving box with two locks and have passbook. [CRS\_ARS/KII-VESA]

They don't have saving box they simply save in local RUSACCO. However, they told us that as GRAD will bring them a saving box. [RES\_O/KII-VESA]

Yes we have a saving box. It has padlocks and three key each. So there is a person who keeps the box and the two keys are kept with two different individuals; and it cannot be the person who has the box. We don't have a book but we have it documented by the secretary who deposited how much. [ORDA\_LAY/KII\_VESA]

Yes, we have saving box. The two keys are in the hands of two women who are member of the management committee. Yes, each of the VESA group members have passbook. [CARE\_HAW/KII\_VESA]

Yes, we have saving box it has two padlocks, the keys are in the hands of the cashier and vice chairman of the VESA, yes we also have member's passbook and logbook provided by Agri- Service Ethiopia. [ASE\_MES/KII\_VESA]

### ***Promotion of Utilization of Internal Savings and Loan***

Besides saving, all VESA groups in IPs program implementation areas except CRS started internal loan. CRS did not start internal loan because they have limited saving mobilized. The saving and loan amount varies across IPs as well as between VESA groups and is flexible to change from season to season. If it is summer season where most of the members involve in farming and in short of cash, the amount reduced and in harvesting season it increase accordingly(case of ASE). A loan amount is a maximum of 500 birr in ASE, of 100 (ORDA, CARE).

From the internal saving so far no loans were given to members. [CRS\_ZUW/KII-VESA]

The highest an individual have borrowed is 100birr. Some have borrowed the money for personal use and others have mostly used it to buy chicken to breed and sell their eggs. If the loan is not used for what the person said he will use it for, he'll get a warning and advice. [OR\_LAG/KII-VESA]

Birr100 (one hundred) with interest repayment of birr 10 per month is loaned for a group member. Not sure of the number of people who took loan. [CAR\_HZ/KII-VESA]

### ***Social Fund Scheme of VESA***

The establishment of social fund is stressed by GRAD because it would serve as social security fund during hard times. Except VESA groups in CRS and REST program operational areas, all the VESA groups in the rest of IPs have established social funds. Thus, it is recommended that they establish social fund not only because it is in the minimum requirement list of GRAD to do so but also because community respondents from IPs where social fund is established attest to the important role it has played in their life. Those VESA groups who established Social funds indicated that they benefited from the social fund in different occasions when they faced emergency problems. For instance, they noted that they use it when their child or family members fall ill, when they lost their asset due to fire hazards and during the death of family members to name a few. And above all, the establishment of social fund and the subsequent benefit the community get out of it, would enable the community to fill belongingness and confidence to their VESA groups there by scale up the issues promoted by GRAD mainly graduation process of PSNP clients.

We have no social fund but we support each other in our traditional way like *Idir*. [RES\_RAZ/FGD-VESA]

No social fund is in place other than saving in VESA. [CRS\_ZD/FGD-VESA]

### ***Discussion of Issues Promoted by GRAD***

Discussion on either one of pressing issues promoted by GRAD such as climate change, nutrition, gender, food security, aspiration on graduation is part of the minimum requirement during VESA meetings. All the VESA groups contacted indicated that based on the training they obtained from the IPs they conducted discussion on the above noted topics in their VESA meetings and are up to the requirement.

As members of VESA, we discuss on the saving, climate change, gender, strengthening VESA management committee, community health and aspiration to graduation. [CRS\_ZD/FGD-VESA]

We usually discuss on climate change and its impacts and adaptation methods. We share ideas on child nutrition. During the discussion we encourage VESA members to take loan from their internal saving and involve in business activities that make them profitable and successful thereby fulfill the needs of their children by offering them nutritious food. We also discuss on gender

equality so that husband and wife should support and respect each other [ASE\_ME/KII-VESA].

We discuss on climate change, nutrition, gender, aspiration to graduation and local development issues. We have members who have received trainings and started to facilitate discussions on these topics. [OR\_LAG/KII-VESA]

We share ideas and skills related to animal fattening and rearing to improve our income. Child feeding practices and graduation from Safety Net is also important discussion agendas for the VESA. All the times we discuss as to how we should improve our life by engaging in different IGAs then graduate from PSNP. [RES\_O/KII-VESA]

## 4. Household Case Studies

The assessment team has conducted about 30 case studies across all sample kebeles. From these, 10 household stories were selected and classified by households under incremental and declining/struggling livelihood trajectories. The households regarded under incremental trajectories are those households showing improvement in income, asset ownership and/or food production. Likewise, households under declining/struggling livelihood trajectory are those struggling to enhance their livelihoods but still under declining or stagnating trends in terms of income, asset ownership and/or food production. The following are the stories of these households by IPs' operational area.

### 4.1 Incremental livelihood trajectory

#### Lay Gayint Woreda, Checheho Kebele

Beryakele is a widowed woman and a breadwinner for herself and two children who are 20 and 14 years of age. She currently lives in Lay Gayint Woreda, Checheho Kebele; the same village she grew up in. She is an active member of the community and proud mother of a second year university student. She lives in Checheho with her 14 years old son and supports her daughter who is away for school. She registered as a VESA member a year ago. Prior to VESA, she owned farmland and livestock (both sheep and goats), but due to drought that occurred in the area, she lost all her livestock. She feels like her lack of knowledge and awareness regarding livestock rearing might have also contributed to the loss of her livestock.

