

ETHIOPIA: THE PATH TO SELF-RESILIENCY

Volume IV: Literature Review



**Prepared for
CHF – Partners in Rural Development
On behalf of CANGO**

TANGO
INTERNATIONAL
TECHNICAL ASSISTANCE to N.G.O.'S

Dec 2006/Jan 2007

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Definitions and Acronyms

EDRP	–	Ethiopian Strategic Food Reserve
FHH	–	Female-headed Households
FSTF	–	Food Security Task Force
FSP	–	Food Security Program
GOE	–	Government of Ethiopia
HEP	–	Household Extension Package (Livelihood Extension Packages)
MoARD	–	Ministry of Agriculture and Rural Development
MoFAD	–	Ministry of Finance and ?
OFSP	–	Other Food Security Programs
PASDEP	–	Plan for Accelerated and Sustained Development to End Poverty
PIM	–	Program Implementation Manual (for PSNP)
PSNP	–	Productive Safety Nets Program
SCLZ	–	Southern Coffee Livelihood Zone
SNNPR	–	Southern Nationalities and Nations People’s Republic
<i>Aabsi</i>	–	fear of conflict
<i>Berkad</i>	–	constructed water reservoirs
<i>Debo</i>	–	Community-based Institutions
<i>Idir</i>	–	traditional burial association
<i>Iqquib</i>	–	Community-based Rotating Savings and Credit Association
<i>Kebele</i>	–	locality or village, the smallest administrative unit within the government structure
<i>Mehaber</i>	–	Religious Institutions
<i>Senbete</i>	–	Religious Institutions
<i>Wonfel</i>	–	Community-based Institutions
<i>Woreda</i>	–	District-level administrative unit

I. Vulnerability Context

- Factors inhibiting food security include adverse changes in climate, poor technology, soil degradation, and policy induced as well as program implementation problems (GOE 2003).

A. Policy

- Food security policy in Ethiopia has been strongly influenced by a fear of beneficiary “dependency” on aid held by international donor agencies, NGOs and the GOE. This fear of anti-dependency and credit reflects current sentiments of donor countries towards recipient countries-possibly indicative of influential current anti-public sector welfare ideology in the US and UK are having on development. These attitudes have negatively affected the FSPs, particularly in choosing intervention modalities and the setting of benefit levels. (ACF 2006).
- To meet requirements for debt cancellation and to address underlying conditions of food insecurity, the GOE in collaboration with donors, established a policy agenda entitled the Sustainable Development and Poverty Reduction Program (SDPRP). Food security, economic development through liberalization and good governance are primary objectives. The New Coalition for Food Security and The Food Security Program (FSP) stem from this policy (ACF 2006).
- The New Coalition for Food Security comprised of donors, NGOs, private sector and civil society, is a five year, three billion dollar package of interventions. The first partnership amongst all food security stakeholders, it aims to maximize social mobilization to reduce food insecurity. The joint-donor group includes DFID and the World Bank (ACF 2006, GOE 2003).
- The Sustainable Development and Poverty Reduction Programme (SDPRP) is the overall policy framework for government programs. The key objective of this government strategy is “to reduce poverty via maintaining macroeconomic stability, prioritizing the rural population.” This entails strengthening private sector growth, off-farm employment and infrastructure, focusing on export growth in manufacturing sectors, investments in education and capacity building, decentralization, empowering the poor, agriculture research and water resource management (GOE 2003).
- Rural development policies and strategies aim for agriculture led development, a strong free market economy and extensive use of human labor. Key approaches are multi-sector, gender based, agro-ecological zone specific, targeting drought prone, food insecure areas, private sector and commercial focused, and building capacity (GOE 2003).
- The Plan for Accelerated and Sustained Development to End Poverty (PASDEP) supports an enabling environment for FSP graduation. PASDEP’s accelerated growth strategy emphasizes agriculture and rural development, within this extension and food security supporting an enabling policy environment for PSNP graduation. Tailored to the ‘three Ethiopias’, agricultural commercialization and pro-poor basic support plans include improvements in extension support, grassroots agricultural research delivery, increased veterinary and pest control coverage, water management, facilitation of agriculture inputs, soil fertility and environment, supporting off-farm income

generation, microfinance institutions and access to credit. PASDEP supports access to health, particularly regarding maternal and child health and malaria, universal primary education prioritizing girls, and road improvement (GOE 2003, Sharp et al. 2006).

- The Federal Food Security Strategy rests on three pillars:

- 1) Increasing the availability of food;
- 2) Improving access/entitlement to food; and
- 3) Strengthening emergency response capabilities.

Priority actions under the strategy include: promoting mixed farming systems and asset building within low moisture zones, strengthening livestock marketing and encouraging sedentarization within pastoral communities, supporting micro-enterprise development, increasing entitlements through employment schemes, assistance to disadvantaged groups and nutrition intervention, and strengthening of the Ethiopian Strategic Food Reserve (ESFR) and emergency surveillance capacity (GOE 2003).

- Within the wider Food Security Program, three major programs exist: voluntary resettlement programs, the Productive Safety Net Programme (PSNP) comprised of public works and direct transfers/support mainly to ‘protect assets’ and, the ‘Other Food Security Programs’ (OFSP) which essentially consists of the credit based Household Extension Packages (HEP) aimed at creating assets. The PSNP distinguishes between two groups of food insecure Ethiopians: “The ‘unpredictably food insecure’ who face transitory food deficits because of erratic weather or other livelihood shocks and who will continue to receive food aid and other humanitarian assistance possibly through the emergency appeal process”, and the ‘predictably food insecure’ who face chronic food deficits because of poverty rather than food shocks who have (are) transferred from the annual emergency appeal to the PSNP”. The PSNP has not started yet in the Somali region and most literature on the PSNP program derives from the Amhara, Oromiya, Tigray and SNNPR region (MoARD 2006, ACF 2006, FEWS NET Dec 2006, Devereux 2006)
- The PSNP was developed by the Government of Ethiopia in collaboration with the joint donor group involved with the Coalition for Food Security and in part funded by DFID, WB, Irish Aid and the European Commission, donor partners of Trocare and CAFOD. Donor commitment is high, whereas donors commend the PSNP as an innovative priority for Ethiopia aimed at long-term food security. The PSNP aims to address immediate human needs while supporting rural development a markets via increased purchasing power, preventing long-term consequences of short-term consumption shortages, and encouraging households to engage in production and investment. (MoARD 2006, Slater 2006)
- The PSNP consists of two components: a labor-intensive Public Works component; and (ii) a Direct Support component to ensure support to those households who have no labor at all, do not have sufficient and reliable support from sons/daughters or remittances, and c) cannot participate or contribute to other community based activities/initiatives-these are often widows or female headed households. (MoARD 2006, ACF 2006)

- The HEP program is designed to help households create assets through the provision of a variety of livelihoods enhancement input packages which contain several components (for example improved seeds, livestock, equipment). Packages value at 1600 birr and are mainly given in kind rather than cash, though in some cases there is a direct cash transfer. The cash value of these packages must be repaid in two to four years based on the type of package, now on zero-interest terms. (ACF 2006, MoARD 2006)
- The overall strategy to achieve food security also originally included a program of resettlement, which entails leaving a food insecure Woreda. When a food insecure household head chooses to participate in this, remaining members of the household residing in the food insecure Woredas will continue to be assisted by PSNP. (MoARD 2006)
- Poverty and food security are not well defined in Ethiopia, with the number of total “poor” in the country in reference to the percentage of people under the national poverty line of 1075 birr per capita. This remains problematic in Ethiopia in development discourse (ACF 2006).
- The Employment Generation Scheme (EGS) exists under the The National Policy for Disaster Prevention and Mitigation (NPDPM) to link relief with development, through providing opportunity for immediate food security and by the physical development of environment and infrastructure. Implementation drawbacks include lack of skilled manpower, logistics, communications, road accessibility and lack of donor support relief resources as inputs (GOE 2003).
- The Ethiopian government envisions replacing all emergency assistance with guaranteed multi-year benefits provided under the FSP. This raises concern because legislation and policy for dealing with emergencies has not been systematically revised since the inception of the PSNP, although mandates have been changed regarding policy coherence, capacity to deal with regular and emergency programming, coordination, contingency funds and implementation plans (Slater et al. 2006, ACF 2006).
- Administrative decentralization is occurring throughout Ethiopia, however in Afar for example, institutional capacity does not match the new administrative responsibility (Lautze et al. 2003).
- Since the 1970’s up until 2003 the model of famine theory and Food Availability Decline (FAD) prevailed in humanitarian agencies’ mindset influencing policy, institutions, and processes of response. The poverty reduction strategy has harmonized donor strategies for the most part in Ethiopia, however historical views that “disasters strike at whim of nature rather than from the ecological, economic, political and social systems remains a powerful narrative in modern Ethiopian development discourse (Lautze et al. 2003).
- In order to enhance possibilities for graduation of PSNP beneficiaries, policy decisions in year two to target OFSP programs on PSNP beneficiary households created overlapping coverage. Federal plans are to achieve approximately 30% coverage of PSNP beneficiaries with the OFSP program per year for three years through a six billion dollar allocation (Slater et al. 2006, MoARD 2006).

Agriculture and Land Policy

- The policy environment in Ethiopia has been both a source of resilience and vulnerability for households. The GOE's policy of Agriculture Development-Led Industrialization (ADLI) has led to an intensification cereal cropping, bringing both increased productivity and debt burdens. Land tenure policies have yet to provide adequate incentives for farmer investment in ecological protection and the range of policies regarding land use (e.g. development of State Farms: villagization (sedentarization, resettlement, private investment) have prompted large scale population movements. Pastoralism is seen as a tenuous livelihood by the GoE, yet given the agricultural risks (drought, flood, food price fluctuation) and the fact that most available arable land already allocated and under cultivation, it is difficult to see how much more sedentarization of can be achieved (Lautze et al. 2003, Devereux 2006).
- Resettlement policy provides an important escape route from marginal farming and poverty traps in the highlands. Policy should focus on helping households in the transition phase and the development of social facilities and economic opportunities in destination areas (Oxfam and NEF 2005).
- There is a lack of animal health services in the country due to inadequate financing, despite the contribution of livestock to the economy (Lautze et al. 2003).

Off-Farm and Urban Livelihood Group

- The legal status (land tenure) of urban residents is potentially problematic for infrastructure or public works projects. Vulnerable populations are often squatters on areas not planned for habitation without access to water and sanitation (Garrett 2001).

B. Social/Economic

- Ethiopia's per capita gross domestic product (GDP) is estimated at about \$110, one of the lowest in the world. (GOE 2003)
- Ethiopia is experiencing population pressure whereas food production cannot match the uncontrolled growth rate of the rural population (GOE 2003).
- As recently as 2002-03, nearly thirteen million people – about one fifth of the country's population – required humanitarian aid from overseas (ACF 2006).
- Overall agricultural performance in 2006 was good in all crop producing areas of the country. Cereal prices are much higher than the 2001-2005 average throughout 2006, with markedly high prices of teff and wheat. These high price trends are found throughout the country, in both deficit and surplus producing areas (FEWS NET Dec 2006).
- In absolute dollar terms, Ethiopia is one of the largest recipients of ODA in the world; yet per-capita assistance is \$21, one of the lowest levels in SSA. Over half of this aid becomes emergency assistance, averting famine and often protecting assets, rather than addressing the underlying causes of food insecurity and sustainable solutions. This further reduces per-capita development assistance to \$10 per person. \$3 billion for the

FSP (which subsumes some existing ODA funding) will equal \$8 per person. (ACF 2006)

- The official national poverty line was set at 1075 birr in the last countrywide survey (1999-2004) put was not tailored to price levels by livelihood zone, nor did it attempt to account for the value of subsistence production, and can not serve as a useful measure of poverty in the some areas such as the SCLZ According to this line, some 30-35 million Ethiopians are defined as poor-over three times PSNP coverage-and remain highly vulnerable to acute shocks-It, was not tailored to price levels in particular livelihood zones, nor did it account for the value of subsistence production (ACF 2006).
- The national rural poverty rate is estimated to be 45% based on country-wide surveys from 1999-2004. Yet ACF using their lower SCLZ-specific poverty line of 400 birr and including the value of subsistence production, found some 94% of households in their sample to be poor. A rate of 98% of all households falls under the higher national poverty line of 1236 birr. It appears that previous estimates of the scope of poverty in rural Ethiopia may be seriously underestimated. Simulations showed that households were making decisions to obtain maximum potential profits, given their constraints in landholding size, land productivity, climate uncertainty, and lack of off-farm opportunities (ACF 2006).
- The Government has internalized private sector development, particularly labor-intensive sectors into its national development strategies and programmes (MoFED 2006).
- Despite the rapid rising Ethiopian population (approximately 74 million), the transition from rural to urban-based livelihoods is occurring relatively slowly. (Ellis and Woldehanna 2005).
- Ellis estimates that 87% of Ethiopia's total population resides in rural areas (Ellis and Woldehanna 2005).

Health and Education

- Health systems are poor in Ethiopia. The infant mortality rate is 112 per 1,000 live births. Malaria and HIV/AIDS have become major health risks in Ethiopia over the last decade (GOE 2003, ACF 2006).
- The health system in Ethiopia is inadequate, where vulnerable populations lack access to any form of meaningful health care, including adequate EPI coverage, sufficient quantities of clean water for consumption and hygiene purposes, satisfactorily balanced, adequate and appropriate food aid rations, and other properly conceptualized and managed nutrition interventions. Measles is a major threat to children (specifically as the immunization coverage in Ethiopia is as low as 3% and has been identified in association with drought, refugee, and major population displacement. Micronutrient deficiency diseases (MDDs) are endemic in Ethiopia, but vulnerability to these has been exacerbated recently because of the nature of the single commodity (e.g. 12.5 kgs of cereal) ration, high rates of infectious and diarrheal diseases and a lack of access to fresh foods (Lautze 2003).

- In 2004-2005, access to clean drinking water had increased to 40%, access to health services was estimated at 70% of the population and only 17% of the population has access to improved sanitation. Only 16% of the population has access to electricity. Child mortality rate stood at 126.8/1,000 and maternal mortality rate at 871/100,000. Gross Primary Enrollment (GPE) stood at 79% and 62% of the population remained illiterate, the rate for women being 79%. Unemployment rate stood at 8% (MoFED 2006).

Markets

- Rural households undertake a significant proportion of their economic transactions in local market towns. These markets are where they purchase half of their agricultural inputs and are the primary location of the sale of artisanal products, particularly by women. More than half of purchases of consumables occur on market towns and these are, largely, the only urban localities in which these rural households undertake economic activities. Apart from remittances, there were few direct links with more distant urban centers or the capital city (Dercon et al. 2005).
- Ethiopia's markets are poorly functioning and access to markets varies widely throughout rural Ethiopia and is very poor for many rural households, especially those in the mountainous northeastern highlands. Despite agreement about the theoretical importance of access to market, empirical evidences from Ethiopia show ambiguous results concerning associations between market access and household income (ACF 2006, Chamberlin et al, 2006).
- "Local labor markets are highly seasonal and segmented by gender (with women systematically earning lower rates." (Sharp et al. 2006)
- There is a lack of product diversification, with some production diversification limited to food crops, and little attention given to cash crops and livestock. Market integration is weak, resulting in significant price differentials from farm gate to terminal markets. The agricultural output marketing indicates that production and sustainable adoption of technology is challenged by low market prices, inadequate market information system and inadequate rural road networks (GOE 2003).
- The results of this study suggest that local market towns and cities play a key role in providing space for the economic activities of rural households. Access to market towns affects economic activity in rural areas. The more remote they are from these towns, the less likely households are to purchase inputs or sell a variety of products. Improved access to market towns also has positive effects on welfare. Improving the presence of roads, their quality and transport options, in general, increases consumption outcomes. Communities with better roads have persistently higher growth rates than others (Dercon et al. 2005).

The Southern Nation, Nationalities, and People's Region (SNNPR)

- In the SCLZ, there is a high degree of price, climate risk, and lack of available market information for farmers, preventing poor households from taking on interest-based loans (ACF 2006).
- (SNNPR) contains up to one-fifth of the country's population (12-14 million individuals) and has by far the greatest linguistic and ethnic diversity of any region in

the country. Ethnic and language groups include Gurage, Hadiya, Kambata, Wolayta, Sidama, Gamo, Goffa, Ari, Sheko, and the pastoral/agro-pastoral Hamar and Surma of the Omo River area and beyond to the west. Although topography in the region ranges from arable highlands (*dega*), to midlands (*woina dega*), lowlands (*kolla*), and pastoral rangelands (*bereha*), the overall regional environment is best characterized as a relatively fertile and humid midland which contains the densest rural populations of Ethiopia (FEWSNET 2006).

Somali Region

- Food aid deliveries to the Somali Region have increased dramatically in response to the droughts experienced since 2000. In the mid-1990's, 3% of the regional population was determined to be in need of food aid. In 2000, the percentage of people requiring food assistance expanded to 40% (currently at approximately 25%) (Devereux 2006).
- Rural livelihoods within the Somali Region tend to be highly integrated with the neighboring economies of Somalia and Somaliland whereas urban residents within the region are more integrated within the mainstream Ethiopian economy (Devereux 2006).

Off-Farm and Urban Livelihood Group

- Within the Somali region, residents in the two urban centres (Jigjiga and Gode) are significantly less vulnerable than their rural counterparts. Their incomes tend to be higher and less variable, and their livelihood strategies are less prone to the negative impacts of natural shocks. Urban residents also tend to have better access to education, health services and clean sources of water (Devereux 2006).

Agro-Pastoral

- A recent study of vulnerability within the Somali region found that agro-pastoralists tend to have the lowest dietary diversity while urban households have the highest. The study also found that rural households experience almost twice as many deaths as urban households and four times as many children under five die in rural than in urban households (Devereux 2006).

C. Political/Historical

- The Ethiopian People's Revolutionary Democratic Front (EPRDF) adopted a policy of "ethnic federalism", which assigned the major ethnic groups in Ethiopia to nine regional administrations corresponding to major language groups. Intended to prevent the domination of one ethnic group over all others, critics have argued that the policy has had an opposite effect, namely that ethnic divisions have increased as a result of the hardening of ethnic identities (Devereux 2006).
- A massive famine occurred in 1984 and the drought of 1999/2000 left many affected households. The 2002/2003 emergency left traditionally non-food deficit areas of SNNPR, Arsi, Oromiya and Amhara in crisis and a nutritional crisis was reported in 2003 in parts of the country. (ACF 2006, Lautze et al. 2003).
- Under-resourcing of the FSP by donors and political instability are major threats to Ethiopia's future development. The relative political stability that followed the end of the border war with Eritrea in 1998-2000 was disrupted with the 2005 national election.

This 2005 election influenced the resources devoted to the implementation of the PSNP (ACF 2006).

- Governance in rural Ethiopia is complicated by complex relationships between the state and traditional institutions (i.e. associations of clan elders). As of yet, it is unclear whether the ongoing process of decentralization will enable rural communities to more effectively engage in the political process or will only contribute to divisive politics at the local level (Devereux 2006).
- The Constitution of the GOE specifies that all land within the country is jointly owned by the state *and* the people. In practice, this means that all land rights are allocated since individual citizens do not have the right to buy and sell land (Devereux 2006).

