

Graduating Out of Social Assistance and into Long-Term Food Security

According to one female participant, "Before GRAD, the food we grew only lasted for four months, and then we would start to starve. Now, our neighbors see that we don't starve, and they have started saving so they can have a stable life like ours." It's hard to get more meaningful than that—now people don't starve.

That's what GRAD, funded through the generous support of USAID, accomplished in Ethiopia—helping families become food secure and escape poverty. GRAD worked with 63,000 chronically food-insecure households in 16 districts of Amhara, Tigray, Oromia and the SNNP Regions of Ethiopia to help them graduate from government-run Productive Safety Net Program (PSNP).

GRAD used a push-pull approach to help the poorest and most vulnerable people escape poverty. <u>Push</u> interventions supported households to improve their skills, diversify livelihoods, and increase their assets. Training on financial literacy and participation in community-based savings and credit helped start income generating activities. Demonstration and training to improve agricultural practices prepared them for engagement in value chains of their choice. <u>Pull</u> interventions supported service providers and market actors to adopt more pro-poor behaviors. This included activities like establishing input vendors close to the communities and working with micro-finance institutions to offer loans appropriate for poor households.

WHAT HAVE WE ACCOMPLISHED?

- **Families graduated out of poverty:** GRAD enrolled families that depended on PSNP for survival. By 2016, 62% of project families had been graduated by the PSNP and another 18% are expected to graduate within the next two years.
- Savings increased: Average savings have gone up nine times—
 from \$11 to \$99 per household, and women have more access to
 finances. One man reported, "Now my wife handles the money. I
 am impressed by the savings we've accumulated."
- Access to credit went up: The project has more than doubled

Program Name:

Graduation with Resilience to Achieve Sustainable Development (GRAD)

Program Country: Ethiopia

Timeframe: December 2011 -

December 2016

Budget: US\$25.6 million

Donor: USAID

Beneficiaries:

GRAD worked with 63,000 families to help them sustainably improve their livelihoods and graduate out of poverty.

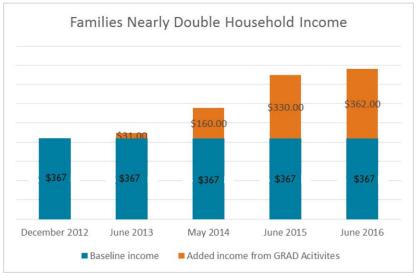
By 2016:

- 62% of GRAD families graduated off the government's productive safety net program.
- Average annual household income went up by \$367—nearly doubling the baseline value.
- The project has more than doubled the number αf participants with access to credit—from 41% 91%. to Repayment rates far exceed national norms.



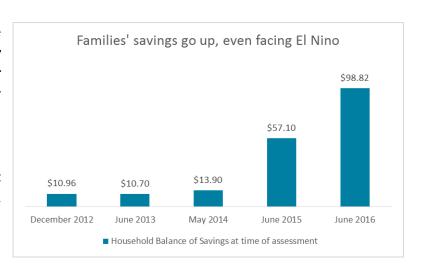
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the proportion of participants with access to loans—from 41% to 91%. Even in the midst of last year's drought, the repayment rate for GRAD households was about 80%, which is higher than rates in most non-GRAD communities even in normal years.



box" with women.

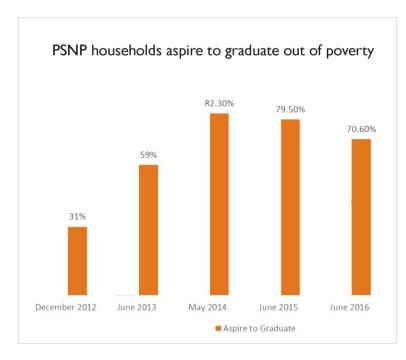
- **Incomes nearly doubled**: Mean household annual income increased by 87%, with new activities promoted by GRAD adding an additional \$367 per year to the \$418 households earned in 2012.
- Women have more confidence and influence: 90% of women reported having an increased role in decision-making in the household. On farming decisions alone, the proportion of women who made decisions jointly with their husbands was 91%, 52 percentage points higher than at baseline. Now, men are "sharing the key to the cash
- **Children have better nutrition.** The proportion of children under 2 years old who ate a minimum acceptable diet went up eight times between 2014 (6%) and 2016 (54%). Children consuming a minimum dietary diversity (eating from four or more food groups every day) also increased, by a factor of four.
- Gender roles are more equitable: 61% of women have more leisure time than they used to because men are assisting with some household chores. As one woman said, "... after we started family discussions, now men are helping around the house and there is much less abuse".
- **Living conditions improved:** People are investing money into their homes. "Now we have built a house that is much better than our previous hut. Our new house has four walls and an iron sheet roof."
- Recovering from shocks got easier: Now, 74% of households feel confident that they can recover from shocks, even ones as severe as the *El Nino* drought.



HOW DID WE GET THERE?

Push Interventions

• Working Together: Village Economic and Social Associations (VESAs) are groups of peers and neighbors that brought men and women together for savings and loan activities and training on



economic skills and discussion around gender, harmful social norms, nutrition, etc. Other groups and cooperatives were formed for joint value chain work, allowing small producers to pool resources and aggregate product for market.

• **Empowering Women:** The project provided the first opportunities for most women to be part of, and often lead, community groups with men. Women are accessing loans and getting involved in economic activities and decision-making. Male role models, community leaders, and religious leaders are now talking about gender equality and often modeling it in their own lives.

- Improved Agricultural Practices: The project provided training and demonstration in practices to increase productivity and product quality. Such practices included use of improved seed, livestock fattening in enclosures, beekeeping in transitional hives, etc. At least 89% of families have adopted one or more new improved practice. GRAD focused on key value chains and market connections to make sure that improved practices could translate into sale and income for families.
- **Diversifying income sources:** At least 92% of households have adopted one new value chain and or income generating activity. The project has promoted activities that are pro-woman and appropriate in the context of climate change. Increasingly, off-farm and non-farm income sources are targeted to improve household resilience.

Pull Interventions

- **Building private sector input supply:** GRAD created a network of agro-dealers selling agricultural inputs to bottom-of-the-pyramid farmers in small quantities at affordable prices. These dealers also provide support and advice to their customers as quasi-extension agents.
- Increase access to information and services: Access to extension services increased during GRAD and 88% of households now rank the services received as of high quality. In addition to training Development Agents, GRAD supported model farmers and agro-dealers to provide extension services to men and women farmers.

 Access to credit: GRAD used guarantee funds, capacity-building support, and persuasion to encourage MFIs to provide loans to chronically food insecure households. The average total loan value received by GRAD households during the project was nearly \$250. And families are 38% more reliable in paying off their loans, with an 80% minimum repayment rate.

Conclusion

The model tested by GRAD, if applied correctly, can sustainably graduate households from dependence on safety nets and, in the right circumstance, leads to dramatic improvements in household income and well-being. Relatively good performance of GRAD households during the drought of 2015-16, which was severe in most project districts, points to improved resilience in these areas and encourages us about future prospects.

Learn more at <u>www.care.org/grad</u>

Sources

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