

# Feed the Future Ethiopia – Livelihoods for Resilience Activity

## Background

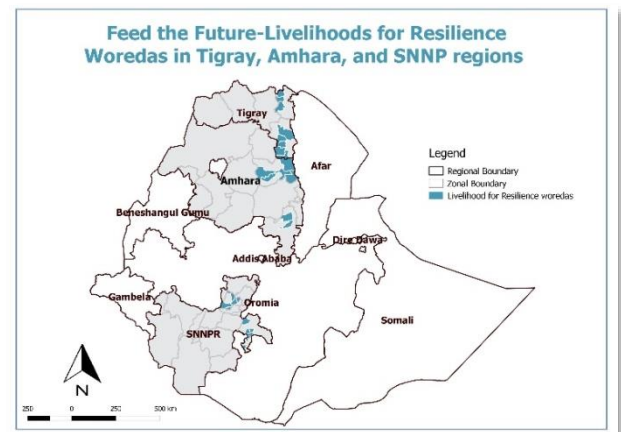
Ethiopia is one of the fastest growing economies in sub-Saharan Africa, yet its population continues to face high levels of food insecurity and malnutrition. Rural households are affected by a variety of manmade and natural disasters such as land degradation, recurrent droughts, unreliable rain patterns, floods, and other extreme weather events, all of which are exacerbated by climate change. Population growth has led to increased fragmentation of landholdings and farming of increasingly marginal land, making it difficult for rural households to feed their families year-round from their small plots.

The Government of Ethiopia is implementing the fourth phase of the rural Productive Safety Net Program (PSNP 4) to address chronic food insecurity through the provision of transfers, public works that rehabilitate natural resources and address community needs, linkages to social services, and livelihoods support. The Feed the Future Ethiopia – Livelihoods for Resilience Activity is USAID's contribution to the livelihoods component of the PSNP 4 and is designed to complement and support implementation of livelihoods activities along three pathways: the crop and livestock pathway, the off-farm pathway, and the employment pathway. The design of the Livelihoods for Resilience Activity has taken lessons from its predecessor project, Graduation with Resilience to Achieve Sustainable Development (GRAD).

## Objective

The goal of Livelihoods for Resilience is to reduce food insecurity and increase resilience for households in 27 PSNP woredas of Amhara, SNNPR, and Tigray. A sister project seeks the same outcomes in PSNP woredas in the Oromia Region. In particular, the Livelihoods for Resilience Activity aims to **enable 97,900 chronically food insecure households to graduate from the PSNP with resilience**. The five-year activity (2016-2021) has the following four sub-purposes:

1. Members of PSNP households have increased capacities for undertaking resilient livelihoods
2. PSNP households have economically viable and resilient livelihood portfolios
3. An enabling environment supports resilient livelihoods for PSNP households
4. Collaboration, learning and adaptive management processes enhance, scale up, or facilitate replication of impact



## Consortium members

Livelihoods for Resilience is implemented by a consortium of five partners under the leadership of CARE with a total budget of US\$ 48 million. Implementing partners include the Relief Society of Tigray (REST), the Organization for Rehabilitation and Development in Amhara (ORDA), and Agri-Service Ethiopia (ASE) in SNNPR. SNV-USA serves as a technical partner for market systems development.

## Strategic Approaches

### Village Economic and Social Associations

Organizing PSNP households into VESAs is a cost-effective way of delivering diverse services to large numbers of households, as demonstrated under GRAD. VESAs serve as an entry point for financial literacy and business skill trainings, exposure to agricultural technologies and information, and linkages to microfinance and input/output markets. VESAs also serve as a platform for building households' understanding of improved nutritional practices and climate change adaptation, both of which are critical to resilience. The Livelihoods for Resilience Activity will support nearly 5,000 VESAs, and will pilot 350 youth VESAs composed of members of the targeted PSNP households.

## Tailored financial services

Livelihoods for Resilience builds financial inclusion through a sequence: households start with savings and small loans through their VESAs, which enable them to make small, low-risk investments and begin building their livelihoods. Financial literacy and business skills training provide the foundation needed for households to manage their investments wisely. As their businesses grow and they repay their small loans, households become ready for larger loans formal financial institutions. The project uses a loan guarantee fund to buy down lenders' risks. As their livelihoods investments grow further, households are able to absorb shocks without depleting productive assets, and take on new activities when necessary to manage risks, capitalize on opportunities, or adapt to change.

## Livelihood pathways

Using VESAs as a platform, Livelihoods for Resilience will build capacities of households to make informed decisions on various livelihood options. The Activity will provide tailored technical support to clients within households—including women, men and youth—along three livelihood pathways:

- **Crop and livestock pathway:** the project will provide technical support for nutrition-sensitive and climate-smart crop and livestock production, including promotion nutritious gardens, technical trainings supported by video-enabled extension and innovative, small-scale irrigation techniques. These activities will be complemented by value chain/market systems strengthening interventions, described below.
- **Off-farm activities:** the project will leverage existing entrepreneurship curricula builds entrepreneurship skills in youth to enable them to manage their own businesses. Women will also be supported in becoming micro-franchise saleswomen for fast-moving consumer goods such as soaps and nutritious foods.
- **Wage employment:** the project will use a work readiness curriculum to build life skills and increase the employability of PSNP youth in particular. The project will also work with employers and recruiters/brokers to understand the skills and other characteristics they require in employees and will use an Innovation Fund to test approaches for making job information available at community level.

## Inclusive market systems

An enabling environment for resilient livelihoods includes supportive institutions, systems and service providers that are themselves resilient. For instance, the Livelihoods for Resilience Activity will support the establishment of agro-dealers to serve as retailers for agricultural inputs and livestock feed, strengthen marketing groups and cooperatives, and facilitate market linkages where appropriate. By engaging with the private sector, the project will support the development of inclusive market systems that serve very poor households.

## Gender equity and women's empowerment

The Livelihoods for Resilience Activity considers social norms to be part of the enabling environment for resilience. Hence, a critical aspect of building an enabling environment to identify norms around gender roles, household workloads, and other topics related to women's empowerment, and develop action plans for change. The project will also engage role models exemplifying targeted behaviors, thereby demonstrating that households with empowered women are more resilient, as demonstrated through more diversified incomes, better financial management, and improved nutritional practices.

## PSNP 4 linkages and collaboration with other programs

The Livelihoods for Resilience Activity consortium believes strongly in partnerships and collaboration with government institutions and other NGOs. The project will coordinate closely with PSNP 4 implementers at all levels in order to ensure synergy and provide support and facilitate joint learning where possible. The project will also collaborate with other organizations and projects, leveraging each other's resources to enhance or replicate impact, for instance through the use of nutrition social and behavioral change communication materials developed by other programs.

## Learning and adaptive management

The Livelihoods for Resilience Activity will be dynamic and responsive to opportunities and constraints that will inevitably arise over its lifetime. The project will develop a learning agenda, which will include joint initiatives with technical and research institutions to test new approaches or technologies that will benefit PSNP households while generating sound data and enabling informed decisions about project approaches.

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