Somali Region

- One direct impact of the ongoing clan-based conflict in the Somali Region is the removal of productive resources (farm and grazing land, water, etc.) from the local economy for the duration of the dispute. An indirect impact, given the nature of pastoral livelihoods in the region is the restriction of household and livestock mobility (Devereux 2006).
- After drought, conflict is perhaps the second most significant threat to livelihood security in the Somali region. There is a long history of conflict within the region including the influx of refugees from the “Ogaden War” with Somalia in the late 1970’s, the Somali Civil War in the 1990’s and the ongoing struggle for greater autonomy on the part of the OLF (Devereux 2006).
- The Somali regional government is “weak and ineffective” – the actions of government agents (confiscating basic goods from traders, withholding food aid from IDP camps) often exacerbate vulnerability (Devereux 2006).
- In 2002 and 2005, the Ethiopian Government closed the border with Somalia, confiscated livestock and seized food delivery trucks from the Port of Bosaso. Each of these actions severely constrained market supplies and negatively impacted household food security for affected communities in the Somali Region (Devereux 2006).
- In May 2005, the GOE instituted a ban on the use of any currency other than the Ethiopian Birr for economic transactions inside Ethiopia’s borders in an effort to “stamp out” regional and cross-border trade conducted in Somali *and* Somaliland Shillings. Ethiopians holding these currencies incurred heavy losses and enforcement of the policy resulted in sharp declines in regional trade (Devereux 2006).
- In Somali Region, elders and other traditional authorities work closely with the regional government. At the local level, most policy decisions are made by traditional leaders due to the lack of government administrators “on the ground”. Many bureaucrats and

politicians in the regional government are also pastoralists or traders with strong affiliations to particular clans and/or rural communities (Devereux 2006).

- The high rate of turnover among high-level politicians at the regional level is perceived as both a cause and consequence of the lack of political accountability in the Somali Region (Devereux 2006).
- “The war between Ethiopia and Somalia in 1977–8 (commonly referred to in the region as ‘7-7’) caused massive population displacement, with up to one million Ethiopian Somalis crossing the border into Somalia, where most settled for the next decade. In 1988, civil war erupted in Somalia (this is commonly referred to as ‘8-8’), and approximately half a million refugees from Somalia crossed into Ethiopia, where they were accommodated in refugee camps (Aware camps) run by international humanitarian agencies. After the fall of Siyad Barre and the collapse of the Somalia state in 1991, most of the one million Ethiopian Somali refugees (from the 1977–8 war) returned from Somalia and were assimilated into Somali Region” (Devereux 2006, pg. 105).

D. Environmental

- Ethiopia’s 71 million people are spread across approximately 1.13 million square kilometers: from densely populated highlands (about 35% of total land area) to sparsely populated lowlands. Some 60 million rural people pursue predominantly agricultural livelihood strategies under conditions that vary widely in terms of moisture, temperature, disease, land quality and availability, remoteness from markets and services, etc. This translates to high variability in the farming systems and livelihoods pursued in Ethiopia (Chamberlin et al. 2006).
- In the Horn of Africa, for pastoralists, the “threats to the pastoral production system are population growth, privatization of grazing land and water resources, land use shifts in favor of sedentary farming, as well as inappropriate livestock development projects attempted in different periods and the development of large-scale and small scale irrigation schemes. The contribution of all these problems is said to have led to sedentarisation, weakening of local institutions and traditional cultures, degradation of natural resources and growing vulnerability to ecological, economic and cultural stress (Helland, 1997a, 1997b, 2000, Boku 2000, Fasil et al 2001, Ahmed et al. 2002)
- Agricultural productivity tends to be low in most areas, relative to other sub-Saharan African countries, and is most likely linked to poverty and food insecurity where farmers practice low input agriculture associated with land degradation. In the highlands, most smallholder households have less than 2 hectares and incomes of less than \$1 per capita (Chamberlin et al. 2006, Woldehanna and Alemu 2003, Pender et al. 2001a, Desta et al. 2001, Hagos et al. 1999, von Braun et al. 1998, Dercon 2000, Yu 2005).
- The Government of Ethiopia has recently characterized the geographical diversity of Ethiopia as the “Three Ethiopias”. The “Three Ethiopias” are: the rainfall-sufficient highland areas, the drought prone highland areas and the pastoralist lowlands. These areas are mapped as a superset of the 18 major agro-ecological zones defined for the

country (refined from traditional agro-climatic zones [Hurni 1986] by an FAO-led project within the Ministry of Agriculture 1987)(Chamberlin et al.2006).

- This concept of the ‘Three Ethiopias’ emphasizes moisture availability as a widely regarded major constraints facing smallholder agriculture. However, the geography of moisture availability alone fails to capture the diversity of neither livelihood patterns nor viable livelihood alternatives which may be constrained by other, equally inhibiting factors such as remoteness (Chamberlin et al. 2006)
- Even at a very broad level of strategic analysis, there is a need to distinguish between highlands and lowlands within the humid and semi-humid parts of the country to account for altitude differences affecting climate (especially temperature) and risks of pests and diseases. Therefore, the moisture regime classes were further modified by introducing a distinction between highland and lowland areas, with highlands defined as those areas above 1500 masl, a commonly used definition in Ethiopia (Chamberlin et al (2006) (Hurni 1986, 1998)(Braun et al. 1997)(Hagos et al. 1999)(Tefera et al. 2000)(Desta et al. 2001)(Pender et al. 2001b).
- The resulting classification of woredas into agricultural potential zones is shown in Figure 2
- Land/labor ratio have consequences for land management and other production technology strategies and should be considered in planning for development strategies (Chamberlin et al. 2006)
- Population density is expected to influence community-level development options through enabling of labor-intensive livelihoods and stimulating labor-intensive land management approaches such as terracing and application of organic materials. In high density areas, for example with good potential and access, it is expected to see more labor intensive high-input horticulture, and more labor intensive poultry and small ruminant production in low potential areas (Chamberlin et al. 2006, Boserup 196, Tiffen, et al. 1994, Tefera et al. 2002, Pender et al. 2006, Pender 2001).
- Trends in land use systems indicate a shift from rangelands to croplands despite marginal potential of rangelands for cultivation. Agro-pastoralism is increasing (Lautze et al. 2003).
- Ethiopia’s fragile ecosystems and tenuous climate characterized by recurrent drought is further aggravated by environmental degradation, one of the most severe problems affecting food security. With more than eighty percent of the population in agriculture, water scarcity and soil degradation inhibit productivity, reducing subsistence consumption and income (ACF 2006, GOE 2003).
- Drought prone areas are characterized by low and variable (erratic and unpredictable) rainfall, high population density and poor natural resources. Crop failure due to recurring drought occurs more frequently now (3-5 years) The impact of drought on agriculture is so severe it forms an important element of household decision making for landholders, compromising future livelihood gains (Slater et al. 2006, GOE 2003).
- Accelerated soil fertility depletion and erosion are due to inefficient utilization of natural resources and poor farming practices such as cultivation of steep lands,

continuous cropping without nutrient recycling, and overgrazing. Crop residue and dung are used to meet household energy needs rather than ameliorate soil. Deforestation and encroachment are responsible for severe loss of precious biodiversity and impacting on water resources (GOE 2003).

- Food insecurity in the study areas of Amhara, Oromiya, Tigray and SNNPR vary in seasonal patterns from north to south and is experienced most intensely during the mid-year months of June, July and August, and is least severe around the turn of each year, in November, December and January (Devereux et al. 2006).

E. Infrastructure

- Evaluations of community assets produced by the PSNP have shown that the structures are functioning fairly well and generally of good quality (ACF 2006, Slater et al. 2006).
- Only 24% of the total population of Ethiopia is estimated to have access to safe drinking water, and only fifteen percent use adequate sanitation facilities (GOE 2003).
- Market and road access do not necessarily have positive impacts in Ethiopia. However, studies show that localized market access is probably of greater importance to most rural smallholders than proximity to major urban areas. Regarding smallholders, domains should distinguish areas of proximity to smaller urban centers and the local trade opportunities found there (Chamberlin et al. 2006)

Tigray Region

- Household level survey data from Tigray revealed that access to roads and towns had significant impacts on several agricultural practices and that access to towns was associated with higher crop productivity, but that neither factor was significantly associated with differences in household income (Chamberlin et al. 2006)

Amhara Region

- Similar household data for Amhara, found “market and road access to be associated with some differences in input use and land management practices, that these impacts were different in high vs. low rainfall areas of the region, and that crop yields were higher further from roads in high potential areas” (Chamberlin et al. 2006, Pender and Gebremedhin 2006) (Benin 2006)

Somali Region

- Within the Somali region, the urban centers such as Jigjiga and Gode are the only areas that have only ones that have reliable access to piped water (from taps and boreholes) (Devereux 2006).
- In the Somali Region, the regional government is prioritizing an increase in education infrastructure and improvement in the provision of services. Trials of mobile education services were have recently been implemented (Devereux 2006).

F. Gender

Policy and Empowerment

- Gender issues include the heavy workload on women public works workers and the weakness of women's voice in the appeals system. The representation of women on local targeting bodies could be improved and women representatives are few and hardly ever in leadership roles (Slater et al. 2006, Sharp et al. 2006).
- Legislation for women's and children's rights is poorly implemented in Ethiopia (Lautze et al. 2003).
- "Although women in Ethiopia enjoy constitutional equality with men, they are underrepresented at all levels of government – federal, regional and local" (Devereux 2006, pg. 119).
- Whereas women in Tigray and Amhara Regions officially enjoy 'equal land rights', the same is not the case in other parts of rural Ethiopia. In other areas, the standard practice is for women to gain rights over land solely in the context of marriage, and for those rights to disappear if a marriage ends for any reason (death of husband, separation, divorce) (Ellis and Woldehanna 2005).
- A high proportion of the Development Agents (DAs) who are taking an active role in the targeting of the PSNP are women (around forty percent in the sampled kebeles within Amhara, Oromiya, Tigray and SNNPR) (Sharp et al. 2006).
- The PIM encourages women's participation in the FSTFs. It notes that widows and other female household heads are more likely to need direct support, and that pregnant and breastfeeding women should be exempt from the public works. It also allows for public works to be carried out on private land owned by labor poor FHH. However, the policy of pregnant and lactating women is working poorly in practice. Women may not be pregnant at the time of registration, but fall pregnant during the implementation cycle. Women reported that they continue working on the PSNP when heavily pregnant and soon after giving birth, for fear of losing their entitlement to transfers if they stop. Study recommends a temporary exemption from work rule rather than the current policies. Labor-poor households (often FHH) which may be temporarily labor-poor due to pregnancy, sickness or injury, often find it difficult to cover the work-days needed to earn the full family entitlement (Devereux et al. 2006).

Income, Labor and Livelihood Issues

- Women (particularly female headed households) use PSNP income to pay for education (registration fees) and secondly health needs, and sought less labor intensive investments conducive to meeting household chores as well (Slater et al. 2006).
- While women tend to have less authority within the home and are typically channeled into low-income, low-status livelihood strategies, gender disparities within Ethiopia are changing. Men's status in many rural households has decreased in response to repeated drought and crop failure. Consequently, women are taking greater responsibility for earning household income and procuring food for the family (Devereux 2006).

- Female heads of households engage in a variety of plowing arrangements (family aid, sharecropping, rental) with males, including both kin and non-kin. Sharecropping is less desirable than directly cultivating one's own land. Renting or having a male relative who can do the plowing and cultivation without requiring a specific share in the harvest is seen as much more favorable to the interests of the woman landowner (Castro 2002).
- Devereux (2006) found gendered differences in household income are significant in all four regions, where female headed households earned considerably less income than headed households than male with a 69% margin. The average male-headed household in Amhara earns four times as much as a female-headed household in SNNPR. When measured per capita, significant differences decrease in income by gender, due to household size. On average per capita asset value of male-headed households is higher than that of female-headed households and female-headed and older-headed households are slightly more prone to food shortage and seasonal food insecurity than male-headed households (Devereux et al. 2006).
- Increases in female-headed households were widely reported in rural areas surveyed as part of a recent Participatory Poverty Assessment (PPA). Although female heads of household experience more autonomy in decision making than their married counterparts, their social and economic activity remains circumscribed by culture and custom. For instance, traditional prohibitions barring women from plowing land or engaging in agricultural markets forces many female-household heads to resort to share-cropping, creating a significant economic disadvantage (Ellis and Woldehanna 2005).

Oromiya (Eastern Highlands)

- To empower and increase female traders in the eastern highlands economic potential, support should be given towards market information and communication technologies development. To support women's livestock and trade in particular, investment mechanisms should focus on co-operative savings clubs with external capitalization (Oxfam and NEF 2005).

Somali Region

- Data gathered in 2006 on the degree of income inequality between male- and female-headed households within the Somali Region found that the average income of female-headed households (disproportionately resident in urban areas) was higher than average household incomes in most rural districts. Devereux suggests that this finding disproves the convention of targeting safety-net interventions to female-headed households as a "vulnerable group" (Devereux 2006, pg. 76).
- In a study of livelihoods in the Somali Region, Devereux found that gender differentials in life expectancy (favoring males) were greatest in pastoralist and agro-pastoralist households. Gaps in life expectancy between male and females were less in farming households. Alternatively, life expectancy for females was found to be higher than that for males in urban areas, suggesting that urban life is somehow less harsh for women (Devereux 2006).

- The combined impact of repeated drought and increases in *khat* consumption is perceived by Somali women to have contributed to the diminishing social status, economic contribution and personal self-esteem of Somali men (Devereux 2006).
- One consequence of the linkages between Somali culture and livestock rearing is the stratification of ‘high-status’ (high return) and ‘low-status’ (low return) income generating activities. High status activities (livestock rearing, large-scale trading) are reserved for men whereas women are limited to pursuing low-status activities (petty trading, collecting firewood). However, gendered divisions in the labor market are breaking down as a result of the persistent insecurity of pastoral livelihoods. More women are becoming involved in large-scale trading and more men are resorting to petty activities including the collection of firewood and burning charcoal (Devereux 2006).
- Vulnerability in the Somali region (and throughout Ethiopia) is highly gendered. Sex ratios are heavily skewed towards males (Devereux 2006).

Oromiya Region (Eastern Highlands)

- Support should be given to reducing women’s labor in the eastern highlands, particularly related to water collection and cooking fuels (Oxfam and NEF 2005).

II. Livelihood Assets

- Wealth ranking (“well-being”) exercises conducted as part of a Participatory Poverty Assessment in 2004-2005 determined that in rural areas of Ethiopia “better-off” households were those that owned moderate levels of livestock (2-3 cattle, 6 sheep/goats), were food secure for 12 months of the year, possessed between 1.0 and 2.5 ha of land, and hired in rather than hiring out labor. Alternatively, the “worse-off” households in rural areas owned no livestock other than a few goats and chickens, owned no land, hired-out household labor and were food secure for an average of 3 months. In urban areas, the “better-off” were typically characterized as owning small or medium-sized businesses, engaging in “specialist trading” (coffee, *khat*, contraband), collecting government or NGO salaries, and/or receiving remittances from abroad (Ellis and Woldehanna 2005, FEWSNET 2006).
- “Livestock, labor and land play deeply interlocking roles in viable livelihood strategies, and misfortune in one of them causes spirally downward effects in others” (Ellis and Woldehanna 2005, pg. 29).

A. Natural Capital

- Productive assets such as land are in demand, particularly for vulnerable households. Attempts towards certification of land by the government and some regions have developed land use policies and established institutions for land administration. (GOE 2003)

- The most pervasive problem among rural households participating in a recent poverty assessment was the declining size of agricultural land holdings as a result of population growth and farm fragmentation (Ellis and Woldehanna 2005).
- In rural Ethiopia, land is typically subdivided in order to allow younger generations to engage in agriculture. However, this practice leads to the spatial fragmentation of land as a result of cross-relationships of access that occur in cases of marriage and/or death (Ellis and Woldehanna 2005).
- A recent assessment carried out in rural areas throughout the country found that the average land holding area was 0.75 ha. (Ellis and Woldehanna 2005).
- The Constitution of the GOE specifies that all land within the country is jointly owned by the state *and* the people. In practice, this means that all land rights are allocated since individual citizens do not have the right to buy and sell land (Devereux 2006).
- Government sanctioned land distributions in 1990-1991 occurred primarily in Tigray and Amhara Regions. Generations entering adulthood *after* the land distributions in these regions are essentially “landless” up until the point that they inherit entitlement to land from older generations. Most rural communities in these areas have reached absolute constraints on available land meaning that accommodating future generations will lead to future decreases in farm size (Ellis and Woldehanna 2005).
- Tenant “owners” of land are permitted to pass their land on as an inheritance to retain family rights. Recently, certification of land rights has been instituted in order to register family/household land rights at the *woreda* level. Gender equality in land ownership has also been recently instituted through land legislation such that in the event of divorce, women are entitled to half the land certified as belonging to the family (Ellis and Woldehanna 2005).
- Land tenure policy is disruptive to both credit and land rental/sharecropping markets. Effective operation of these markets are essential for providing economic buffers to farmers in times of price and climate shock (ACF 2006).

Amhara Region (Northeastern Highlands)

- In the Northeastern Highlands, landholdings are 25% lower than the national average – lower than all regions except Tigray. Qualitative data suggests that viable households should have at least 3-6 *timad* of land (roughly .25 ha, viable land size depends on region). Land redistribution has created “socially equitable outcomes”, but fear of further land redistribution has created a disincentive to proper management and longer term investments in production. Land tenure security is therefore recommended for longer-term growth. Land renting does occur; generally HHs lacking labor strength/draught power (e.g. elderly/FHHs) rent out land, increasing stratification (Sharp et al. 2003).
- This report recommends land consolidation in the Northeastern Highlands be explored as a viable option to maximize “land utilization and output in the north-eastern highlands, and urge the authorities to clarify to farmers that this (like renting land) is not illegal, and is in fact encouraged as a community-level response to falling landholdings” (Sharp et al. 2003)

- The destitute in the Northeastern Highlands lack access to livestock, especially draught power. This is due in part to lack of fallow land and feed, as well as livestock mortality and “distress sales” during drought. The destitute consequently are unable to sell livestock during crop failure/hard times or build their asset base through reproductive animal ownership. Some of the major constraints on livestock ownership, in addition to lack of common pastures, were shortage of investment capital and labor. This report recommends:
 - Enabling households to increase productive asset levels through micro-credit projects or indirectly through diversifying incomes
 - Protect existing holdings through the provision of cash transfers during hard times or through another safety net that prevents liquidation of assets as a coping strategy
 - Protect and intensify common pastures
 - Promote market development for livestock and their products
 - Raise livestock productivity through continued investment in veterinary services and dissemination of improved breeds (Sharp et al. 2003)

Oromiya (Eastern Highlands)

- Land policy in the eastern highlands operates well and should remain unchanged, as it does not create disincentives to investment (Oxfam and NEF 2005).
- In the eastern Ethiopian highlands, recently encroachment on grazing or forest land has been rampant, leading to a rise in the practice of planting forest trees for construction and firewood. Main pasture sources continue to be crop residue (esp. sweet potato leaf and maize stalk). Livestock holdings have decreased over time as feed shortages have become a common phenomenon and drought has increased in frequency, especially in the lowland zone (Oxfam and NEF 2005).
- In the eastern Ethiopian, highlands average land holding was found to be considerably lower than the national average (2.5 quindi versus 8 quindi). A study conducted 15 years prior in the same area indicated that land holdings were 4.1 quindi, a 40% decrease. Land belongs to the gov’t and is leased to tenant farmers whose tenure lasts as long as one family member is farming the land. Land renting is infrequent, but does occur and provides impoverished households (the most likely to rent out) with a steady income from the more well off households (more likely to rent) (Oxfam and NEF 2005).
- In the eastern ethiopian highlands, a group of village elders (*melaka*) usually administers irrigation waters, but in some villages co-operatives exist. Disputes are mediated by *kebele* administration. Access depends on how close the land is to the irrigation line, as well as influence to negotiate with administering bodies. 29% of land technically has access to irrigation, but only 11% of farmers report high access (Oxfam and NEF 2005).