She currently owns a total of 7 chickens and she gives all credit to being a VESA group member. Alongside the land she leases, she uses these chickens to generate income by selling their eggs and she is happy with the increase in her income she is able to witness. Beryakele states the trainings she received on chicken rearing as well as market information she receives played a major role in improvement and success of her IGA. She learned through the trainings that she could get better prices for her eggs if she puts them in the market during holiday season because they will go back down as soon as that season passes. She is excited about all that she has and continues to learn.

In effort to seize on the opportunity she is given, she is not only putting into saving what she is able to make but also using it to enhance another IGA she has as part of a women's group. Beryakele is a part of a group of 23 women (all PSNP beneficiaries) who have organized themselves to make handcrafts ready for the market and she sees a lot of potential in that.



Also, instead of leasing out the small land she has, plans to sow Faba Beans per the education she received as well as utilize the fertilizers she is going to be able to get, to increase her income. Due to the increment in her income alongside the financial literacy trainings she received, she is now able to save around 54 birr a month. Beryakele, states if it wasn't for the outstanding loan she has from 2002E.C, she can see herself excelling even more.

Beryakele, sees herself reaping the benefit of all that VESA/GRAD has to give her. She confidently states that as her income and saving increases, she might even venture out to produce other crops not supported by GRAD. Although Beryakele is very much excited about all the activities GRAD has to offer, she suggests diversification of activities. She says it would be better if women get [vocational] skill training and support in things like *gabi* (traditional blanket made from cotton) making and other handicrafts rather than only focusing on fattening and crop production. She feels like her women's group could serve as a model for other beneficiaries. Beryakele would also like to see a more frequent supply of fertilizers.

### **Mareko Woreda, Hobe Jartem Beka Kebele**

Melese Abayneh is a married man who has seven children aged 18, 7,6,5,3 and 1 years. Two of them are boys and the rest five are girls. He has been a VESA group member for seven months now; he registered early 2005E.C. Before he joined VESA, he did not have any livestock and he mainly depended on the support his family received from PSNP. He owns a very small plot of land which he used for crop production that didn't go beyond household consumption.

Being a member of VESA he has obtained access to loan, saving and trainings on use of molasses. Throughout this process he has gotten the opportunity to learn the importance of saving. He and his wife have started goat fattening and trading maize with the initial capital of 4,300 birr they received in form of a loan from VESA and MFI combined. Agri-Service Ethiopia has supported them both in their endeavor to join VESA and access to loan. Melese alone has accessed a total of Birr 4,000 in loan from MFI and bought 2 goats (1 male and 1female). After a while the female goat gave birth of two female goats. He fattened the male goat and sold it for 300birr profit and then bought two sheep for 1,500birr to fatten. Based on the current market price, he expects that the fattened sheep he has would be worth 2,400 birr value.

In addition, he has also been involved in red pepper production by using the loan for buying pepper seeds but until now, he has not been able to see the product as it is not yet been harvested. Melese's wife also took 300birr loan from VESA internal saving and she has also started maize trading and returned back the loan after she made a profit of 200birr. With this additional income, she is able to cover household expenses like coffee and salt as well as some clothes for the children. In such away, his household income has remarkably increased since he joined VESA.

Due to his saving and the fattening activities Melese envisions himself graduating from the Safety Net within two years. Although Melese is very happy with the program and the support he has received, he states that the program would be even better if they increase the amount of loan that can be accessed through MFIs. He says, with larger loans, they will be able to get involved in cattle fattening which would be more profitable.

### **Raya Alamata Woreda, Aqojira Kebele**

Ato Mengesha Teume is a 35 years old farmer. He is married and has four children aged 1, 4, 7 and 9. Farming is the only source of income for his family. Before joining VESA in 2004, Mengesha had five goats, two cows and an ox. He produced onion on one occasion using tradition irrigation method. However, he incurred loss due to lack of access to market.

After being VESA/GRAD beneficiary, Mengesha has been able to increase his asset. Currently, he owns nine goats, two oxen, two cows, a donkey and a modern beehive. This year, up to now, he has produced 40Kg of honey, which is higher than the 35Kg of honey obtained last year. This improved production of honey has been as a result of the use of the modern beehive. In addition to improving his production of honey, Mengesha has been able to increase his earnings due to the soaring price of honey from Birr 120 to Birr 200 per Kg. Furthermore, as a result of improved irrigation practices and the use of fertilizer, Mengesha has been able to improve the production of onions. In the past he produced 8 quintals of onion, but this past year he was able to double his harvest by producing 15 quintals.

Through VESA, Ato Mengesha has received agricultural extension services such as access to finance, savings, and training on production enhancement. He states that VESA has helped him improve his vegetable and honey production and as a result increase his family income. Since his earning has improved, Ato Mengesha has been saving regularly with VESA and with RUSACCO. Using his income, he has also been able to rent additional land to further boost his vegetable production.