B. Human Capital

- It is recommended that labor constraints should be addressed through facilitating access to non-household male-labor (which already exists on the informal level of land-labor exchanges), reducing probability of labor loss (i.e. health interventions to prevent/reduce the impact of chronic illness/disability), and promote less labor dependent income generating activities (Sharp et al. 2003)
- About fifteen percent of the surveyed households have no adult labor at all. Most of these are very small households: seventy-seven percent of them have three members or fewer, while eight-seven percent of the 54 single-person households surveyed fell in this category. Single-person households are likely to be elderly or disabled, or both. Households in this category (the “labor-poorest”) are clearly candidates for direct support (Sharp et al. 2006).
- The current lack of universally accessible educational and information systems has created a weak knowledge environment in Ethiopia. Despite a steady increase in school enrollment rates, the poorest of the poor remain excluded from educational and information systems (ACF 2006).
- In the Amhara, SNNPR, Tigray and Oromiya study regions, households use at least some of their PSNP cash income to access health and education, investing in human capital, seen as longer term strategies towards poverty reduction/food security. PSNP is also directly increasing use of both education and health services, by keeping children in school longer, keep more children in school and using health services. Poor households are twice as likely to use PSNP cash for health services and women prioritize children’s education (Slater et al. 2006).
- In the Amhara, SNNPR and Oromiya study regions, PSNP beneficiaries have reported eating more frequently since the inception of the program. Furthermore, their diets are more divers and include greater quantities and quality of food. Meanwhile, respondents under the age of 20 taking greater advantage of the improved rural access to education (Sharp et al. 2006).
- In the study areas, more than one in four households are female-headed 28%, with Amhara holding 40% female-headed households. Almost one in five households are headed by elder (19%). Beneficiary households are more likely to be headed by elders or females than non-beneficiary households. Dependency ratios are almost identical for male- and female-headed households. Households are largest in SNNPR (averaging 7 members) and smallest in Amhara (averaging just over 4 members). Household labor capacity is highest in SNNPR, mainly because SNNPR has the largest households, and lowest in Amhara, which has the smallest households. Beneficiaries also have slightly higher dependency ratios, and lower labor capacity, than non-beneficiaries, as measured by household size, dependency ratios, labor capacity index, members with disabilities, and the ratio of able-bodied members to total household size (Devereux et al. 2006).
- Targeting does not really consider *how much* labor the PW households have in relation to their family size. In reality, there should be two categories of household: “the labor-

poorest, with no able-bodied adults, who qualify for DS; and the labor-*poor*, who have one or more able-bodied adults and therefore qualify for PW, but who cannot provide enough work-days to earn the full family allocation because of a high ratio of non-working to working household members” the labor-poor beneficiary households often have difficulty covering the number of workdays needed to earn the full transfer entitlement for their family (Sharp et al. 2006).

Farming Households

- In the study areas of Amhara, Oromiya, Tigray and SNNPR, production (farming) is by far the most common livelihood activity, but is practiced by only three-quarters of beneficiary households (76%), fewer than non-beneficiaries (87%) which reflects the fact that many PSNP beneficiaries are severely labor-constrained (Devereux et al. 2006).

Amhara Region (Northeastern Highlands)

- Data from the 1999/2000 Household Income, Consumption and Expenditure (HICE) Survey found that Amhara Region, despite falling in the mid-range in terms of poverty and food consumption, was by far the worst among all regions in terms of stunted children (65%). Levels of wasting were found to be worst in Gambella (Devereux 2006).
- This study [in the Northeastern highlands] found that destitute households also lacked labor power. Destitution was shown to be highly gendered (Female heads of households were more likely to be destitute) and also correlated to household size. This contradicts the argument of labor being the most abundant resource available to the vulnerable (Sharp et al. 2003)

Somali Region

- Mobil schools and NGO-supported education initiatives have been particularly beneficial in pastoralist areas given the challenges faced by the Ministry of Education in recruiting teachers to live in remote rural communities. The Somali Region has the lowest primary enrolment rate of any region in Ethiopia. (Devereux 2006).
- There is a significant gap in access to health services between the rural and urban populations in the Somali Region. A study conducted in 2006 found that 96 percent of individuals surveyed in urban households confirmed the existence of a health facility within their community while only 6 percent of rural households reported the same (Devereux 2006).

Oromiya (Eastern Highlands)

- In the eastern highlands, literacy (can read and write) is only 28%. Only 9% of female HHHs are literate as opposed to 31% of the male HHHs. Rich HHs are 4 times more likely to be literate than poor HHs. Current school attendance is much higher, with 78% of school aged children in attendance at the time of the survey. There wasn't a large bias against girls in school. Radio serves as the most important source of information in rural areas (Oxfam and NEF 2005).
- In the eastern highlands, 68% of HHs reported at least one sick member at the time of the survey. Pneumonia (17.9%), malaria (14.8%), diarrhea (14.5%), gastric ulcer

(10.2%), and kidney disease (7.7%) were the major causes of sicknesses (Oxfam and NEF 2005).

Amhara (Northeastern Highlands)

- For the Northeastern Highlands, adult literacy rates (24% male, 8% female) are much lower than the 1998 national average – this fact reduces off-farm employment opportunities. This particular region also suffers from some of the “highest levels of malnutrition in the country, with 65% being stunted in 1998”. The destitute are also unable to afford clinic fees, affecting their ability to farm effectively and/or earn off-farm incomes (Sharp et al. 2003)

C. Physical Capital

- The public works under PSNP created assets that improved service supply and communities widely believe the PSNP has increased the use of health, education and water services. At the village level, public works priorities were soil and water conservation, health and education infrastructure (schools and clinics), and improved roads. Unfortunately, matching investment in health and education did not occur—planning between PSNP and these sectors at this level might help (Slater et al. 2006).
- Destitution is associated with poor access to infrastructure – roads, transport, towns, markets, - and remoteness from more economically buoyant areas of the country. A recent survey in South Wollo found that opportunities for earning off-farm incomes ‘expand with greater proximity to towns and market centres’ (Yared et al 2000, Sharp et al. 2003)
- In a participatory poverty assessment conducted in 2004-2005, livestock were found to be a critical component of successful rural livelihoods. Livestock disease and death, more than any other factor, were cited by respondents as primary reasons for households experiencing chronic poverty or falling into a downward spiral toward acute poverty (Ellis and Woldehanna 2005).
- The severely constrained availability of land in the central and eastern highland areas contrasts with the relative land abundance in some parts of SNNP and the west of the country. Similarly, sizable cattle herds of the Afar and Somali Regions contrasts with the limited livestock holdings of most people living in Tigray or Amhara regions (Ellis and Woldehanna 2005).

Pastoralists

- Livestock dynamics in pastoral areas (especially in Afar and Somali) have followed “boom and bust” patterns, where livestock numbers collapse following droughts but then revive. Therefore approximation of the livestock population in pastoral areas is subject to sudden and considerable variation, depending on the intensity and duration of droughts and rainfall and the logistical, administrative and “conceptual barriers” between pastoralists (pastoralists do not like counting their animals to strangers) and those who undertake census of livestock populations further limit good approximations (Lautze et al. 2003).

- Trends show a decline of herds per household and changes in herd composition due to successive droughts coupled with population growth. “In 1980-81, the mean herd size of Borana pastoralists declined from 128 cattle per household to 91 in 1996-97, and dipped as low as 72 head in the drought year of 1992-93” (Lybbert et al., 2001, Lautze et al. 2003).

Off-Farm and Urban Livelihoods Group

- Road transport in Ethiopia is characterized by high operating costs, a shortage of total truck capacity to meet peak demand, low capacity utilization and load factors, lack of private sector competition, poor roads and the dominance of the parastatal Ethiopian Freight Transport Corporation. Over 80 percent of the rural population has no access to modern transport, while only half of grain markets in major production zones are served by all weather roads. The majority of traders do not own means of transport; they rely on rented trucks, for which markets are incomplete and linked to the transport of manufactured goods and fertilizer, which constitute the backhaul cargo (International Fertilizer Development Centre 1993, Lirensio 1993, Gabre-Madhin 2001).

C. Financial Capital

- Another critical factor contributing to destitution is lack of access to start-up or working capital that would allow households to accumulate assets or support other income-generating activities. (Sharp et al. 2003)
- The OFSP household extension packages (livelihood packages) are credit instruments and are the ‘asset building’ aspect of the FSP. The implementation of the OFSP household package differs between regions but in general it comprises a menu of package loans for agricultural and non-agricultural activities, which can be selected according to which is most appropriate for a specific household. They are now functioning on zero-interest terms, due to prior disincentives of 8-12% interest rates, which reduced adoption to less than 10% in the SCLZ. Eligibility criteria based on past credit history (defaulting) automatically excluded the ‘poorest of the poor’ and vulnerable households who defaulted due to recent droughts and price shocks (Slater et al. 2006, ACF 2006).
- The Commercial Bank of Ethiopia, the Development Bank, the Ministry of Agriculture and Sasakawa Global 2000 provides input credit to farmers often with unreasonable terms and no grace periods or drought year write offs. Extension workers with quotas to fill are coercing farmers into taking inputs packages (seeds and fertilizers) which require high levels of moisture and are not well adapted to Ethiopia’s variable rainfall regime. Farmers are often forced into selling their food production at low post-harvest prices to repay their loans. Defaults occur for several reasons: inability to repay following drought-triggered crop failure, loan diversion to non-agricultural uses (e.g. health expenses or social ceremonies), high fertilizer prices and lack of markets for produce (Ayelegn and Shirega 2000, Belay and Belay 1998, Sharp et al. 2003)
- Currently, the development of micro-finance institution is in an early stage, with many institutions lacking strong capital base, experience and capacity in credit management.

In addition to the lack of resources for an advance payment, most of food insecure households cannot manage to repay the credit (GOE 2003).

Amhara Region

- Financial institutions for poor smallholders in Wollo should focus on facilitating diversification of risks and incomes thus reducing their vulnerability and dependency for the very poor (Sharp et al. 2003)

Somali Region

- “Several currencies are used in Somali Region and exchange rates between them are variable and unpredictable”. Fluctuations have a severe and immediate impact on the livelihood security of pastoralists and petty traders throughout the region (Devereux 2006, pg. 61).
- Remittances to the Somali region are difficult to quantify but estimates suggest they are a large contributor to the regional economy. Remittance income within the region is typically used to support establishment of alternative livelihoods (other than pastoralism). Typically remittances are used 1) to build permanent structures (houses or stores in urban areas); 2) as working capital for business (including trading); 3) to educate children; or 4) as a buffer in times of household or community-wide shock (i.e. illness of family member, social obligations such as dowry payment, drought, etc.) (Devereux 2006).

D. Social Capital

- Natural resource degradation and the availability of weapons have increased ethnic conflicts in pastoral areas. These resource-based conflicts increased following stress migration routes between different ethnic groups (UN-EUE, 2002, Lautze et al.2003).
- Tightly woven communities may inhibit excluded beneficiaries from appealing their case (Sharp et al. 2006).
- Standard assumptions that social capital plays no role in mitigating the consequences of covariant risk are contradicted in this study in Ethiopia. This issue is hardly explored in the social capital or the risk literature and underlying this assumption is likely a conception of social networks as necessarily always village or other highly localized institutions. This may well be the more common form in which social networks manifest themselves. Yet, where people consciously forge ties across geographic space, or may be connected to others far away through the bonds of ethnicity or other strong social affiliations, the assumption would no longer hold. In such cases, a distinction of local from bridging forms of capital (as is done in this paper) is called for to seriously address the empirical question of the usefulness of social mechanisms for coping with covariant shocks (Mogues 2005).
- The value of social ties for mutual insurance, then, may arise more or less directly from the purpose of the social institution in question, such as in the case of labor pooling groups like *wonfel* and *debo*. Or it may establish itself indirectly as households are more likely to have success calling on others to help them get through

shortages if they know these people have ties with them that go beyond mutual assistance agreement (Mogues 2005).

- The research also finds that the evolution of assets over time is influenced importantly by the extent to which households are embedded in institutional as well as more informal social relationships. A differentiation is made in this analysis between local forms of social capital, that is social ties that are mostly limited to others within the village, and ‘bridging’ social capital that reflects how far-flung these social connections are. Holding past assets constant, bridging social capital has a positive effect on current asset levels by mitigating the impact of income shocks on livestock capital (Mogues 2005).
- In those kebeles with a sizeable Christian population, the *mehaber* and the *senbete* (which are religious institutions) are present. These institutions have no explicit economic or insurance purpose; their main function is to create and strengthen ties between Christians. In the case of the *senbete*, members rotate in bringing food and drinks to be consumed by the priests after mass each week, and *mehaber* members seek to honor the saints by gathering at a member’s house on a saint’s day every month, with the (rotating) host providing food for the guests (Mogues 2005).
- Two important community based institutions are *debo* and *wonfel*. These have as their prime purpose the exchange of labor support on the farm, especially during harvest. *Debo* is a form of festive labor, where a person will provide food and drink for a large work party in order to carry out a time-sensitive agricultural task. No reciprocity is expected. *Wonfel* on the other hand involves smaller work parties, usually with the direct expectation of reciprocity among the members. People practice reciprocal labor to plant and harvest in a timely fashion, thus limiting the risk of crop loss. *Wonfel* is more common than *debole* (Mogues 2005).
- To the extent that these shocks are covariant, there usually must exist some degree of diversity among households tied to each other through the bonds of social institutions or other social relations for these relations to be useful as an insurance mechanism. Sources of diversity include spatial distance and differences between households in economic activity, as a particular form of shock may affect one economic activity more than another (Mogues 2005).

Off-Farm and Urban Livelihood Group

- Urban residents affirm social ties through mahbers, iddirs, iqqubs or kebele-wide assembly meetings (Garrett 2001).
- Many urban residents retain strong linkages with rural communities from which they migrated. Both the strength and nature of these rural-urban linkages is an important determinant of livelihood security and/or vulnerability throughout Ethiopia (Devereux 2006).

- Ethnicity and kinship are not important determinants of grain traders' social capital. The number of "regular" clients that a trader has is an alternate measure of social capital. Again, traders have more regular partners in distant markets than locally, which is explained by noting that local transactions are smaller than distant ones and involve retail quantities bought directly from farmers or sold directly to consumers (Gabre-Madhin 2001).
- Traders' social capital can also be characterized by the types of relationships, or the amount of trust, that traders enjoy with their regular partners. That is, social capital is enhanced if a trader can sell or purchase solely on the basis of a telephone conversation and if he or she receives or provides supplier credit to partners. Traders have an average of 4 partners with whom they transact only by means of telephone orders, representing one-third of the mean number of distant partners. The number of partners with whom they have credit relations is significantly higher, with an average of 13 persons (Gabre-Madhin 2001).
- Factors that enhance a grain trader's social capital are whether his or her parents were in the grain business in the past, whether family members are currently in the grain business, how many languages the trader speaks, how many regular partners the trader has, and how many people the trader consults regularly. Traders have more distant market contacts that they consult regarding market trends than they have contacts in their local market (Gabre-Madhin 2001).
- Traders avoid transaction risk in long-distance trade by trading with partners they know. Social capital, defined in both quantitative and qualitative terms as the number of trustworthy trading contacts, enables traders to carry out long distance transactions given existing transaction costs. Thus, in addition to reducing search costs, a complementary policy is to target ways to increase traders' social capital. That is, if social capital relies on whom traders know, how do they get to know more? One means of expanding social capital is to change the way in which it is acquired. Social scientists distinguish "in-born" social capital from acquired social capital. In-born social capital is obtained as a right of birth into a particular ethnicity, religion, or family. Acquired social capital is obtained through one's own merit, over time, through repeated interaction, common interests, location, or various types of behavior. The policy challenge is to increase the relative importance or worth of the latter type of social capital versus in-born social capital. This can be done through the promotion of institutions such as trader associations whose membership is merit based and can be revoked depending on behavior. Similarly, existing licensing bureaus could be given the role of maintaining historical records of previous trade disputes and providing this information on request, offering services much like those of a credit reporting agency (Gabre-Madhin 2001).

Amhara (Northeastern Highlands)

- The destitute are looked down upon by other members of the community in the Northeastern Highlands and alienated from participation in many community

associations or social activities. This is partially related to their inability to afford membership fees/contribute to ceremonies etc... (Sharp et al. 2003).

- In the South Wollo area there are a variety of social institutions that are diverse in purpose, membership size, and importance in communities. The institution that is the most ubiquitous is the *kire* (also referred to as *iddir* in some *kebeles*, although there are some differences between *kire* and what is usually meant by *iddir* in the study area), which has as its main function the provision of financial and in-kind support for a household in which a family member or a key animal such as an ox dies or has to be slaughtered. Assistance usually takes the form of coverage of funeral costs in the case of household member death. In the case of livestock, the *iddir/kire* members buy the meat of the slaughtered ox from the household, and sometimes lend to the household for free an ox for plowing land for one season, so that the asset loss does not result in an income shock for that season. However, the economic strain upon the death of an economically active household member or the consequences of the death of an ox after the current season, are not necessarily relieved through *kire* support. In some villages in the study area, the *kire* also functions as an institution that resolves conflict between neighbors and within the village in general (Mogues 2005).
- There are some institutions such as the *iqqub* that are more exclusive in the context of rural South Wollo. A form of rotating savings and credit association, the *iqqub* consists of members who know each other very well, as a substantial amount of trust and information about a person's reliability is necessary for the financial transactions that take place in such a group to proceed smoothly. In the South Wollo study region such activities are 17 rarer than in urban areas, usually because the necessary frequent contributions to the pool may be too large for the very poor, require having savings in the form of cash, and adherence to a strict contribution schedule on a weekly or monthly basis prevents using resources flexibly in order to cover food or other shortages in the face of a shock (Mogues 2005).
- As noted by Stone, in the South Wello and Oromiya Zones in Amhara, households often reported the 'classic responses' to crop failure: livestock sales, seeking wage labor in towns or other regions, diversifying into activities such as wood fuel sales or grain trading, and relying on help from their social networks. People also reported sending highly vulnerable family members to feeding camps and relying on food aid. These responses clearly had gendered and other social dimensions: women and children were the ones who mainly went to the food camps; men were the ones who engaged in migration and wage labor. The information on recovery underscored the importance of social capital in obtaining access to draft animals. Diversified activities, including trading, selling wood fuel, labor migration, livestock share-raising, food aid, and handicraft sales help foster recovery [which can take several years to occur]. (Stone citation, Castro 2002)

Somali Region

- Informal transfer mechanisms within Somali culture can be categorized under three main purposes: 1) Redistribution of food (grain gifts or zero-interest grain loans); 2)

Redistribution of cash (remittances, dowries, cash gifts or zero-interest cash loans); and 3) Redistribution of productive resources (free use of pack and plow animals, free labor, seed loans or gifts) (Devereux 2006).

- Despite the range and complexity of informal transfer mechanisms within Somali society, their capacity to meet all social protection needs is limited, particularly in the event of ‘covariate’ shock. Reasons given for the growing inadequacy of traditional informal transfer mechanisms include declining capacity (on the part of households) to provide support, declining willingness to provide support, and the stigma associated with asking for help (Devereux 2006).
- Some respondents to a 2006 survey in the Somali region felt that the declining economic basis for social transfers is contributing to long-term social change within Somali society – “We are losing our culture because of poverty”. This view is consistent with evidence obtained throughout Africa which shows that the introduction of materialistic values and commercially-defined relationships are displacing traditional values emphasizing reciprocity and non-commercial transactions (Devereux 2006, pg. 137).
- Within the Somali Region, there is a difference in access to informal transfer mechanisms among rural and urban populations. Rural poor within the region face a significant constraint due to their social and spatial separation from urban elites who have significant resources to redistribute. As a result, they are less likely to benefit from redistributive mechanisms (such as *zakaat* – mandatory contribution to the poor required by the Muslim faith. Offered during *Ramadan*) based on clan and patronage (Devereux 2006).
- In the Somali Region, trade routes are controlled by clans operating largely within territorial boundaries. Clan-affiliated marketing agents (*dilala*) generally represent sellers from the same clan, introducing a considerable degree of trust into market transactions (Devereux 2006).
- A study of livelihood vulnerability in Somalia found that Somali culture is largely structured on the basis of complex social networks that serve a number of livelihood-related functions. Traditional institutions serve to reinforce clan solidarity, and provide a social safety net intended to provide some protection against the extreme variability that characterizes pastoral livelihoods in Ethiopia (Devereux 2006).

E. Political Capital

- During a recent Participatory Poverty Assessment (PPA) carried out in both rural and urban areas of Ethiopia, the majority of respondents felt that ordinary were more able to freely express their views and opinions than they were five or ten years ago. They also felt that they were more aware of their rights (fair and equal treatment, access to and standards of public services) as citizens than they were in the past. They continued to feel however that government response to complaints/concerns was either inadequate or non-existent (Ellis and Woldehanna 2005).

- Respondents to the recent poverty assessment made a clear distinction between dispute resolution within the *kebele* administration (which they thought was relatively effective) and the legal proceedings of the formal justice system which are widely considered to be slow, costly and unfair (Ellis and Woldehanna 2005).

Somali Region

- Somali traders and pastoralists have received no support from the Government of Ethiopia in advocating/negotiating with Gulf State governments to end the ongoing import ban. It is perceived that the GOE has no interest in negotiating an end to the ban given its hostility to informal exports and continued effort to regulate and/or eradicate informal trade (Devereux 2006).

III. Structures and Processes

A. Structures

1. Levels of Government

- A food security coordination office at all levels is responsible for most aspects of safety net delivery but Food Security Steering Committees or Task Forces coordinate between all institutional actors (Slater et al. 2006)
- The Emergency Nutrition Coordination Unit (ENCU) of the DPPC is funded by UNICEF and WFP (Lautze et al. 2003).
- The Ministry of Agriculture (MoA) collects data on crop production and is responsible for gathering data on livestock. The Ministry of Health undertakes occasional health surveys and aggregates reports from health posts and facilities (Lautze et al. 2003).
- Most woredas lack the resources to adequately monitor their districts [for drought early warnings in pastoral areas] (Lautze et al. 2003).
- The importance of vertical linkages is apparent within the government structure. There are less linkages at the federal level, but there are expectations of strong linkages between the regional and woreda levels in planning, budgeting and support and between woreda and lower levels for activity planning and targeting (Slater et al. 2006).
- The government is currently undergoing decentralization, ensuring a single taxation system, regional revenue collection/sharing, budgetary subvention and grants regions full autonomy in budgetary expenditures (GOE 2003).

Federal

Through the Federal Food Security Coordination Bureau (FSCB), the MoARD is responsible for oversight and coordination of the PSNP. The Ministry of Finance and Economic Development (MoFED) is responsible for disbursing PSNP resources to regions based on the size of the targeted food insecure population and requests submitted by FSCB (MoARD 2006).

The Federal Food Security Steering Committee (FFSSC) provides overall advice to ensure the proper implementation of food security strategies and programmes, including the PSNP and is comprised of representatives from various government agencies and ministries, the Office of Women's Affairs, Regional Food Security Coordination Offices, and the donor community (MoARD 2006).

The Disaster Prevention and Preparedness Agency's (DPPA) primary mandate is to respond to food and other basic needs of people affected by acute, unpredictable disasters under emergency appeal circumstances (MoARD 2006).

Regional

- The Regional Council/Cabinet is the highest decision-making body at the regional level. The Regional Food Security Steering Committee (RFSSC) provides regional level advice to ensure the proper implementation of food security strategies and programs, ensures effective integration of the PSNP into the regional development plan and participates in M&E. The Regional Food Security Coordination Office (RFSCO) reports to the Regional Board (MoARD 2006).
- The Regional Bureau of Agriculture and Rural Development's (BoARD) key programmatic duties include overseeing the integration of safety net activities into the Food Security Programme and the regional rural development strategy, and providing guidance and technical support to regional offices (MoARD 2006).
- Regional Line Bureaus coordinate with RFSCO and provide technical assistance to regional and woreda level offices. They incorporate PSNP activities in their yearly programs/action-plans, initiate woreda LDs to include PSNP plans in their yearly activities/plans, including capacity building, and training (MoARD 2006).
- A rapid response team (RRT) is playing its role in monitoring of PSNP progress and bringing challenges and lessons to the Regional Level Food Security Steering Committee. However, since the team members are from the different institutions, in some Regions the level of cohesion is weak (Slater et al. 2006)

Woreda

- Decentralisation, has given the woreda level significant autonomy and it is the key implementing level for the FSP. The Woreda Food Security Task Forces (FSTFs) target households for the FSP. (Slater et al. 2006)
- There is greater understanding of the PSNP, wider FSP and horizontal linkages amongst woreda level planners, and a good degree of joint planning and working. However, little guidance on their role in creating these linkages and how the WFSTF should coordinate, particularly regarding defining, planning and measuring graduation. Difficulty in applying these concepts of graduation for implementers is currently being addressed, through training from federal levels (Slater et al. 2006).
- The Woreda Council is the highest decision-making body at woreda level and is responsible for the allocation of safety net resources to kebeles based on the recommendations of the Woreda Food Security Task Force (WFSTF) and vulnerable population size. However, no further guidance is given on geographical targeting to

kebeles and communities and no standardized indicators or thresholds are set. At household level, the PIM (Program Implementation Manual) *states that assets, income and other sources of support* (such as remittances) should be assessed to refine the broad criteria. Woreda Food Security Task Forces (WFSTFs) are empowered to “set criteria for beneficiary selection to suit the particular conditions of the Woreda within the spirit of the general guiding points” (PIM Section 4.2.1. c, Sharp et. al 2006, MoARD 2006).

- The WFSTF builds upon previous institutions such as the Woreda Development Committee or the Woreda Disaster Prevention Committee and where such committees do not exist the WFSTF should be made up of the head of the Woreda Rural Development Office or the Woreda Administration (who acts as chairperson), and representatives from the offices of: Food Security (who acts as secretary), Finance, Natural Resource Office, Capacity Building, Agriculture and Rural Development, Women’s Affairs, and NGOs (MoARD 2006).
- The Head of the Woreda Rural Development Office (WRDO) acts as chair of the Woreda Food Security Task Force. The Woreda Food Security Desks (WFSDs) are responsible for coordination of Safety Net activities and are technically accountable to the RFSCOs. Woreda Sectoral Offices (Line Offices) exist for various sectors and women’s promotion (MoARD 2006).

Kebele

- The Kebele Council/Cabinet body is the highest political decision-making body in the kebele. The Kebele Food Security Task Force (KFSTF) is a decision-making body that oversees all planning and implementation of safety net activities. Food security task forces (FSTFs) conduct targeting and are a combination of ex officio and elected members, including some DAs (development assistants). There are three DA’s in each kebele to enhance the quality of PSNP and OFSP (other food security programs-implied HEP) work. It is formed in each Peasant Association (PA) or Kebele (GOE 2003, MoARD 2006).

Community

- The Community Food Security Task Force’s (CFSTF) primary responsibility is identification of beneficiaries of the Safety Net Programme, and whether they will participate in Public works or Direct Support. It is composed of a representative from the Kebele FSTF, a DA, and elected men, women, a youth and an elder. The community also determines the duration for which beneficiaries under Direct Support receive assistance, which is reviewed every six months (MoARD 2006).

2. Civil Society

- “Creating direct channels of assistance to civil society groups is nearly impossible, given the strong central control of the development agenda” (ACF 2006).
- Since 1997, civil service reform has aimed to improve the performance of the Civil Service in terms of the following through improving existing operating systems [i.e. legal and regulatory frameworks, procedures, directives and manuals], developing new ones, and the training Comprehensive Human Resource Development (HRD) project

aimed at ensuring that the Civil Service has the right quantity and quality of people needed to make it efficient and effective (GOE 2003).

- In the past year, NGO involvement in the PSNP has increased. Some implementing NGOs still feel that they are excluded from targeting beneficiaries, however other NGOs feel they have played an important role in targeting through woreda taskforces. (Sharp et al. 2006)
- NGOs have also played an important role in advocacy regarding the targeting of the PSNP. The regional government has acknowledged work that led to increasing the duration of PSNP support and (in Amhara) lobbied for the reversal of the targeting error of excluding the “third category” - poorest of the poor - during the first year of implementation (Sharp et al. 2006).
- There are many agencies engaged in early warning systems, baseline information and food security surveillance activities (Lautze et al. 2003).
- CARE Ethiopia’s Urban Food-for-Work (UFFW) began in 1993 to provide basic infrastructure (roads) and primary services (latrines etc...) to marginal urban communities in Addis Ababa, to provide short-term employment in the form of food-for-work and enhance the capacity of community groups to participate in future self-help development endeavors. Workers did not say that UFFW helped them find better or longer-term jobs and residents did not relate UFFW roads to greater economic activity or more traders in the area, despite commenting on the greater flow of vehicles. The project’s impact on health is positive and workers clearly stated the benefit of being able to feed their families from the project, however long term direct benefits were limited, particularly regarding skill building. However possible long-term effects on welfare may be that workers appeared to solidify their social networks, break down gender barriers and give women employment (Garrett 2001).
- CARE Ethiopia undertakes nutrition surveys on emergency bases and operates the Food Information System (CEFIS) for early warning groups consisting of DPPC, ENCU (Emergency Nutrition Coordinating Unit), SCF-UK, WFP, FEWS-NET and UN-EUE (United Nations Emergency Unit for Ethiopia) (Lautze et al. 2003).
- WFI conducts monthly and biannual assessments to monitor food security in five regions (Afar, SNNPR, Oromiya, Amhara and Tigray) (Lautze et al. 2003).
- SC-UK is developing the household food economy system in Ethiopia and works at the zonal and regional level with a consortium of fourteen member organizations (including the government, UN agencies, NGOs and INGOs). SC-UK supports the nutrition surveillance program on behalf of the RRC /DPPC and nutritional assessments (Kelly, 1992a, Kelly, 1993, Kelly, 1992b). Lindtjorn, 1990, Lindtjorn, 1987).
- WFP has a VAM Unit to track and prioritize food aid needs and food security monitoring activities (Lautze et al. 2003).
- USAID has funded the Joint Emergency Operation Plan (JEOP) consisting of World Vision, CRS, FHI, REST and CARE to develop a standardized early warning system for use by member NGOs (Lautze et al. 2003).

- The Canadian Government non food emergency assistance includes water, agriculture (seeds), livestock (animal health and restocking) and human health and nutrition. The Irish government contributes to humanitarian aid efforts financially (Lautze et al. 2003).
- The World Bank supports drought recovery and food security projects and programs (Lautze et al. 2003).
- Trocare and CAFOD carries out their work through partner organizations including the Ethiopian Catholic Church and local secular organizations, mainly in Tigray, Oromiya and SNNPR focusing on livelihoods learning and promoting civil society. They are working in woredas where the PSNP is operating (Trocare et al. 2006).

Tigray

- REST (Relief Society of Tigray) and the HCS (Hararghe Catholic Secretariat) with USAID are currently supporting woreda offices for PSNP, however many NGOs are not sure how they can cooperate with the PSNP. REST implements a watershed management project with Trócaire and CAFOD co-financed by the European Commission in Tigray (Trocare et al. 2006).
- In Saessie Tsada Emba in Tigray ADCS implements food security projects with Trócaire/CAFOD support (Trocare et al. 2006).

SNNPR

- In Amaro Special woreda in SNNPR, Agri Service Ethiopia runs an integrated food security project co-financed by Trócaire/CAFOD and the EC (Trocare et al. 2006).

3. Linkages

- In principle, the PSNP deals with chronic, rather than acute food insecurity. However, PSNP contingency funds enable horizontal scaling of the safety net to increase the number of beneficiaries should the number of chronically insecure increase. These contingency plans may suspend OFSP household package payments (credit repayments) during drought years yet households are not aware of these plans, and therefore remain concerned (Sharp et al. 2006).
- PSNP's ability to respond to emergency and food insecurity crises raises concerns regarding policy coherence, capacity to deal with both regular and emergency programming, coordination of the response, contingency funding, plan implementation, and the effect on HH decision-making in the face of uncertainty (Slater et al. 2006).
- Challenges during PSNP implementation have included the quality of planning processes, understanding of program implementation and making horizontal institutional linkages work at woreda level, coverage of PSNP and OFSP, timing of planning and budget processes, and timeliness of budget flows (Sharp et al. 2006).
- "The current process for PSNP public works planning is arguably one of the most systematically participatory that has been seen in government programs in Ethiopia" (Slater et al. 2006).

- NGO's help channel direct support transfers by transporting and storing food resources (MoARD 2006).
- In order to ensure that PSNP and OFSP maintain a high profile in PASDEP implementation, and that linkages are made so that PASDEP implementation takes account of the needs of PSNP beneficiaries, the following should occur: lobbying to ensure food insecure areas are prioritized in PASDEP budgeting and implementation, the presence of FSCO is active at Regional level planning of PASDEP implementation; strategic relationships between FSCO and representatives of line departments at Regional and woreda level to coordinate efforts; Include in woreda level guidance on how to make effective linkages for graduation and how to join PASDEP implementation at woreda level; enhanced linkages with PASDEP include the development and institutionalization of sustainable financial services beyond OFSP to serve the large demand; and finally linking health and education planning with PSNP in food insecure areas (Slater et al. 2006)
- Organized structures for the PSNP at federal, regional, woreda and community levels provide an opportunity to mainstream HIV/AIDS prevention and to control activities in the PSNP. The interface between local government (woreda, kebele) and local community governance structures is strong, and can be used as a basis on which the local response of HIV/AIDS can be built (MoARD 2006)
- The mix of community and administrative targeting should help to ensure community participation, 'ownership' and oversight over the selection of beneficiaries, allowing local administrators to use objective criteria to verify beneficiary lists and ensure their fairness and accuracy. The nesting hierarchy of food security task forces should support the monitoring and exchange of information about targeting processes and outcomes. The Rapid Response Mechanism should provide an external check to the targeting process (Sharp et al. 2006).
- Zonal RRTs should be established and resourced in most regions, some with a specific mandate to monitor targeting and other aspects of PSNP implementation in the woredas. Zonal RRTs should systematically visit all PSNP woredas in their catchment areas on a regular basis, checking targeting at the kebele and community levels, and following up on appeals. The RRM should provide more substantive horizontal and vertical linkages between and across administrative layers, "vertical in the sense of informing the regional and federal governments about PSNP implementation on the ground, and horizontal in the sense of supporting lesson learning and cross-fertilisation across different kebeles, woredas and regions" (Sharp et al. 2006).

B. Processes

1. Coordination and Collaboration

- The World Bank Food Security Project provides support to the Federal OFSP, mainly using a revolving fund mechanism (Slater et al. 2006).
- The USAID funded Support to the PSNP programme (SPSNP) provides support similar to the Federal OFSP, implemented through NGOs including SC-UK, SC-US, CRS, CARE, REST, World Vision and FHI (Slater et al. 2006).

- The European Union Food Security Programme has the objective of improving sustainable availability and access to food for structurally poor households in four targeted regions (Slater et al. 2006).
- There are a number of other food security related programmes, such as the World Bank EDRP, and the DPPA's emergency response programme which are more relief oriented (Slater et al. 2006).
- There are 16 different Early Warning Systems by government, donors, NGOs and various UN agencies. However, as of 2003 there was no capacity within the government for meta-analysis of all of the data generated by various government institutions. Within institutions (with the exception of emergency food aid responses), information systems are not strongly linked to mechanisms to trigger appropriate and timely emergency responses. This is a particular problem within line ministries, like the MoH, MoA and pastoralist vulnerabilities (Lautze et al. 2003).
- Greater transparency is needed in food security policy, both internally (within government) and with external parties (donors included). Current interventions are top down and administrative, without intermediaries for example, federal and regional level instructions sent down to operations level. Coordination between PSNP and PASDEP activities must be enhanced at the woreda level (Slater et al. 2006, ACF 2006, Sharp et al 2006).
- The PSNP objective of providing employment during the hunger gap period to chronically poor households in Ethiopia. Quotas were too low, and millions of food-insecure Ethiopians were excluded in the first year of the program. PSNP quotas last year was far below actual need. (Slater et al. 2006, Sharp et al. 2006)
- The PSNP seeks to completely eliminate the annual household food gap, through direct support -cash and food transfers. The duration of benefits depends on the length of the hunger gap (3 months). However, in practice officials have assumed a country wide six month hunger gap, and PSNP benefits were designed to be provided for this duration. The actual months of the hunger gap vary among ecological and livelihood zones, as well as between wealth groups (ACF 2006).
- There are a further category of specific programmes and projects, other than those funded as part of the wider donor food security programmes and projects described above operating at woreda levels. There are a large number of these, and many of them are very small and localised – some being linked to international organisations and others based on local Ethiopian organisations. Some of the main ones encountered during the study include projects implemented by REST, World Vision, Plan International, CRS, and a number of others (Slater et al. 2006).
- In 2005 USAID funded Famine Early Warning Systems Network (FEWS-NET) teamed with the Food Economy Group to profile the 40 livelihood zones of SNNPR (Southern Nations, Nationalities and People's Region) (ACF 2006).
- REST (Relief Society of Tigray) and the HCS (Hararghe Catholic Secretariat) with USAID are currently supporting woreda offices for PSNP, however many NGOs are not sure how they can cooperate with the PSNP (Trocare et al. 2006).