To expands and further ameliorate their services, Ato Mengesha recommends GRAD and the government to do the following:

- To relax the loan repayment time; from 2 years to 3 or 4 years,
- To increase access to animal health services,
- To promote attitudinal changes among people towards hard work, so that they can graduate from Safety Net on time,
- To promote awareness on saving practices, and
- To create market linkage for farm products.

### **Arsi Nagelle Woreda, Rafu Hargisa**

Bogalech Birhanu is a single-mother (divorced) with five children aged 5, 7, 9, 13, and 15. She lives in Arsi Nagelle Woreda, Rafu Hargisa Kebele. She became part of VESA in 2013, and since her entry, she has been given access to finance and agricultural extension services. Prior to joining VESA, Bogalech had only one donkey, and she used to grow cereals, pea beans, and red pepper without fertilizer.

Through VESA, Bogalech has been able to access 5,000 Birr credit from GRAD (MFI). In the first round, she received 3,000 Birr in loan, which she has already paid in full amount. Using this loan, she has increased her livestock asset; she bought a heifer and a male calf, and also started engaging in sheep and goat trading. In the second round, Bogalech received 2,000 Birr, and she used this loan to buy red-pepper and white pea bean seeds. She also bought fertilizer to prepare the land and grow these crops in the next season. In addition to the credit support, VESA also provided Bogalech with animal health and market information training.

As a result of VESA, Bogalech has been able to access agricultural extension services such as credit, seeds, fertilizer and training. To further enhance VESA's services, she suggests that

GRAD and MFI should increase their credit amount up to 10,000 Birr. She also proposes for the provision of additional training on climate change adaptation and saving practices.

## **4.2 Declining/ struggling livelihood trajectory**

### **Lay Gayint Woreda, Titera Kebele**

Kassaw is a 35 year old married man currently residing in Lay Gayint Woreda, Titera Kebele, the same community he grew up in. He is a young man struggling to make ends meet for himself and his family of 6; wife and four children ages 7, 5, 2 and almost 2 months old. He first registered for VESA this year in 2005 E.C. Kassaw used to own one ox, one cow and two sheep prior to GRAD.

Currently, he is left with only one ox because one of the sheep died of a disease and he had to sell the rest of his livestock to be able to put food on the table for his family. In addition to selling majority of his asset, Kassaw has borrowed a total of 8,000 Birr from individuals in his community. He is not keen on going to formal financial institution to borrow money not only because he has more trust in those living in his community but also because they don't charge him interest. Although, he is trying hard to return all that he borrowed, he has not done that.

His family is currently dependant on the food transfer they receive from PSNP. However, he is motivated to change his life through the trainings he received but he doesn't own farmland and it is hard to acquire land in his village unless it is inherited through family. He hasn't been able to participate in the VESA savings as much as he'd like because he doesn't have the income to be able to do that.

Kassaw feels like the trainings he received on cattle fattening through GRAD is a promising start. He was looking forward to borrowing money from GRAD to put what he learned to use, but he missed the previous deadline to request the loan because that information didn't get to him. Kassaw is certain he is going to continue to struggle as long as he doesn't have a land so he suggests if there is anything GRAD can do about availability of land he'd like to see that; but if not, he will be looking forward to other trainings and loans he could get involved in cattle fattening.

### **Meskan Woreda, Ele Kebele**

Tenayea Tadese is a married man currently living in Meskan woreda with his wife and four children ages 10, 7, 3 and 1. He has been a VESA group member for only 2 months. Tenayea has a land he owns which he leases out to generate income.

Tenayea states that being a member of VESA group has given him access to loan and saving services. Taking advantage of that opportunity, he took a 300birr loan from VESA and got involved in trading chat, chickens, eggs and other miscellaneous activities. He is good at petty trade and making small business. He has generated an income of 700 birr within the two months period of time he borrowed money and ready to payback his loan. Tenayea is happy that he has other means than just Iddir to borrow money from. He says having different financial sources will help him expand his small businesses and he might not even have to lease out his land.

He believes the lack of assets his family had in the past might have played a role for why they are not doing as well as they should. However he believes the loan he has accessed would help him in his effort to change the economic status of the household. Tenayea says he now sees a brighter day for the poor. He says GRAD has given the poor a chance to participate in the market equally with the rich thanks to the training the motivation they are getting from the program.

### **Loka Abaya Woreda, Jar Mecho Kebele**

Qebete Bute is a single mother of five children, between the age of 8 and 16. Qebete was born and raised in Aleta Wondo Woreda. Her late husband brought her to Loka Abaya 39 years ago. In August 2012, Qebete joined VESA and became a member. She owns a hectare of land and cultivates diverse crops including maize, *enset*, *teff*, faba bean, red pepper, and Chatt. She also owns five chickens, a cow and a calf. Qebete states that, due to intermittent rainfall and land degradation, the yield she obtains annually is not enough to support her household.