- Trocare and CAFOD undertook an informal study to look at how NGO's might engage with the PSNP and other government programs. They discovered that coordination, both informal and formal is occurring. For example, woreda and Kebele level officials and NGO staff on the ground informally discuss their own public works projects and food/cash for work initiatives. Formal coordination between food security offices at the regional and woreda levels is occurring between NGOs, however greater formalization might prove effective. For example:
 - REST is a member of the regional and in some woreda level PSNP Task Force in the Adua of **Tigray** REST have funded the building of fords and culverts to complement and increase the quality of PSNP rural road projects for example in Adua woreda.
 - In the Amaro Special woreda in **SNNPR**, Agri-Service is a member of the woreda PSNP taskforce. Agri-Service Ethiopia has teamed up with the PSNP in this woreda to undertake soil and water conservation measures. They provide tools, materials like cement and gabion wire mesh while the PSNP provides labor.
 - In the Goro Gutu in the East Hararghe in **Oromiya**, Trócaire/CAFOD supports HCS with food security projects and where HCS is also helping implement the PSNP and participate in the PSNP Task Force in woredas where it is implementing the USAID contribution (Trocare et al. 2006).
- Both formal and informal current coordination is seen as crucial in avoiding overlaps in public works projects, and promoting coherence in PSNP and other NGO initiatives (e.g. amount paid to beneficiaries).
- NGOs and the PSNP are informally collaborating successfully on public works projects particularly in natural resources and rural roads projects, improving the quality and durability of the community infrastructural assets and encouraging development (Trocare et al 2006).
- Both formal and informal current coordination is seen as crucial in avoiding overlaps in public works projects, and promoting coherence in PSNP and other NGO initiatives, for example, regarding amounts paid to beneficiaries. Coordination also helped to minimize 'competition' between PSNP and NGOs over free labor for community public works projects (this was a prior issue with ASE in Amaro (Trocare et al 2006).
- The following areas of potential collaboration are based on responses from woreda and Kebele food security officials regarding which areas they felt they could benefit from NGO support to improve the implementation of the PSNP. It is suggested that pilot projects 'contracting' out NGO might be beneficial:
 - Selecting beneficiaries is an area where many food security officials acknowledged they would benefit from support, considering the extent and complexity of the targeting process;
 - Prioritizing and planning public works projects was acknowledged by some food security officials to be weak areas, where they "had neither the skills nor the resources to conduct community-level consultations on

which public works projects to prioritize” or engage in what they felt was important participatory planning;

- o All the NGOs involved in the study have experience and expertise in facilitating community planning processes and government interlocutors agreed;
- o Supervision and verification of public works is an area viewed as understaffed by kebele and woreda authorities. NGOs do have capacity, expertise and experience in supervising and verifying public works that could be useful for Safety Net authorities. A lack of staffing resources rather than a lack of engineering and supervision skills is an issue that could be supported by NGOs;
- o Environmental impact assessment (in line with the EIA Proclamation of government) should take place at Kebele level for small public works. It was stated by kebele authorities, however as difficult for them to undertake due to personnel shortages and the lack of skilled people. NGOs which have experience and expertise could fill this gap;
- o Baseline socio-economic surveys of the beneficiaries is an area that could be assisted by qualified NGOs, if government ‘norms’ are followed. Only one woreda in the study carried out a specific ‘baseline survey’ for monitoring purposes;
- o Logistical support is at times limited for a program of this magnitude. Some NGOs have extensive resources and experience in logistics (storage, payment systems, transportation etc.). and could potentially provide ‘services’ to the government to undertake the often substantial logistical burden of the program;
- o ‘Mainstreaming’ gender and HIV/AIDS considerations into the PSNP is limited according to woreda and Kebele officials interviewed, although the scheme is seen to benefit women through the provision of cash or food and gatherings at works sites or during payment are sometimes used for information/awareness activities about HIV/AIDS. It is not currently a priority for food security authorities (Trocen et al 2006).

2. Assessments

- Poor methods of assessments inhibit both short (emergency) and long term FS targeting. Sparse detailed food security data is available. What information exists generally comes from localized academic studies or countrywide government surveys, the latter of which are rarely representative beyond the zonal level (ACF 2006).
- Pressures to minimize the number of Direct Support beneficiaries, and pre-set quotas applied in many PSNP areas do not match community needs assessments (Sharp et al. 2006).
- Emergency assistance planning tends to rely on crop production assessments conducted two or three times a year. Harvest production data ultimately provides the main informational source for determining emergency aid numbers, which does not depict

the causes of livelihoods collapse (or improvement) and is biased towards the use of food assistance (ACF 2006).

- Local estimates of need must be ‘reconciled’ with resources at the regional and federal levels-thus creating the “quota” system. Decision-makers at the woreda and higher levels must then reconcile the resources requested with those available, and allocate budgets accordingly. The woreda divides its quota among its kebeles, and the kebeles divide theirs among the villages. This is based on experience with relief distributions and causes considerable difficulties for targeting bodies, especially those in the kebele and community (Sharp et al. 2006).

Somali Region

- More than a quarter of the Somali region’s population has been declared in need of food aid every year since 1999. Nonetheless, much of the food aid that is delivered to the region is misappropriated or mis-targeted. Food aid policy in the Somali region has been described as “irregular, unpredictable, inappropriate and ineffective” (Devereux 2006, pg. 16).

3. Targeting/Criteria

- The government’s program implementation manual for the PSNP (PIM) states that “graduation is an overall goal but not criteria for targeting”. Households should be targeted yearly based on poverty and chosen beneficiaries are “the food insecure population living in these chronically food insecure woredas”. For this program woredas are considered chronically food insecure if it is in one of 8 regions (Tigray, Amhara, Oromiya, SNNP, Afar, Somali, rural Harare and Dire Dawa), and has been a recipient of food aid for a significant period, generally for at least each of the last 3 years. 262 woredas currently satisfy these two conditions according to the Disaster Prevention and Preparedness Agency’s (DPPA). “A household is considered chronically food insecure for the PSNP if it is located in one of the 262 chronically food insecure woredas (as defined above) and “has been assessed to have faced continuous food shortages (usually 3 months of food gap or more) in the last 3 years and received food assistance prior to the commencement of the PSNP, without family support or social protection, and experienced sudden loss of assets becoming insecure.” (MoARD 2006)
- The CFSTF “estimates the number of months of need (the “food gap”) for each household, taking into account family size and number of dependents in household, status of expected household food production and other sources of income compared with household monthly consumption requirements” (MoARD 2006).
- Food security task forces (FSTFs) conduct targeting and are a combination of ex officio and elected members, including some DAs (development assistants). There are three DA’s in each kebele to enhance the quality of PSNP and OFSP work (GOE 2003).
- Individuals, households and groups have the right to appeal against targeting decisions. The kebele council/cabinet is responsible for hearing appeals and for taking ‘appropriate corrective measures in consultation with the WFSTF.’ The woreda council or cabinet, however, provides a second tier of appeal. However, despite some

functioning mechanisms, there is no effective appeals structure (MoARD 2004, Sharp et al. 2006).

- The regional government instructed woreda and kebele officials to target households likely to graduate and to exclude many of the poorest able-bodied households so that they could be candidates for resettlement. These instructions were reversed in mid-2005 (Sharp et al. 2006).

PSNP and Targeting Issues

Study regions of Amhara, Tigray, (Oromiya-not for ACF 2006) and SNNPR

- The first year of PSNP saw numerous problems related to poor administration and expansion of the program would lead to more difficulties of management. Therefore, the only options are either to allow the present targeting problems to continue, or to invest more heavily in capacity building (ACF 2006).
- Targeting errors, in which beneficiary selection favored the better-off in some cases and was spread too thinly in others, were mostly rectified in second year. In the Sidama Coffee Livelihood Zone, the Sidama Maize Belt, and the Gamo Gofa Root Crop Livelihood Zone, households included in the Safety Nets and HEP programs were generally not the poorest of the poor, but rather the middle poor (ACF 2006, Slater et al. 2006).
- A total of 67 households in our survey (7.0%) received a Livelihood Package under the OFSP. Of these, 49 packages (73%) went to PSNP beneficiaries and 18 packages (27%) were allocated to non-beneficiaries households received Livelihood Packages by income quintile. Half of all recipients of packages in our survey are in the 5th quintile – the wealthiest 20% of the sample – and three-quarters (50 out of 67) are in the top two quintiles. A more plausible explanation is that the skewed distribution of Livelihood Packages reflects mis-targeting towards wealthier households (similar to PSNP), in order to maximise the chances of graduation and repayment of loans (Devereux et al. 2006).
- Targeting is community based and in an attempt to successfully graduate beneficiaries, task forces are choosing those with a greater chance of gaining food security-the middle poor. Too much downward accountability can also be problematic community pressure on local decision makers to spread resources is a crucial reason why PSNP resources have been diluted to increase the overall number of beneficiary households in some woredas. As well, top-down quotas and limited resources are another reason (Sharp et al. 2006, Slater et al. 2006).
- It is estimated that some 20-25 million chronically poor households in woredas are excluded from the FSP. Targeting in the FSP is hampered by poor availability of information, flawed inclusion criteria (especially an over-reliance on the single indicator of past food aid receipts which repeats past mistakes and pockets of poverty go unnoticed), and conceptual confusion underlying definitions of "food insecurity" and "poverty" in the Ethiopian context (ACF 2006).
- Direct support is planned for those "poorest of the poor" households which *lack labor*. However problems in the resettlement program (originally the only intervention to target the poorest of the poor *with available labor*) over the last two years has forced

the use the PSNP instead to provide benefits to this group, beginning in mid-2005. In addition, some of these poorest households are also supposed to be targeted in 2006 for the first year of the Household Extension Package (HEP) program. Originally, PSNP employment and household extension packages were meant to be reserved for the “middle poor” group, who could feasibly graduate in three to five years. This change in targeting philosophy has implications for the ability of the PSNP and extension package programs to achieve their objectives (ACF 2006).

- Three levels of temporal targeting (seasonality, days per month and hours per day) should be considered when planning public works. These seasonalities, the composition and social meanings of household units, community structures all vary geographically and should be taken into account in local targeting guidelines (Sharp et al. 2006).
- Last year "full-family targeting" and "six month benefit period" guidelines of the PSNP were not being fully met. ACF surveys showed on average, only about 75% of household members *within* PSNP households received benefits, and households were limited to around five months of PSNP employment. The "ten birr/day" figure given above is what would be required to graduate from poverty if the full-family targeting and six-months' employment guidelines were met (ACF 2006).

Amhara and Tigray Region

- Community targeting committees, fearing that households will default on their HEP loan, are selecting middle to better-off households to receive HEPs, excluding the poorest, in the Sidama and Gamo Gofa zones in the SNNPR, the North and South Wello zones and Wag Hamra zones of Amhara and the Central Tigray Zone in Tigray. (ACF 2006)

Somali Region

- More than a quarter of the Somali region's population has been declared in need of food aid every year since 1999. Nonetheless, much of the food aid that is delivered to the region is misappropriated or mis-targeted. Food aid policy in the Somali region has been described as “irregular, unpredictable, inappropriate and ineffective” (Devereux 2006, pg. 16).
- Targeting procedures for identifying communities and households eligible for food aid are not transparent to local populations in the Somali Region. In a recent study, many individuals complained that they are overlooked by food assistance efforts and do not understand why (Devereux 2006).
- In a recent study, it was found that community-based targeting mechanisms employed in the Somali Region often fail to account for power dynamics within the community. This may lead to “elite capture” of external assistance and the exclusion of marginalized groups (i.e. members of minority clans) (Devereux 2006).
- There are several challenges faced by policy makers designing and implementing safety net programs in the Somali Region that extend beyond the difficulties encountered in other regions. They include the following (Devereux 2006, pg. 173):

- “Pastoralists are more mobile than sedentary farmers – which complicates registration procedures and the delivery of resources and public services.
- Ownership of assets (especially livestock) is partly clan-based and fluid, rather than individualized as in farming households – which complicates the assessment of individual wealth.
- Because pastoralist livelihoods are characterized by cycles of accumulation, collapse and rebuilding, their wealth and vulnerability are highly variable – which makes identification of “the poor” problematic at any point in time.
- The range of informal transfers that operate in pastoralist societies (remittances, *zakaat*, etc.) reduces the vulnerability of households that benefit from these social support systems, but are difficult for outsiders to quantify.”

4. Graduation (criteria and targets)

- The inconsistency or lack of clarity with which the term “graduation” has been applied to various food security programs in Ethiopia has made it difficult to effectively plan, target and implement programs. The following definitions of “graduation” have been employed by in various programs and policy documents (Slater et al. 2006, Sharp et al. 2006):
 - “the continuous three-year rule” – a HH is eligible (for graduation) if it is assessed to have faced “continuous food shortages (usually three months of food gap or more) the last three years” (PSNP PIM July 2006, p.4)
 - “Graduation means that the household is no longer chronically food insecure and also has the economic resilience to resist falling back into chronic food insecurity in the future” (Trends in PSNP Transfers, Devereux et al., p. 2)
 - “Graduation occurs when a chronically food-insecure HH graduates to “an independent and resilient livelihood” (Slater, et al, September 2006, p.v)
- Related to, but distinct from the *definition* of graduation is the process of actual *measurement* of graduation criteria. While overall targets for graduation (food security), are provided in the FSP M&E framework, individual regions and woredas have to set their own targets. To date, the following criteria have been used or discussed:
 - Use of the MDG goal of \$1 per day per person, translated into Birr assuming a household size of 4.5, giving a figure of 18,000 Birr per household. This has been applied in Tigray and Amhara.
 - Use of national per capita average income of just over 1000 Birr, so that a household of 5 needs an annual income of 5,300 Birr to be food secure. This has been applied in SNNPR.
 - There is also some discussion of perhaps using the cost of a basket of food, the purchasing of which indicates food security. (Slater or Sharp et al. 2006)

- Regions set graduation targets based on people covered by the OFSP household package, recognizing that it is the integration of PSNP and OFSP that enables graduation. The targets passed to woredas assume that all households covered will graduate, although in Tigray it was stated that they would be happy to achieve 75% of the targets. Graduation is considered to have occurred when a household earns 10 Birr per day per individual, since this converts to the MDG target of 1\$ per day (Sharp et al. 2006)

C. Policies and Institutions

- Deferred payments may be made during harvest and post-harvest seasons to improve ‘timely use of wages by beneficiaries’, where 50% of payments are deferred to the hungry season.
- Direct Transfers given in cash or food are equivalent to public works wages. It is possible for a single woreda to decide to make payments in cash in some kebeles and in food in other kebeles, depending on the following factors. In general cash should be given after the harvest when food is in good supply and food should be given in the hungry period leading up to the harvest when food is scarce (MoARD 2006).
- The accountability of key safety net administrators is often more upward than downward. Ethiopia’s decentralization places great emphasis on participation and community contributions to development processes, yet this is counter-balanced by a tendency for top-down target setting and directive management (Sharp et al. 2006).
- The transparency and accountability of PSNP targeting has differed across this study’s sample woredas. In some woredas and kebeles targeting processes have been relatively participatory and accountable, while in other woredas and kebeles, targeting processes have been more opaque, top-down and contested. In almost all cases, however, there has been a significant improvement in the accountability and transparency of the targeting process in the second year of the program.
- In 2001, the government articulated the following Pastoral Development Policy:
Phased voluntary sedentarization along the banks of the major rivers as the main direction of transforming pastoral societies into agro-pastoral system, from mobility to sedentary life, from rural to small pastoral towns and urbanization.
 (FDRE 2001: 5)
- As part of a Participatory Poverty Assessment (PPA) conducted in 2005, respondents were asked to identify and rank improvements associated with Ethiopia’s Sustainable Development and Poverty Reduction Program (SDPRP). In the area of public services and infrastructure, increased school provision is the most often emphasized of all improvements (Ellis and Woldehanna 2005).
- In addition to schools, *idir*, and the *kebele*, the agricultural extension systems (Development Agents), peace committees (often associations of elders charged with conflict resolution), NGOs (both national and international) and formal religious institutions are perceived by Ethiopians as the most important institutions in rural communities. In urban areas the list of important institutions also includes health, water, electricity service providers, the police, banks and telecoms (Ellis and Woldehanna 2005).

- “Considerable variation in service provision and quality in different cities shows that much remains to be done in setting minimum standards of provision that are affordable and could be widely applied across all towns above a certain size”(Ellis and Woldehanna 2005).
- Ethiopia has successfully established the land tax as a form of rural taxation that is generally acceptable to citizens and lends itself collecting progressive taxes with respect to income. Most taxes (business, vehicle, income) in rural Ethiopia are set by regional administrations which pass rates and rules of application down to *woreda* administrations for implementation. Land taxes on the other hand are established and implemented primarily at the *woreda* and *kebele* level (Ellis and Woldehanna 2005).
- The primary complaint regarding the land tax is that it is collected immediately after harvest which has the effect of forcing farmers to sell their crops when agricultural prices are at their lowest and leaves them with fewer food reserves for the remaining seasons (Ellis and Woldehanna 2005).
- NGOs have had considerable success in several towns in establishing training and employment/credit schemes for particular groups (youth/women). Common areas of concentration are in the fields of metal working, carpentry/construction, tailoring and bookkeeping (Ellis and Woldehanna 2005)
- A recent assessment of poverty throughout urban and rural Ethiopia identified five primary challenges to the effective implementation of anti-poverty policies and strategies. They include: 1) land shortage; 2) low mobility and non-farm economic activity in rural areas; 3) gender inequality and lack of economic opportunity for future generations; 4) livestock disease and lack of veterinary services; and 5) slow pace of rural-urban transitions and urban economic growth (Ellis and Woldehanna 2005).

Somali Region

- Many feel that recent increases in food aid to the Somali Region are unwarranted and ineffective. This is because the complex, multidimensional nature of vulnerability within the Somali Region *does not* invariably lead to food shortages at the household level. For example, vulnerability to conflict may result in limited access of livestock to grazing and water. Cross-border trade restrictions may limit income-generating opportunities for traders and/or transport workers. In either case, it is not clear that food aid is either necessary or sufficient response (Devereux 2006).

IV. Livelihood Strategies

- A Participatory Poverty Assessment (PPA) conducted in 2005 resulted in the identification of particularly vulnerable groups in both rural and urban areas of Ethiopia. These vulnerable groups include (Ellis and Woldehanna 2005):

Vulnerable groups

- o landless households
- o pastoralists
- o elderly
- o disabled

- o female-headed households
- o children in poor families
- o chronically ill
- o Urban youth
- o Squatters (urban areas)
- o HIV/AIDS affected individuals and families (urban areas)

Amhara, Oromiya, Tigray and SNNPR Study Regions

Slater et al. (2006) found four categories of households:

Type 1 households (10% of households in study) are labor-constrained and are characterized by small family size and the presence of elderly and/or ill individuals within the household. Type 1 households are characterized by a size ranging from 1-3 people, with no able-bodied or economically active adults; thus usually having no labor capacity and no assets. “They may depend on kejeta from neighbors, preparation of food to sell to laborers, loans to buy food, sharecropping out any remaining land, collecting and selling grasses, the sale of any remaining assets in the household and begging”. They are expected to be direct beneficiaries in the PSNP. (Slater et al. 2006)

Type 2 (20% of households in study) households are characterized by a large number of dependents, and limited production from access to arable land as a result of limited financial capacity. Type 2 households are poor households characterized by a large number of dependents (half of these households were female-headed). They usually have between a quarter and a half a hectare of underutilized land, often sharecropped, with an average yield of 650 kg/ha. Within households, low productivity was reportedly due to lack of labor and financial capacity. Households exhibit “a significant food gap ranging from seven to twelve months and are not meeting their food needs”. Their narrow range of income generation activities includes limited sale of assets (livestock) and casual labor. In Tigray, women had income diversification (collecting sand and stone, pottery, selling food and local brew). (Slater et al. 2006)

Type 3 households were by far the largest, most diverse category (nearly 50% of households fell within this category). Within Type 3, three subcategories of households were identified – predominantly land-less households with few dependents, limited labor and large food gaps, larger landed households that are entirely dependent on agriculture, and households that employ more diverse livelihood strategies but still face considerable vulnerability to food insecurity during periods of drought or other shocks.

Household type 3: Households with food gaps and other sources of vulnerability

By far the largest, most diverse household category constituting nearly half of the sample, Type 3 households are largely dependent on agriculture but fail to produce enough food due to numerous factors. They are divided into three subgroups:

a. Small landless or near-landless households with large food gaps, limited labor but few dependents (4 households)

These households usually have three members, one a child. They are landless or have very small land holdings, with food gaps typically from three to six months; Labor is constrained in absolute terms. Consumption of food is at the homestead or by sharecropping and limited alternative livelihood activities like stone collection and trade. Their main strategy entails more productive use of homestead, for example vegetable garden expansion or intensification (irrigation) or livestock management. (Slater et al. 2006)

b. Larger households with some land and labor that tend to be dependent solely on agriculture with no other livelihood strategies (5 households)

Household size ranges from two to five people. They have little diversity of income and are mainly agriculture dependent with half to one hectare of land. Some years they meet their needs, with a six month food gap during bad years. Pests and disease are major problems and they lack diversity (agriculture or income) due to financial and human capital (knowledge) constraints. These households are interested in trade or fattening but lack the credit to do so. (Slater et al. 2006)

c. Households which tend to have more diverse livelihoods but often face food gaps and are vulnerable during periods of drought and other shocks (12 households)

These households are large, with three to twelve people per household. They are dependent on agriculture yet have a wide range of other livelihoods. Landholdings range from a quarter to one hectare (some sharecropped) and they produce a range of marketable crops beyond cereals. Food gaps range from two to nine months, but these households often employ strategies for earning additional income such as casual or migrant labor, firewood and charcoal production, petty trade and distress sale of livestock. Strategies these households are interested in are drought tolerant crops, high value crops (vegetables), water harvesting techniques (motor pumps), trade and transport of agricultural goods, fattening and improved housing. (Slater et al. 2006)

Type 4 households are larger, landed households that tend to be more food secure and resilient to shock, but still experience vulnerability to food insecurity in the worst agricultural years. Type four households range in size from four to nine members and are relatively resilient, agriculture based households. They tend to meet their needs in all but the worst years, but during bad years the experience a significant food gap. They have no land constraints, with one to two hectares averaging 10 quintals of grain/yr, and hold productive assets such as mix of cows, draught oxen (pair), donkeys and up to 20 sheep/goats. Unmet food production needs are often supplemented through regular wage income, alternative livelihood sources (cash crops (chat), veggies, beans etc) or livestock sales (without risk).

A. Pastoralists

- The sustainability of pastoralism as a livelihood system in Ethiopia is increasingly being questioned in light of the range of shocks experienced over the last several years (droughts, livestock disease, enforcement crackdown on contraband trade, bans on livestock imports to Gulf states, violent conflict between neighboring countries, clans, and the state, etc.) (Devereux 2006).
- Public works and possible interventions in pastoralist areas include: development of water points, reclamation and rehad of grazing area, agro-forestry systems in grazing reserves, and other initiatives related to livestock trade and livestock health. (MoARD 2006)
- Major droughts take place in pastoral areas every five to ten years and pastoralists' perception of severity is determined by their number of livestock. Vulnerable pastoralist populations in need are higher than other populations and rising over time. This is possibly due to the very production mode of pastoralism, which employs mobility as a key strategy for raising livestock, leaves them more prone to periodic and unexpected climatic than sedentary farmers. (Lautze et al. 2003)
- Ethiopia does not have a Ministry of Livestock despite close to 60% of Ethiopia's land being pastoral. Pastoralism in Ethiopia is both viable and vulnerable (for long and short term) serving as effective mechanisms for converting marginal lands into products valuable for households, communities and the national economy. The first to be affected by crises, pastoral traditional early warning systems provided early indications of the 2002-2003, missed by formal early warning and surveillance systems (Lautze et al. 2003).
- The climatic shock of the drought, export bans and livestock terms of trade for cereals and other staple commodities have collapsed, while pasture and water resource conflicts have increased due to a loss of access to water, pasture and effective, community-based animal health care. The loss of access to milk among vulnerable pastoral households has led to increases in malnutrition and government, donor, UN agency and NGO emergency interventions for pastoral communities have been late, insufficient and largely inappropriate (e.g. dominated by food aid responses rather than key livelihood interventions.) (Lautze et al. 2003).

Somali Region

- While some pastoralists in the Somali Region may be relatively wealthy in terms of camels and cash, their livelihoods are particularly vulnerable to ongoing conflict involving the Ogadeni National Liberation Front (ONLF), government forces and Ogadeni sub-clans (Devereux 2006).
- Livestock marketing generates "enormous revenues" for livestock owners, traders and marketing agents in the Somali Region. The informal livestock marketing systems – between Ethiopia, Somalia and into the Gulf states – are unregulated but sophisticated (Devereux 2006).
- The Somali and Afar areas are the predominantly pastoral regional states in Ethiopia with the three major pastoralist communities being the Somali (slightly more than 50% of the pastoral population), the Afar (30% of the pastoral population) and the Oromos

(10% of the pastoral population). Ethiopia's rangelands carry about 28% of the cattle, 60% of the goats, 26% of the sheep and 100% of the camels in the country. Within these percents, the three major pastoral groups own 95% of the cattle and sheep, 92% of the goats, and almost 100% of the camel population. This predominant position (in terms of economic importance, population and land size) has enabled the three major pastoral areas to attract more government attention (including allocation of resources), donor investment and NGO interventions than other pastoral groups in Ethiopia (Yemane 2000, Sandford and Habtu 2000, Lautze et al. 2003).

- In previous national household income and consumption surveys, the Somali Region often is portrayed as one the wealthiest (least poor) of all rural regions in Ethiopia. The economic performance of the Somali Region is largely supported by what is portrayed as the “lucrative” pastoral livelihood strategy predominant in much of the region. There is however, a significant disparity between incomes in the Somali Region and Afar, Ethiopia's other predominantly pastoral region. Differences in prosperity between these two regions may be attributed to the greater involvement of Somalis in livestock marketing and cross-border trade. By comparison, pastoralists in Afar are much less engaged with markets (Devereux 2006).

Oromiya (Eastern Highlands)

- In the eastern highlands, cows are among the most common livestock along with goats and sheep. Oxen are generally owned only by the wealthier households and they tend to be the most valuable long-term investment, both in terms of market value and draft power. Most livestock income comes from cow/oxen fattening and sales followed by sales of by-products such as milk. The main constraints to livestock ownership are stocking costs and fodder. This is due to declining availability of common pasture and increased stall-feeding technologies (Oxfam and NEF 2005).
- Livestock offers great opportunities for accumulation and savings in the eastern highlands. The return on investment is relatively low for the highest valued oxen and relatively high for the lowest valued poultry. Dairy sales are especially important to female headed HHs and goats/chickens are important to the poorest (Oxfam and NEF 2005).
- “In the most densely populated area of the eastern highlands, prices of livestock are perceived to have been increasing over the past decade, reflecting supply-side constraints – increasing costs of land and grown fodder, and scarcity of common access pasture – set against constant and increasing demand. However, this has provided the opportunity to make good returns for those who can invest the time and energy in intensive back-yard cattle. In these cases, animal feed and health services are, and will continue to be, the key constraints to production and security of the asset” (Oxfam and NEF 2005).

B. Farming Households

- “...livelihoods in Ethiopia are dominated by peasant agriculture, which employed 89% of the national labor force in 1997. Rural Ethiopia is unusually undifferentiated:

small farmers account for over 90% of total crop area and agricultural output.” (Sharp et al. 2003)

- The Destitution study (in Amhara region) found a need for increased scope of small scale irrigation, which, if successfully introduced, could increase crop yields, reduce drought-induced crop losses and improve grazing land. The study also recommends more drought-resistant/resilient crops, prioritizing the replacement of the grass pea (which was responsible for introducing an epidemic of paralysis) (Sharp et al. 2003).
- Farming is generally limited to the banks of major rivers and districts where rainfall is sufficient to support rain-fed agriculture. Most farming is “low input, low output” – yields are low, marketing opportunities limited, and risk of crop failure following natural hazard (drought, flood) is high (Devereaux 2006).
- Food price seasonality is also a major contributor to the risk faced by poor farming households (Devereux 2006).
- For landholders with non arable land (like un-irrigatable) should benefit from forest development in the higher zones of the watershed (Oxfam and NEF 2005).

Somali Region

- Farming households throughout the Somali Region typically produce maize and sorghum. In plain areas, farmers also grow wheat and barley. However, the influx of food aid following the 2000 famine has resulted in a collapse in prices for local wheat in competition from sales of food aid. Many farmers in the region have ceased the production of wheat as a result (Devereux 2006).

SNNPR

- In 2005 USAID funded Famine Early Warning Systems Network (FEWS-NET) teamed with the Food Economy Group to profile the 40 livelihood zones of SNNPR (Southern Nations, Nationalities and People’s Region) (ACF 2006).
- In SNNPR livelihood zones include the Sidama Coffee Livelihood Zone, the Sidama Maize Belt, and the Gamo Gofa Root Crop Livelihood Zone (ACF 2006).
- The Sidama Coffee Livelihood Zone (SCLZ) is a food insecure yet economically important coffee-growing region. Recent crashes in coffee prices coupled with erratic rainfall, is deepening the poverty, which recent surveys estimate the rate to be 94% with per capita annual income to be 161 birr, much worse than the national figures (ACF 2006).
- “With no access to fertilizer, irrigation equipment, input credit or agricultural extension services, the prospects for farmers in Somali Region look unpromising.” (Devereux 2006, pg. 13)
- Recent livelihoods profiles conducted in the SNNPR identified *enset* as the most characteristic agricultural product of the region. Cereals are ubiquitous, and are dominant in relatively high- or low-altitude arable areas, together with smaller amounts of pulses and oilseeds. Annual root crops are important especially in midland areas, and include sweet potatoes, Irish potatoes, taro and cassava – the last of which may also be

a perennial. But the varied ecologies of SNNPR also offer greater or lesser niche areas for important cash-crops, of which the biggest is coffee (FEWSNET 2006).

Eastern Highlands

- In the eastern highlands, the land distribution of major cropping activities breaks down as follows: maize (41% of cropped area), sorghum (25%), chat (24%), and coffee (7%). Food crops therefore account for two-thirds of the planted area with the remaining third going to cash crops. This split is similar across all wealth groups. Only in the highlands are there more food crops cultivated than cash crops. Highlanders typically allocate three-quarters of the arable land to food crops and the remaining quarter goes exclusively to chat. Chat thrives better in the cooler and wetter highland climates in contrast to coffee. Agriculture in this region is being improved through new irrigation, the new road/market access, and rising output. Some of the constraints on agriculture are shocks from drought, population/land pressure, and rising input costs (Oxfam and NEF 2005).
- In the eastern highlands, “The steep topography of the East highlands provides a diversified cropping system, with rain-fed barley and wheat on steep slopes and rain-fed maize and sorghum on the more gentle slopes. Coffee and chat are reserved for the best land at the valley floors.” Both sorghum and maize are popular with similar yields and prices in the open market. Sorghum is slightly more drought resistant than maize and is therefore more suited to the warm, dry lowland areas. Both crops are frequently intercropped with horse beans. Sweet potato is a common food crop in the lowlands and is traditionally grown for food use in drought and is increasingly becoming a standard part of the annual crop and food budget. It has very limited market value despite covering up to 2.5 times the other food or cash cropped areas (Oxfam and NEF 2005).
- In the eastern highlands, Coffee and chat are traditional cash crops with good returns. Coffee is more adapted to the lowlands. Chat requires very little management and no fertilization and has a very good market price. Consequently, it is growing in popularity where there is market access and irrigation. Irish potato is a new crop with high market value that has been taken up among some of the richest farmers after introduction by Oxfam in 1997. The crop requires high irrigation and management inputs as well as good market access. Currently less than 2% of arable land is being dedicated to this crop (Oxfam and NEF 2005).
- In the eastern highlands, The equivalent cash return from the chat and coffee combined is on average almost five times more per quindi than from maize and sorghum (main food crops). Thus, even though food crops occupy twice the area of cash crops they still bring in 2.5 times the income of food crops. Consequently there has been a shift from grain and subsistence oriented production to market oriented strategies. This particular area has also rapidly integrated into national and international markets as a result of the market access the Addis Ababa – Dire Dawa road provides. This shift is in contrast to government efforts to promote food cropping. The crops that yield the highest returns per quindi are as follows: Irish potatoes, chat, and coffee. Maize, groundnut, and sorghum all earn considerably less per quindi (Oxfam and NEF 2005).

- In the eastern highlands, Seasonal variation is greatest among chat crops; during the dry season prices can be up to five times higher than during the wet season. Seasonal variation in market price for maize is less acute but certainly affects poorer households who sell immediately after harvest to pay debts then buy again later in the season at the highest prices (Oxfam and NEF 2005).
- In the eastern highlands, within the agro-ecological zones (low, mid, high) earnings tend to be similar, but differ within wealth groups. Typically wealthier farmers are able to afford better quality land and inputs. For chat the quantity of irrigation is critically important – particularly for off-season production. The richest households tend to have better access to irrigation as well as the ability to hire extra labor. Female headed households are more likely to hire labor to fill their labor shortage, but they spend less on fertilizer (Oxfam and NEF 2005).
- In the eastern highlands, a graduation trajectory in this area shows that usage of fertilizer and access to good irrigation is the first step to intensification and improvement, and the main difference between the poor and the better-off, but significant use of hired labor and improved seeds marks the main jump to becoming “rich”. It has been noted that the “number one transformative factor” in agricultural development is the sustainable access to irrigation. This is particularly true for lowland areas with more erratic rainfall than mid and highlands (Oxfam and NEF 2005).
- In the eastern highlands, further investigation on the potential for various types of irrigation should occur and development of micro and small scale irrigation options should be promoted through private and community based finance mechanism in conjunction with state or NGO infrastructural development. The promotion of high input rain-fed agriculture *through loans and fertilizer packages* should be revised (Oxfam and NEF 2005).

C. Agro-pastoralists

- Agro-pastoralist communities are characterized by competition for arable land, as well as water and grazing for livestock. Vulnerability of this particular mix of livelihood strategies is heightened by a lack of mobility resulting from the need to stay on or near land holdings. (Devereux 2006).
- Pastoralists and farmers earn similar levels of cash income. The combined strategy of *agro-pastoralism* (pursuing livestock rearing and crop farming simultaneously) fails to mitigate risk since both activities are susceptible to erratic climate conditions. Meanwhile, the combined strategy tends to generate less income than specializing in one or the other (livestock or farming) (Devereux 2006).

D. Off-farm and Urban livelihood Group

The hungry season for urban dwellers in the UFFW was the rainy season. It is the most difficult time of year for poor urban residents as prices rise and income falls (Garrett 2001).

- In a Participatory Poverty Assessment conducted in 2004-2005, non-farm activities *were not* frequently mentioned among the primary criteria for achieving well-being or

as a significant contributor to livelihood security in *rural areas* (Ellis and Woldehanna 2005).

- The primary occupations for urban-dwelling households include petty trading, daily and casual labor, selling *injera* and drinks, working as civil servant, selling firewood, engaging in private business, working construction, and renting property (Ellis and Woldehanna 2005).
- There are several aspects of petty trading in Ethiopia that are worth noting for the implications in terms of livelihood security. The first is that petty trading for the most part is gender neutral (both men and women do it). Secondly, many forms of petty trading are highly dependent on the availability of natural resources (selling firewood, charcoal) which implies a significant environmental impact in rural areas. Petty trading also typically requires access to credit for acquiring inventory and/or equipment. Finally, petty trading is a relatively tenuous livelihood strategy given the downward pressure on profit margins resulting from an increasing number of traders entering the market (Ellis and Woldehanna 2005).
- Rather than livestock and agricultural land, the key assets for determining livelihood security for urban households include residential structures (rented or owned) and access to infrastructure/services (water supply, sewerage, toilets, electricity, telephone, etc.) Ethiopia has successfully established the land tax as a form of rural taxation that is generally acceptable to citizens and lends itself collecting progressive taxes with respect to income. Most taxes (business, vehicle, income) in rural Ethiopia are set by regional administrations which pass rates and rules of application down to *woreda* administrations for implementation. Land taxes on the other hand are established and implemented primarily at the *woreda* and *kebele* level (Ellis and Woldehanna 2005).
- The primary complaint regarding the land tax is that it is collected immediately after harvest which has the effect of forcing farmers to sell their crops when agricultural prices are at their lowest and leaves them with fewer food reserves for the remaining seasons (Ellis and Woldehanna 2005).
- “Youth unemployment is a big cause for overall vulnerability in urban areas, and no doubt this also contributes to the rise of theft and crime in these areas” (Ellis and Woldehanna 2005, pg. 60)
- Many traders agreed that food prices are always subject to high volatility, and that ‘normal’ price seasonality dominates over any influence the PSNP might have had. However, some grain traders insisted that whether PSNP beneficiaries receive cash or food makes a significant difference –affecting demand and prices (Devereux et al. 2006).
- It is difficult to differentiate destitute and non-destitute households simply on the basis of the livelihoods activities engaged in, but there is certainly a distinction in the *amount* of income generating activities the non-destitute engage in that the destitute do not. This is probably due to lack of access to productive resources, lack of human capital, etc.... In general off-farm employment opportunities are “limited in both availability and income-generating potential” (Sharp et al. 2003).