After she received training from CARE, Qebete has started saving money regularly with VESA. She has been saving 10 Birr per week during the harvest season, and 2 Birr per week during the rest of the time. VESA is the only source of access to finance for Qebete. She is not qualified to receive loan through the GRAD scheme from the MFI operating in her Kebele because she has not paid the loan she took out a few years back. However, Qebete has been able to access finance through the VESA group internal saving, and as a result she has been trading maize. Thus far, she took out a 100 Birr loan twice with 10% interest, and she was able to pay all in full amount.

Qebete acknowledges the numerous benefits she gets by being a member of VESA. She says, “Overall, the training I got from CARE Ethiopia has given me the confidence to realize that there is a means to keep on working on small business activities.” Through VESA, Qebete has received entrepreneurial training, and she has also been able to increase her income from grain trading. Since Qebete has easy access to loan from VESA, she has been able to engage in grain trading continually. In the past, she went to the market to buy and sell maize only when she had money. Qebete also states that her social affair within the community has improved since she became a member of VESA. As a result of her interaction with VESA members, Qebete has also been able to acquire new skills on nutritious food preparation, and climate change adaptation.

## **4.3 Summary**

The findings from the case studies have been divided into factors for improvement and struggling/declining livelihood trajectories of households as well as benefits from and suggestions to GRAD, as perceived by case study participants. Listed below is short summary of the findings.

### *Factors for Improving*

- Personal motivation
- In kind support from GRAD (such as chicken) for women
- IGA loan from VESA

- Access to market information and linkage
- Use of improved farm inputs such as seeds and fertilizer
- Training in value chains: farming techniques, livestock husbandry, forage production
- Access to formal financial service providers
- Easy loan access created by VESA
- Access to extension services
- Price increase over time for some products such as honey and livestock

#### *Factors for Struggling*

- Prevalence of animal diseases and death
- Landlessness
- Lack of accumulated assets prior to GRAD
- Outstanding loan prevents them from borrowing more money from formal financial service providers
- Unpredictable and unreliable rainfall
- Land degradation
- Short loan repayment time
- Lack of knowledge on livestock fattening

#### *Benefits from GRAD services provided*

- Increased and diversified source of income
- Increased assets
- Increased saving culture
- New business skills acquired
- Improved social network
- Confidence built and motivated to aspire towards graduation

#### *Suggestions by case study households*

- Better dissemination of information on loan distribution time
- Increasing loan size from formal financial service providers
- Longer duration appropriate timing of loan repayment
- Adequate and timely supply of fertilizers and seeds
- Promotion of IGAs tailored to women
- Vocational training
- Improving access and quality of animal health services
- Better market linkages for on- and off-farm economic activities
- Raising awareness on saving practices
- Frequent training on climate change adaptation

## **Annexes**

### **Annex 1: Terms of Reference for the Intermediate Assessment**

**CARE Ethiopia  
GRAD project Intermediate Result Assessment  
Terms of Reference (ToR)  
March 2013**

#### **1. Background**

GRAD builds on the Government of Ethiopia's Productive Safety Net Program (PSNP) and aims to help the PSNP support recipients to graduate from chronic food insecurity while increasing their income and assets and enhancing resiliency to shocks. This five-year USAID Project combines "push" and "pull" strategies into a complete and integrated package of interventions for on- and off-farm opportunity creation, access to financial products, and demand-oriented extension services. It also builds resiliency both at household and community levels through a range of strategies designed to increase gender equality, improve nutrition, enhance climate change adaptation and stimulate graduation aspiration among CFI target households

The GRAD project implemented by a coordination consortium of partners, ORDA, REST, CARE and CRS actively engage in project implementation on selected woredas in four region state in Ethiopia. SNV is the technical partner for value chain development; Tufts University leads the impact evaluation (baseline, mid-term and final evaluation) of the project and CARE is a lead partner for coordination, implementation and technical issues on selected sector along the GRAD project implementation.

GRAD program builds on the experiences gained in implementing the PSNP plus Program, which was also funded by USAID and implemented by the same consortium led by CARE during 2008-11. In order to trace project changes along with project implementation GRAD has set up different M & E system. Annual result assessment is one of the M & E mechanisms to measure changes on yearly base. Major outcome level indicators under IPTT (Indicator Performance Tracking Tables) will be the focus area for the annual outcome indicators.

#### **1.2. Project goal, objectives and intermediate results**

The goal of the project is to sustainably graduate 50,000 households from the Productive Safety Net Program supported by GOE and out of chronic food insecurity by strengthening people's resiliency to cope with income and food related shocks. The project aims to improve people's overall productivity, increase on-and off-farm income and create new income and livelihoods opportunities. The project specifically aims to increase household income at least by \$ 365 over the five-year project cycle. In achieving these objectives, it is anticipated that participating households will experience an increase in assets and improvements in their nutritional status. The project is built upon a causal model proposing a push pull dynamic resulting in an incremental progression from chronic food insecurity to food security with associated improvements in PSNP graduation.