- Urban areas and settlements furnish diverse income generation opportunities for women through small business (beverage selling, shops), trading, wage labor, and the informal sector. These sites may provide a large enough customer base for enterprises such as *tela houses* to operate. Income might also be generated through the housing market. Another possibility is that the urban or peri-urban setting may be less socially or culturally constraining than village or rural life. In addition, urban areas and settlements may be better places to be during times of food shortages or other trouble. Clearly several of the women in Akesta town preferred their urban residence to homes in the countryside. It should be noted that these female heads of households retain their connections to agriculture through land ownership, plowing arrangements, and usually by involvement in farm tasks such as weeding or harvesting (Castro 2002).

Somali Region

- The fact that salaries offered by NGOs can be up to three times more than those paid by the Government has prompted many of the most talented professionals in the Somali Region to seek employment outside the public sector (Devereux 2006).

Oromiya (Eastern Highlands)

- The largest shares of non-farm income (17%) are generated through the government's Employment Generating Scheme (EGS), salaries (14%), chat trade (12%), ag and non-ag labor outside the village (10% each), and firewood collection (10%). "The participation of different groups in different sectors provides a fairly clear sense of livelihood graduation trajectories in the non-farm sector. Thus, the impoverished men are mainly in agricultural labor, particularly outside the village, while their wives are supported by EGS and firewood collection. The next group up, the poor, begin to get more involved in goat and vegetable trading and non-agricultural labor (and may even be lucky enough to get a fulltime salaried job). The better-off predominantly move into chat and grain trading which requires less traveling across country to remote lowland areas to buy, and which also requires reasonably good access to chat, grain and working capital. Meanwhile the very richest groups move into shops, consumable trading, pump renting and earn good money from remittances from their educated sons who are sent abroad." Income distribution across livelihood categories is shown in the table below (Oxfam and NEF 2005).

Figure from Eastern Highlands Study

		Crop Income	Livestock Income	Non-farm
Im	2186	1167 (53%)	418 (19%)	601 (28%)
Poo	3051	1409 (46%)	945 (31%)	695 (23%)
Bet	4234	1887 (45%)	1550 (37%)	797 (19%)
Ric	4548	2511 (52%)	1692 (37%)	345 (8%)
Fem	2864	1251 (44%)	896 (31%)	700 (24%)
Male HHH	3146	1515 (48%)	964 (31%)	669 (21%)

(Oxfam and NEF 2005)

SNNPR

- There are limited sources of alternative off-farm income opportunities. On-farm returns on labor are very low, and few off-farm labor opportunities are available in the SCLZ, indicating that employment programs and other off-farm permanent labor market-enhancing interventions would be effective (ACF 2006, GOE 2003).

Amhara Region (Northeastern Highlands)

- This report recommends providing alternative livelihood strategies in the Northeastern Highlands in order to enable households to further diversify income sources. Specifically they suggest:
 - “Rebuilding *assets* in households/communities that lack key productive assets
 - Generating non-agricultural livelihood opportunities to enable the working destitute to find employment or income
 - Provide social protection for labor-constrained destitutes who have no support;
 - Reducing vulnerability to shocks and processes that are pushing poor Ethiopians toward destitution” (Sharp et al. 2003)
- This report also advocates for voluntary resettlement to other “land-abundant areas” in order to alleviate land strain. (Sharp et al. 2003)
- The study recommends conducting a feasibility study for the potential of the development of rural small-town centers in Wollo, in addition to reviewing urban land policy to provide for commercial expansion. Careful assessments of market viability of the expansion of non-farm income generating activities should also be conducted. Support to private entrepreneurs should also be provided (Sharp et al. 2003)
- Female headed households in the South Well and Oromiya Zones of Amhara that persist are associated with one or more of the following characteristics: widows or divorcees who find remarriage undesirable or difficult because they have children from their previous marriage (or other liaison); they possess regular non-farm income from brewing or trading; and they live in a town or peri-urban settings. Residing in towns and settlements appears to contribute to women’s ability to live independently (Castro 2002).

E. Coping Strategies

- The most lucrative sources of income in Ethiopia are typically accessible only to urban residents (salaried employment, construction/carpentry, renting property). Rural livelihoods on the other hand tend to be largely dependent on natural resources and yield relatively little economic return (selling firewood and charcoal, making baskets and mats, beekeeping, wild fruit collection, etc.) (Devereux 2006).
- The most widely adopted strategies are those that have little cost to the household and are easily reversible, such as rationing food consumption, being adopted by almost

three-quarters of the sample from the survey, and more by PSNP beneficiaries than by non-beneficiary households. Conversely, non-beneficiaries are more inclined to sell livestock and other assets for food (Devereux et al 2006).

- “If vulnerability to drought is increasing, the reasons have to do with declining ability to cope, rather than increasingly frequent or abnormally severe drought events” (Devereux et al. 2006).
- In September 2006, a study of PSNP Policy, Program and Institutional Linkages identified four primary categories of households with Tigray, Amhara and Oromiya regions. Each of which demonstrate varying degrees of vulnerability to food insecurity (Slater et al. 2006, Sharp et al 2006).
- For the poorest of the poor in Ethiopia, despite new no-interest terms, high degrees of price and climate risk make it difficult to pay back HEP loans (ACF 2006).
- Household strategies for escaping poverty include intensification, extensification and diversification of agriculture, purchasing, fattening and trading of livestock, small ruminants, irrigation techniques etc. A relatively small number of households have invested in assets using PSNP income. Most OFSP loans were used to buy either oxen for draught/fattening, dairy cows or goats (Slater et al. 2006).
- In rural areas of Ethiopia, there are few viable alternatives to livestock and/or crop production. Limited, low paying opportunities include Koranic education, traditional healing and minor income-earning alternatives such as selling firewood and charcoal. Many of the poor and destitute have turned to charcoal production in order to cope with drought, shrinking pastures, and loss of wage labor opportunities. In recent years, production of chat has increased as a coping mechanism (Lautze et al. 2003, Devereux 2006).
- The following income generating (coping) strategies were identified as being common adaptations undertaken by female-headed households in response to their limited social and economic mobility (Ellis and Woldehanna 2005):
 1. collecting and selling firewood
 2. collecting and selling crop residue / cow dung
 3. cutting green grass for sale in markets (animal fodder??)
 4. selling *areke* or *tela*
 5. undertaking casual labor (and offering children for labor)
 6. begging
- “Levels of mobility are fairly moderate in Ethiopia compared to other countries with similar per capita incomes and economic structures. In general, people stay in or near their communities, and travel relatively little and comparatively short distances” (Ellis and Woldehanna 2005, pg. 35)
- Several reasons are given for the general lack of mobility among rural households in Ethiopia. In addition to the prohibitive cost of travel, poor availability or condition of roads, and limited incentive to travel to markets given lack of agricultural surplus, there are significant cultural constraints to migration. Whereas migration and/or mobility of women socially unacceptable in many parts of the country, there remains a wider view

in Ethiopia that migration represents a failure in terms of being unable to exist adequately in one's own community. It is also commonly perceived that migration for an excessive period of time or engaging in non-farm activities will result in forfeiture of land, though this is not substantiated in current land policy (Ellis and Woldehanna 2005, pg. 35)

Somali Region

- Within Somali region, *Aabsi* (fear of conflict) leads to disruption of migration routes and the neglect and/or under-utilization of arable farming or grazing land (Devereux et al. 2006).
- Households in the Somali region tend to employ the same coping strategies, in the same sequence, as rural households throughout much of Africa. The most common coping strategy is rationing of food consumption, followed by solicitation of support from relatives (Devereux 2006).
- Survey findings on coping strategies employed by Somali households in 2006 found they tend to follow the general patterns established by households elsewhere in Africa – rationing of food consumption tends to be most common, followed by reductions in non-food spending, soliciting support from friends and relatives, etc. The survey found that farming households typically adopt a greater number of coping strategies in response to food shortages than did pastoral or agro-pastoral households (Devereux 2006).
- Regarding coping strategies, the Somali survey found that many women have either formed or joined mutual support groups (i.e. savings groups) although such associations tend to be more common in urban areas. Alternatively, men are much more likely to employ migration as a coping strategy than are women (Devereux 2006).
- Qualitative research suggests that rationing of food consumption within drought-affected households is borne disproportionately by women (Devereux 2006).

Oromiya (Eastern Highlands)

- There are three major coping strategies unique to each wealth group in the eastern highlands of Ethiopia. Wealthier groups tend to cope by selling assets, middle groups cope by borrowing, and poorer groups cope through labor and the EGS (Oxfam and NEF 2005).
- Almost all households reported selling livestock in the year preceding the survey with the biggest reason being to buy grain (33%), followed by purchasing medication (25%), and education (17%). There is slight regional variation the reasons for sales, with health dominating in the highlands (probably as a result of the fact that they produce more food crops and therefore need to purchase less). Very few respondents reported selling assets for investment or “luxury” goods (Oxfam and NEF 2005).
- 68% of respondents reported borrowing in the previous year with 40% borrowing more than once. The average outstanding loan size was 138 birr. Female headed HHs

borrowed the most. The reasons for borrowing were similar to the reasons for selling assets. The main sources for borrowing was friends and relatives, but the village *afosha* (“a traditional and inclusive social religious grouping for the support of people in illness and after the passing away of a relative”) and trader/shop keeper are also sources for loans (Oxfam and NEF 2005).

- “The EGS provided by the government to protect labor markets and decrease the need for migration by providing in-village work during drought and food shortage seasons, currently provides on average 20-25 labor days per household per year on a variety of in-village infrastructure development projects.” The EGS is targeted by village committee (*kebele*). There is good gender targeting with 43% of the participants being women and female headed HHs earning 6-7 times more than male HHHs. Targeting across wealth groups was less accurate. High wage rates were attractive to all wealth groups even the “better off” – it has been suggested that more accurate self targeting would occur if the wages were depressed. Respondents also stated that payment was slow, often the distribution point was located far away, and the processing time was also long (Oxfam and NEF 2005).

V. Livelihood Outcomes

Pastoralists

- “Where livestock holdings were considered the only indicator of economic status for rural households, a significant number of households sold livestock to qualify for food aid programs” (Lautze et al. 2003).
- Catly adds that “even in times of food shortage, pastoral children received a relatively greater share of the available milk than adolescents or adults”. Therefore malnutrition among pastoral children, should be taken as an alarming indicator of declining nutritional status among the pastoral population. Beyond nutritional status, post-drought recovery for pastoralists takes longer than it does for farmers, whereas farmers may regain self-sufficiency within one or two cropping years, it takes several years for pastoralists to rehabilitate themselves to pre-drought levels to maintain a “viable core” of livestock, if they ever do at all. If they fail to do so, they may turn to producing charcoal, farming, engage in banditry, or pursue other forms of livelihood that could further damage fragile ecologies and social cohesion (Catly, 1999, Lautze et al. 2003).

Amhara, Oromiya, Tigray and SNNPR Regions

- In the study areas (SNNPR, Tigray and Amhara), tangible progress in the first two years of the FSP towards the goal of eliminating hunger has occurred. Hunger gaps of households beneficiaries has been considerably reduced – in some of our study areas, by two to three months – during year one. In several livelihood zones, PSNP households were able to protect more productive assets from being sold during the hunger season: PSNP households sold about 30% less cattle and 17% less shoats than non-PSNP households. Community assets produced by PSNP have generally been of good quality (ACF 2006).

- Almost half the beneficiaries surveyed stated that they used healthcare facilities more in 2005/06 than in 2004/05, and 76% of these households credited the PSNP. (Devereux et al. 2006).
- Approximately one-quarter of PSNP beneficiaries acquired new assets for their households (23%), or new skills (29%) during 2005/06. The PSNP was held responsible for the acquisition of most of these skills (86%), but far from all of these assets (55%) (Devereux et al. 2006).
- The HEP and other food security interventions that focus on asset accumulation (rather than just protection) are working towards sustainable food security. Similarly, the infrastructural development (community assets) produced from the PSNP are working towards this end (ACF 2006).
- Research in the eastern highlands of Amhara and Tigray, as well as in eastern SNNPR, suggests that nearly all PSNP households still face a considerable hunger gap, and suffered a net loss of productive assets last year (ACF 2006).
- Some category three households were able to secure income through PSNP in order to take out loans. Most households see benefits in the public works/community assets. Fewer households reported selling grains to meet cash needs or distress livestock sales (Slater et. al 2006, Devereux 2006).
- Despite lack of evidence of PSNP leading to graduation into sustainable food security amongst study respondents, there are important changes have taken place in study areas in terms of *assets protection* and changes in nutrition, attitudes, and risk-taking behaviors. Households use PSNP for food consumption smoothing, clothes, medication-basic needs and reported improvements in diet. A total of 75% of PSNP beneficiary households in the quantitative survey reported that they had consumed more or better food this year than last, nearly all of whom directly attributed the change to the PSNP. Regarding asset protection, significant numbers of beneficiaries are now able to avoid selling food or to pay for short-term household needs and three in five beneficiaries avoided having to sell productive assets to buy food. They have avoided migrating thereby allowing more investment in their own household livelihood activities, avoided low paid and insecure casual labor, and avoided premature harvesting their crops for immediate food needs (Slater et al. 2006, Devereux 2006).
- Some households show that PSNP can assist HHs to protect and *build* assets, though this is more likely in cash or cash/food woredas than in food only woredas. Households receiving cash have a wider range of consumption smoothing, asset protection and asset building. Yet households prefer food over cash, explained by current imbalance between the lower purchasing power of the cash provided compared with the quantity of food provided and the distance from markets (subject to local traders prices). It is not certain whether this broader range of uses of PSNP resources is common across the country or whether it is more favorable for graduation than the more limited responses associated with food transfers. However enhancing the proportion of cash payments might warrant investigation (Slater et al. 2006).
- The overwhelming majority of respondents replied that they consumed all the food they received at home (88%). Some beneficiaries sold some of their PSNP food and

consumed the rest (7%). Interestingly, households that received only food were twice as likely to do this as those who received cash plus food (11% versus 6%), probably because households that received only food had to sell some to meet their urgent non-food needs. Cash transfers are used in a much more diverse way than are food rations. Almost all beneficiaries used some of their cash to buy staple food (80%) or other food (11%). But cash transfers were also used by over half of beneficiaries to buy groceries (59%), and by just under half to buy clothes (41%). Significant numbers of beneficiaries spent some cash on health (29%) and education, farming investment, pay debts and taxes (15%). Fewer households purchased livestock (8%). Poorer and wealthier households were equally inclined to buy seeds for investment in farming, but wealthier beneficiaries were more likely to purchase fertilizer. Poorer beneficiaries were more likely to buy livestock than wealthier beneficiaries, possibly because better off rural households are more likely to rear animals themselves (Devereux et al. 2006).

- The PSNP stabilizes the income for households so that they are more confident about taking the package credit, enabling the household to take greater risk (Slater et al. 2006).
- It has been found that the PSNP and OFSP can be mutually self-supporting, for example when the PSNP is on time, it prevents the use of loans for consumption so they are used for their intended purpose - productive investment; The PSNP prevents distress migration which enables people to put their labor time into making the most of their package. The PSNP is also to some extent being used for a range of productive investments, including in education, livestock, and savings schemes key role in allowing people to feel secure enough in their income to take productive loans which they previously found too risky. Finally, the benefits of public goods produced through Public Works contribute to graduation through improved service delivery, environmental reclamation, building human capital through workers gaining skills and building schools and clinics, and finally improving access to markets for livelihood diversification and risk reduction (Slater et al. 2006)
- In terms of asset building, PSNP is also being used for a range of productive investments including in education, livestock and savings schemes. PSNP is also playing a key role in allowing people to feel secure enough in their income to take productive loans which they previously found too risky. This indirectly enhances the asset building role of the PSNP (Slater et al. 2006).

Non-PSNP Related

Poverty Rates and Calorie Consumption in Ethiopia, by Region (1999-2000)

Rank by intake poverty	Region*	Poverty headcount (1999/2000)			Calorie (1995/6)
		Rural poor (%)	Urban poor (%)	Total poor (%)	
1	Somali	44	26	38	2,109
2	Oromiya	40	36	40	2,004
3	Amhara	43	31	42	1,957
4	Gambella	55	38	51	1,917
5	SNNPR	52	40	51	1,800
6	Benshangul-Gumuz	56	29	54	1,767
7	Afar	68	27	56	2,055
8	Tigray	62	61	61	1,902
	Total	45%	37%	44%	1,938

* Urban-dominated regions and municipalities such as Addis Ababa, Dire Dawa and Harar are excluded from this table.
Source: FDRE (2002).

- Results from a recent assessment of poverty suggest that rural Ethiopia is fairly equal as measured by gaps in farm size and livestock holdings between “better-off” and “worse-off” households. In fact, it is reasonable to state that essentially all households in rural Ethiopia are “poor” since extremely few own a level or range of assets that would ensure livelihood security in the face of unforeseen shocks or disasters (Ellis and Woldehanna 2005).

SNNPR

- Overall SNNPR is not as food insecure as other Regions to the north and east. Despite the record of erratic rainfall in some parts, outright drought of the kind which destroys a year’s crop production and/or kills off great numbers of livestock has not struck SNNPR as it has struck some other regions. More fundamentally, the bimodal and generally relatively abundant rainfall has allowed the diversity of food and cash crops as well as intensive livestock production noted above, and this in itself makes for less risk than exists in an economy with a single rainy season and high dependence only on staple cereal crops. But also the spread of different harvests during the year reduces the effect of the annual ‘hungry season’ associated with the finishing of household grain stocks and dependence on food market with seasonally rising prices. However, the pressure of population on land means that the poorer third to half of the rural population operate on such small plots – often well under half a hectare – that they have very little margin of harvest stocks or livestock assets to withstand shocks, whether to food production or to cash crop prices (FEWSNET 2006).

VI. Resiliency

A. “Enablers” of Resiliency and Appropriate Interventions

- Webb and Rogers identify three main dimensions of enhancing community resiliency: 1) Emergency relief and reconstruction; 2) Consumption smoothing; and 3) Helping communities cope with uncertainty (Webb and Rogers 2003).
- Below lists some examples of asset interventions from Lautze et al. (2003):

- Human Assets: Food aid, nutrition, health, training (vocational, administrative, humanitarian response and principles), conflict resolution; meat distributions
 - Financial Assets: Cash grants; cash loans; Cash for work; EGS; R2D; FFW; traditional loan and credit mechanisms; local purchase of commodities (e.g. sweet potatoes in SNNPR, livestock in pastoral communities); cash/other forms of debt relief/rescheduling; livestock off-taking; livestock marketing transport subsidies; local monetization
 - Physical Assets: seeds, livestock restocking (agriculturalists, pastoralists), emergency water points; community based animal health care; livestock disease surveillance; grain banks; grain storage; supplemental livestock feeds; tools
 - Natural Assets: pasture recovery; afforestation; watershed management; erosion control; nurseries; fisheries
 - Social Assets: women's livestock marketing associations; woreda administration capacity building; local NGOs, institutions, churches and mosques; traditional safety nets; technical exchanges among organizations; Diversification of livelihood strategies is greatly needed in order to enhance survival and build resilience
 - Particularly in agro-pastoral areas where people are turning to crop production, extension work at the household level needs to improve household grain and other storage facilities (Lautze et al. 2003).
- The following food and non-food activities may be implemented to protect and/or enhance resiliency at the *community level* (FFP 2003):

Food assistance

- Monetize food through small lot sales to support small traders and increase market competition.
- Provide food through public works programs (food for work) to build community infrastructure that helps buffer shocks, including flood embankments; cyclone shelters; terraces, gully plugs and other soil and water conservation techniques, grain banks, roads, markets, etc.