The following results and intermediate results will contribute to the achievement of the strategic objective:

<b>Result 1—Enhanced Livelihood Options of Chronically Food Insecure Households in</b>
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<b>Highland Areas</b>
IR 1.1 On- and off-farm economic opportunities, inclusive value chains and market access for targeted HHs stimulated.
IR 1.2: An inclusive financial sector promoted and access to a range of financial products and services expanded:
IR 1.3: Extension services upgraded
<b>Result 2 – Improved Household and Community Resilience</b>
IR 2.1: Women’s resilience and access to inputs, services and information increased
IR 2.2: Nutritional status of infants, children and reproductive age women improved
IR 2.3: Climate change adaptation improved
IR 2.4: Promote aspirations for graduation among targeted PSNP HHs and enhance enablers of graduation
<b>Result 3 – Strengthened Enabling Environment to Promote Scale-up and Sustainability</b>
IR 3.1: Collaboration among stakeholders consolidated to promote joint learning and scale up
IR 3.2: Enabling environment improved

### 1.3. Objectives of the IR assessment

The main purpose of this assessment is to:

- Assess whether the expected target are achieved in line with the stated project M&E plan indicators and IPTT values.
- Asses how the benefits of the project are distributed among FHH and MHH equally.

## 2. Methodology of the IR assessment

### 2.1 Methodology

The IR assessment will employed both quantitative and qualitative data collection methods, including both a review of the progress made in terms of the intermediate result indicators chosen, and in terms of the opinions of project participants and project lead agent (Consortium Coordination Unit).

**Sampling and sample frame:** the survey will be conducted in a total of 5 woredas. One woreda per implementing partner (CARE-Sidama, ASE, CRS, ORDA and REST). In each selected woredas the sampling frame will consist of all project targeted beneficiaries who actively engage in project implementation including value chains and IGA. Random sampling technique will be employed to select HHs for GRAD beneficiaries. The sample should include female-headed households at a level proportional to that in the PSNP recipient population in that woreda. . The consultant can propose a better way of doing the work without altering the objective of the assessment.

**Desk review:** this assessment requires secondary data collection and analysis. The consultant should conduct a review of selected GRAD project documents to understand the program nature, objective, focus, strategies and requirements.

**In-depth qualitative assessment:** in this assessment focus group discussion and observations will be employed by the consultant. The consultant needs to conduct FGD with female headed households and male headed households to see how the benefits of the project are distributed among FHH and MHH equally. The baseline tools will serve as the basis for the IR assessment tools to enhance consistency in the questions we ask across the GRAD M&E program. The consultant will determine and come up with check lists and interview questions to collect information on the assessment

questions. Focus group respondents will be selected from the survey communities (GRAD beneficiaries- currently targeted and participated in project interventions)

**Evidence of changes:** in addition the consultant should collect at least one relevant **case story per woreda**. CCU will provide the template and methods for the case story.

## **2.2. Intermediate results and selected Indicators**

The consultancy work mainly requires data collection, data analysis and reporting including but not limited to the major project Intermediate Result indicators adapted from the M&E matrix and additional indicators identified based on the observed outcomes during the project implementation period. The list of indicators **annexed (annex I)** with this document and the consultant is expected to build of and/or adapt the baseline tool and developing new tools for those that required to capture the list of the project's intermediate results indicators identified.

## **2. Work scope of the consultant**

The GRAD –CCU (CARE Ethiopia) lead all required coordination, Guidance and set necessary expectations for implementing partners ( ORDA , REST , CRS ,ASE and CARE-Sidama) for the IR assessment that the consultant will conduct. The roles, responsibilities, tasks and expected outputs of the consultancy work are mentioned below:

### **3.1. Specific roles and responsibilities of the consultant ,CCU and IPs**

#### **3.1.1 Preparation and study design**

- Work closely with the CCU and each implementing partners
- Responsible for designing qualitative and quantitative data collection instruments and tools.
- Recruit quantitative data collectors/enumerators and supervisors.
- Avail the required number of the specialists/experts for qualitative data collection with required qualification
- Preparing the training manual, training/orientation for the enumerators, supervisors and testing/pre-test of the survey instrument.

#### **3.1.2 Data collection and analysis**

- Closely supervise the collection of data at grass root level.
- Collect and analyze both quantitative and qualitative data and provide the stated deliverables.
- Will prepare de-brief/present the inception report (methodologies) to CCU and IPs on the field assessment methods including questionnaires and data collection tools.
- Translate the data collection instruments/questionnaires to local language (Amharic, Oromiffa, Sidamigna, Guraghegna and Tigrinya).
- Conduct literature review of relevant documents of the implementing partners (IPs) (e.g. GRAD project proposal, progress reports, the project M&E plan and log frame, detail implementation plan, PMP/ITPP , FTF DO1 performance indicator reference sheet , and baseline study report).
- Code, encode and analyze collected data (both quantitative and qualitative) applying Statistical Package for Social Science (SPSS) or any other SPSS compatible software.

#### **3.1.3 Report generation and Dissemination**



- Submit all the cleaned data disaggregated by sex of HH head to the CCU.
- Produce and submit interim report on field work findings per the agreed format to CCU as per the agreed deadline.
- Submit final report (hard and soft copies) after receiving the comments from CCU and IPs
- Responsible to ensure all the tasks are met as per the TOR given set of standards by the CCU and implementing partners.

### 3.2. CCU and implementing partner's responsibilities

The CCU and implementing partners will jointly facilitate the following responsibilities by:

- Providing consultants with literature review materials and other necessary documentations.
- Linking consultants to relevant stakeholders, especially in Addis and field offices.
- Ensuring effective coordination of the study logistics to facilitate the consultant(s) in undertaking the assignment.
- CCU will consolidate all comments for incorporation by the consultants.

The GRAD COP and DCOP and LDMA and each implementing partners' program managers and M&E staffs will facilitate the above responsibilities by:

- Coordinating with the consultant to ensure the quality implementation of the study on ground (e.g. training, data collection and supervision of interviewers)
- Ensuring field survey logistics are on track e.g. providing accurate and comprehensive beneficiary information to inform the sampling, mobilizing/informing beneficiaries/local authorities about survey.
- Consolidating partners comments (this includes government partners' comments when necessary).
- Ensuring the dissemination of the assessment findings/report to beneficiaries and other field-based stakeholders.
- Providing additional information on ground.

### 3.3. Tentative schedule and Deliverables:

The full process of the IR assessment commences on May 1, 2013 by beginning the development of the plan for assessment. Tentative summary of timetable and deliverables is presented as follows but the consultant should propose the best way of doing it without affecting the deadline.

Task/deliverables	Timeline
Review project Documents and Instruments/questionnaire (quantitative and qualitative), sampling, methodology, logistics finalized. (First inception report presented)	May 8 , 2013
Draft field manuals completed, presented/discussed and finalized.	May 16, 2013
Training (for supervisors and enumerators) and field tests begin, pilot testing ends. Manuals, instruments updated. Second inception report presented.	May 20, 2013
Fieldwork begins	May 23, 2013
End of fieldwork and Fieldwork (third inception) report	June 16, 2013

presented.	
Submitted sex disaggregated cleaned raw data by Woreda to CCU.	June 24 2013
Consultant submits first draft report to CCU.	July 1, 2013
Comments on the draft report received by the consultant from the CCU.	July 6, 2013
Consultant submits Second draft report to technical committee (10 days)	July 12, 2013
Comments on the second draft report received by the consultant from the CCU (7 days)	July 17, 2013
Final report is submitted by the consultant	July 26, 2013

### 3.4.Required Qualifications and Experience

The IR assessment of this project requires a qualified evaluation and monitoring experts who have worked on food security programming and have a working knowledge of the various sectors GRAD is engaged in. The experts at least should have MSc/MA degree with at least 5-10 years of relevant working experience on food security programming.

#### 3.4.1 Additional required competencies

The consultant is required to possess the following additional competencies:

- Proven consultancy and/or work experience with INGOs, preferably with USAID funded food security projects as well as experience with other international and bilateral organizations.
- Good knowledge and experience with FDRE government Food Security program is critical.
- 5-10 year's working experience preferably in Ethiopia/other African and/or developing countries.
- Sound experience and knowledge in program Monitoring and Evaluation.
- Good knowledge in gender issues
- Familiar with basic evaluation standards and principles.
- Good writing and presentation skills
- Good Teamwork spirit and inter-cultural sensitivity

### 3.5 Requirement of consulting firm

The consulting firm should meet the following:

- 5 to 10 years consultancy service in program monitoring and evaluation
- Proven reputation
- Registered and tax payer

## 4. Reporting

Reports will be expected at critical juncture that will provide a review of the accomplishments made thus far (those interim reports will be drafted as sections of the final report, and should be included in the latter to fully document the process). The expected interim reports are:

**Interim report 1:** to be produced before initiation of training. Contains the final selection of indicators, the field manual and the questionnaire forms.

**Interim report 2:** to be produced at the end of the training. Updates the first inception report with the results of instrument field tests and corresponding adjustments in the field manuals if any.

**Interim report 3:** to be produced at the end of field work to list all the problems that emerged in the field, and how they were addressed. If necessary, all changes made during the field phase to the instruments will be explained in this report.

**Interim report 4:** to be produced at the end of the data entry and cleaning procedures. Includes all the data, with double entry validation tables, frequency distributions for detection of outliers and any other relevant problems encountered during the data.

**Draft and final reports:** The consultant will submit two rounds of the report for comment and feed back before submitting the final report. Also the consultant needs to prepare a PowerPoint presentation that summarizes the report findings before submit the final report. The content of evaluation report should at least include the following sections.

**Cover page:** Title page with date, logos and RFA #, evaluator's name and organization.

**Executive summary:** a brief of maximum 2 pages description of the main findings, methodologies, and conclusions of the assessment.

Introduction

Objective of annual survey

Brief description of program

Detail analysis of findings against each objective: brief description, and achieved results/out comes/impacts, in depth discussion of general and specific sector assessment questions

Summary of findings by IRs

Cross cutting issues including Gender effect

**Good practices and Evidence of change** supported by:

Case studies

Conclusions and by Intermediate results.

**Annexes:** the IR Assessment ToR, composition of consultant team, tools and methods, list of sites visited, list of key informants, references, list of indicators, list of acronyms.

**Ethical issues:** The consultant/s should adhere to the following ethical issues:

- All terms/conditions stipulated in the contract agreement.

## **5. Ownership of the survey data/Findings**

All data collected for this study shall remain the property of CARE and GRAD implementing partners. And the development of any additional work products relaying on the data collected through this exercise would require the express written consent of CARE.

## **6. Technical and financial Proposal:**

Interested consultants should send their technical proposal including work plan and budget separately. The financial proposal should list all costs associated with the study.

CARE Ethiopia will pay up to a maximum of 60 work days. Final payment will be based on an invoice from the firm that is proper and approved by CARE for actual full days worked.

For further information please contact CARE Ethiopia GRAD-CCU through the following Address/in

person: Address: Telephone +251(0)116183294

Management: John Meyer : [Meyer@care.org.et](mailto:Meyer@care.org.et); Yetnayet Girmaw: [yetnayetg@care.org.et](mailto:yetnayetg@care.org.et); and  
Tefera Mekonnen : [TeferraM@care.org.et](mailto:TeferraM@care.org.et)

## Annex 2: Type of Value Chains Selected for GRAD Woredas

SNNPR	Shebedino	Fattening (Shoat & cattle), Vegetables (potato & onion), honey
	Hawassa Zuria	Shoat Fattening, Pulse, vegetables ( red pepper, potato & onion),
	Loka Abaya	Shoat Fattening, Pulse (Red beans), honey
	Hawale Tula	Vegetables (potato and onion), fattening ( shoat and cattle)
	Mareko	Red Paper, Fattening (shoat and cattle),Onion
	Meskan	Red Pepper, Shoat & Cattle fattening, Vegetables (Onion & Tomato
Tigray	Alamata	Vegetables (onion & tomato), Cattle fattening, Honey
	Ofla	Shoat rearing, honey, vegetables, fattening (shoat & cattle), pulse
	Enda Mehoni	Vegetables, shoat rearing, cattle fattening, honey, pulse( Faba bean)
	Raya Azebo	Shoat fattening and shoat rearing, cattle fattening
Amhara	Lay Gayint	Malt barley, Pulse( white pea beans), potato, Shoat fattening,
	Libokemkem	Cattle fattening, honey, vegetables(onion)
Oromia	Arsi Negele	Shoat fattening, Pulse (white pea beans), red Pepper
	Zeway Dugda	White pea beans, Vegetables(Tomato & Onion), shoat fattening
	Shalla	Shoat Fattening, Pulse( white pea beans), Potato
	Adami Tulu	Red pepper, Pulse( white pea beans), Shoat fattening

### Annex 3: Summary of GRAD IR Assessment Results

S/N	Objective /Intermediate results	Indicators to be measured	Unit of measurement	Data source	Method of data collection	Remark	2013 IR assessment result
I	Strategic Objectives: The strategic objective of GRAD is to graduate 50,000 chronically food insecure HHs from Productive Safety Net (PSNP) support in 16 targeted woredas and increase each HH's income by \$365 per year	<b>Poverty:</b> % of the targeted population living in Poverty (i.e less than 1.25 USD per day	% of HHs	IR assessment	quantitative assessment	PAT will be applied  BL = 51.5% LoP = 23%	21.7%
1.1	Result # 1: Enhanced livelihood options of chronically food insecure households	Value of new private sector investment in financial and agricultural sectors supported by GRAD	USD	IR assessment	will define the method latter	CCU will be responsible for date collection and Dadimos team will do writing BL= 0 LoP = \$650,000	Not available
1.3		Average Annualized saving per VESA members	USD	IR assessment	Project records +MIS data	CCU will be responsible for date collection and Dadimos team will do writing BL = 0 LoP = \$14	Birr 200 (USD10.70
1.4		Perceived availability, quality and accessibility of inputs, finance and extension services among target HHs	% HHs perception	IR assessment	Quantitative	HH survey, FGD with VESA & members KII with DAs BL = 0 LoP = 13,795,149	83% of sample households
1.1.1		Value of incremental sales ( collected at Farm level) attributed to GRAD implementation	Value in USD	IR assessment	quantitative assessment + project records	HH survey and project record, HH case studies BL = 0 LoP = \$6,500,000	508,529 Birr (USD 28,252)
1.1.2	IR 1.1: On-and off-farm economic opportunities, inclusive value chains and market access for targeted HHs stimulated	Gross margin per unit of land or animal dedicated to value chains supported by GRAD	Value in USD/Production area	IR assessment	quantitative assessment + project records	HH survey and/or FGD with VESA members BL = TBD (0) LoP = 35%	Birr 2,358 (USD 124.5)(livestock)
1.1.3		# of GRAD HHs engaged in new, profitable IGAs	# of HHs	IR assessment	quantitative assessment	Project record & HH survey ( <i>all data to be reported in # like this one require a total inventory work not</i>	Livestock = 17,771 Honey = 287 Pulse = 2,977 Vegetables = 2,854 Red pepper = 1,712

						<i>sample survey</i> ) BL = 0 LoP = 70%	Malt barley/Potato = 1,372 IGA = 13,949
1.2.1	IR 1.2: Access to a range of financial products and services expanded	# of target HHs accessing formal financial service	# of HHs	Project records	Secondary data review	Not shown in the IPTT	15,097 HHs
1.2.2		Value of agricultural and rural loan	Amount in USD	Project records	Secondary data review	Not shown in the IPTT	3,176,848 USD loan distribute
1.2.3							
1.2.4		# of financial products tailored to target HH demand	Number	Project records	Secondary data review	BL = 0 LoP = 5	3 ( loan , Saving and micro-insurance )
1.2.5							
1.3.1		# of DAs trained and actively applying demand-driven approach to extension service provision to target GRAD HHs	Number	Project records + IR assessment	Secondary data review + Quantitative assessments	BL = 0 LoP = 900	75
1.3.2		# of GRAD HHs served by trained DAs	# of HHs	Project records	Secondary data review		0
2.1	Result #2: Improved community and household resilience	% of HH with moderate or severe hunger	% of HHs	IR assessment	Quantitative assessment	HH indicator; Apply FFP 2011 M&E Guideline	15.2%
2.2		% of GRAD HH selling productive assets during periods of shock	% of HHs	IR assessment	Quantitative assessment	BL = 50% LoP =30%	23%
2.2.1	IR 2.2: Impacts of climate change on households reduced	% of community(VESA) adopting at least two climate change adaptation practices promoted by the project	% of (VESA) community	IR assessment + project records	assessment	Community level indicator, list of practices required	75%
2.2.2		Number and type of climate change adaptation practices adopted and implemented.	Number	IR assessment	Quantitative assessment	<i>Is this HH, community or project level indicator?</i>	14 type
2.2.3	IR 2.3: Women's resilience and access to inputs, services and information increased [3]	% of women and men reporting increase in women's influence over HH decision making	% of change	IR assessment	Quantitative assessment	HH level indicator: men and women asked separately. <i>Is there a question applied for BL?</i>	75.8%

2.4.1	IR 2.4: Aspirations for graduation among targeted HHs promoted and enablers for graduation enhanced	% of GRAD participants showing readiness and commitment to graduate within an expressed timeframe	%	IR assessment	Quantitative assessment	What does readiness means? Can be both HH and Com level indicator	<b>59%</b>
2.4.2		% of VESA/FEMA (committees) monitoring the progress food security of their membership on annual basis	%	IR Assessment	Quantitative assessment	Group (VESA/FEMA) level indicator	<b>70.5%</b>
3.1	Result #3: Strengthened Enabling Environment to promote scale and sustainability.	Degree of understanding among key stakeholder of what is required to achieve sustainable graduation	Degree (percent)	IR assessments	Quantitative assessment	Qual at com level, using scale approach & HH questionnaire with predefined list of criteria	Not available
3.1.1		Number and type of evidence-based policy documents generated and disseminated among key stakeholders	Number	IR assessments	Project records		One- GRAD developed one issue paper and shared to different stakeholder for HABP Mid-term review
3.1.2		# of alliances forged by GRAD at local and national levels	Number	IR assessments	Project records		16 MSP alliances formed in all GRAD operational areas.
	IR3.1 Collaboration among HABP and other stakeholders consolidated to promote joint learning and scale up	# of livelihood models / intervention modalities identified, tested through action research and disseminated	Number	IR assessments	Project records		No – it is too early for reporting. only intervention model identified and assessment on the way
		# of public - private partnerships formed by GRAD	Number	IR assessments	Project records		Three- the project formed official partnership and agreement with three private sectors
	IR3.2 Supportive Policies Exist which Encourage Stakeholders to Incorporate Positive Results of GRAD	# of policies analyzed with support from GRAD advanced within key policy forums and/or GRAD-related programs	Number	IR assessments	Project records		2 (- polices related to outstanding loans and VSLA linkage with RUSSACOs and MFI)



#### Annex 4: Tag System for Direct Quotes

Program area	Woreda	Method of Data Collection	Respondent
REST [RES]	Raya Alamata [RAL]	KII-VESA	VESA leaders Key Informant Interview
	Ofla [O]	FGD-W	Women Focus Group Discussion
	Enda mehoni [EM]	FGD-M	Men Focus Group Discussion
	Raya Azebo [RAZ]	KII-MSP	Multi stakeholder platform Key Informant Interview
ORDA [OR]	Libokemkem [LIB]	CS-M	Men Case study
	Lay gaint [LAG]	CS-W	Women Case study
ASE (ASE)	Meskan [ME]		
	Mareko [MA]		
CARE [CAR]	Hawas Zuriya [HZ]		
	Lokabaya [LK]		
	Shebedino [SH]		
	Hawela Tulla [HT]		
CRS [CRS]	Arsinegele [AR]		
	Ziway Dugda [ZD]		
	Adamitullu [AD]		