Non-food assistance

- Provide and/or coordinates the provision of the complementary inputs and technical assistance/training needed for development, operation and maintenance of appropriate public works.
- Provide technical assistance and training to help communities identify the most vulnerable households as well as plan and implement strategies for assisting them.
- Provide technical assistance and training to help communities strengthen existing or develop new early warning systems and disaster preparedness/mitigation plans
- Provide technical assistance and training to help communities organize and maintain buffer stocks (grain banks) and financial insurance mechanisms (savings and credit schemes).

- During a Participatory Poverty Assessment (PPA) conducted in both rural and urban areas of Ethiopia during 2004-2005, respondents cited the following factors as the primary factors contributing to improved livelihood security (Ellis and Woldehanna 2005):

Rural contributors to livelihood security

- improved agricultural extension services
- provision of schools / quality of educational services
- on-farm diversification (mainly vegetables and fruit)
- road improvements (including Food for Work)
- construction of water-harvesting ponds
- availability of health posts
- new or rehabilitated small-scale irrigation
- access to potable water
- improved security

Urban contributors to livelihood security

- remittances from abroad
- growth of own business
- children with salaried jobs
- increases in own salary

- The Participatory Poverty Assessment (PPA) conducted by Ellis and Woldehanna identified the following policy imperatives in order to increase resiliency (decrease livelihood insecurity) throughout Ethiopia (Ellis and Woldehanna 2005):
 - The GOE will need to adapt poverty reduction strategies toward a more rapid rural-urban transition in Ethiopia;
 - The process of certifying land should be adapted to grant landholders an inalienable right to either pass land on to children or rent it out.
 - GOE should actively support expansion of training for skills acquisition and credit opportunities for women
 - Greater priority should be given to improving the effectiveness of rural veterinary service delivery
- The best timing for most public works is during the dry season, which occurs before the “hungry period” during the peak rainy season (MoARD 2006)

Amhara, Oromiya, Tigray and SNNPR Study Regions (PSNP-Related)

- PSNP helped Type 2 households (high dependency ratio and limited assets) with consumption smoothing, and cash was spent on school, clothes and medication and some savings and repayment. Few reported selling crops to meet cash needs and fewer reported no longer selling livestock, but most had sold livestock anyways. Some investment included women first paid registration school fees, while others bought animals or saved with an Uko (rotating credit association). PSNP can assist HHs to protect and *build* assets, though this is more likely in cash or cash/food woredas than in food only woredas. This helps some HHs gain enough income security to take out loans [risks]. Most households prefer food over cash mainly due to high food prices. Most households took OFSP credit packages and women used them for low labor projects. In Tigray, households felt they had little choice in the

type of package, mainly using beehives, while others improved their houses with their credit. The study suggests that evidence that these households were able to secure enough income from PSNP to take on loans. Men prioritized extending their farming through building assets of oxen and irrigation, while women prioritized children's education for future jobs and productive assets like dairy cows, small ruminant production as poverty reduction strategies (Slater et al. 2006).

- The PSNP is effective for many Type 3 households in smoothing consumption (purchase of food), protecting assets (avoiding early consumption of green food, distress sales of livestock and distress migration or low-paid casual labor) and, to a *very small extent*, building assets. PSNP income was often used for the consumption of food and significant improvements in diet. Households also bought clothes and medication... The PSNP *protected* not only physical productive assets – such as goats and cattle – but also the labor assets of the households. Many households in this group described either distress migration or low-paid and insecure casual labor as a key coping strategy. They all reported that PSNP income, when it arrived on time, enabled them to avoid this and helped avoid premature harvesting of food crops. Small numbers of households invested in assets using PSNP income (mainly goats) and most used OFSP loans to buy either oxen for draught/fattening, dairy cows or goats (Slater et al. 2006)
- Type 4 households used PSNP income for consumption smoothing and avoided selling grains for short term cash expenses (i.e medical). They avoided selling productive assets and were able to purchase them instead. They felt the stability of PSNP income allowed them to take out credit. *This study shows "the generally better wealth status of these households was in most cases a reflection of the success of the PSNP and OFSP and not necessarily an indication that households other than the poorest had been targeted for the PSNP"*. Some households that did not take the OFSP packages felt there was no supporting environment to maximise the benefits of the credit and reduce the wider risks in agriculture (drought, water availability, pests and diseases). The farmers with credit demonstrated the importance of ensuring that packages were "real packages" (i.e. credit linked to extension and veterinary services, reliable supply of seeds and fertilizers etc...) and not just credit alone. Regarding graduation, loans taken out were used explicitly to support what households saw as 'a pathway out of poverty'. These Type 4 households prioritized increasing productivity of cultivation [through intensification and diversification] and were also interested in livestock management. Type 4 Households felt they had exhausted the range of package options available and now sought loans for things that were often not available (i.e credit for irrigation infrastructure). Some households had accessed such alternatives through NGOs or cooperatives but none through the OFSP (Slater et al. 2006).
- Essentially, without the *combination* [timely and reliable] PSNP and OFSP:
 - during difficult times or late payments, households would use loans to meet their consumption needs;

- Households would be unwilling to take the risk of indebtedness (loans) without the security of PSNP income; and
 - By preventing distress migration, the PSNP makes people more likely to be able to invest the necessary time in their packages to make them a success (Slater et al. 2006).
- The Program Implementation Manual for the PSNP states that the Program is aimed at asset protection. Therefore, when viewed alone, it cannot be expected to result in large-scale graduation to food security. An enabling environment for graduation of beneficiaries also includes the absence of drought, economic growth (national and rural), agricultural extension services, technical training and support (enhanced human capital), roads (infrastructure), water/irrigation, access to credit/investment, access to quality health and education services, housing improvement (Slater 2006).
 - PASDEP, in line with the FSP agenda, provides an opportunity for the FSP to link with PASDEP at multiple levels to promote an enabling environment. However, given the complexity of food security and graduation processes for PSNP beneficiaries in an uncertain enabling environment, graduation will likely take a long time and lengthening the 5 year program may be necessary. (Slater et al. 2006)
 - Institutional and policy linkages are critical for graduation. A combination of PSNP and OFSP will enable some households to also build assets, cushion risks and make productive investments, yet graduation into sustainable food security will depend largely on critical enabling elements in the wider environment (Slater et al. 2006).
 - Expanding PSNP coverage and increasing benefit levels will require increased program costs, necessitating change in donor ideology, technical and political factors (ACF 2006).
 - Improved health care and educational systems are needed to create livelihood opportunities in Ethiopia (ACF 2006).
 - Timeliness and predictability of PSNP payments (benefits) are key in order to prevent negative coping mechanisms such as sale of assets, failure to repay loans, use of OFSP loans for consumption rather than asset building etc, all of which compromise potential graduation (Slater et al. 2006).
 - Research conducted in 2006 revealed examples how food secure but vulnerable households participating in both the PSNP and OFSP have been able to significantly improve their food security, and potentially graduate. However, for these households to be able *accumulate* assets, they require access to a wider range of package options to support livelihood diversification (Slater et al. 2006).
 - The most important intervention for the poorest groups should be the “provision of regular, reliable, local, daily-paid labor”
 - One way of more fairly distributing the workload for labor-poor households, and maintain full-family targeting, is by integrating the Public Works and Direct Support beneficiary categories into one beneficiary list. This system would result in a single beneficiary list for each community, instead of the current division into “Public Works” and “Direct Support” categories. It provides a clear and fair assessment of

how much each targeted household should receive (according to need) and how much they should be required to contribute to the community development works (according to ability). It would avoid the current confusion and contention around the various “quotas” applied to the percentage of direct support beneficiaries. It also eliminates the unrealistic step in the current targeting system which requires the local decision-makers to divide households into blackand-white categories of those with and without labor. One woreda (Kilte Awlalo) was there a policy that a household with some labor, but not enough to meet its full allocation of PW days, could be registered partly for PW and partly for DS (Sharp et al. 2006).

Appropriate interventions: Food versus cash

- “The Government seeks to shift the financing of the program from food aid to cash”. Cash transfers were identified as having specific advantages over food for chronic food insecurity. “Through the provision of cash transfers rather than food, the program will enable smallholders to increase consumption and investment levels and stimulate the development of rural markets” “Among PSNP beneficiaries, those that received ‘cash only’ transfers were significantly less vulnerable to food shortage in 2005/06 than those who received ‘food only’ or ‘food plus cash’ – and less vulnerable even than non-beneficiaries”. However, the majority of households stated that they prefer food only (54%), followed by half food, half cash, while less than one in ten said they would prefer cash only (Devereux et al. 2006).
- Main reasons for preferring food only are: Fear that cash will be wasted while food will be used sensibly; Food can be stored while cash tends to be spent immediately; High food prices; Problems of getting to the market; Food is the most urgent priority in many households; Lack of food from production (landless households) (Devereux et al. 2006).
- Main reasons for preferring cash only are: Cash allows for a more diverse diet than food aid; Wheat provided as food aid is not preferred by many beneficiaries; People have many needs for cash and its flexibility, including: milling costs, clothes, health expenses, social obligations, food (including non-cereals), ‘flavors’ (salt and spices), agricultural inputs, livestock purchase, hiring daily labor, school fees, repaying loans, petty trading; Food aid has to be collected and carried home (Devereux et al. 2006).
- Main reasons for preferring half food, half cash are: Beneficiaries have both food and non-food needs, which cannot be met by receiving only one or the other; Food is needed when food prices are high, but cash is more useful after the harvest when food prices are low; Some food aid must always be sold for cash needs, while some ‘cash aid’ must always be used to buy food, so half and half is the most useful combination (Devereux et al. 2006).

Oromiya (Eastern Highlands)

Infrastructure and Environment

- In the eastern highlands, forest regeneration areas should be co-managed between landholders and the government with NGO support, in order to ‘allow incomes to be

generated on the basis of future expected tree crop yields'. This could be done through grant schemes (Oxfam and NEF 2005).

- Increased capacity for watershed development (notably rainwater harvesting and soil conservation) and conjunctive water development should be included in planning for the development of domestic and productive water sources to be improved (Oxfam and NEF 2005).

Markets

- In order to stabilize prices across the year, introduction of a local grain storage and supply facilities in conjunction with a quota and membership controlled grain buying/selling scheme in the eastern highlands should be supported (Oxfam and NEF 2005).
- To reduce local food prices in the eastern highlands improvements to the informal private sector through supplying fertilizer and seeds, through small trade development programs, and a quality assurance and packaging scheme should be prioritized (Oxfam and NEF 2005).
- To reduce the economic impact of illness and to support coping strategies in the eastern highlands, greater health care provision coverage and the development of both a savings and [health] insurance culture should occur (Oxfam and NEF 2005).
- The development of fodder crops for stall-feeding in the eastern highlands has major potential in supporting livestock for income, security, savings and investment (Oxfam and NEF 2005).

Off-Farm and Urban Livelihoods Group

- The government, private sector NGOs and development agencies must provide education and training, credit and savings opportunities, job centers and foster networks to improve urban livelihoods (Garrett 2001).
- It is recommended that grain loans and business support packages should be supported for smaller grain traders and resellers in the eastern highlands (Oxfam and NEF 2005).

Somali Region

- Much of the conflict in the Somali Region is caused by competition for access to scarce natural resources. However, given the importance of mobility for the maintenance of livelihood strategies throughout the region, "privatizing" rights to land, water and other natural resources is not a viable method of mitigating conflict. "Negotiated access" property schemes are a more appropriate response given the social and economic context of the region (Devereux 2006).
- In the aftermath of the 2004 drought, many pastoralists in the Somali Region argued against continued deliveries of emergency food. They felt that assistance typically defined as 'rehabilitation' (restocking and veterinary services) or 'development safety

nets' (employment schemes, education and health services) would be more appropriate given the nature of vulnerability within the region (Devereux 2006).

- Concrete steps that the Government of Ethiopia could take to enhance the resiliency/livelihood security within the Somali Region include (Devereux 2006, pg. 169):
 - “Negotiating at government-to-government ministerial level with Saudi Arabia to lift the import ban against Ethiopian livestock.
 - Formalizing the role of indigenous conflict resolution mechanisms and arbitrate (where appropriate), to resolve conflicts between (sub-)clans, given that decentralization provides opportunities for direct engagement of MPs and administrators in local issues.
 - Resuming the dialogue with the ONLF to agree a ceasefire in the short term, and negotiate a peaceful resolution of the conflict between the government and the ONLF in the long term.
 - Ending the “war on contraband”, and instead put in place better policies to support both trade and revenue-raising objectives, for the benefit of pastoralists, traders and public services.
 - Prioritising the delivery of good quality primary education for all children in Somali Region, increasing the emphasis on innovative approaches such as mobile schools, and providing single-sex boarding schools to encourage female enrolment.
 - Promoting the development of financial intermediation services – credit and savings – to provide working capital and loans for families that do not have relatives remitting income from abroad.
 - Reducing the regulations and “red tape” that inhibit the registration and operation of private enterprises in Somali Region as elsewhere in Ethiopia.”

B. “Inhibitors”/Constraints to Resiliency

- Barriers to the most lucrative livelihood strategies include working capital constraints, skills requirements and/or education qualifications (Devereux 2006).
- “Political processes that lack effective means of regulating competition for scarce resources and of keeping the civil service separate from patronage are unlikely to achieve broader developmental objectives (such as the provision of effective public services) and sustainable development outcomes” (Devereux 2006, pg. 115).
- Although the government policy of “decentralization” has yet to be fully realized in Ethiopia, respondents to a 2006 survey felt that newly empowered local politicians may seek to disrupt indigenous mechanisms of conflict resolution, allocation of rights to land and water, as well as community-based natural resources management (Devereux 2006).

- Proposed “solutions” to the vulnerability of pastoralists include sedentarization, centralization of livestock marketing and regularization of informal cross-border trade. Each of these actions directly contradicts pastoralists need for flexibility in adapting to volatile social and climatic conditions (Devereux 2006).
- During a Participatory Poverty Assessment (PPA) conducted in both rural and urban areas of Ethiopia during 2004-2005, respondents cited the following factors as the primary inhibiting factors contributing to declines in livelihood security (Ellis and Woldehanna 2005):

Rural constraints to livelihood security

- o Land subdivision
- o Soil erosion
- o Grazing shortages
- o Deforestation
- o Recurrent droughts
- o Crop pests (including rats)
- o High fertilizer prices
- o Limited road access / poor road quality
- o Livestock diseases

Urban constraints to livelihood security

- o Illness (especially household head)
- o Increase in family size
- o Decline in contraband trading
- o Divestment of assets to secure food
- o Divorce
- o Increased competition in trading
- o Medical expenses
- o Rising living costs
- o Retrenchment (termination) of employment

Amhara, Oromiya, Tigray and SNNPR Regions (PSNP-Related)

- All of Type 1 households (most labor-constrained with no assets) argued that food payments were better than cash because food prices were high so cash did not provide the same quantity of food, and they were subject to the prices charged by local traders due to lack of market access. They saw the importance of some of the PSNP community, yet no households in this group receiving direct support expected to be able to graduate from the PSNP (Slater et al. 2006)
- With Type 2 households, any implementation problems in the PSNP particularly late payments, have a knock-on effect for OFSP – with households failing to repay, selling their assets or using credit to purchase food. Second, the PSNP makes quite weighty labor demands on households and significantly reduces the range of livelihood activities that they can try and pursue through the credit packages. The poorest are Labor-poor households including female-headed households and HIV/AIDS affected households are disadvantaged by the PSNP which does not take account of labor

scarcity for those who qualify for public works (PW) places, while in others the extended daily hours of physical labor are conflicting with other essential work including productive activities and women's domestic responsibilities (Slater et al. 2006).

- Anti-dependency sentiment initially led to plans to drop the direct transfers from the FSP altogether. Caution against creating dependency continues to strongly influenced the design of ongoing interventions, leading to the adoption of modalities and benefit levels that will make the realization of graduation of food-insecure households from poverty very difficult, if not impossible (ACF 2006).
- Destitution is usually not the result of one single crisis, whether it is natural, economic, or social in nature. "The combined impact of a number of events such as drought, or reduction in one's land holdings, or the repeated occurrence of one factor such as crop failure is also prevalent pathways to destitution". Most households in this survey became destitute through a combination of crop failure and the consequent sales of livestock/other productive assets. The principal components analysis showed "constrained access to productive resources" to be the most significant determinant of destitution – specifically livestock ownership, land (cultivated rather than owned), labor capacity, and social capital, "occupied the first seven position in a ranking of fifteen variables" (Sharp et al. 2003)
- It is argued that the persistence of widespread poverty and food insecurity (30-35 million people), despite billions of dollars in donor aid, is in fact due to too little aid [and not the right modalities] rather than too much. As the PSNP demonstrates, if aid levels cannot protect assets, household welfare with stagnate or deteriorate, rather than become food secure and graduate from the PSNP (ACF 2006).
- In the ACF study areas (SNNPR, Tigray and Amhara) , two significant constraints to the effective implementation of food security programs and graduation of beneficiaries were identified. Firstly, weak targeting criteria fed by poor data were found to lead to the exclusion of millions of chronically poor. Secondly, inadequate benefit levels and credit-based intervention modalities failed to enable beneficiary households to graduate from poverty within the program life cycles, three to five years (ACF 2006). Challenges to implementation include inadequate staff numbers and high turnover, greater focus on linkages between programs to enable graduation, application of skills to participatory planning process; guidance at the woreda level for horizontal linkages and ensuring PSNP labor doesn't interfere with HH labor needs (during peak agriculture season) (Slater 2006).
- The PSNP may be creating dependency, particularly in households with labor constraints. The PSNP absorbs labor while the OFSPs require labor; in households with limited labor (high dependency ratio), the PSNP labor requirements reduce HH labor availability and their choice of packages. Consequently, their ability to pursue livelihood activities and alternative initiatives is diminishing (Slater 2006).
- Households which are PSNP and OFSP package beneficiaries are expected to graduate, yet these expectations do not take into account various factors which may inhibit or propel graduation, or any differences between households. Graduation expectations

also depend on assumptions regarding the wider enabling environment (Slater et al. 2006).

- Challenges to gaining benefits from the assets created through public works include a labor-intensive focus where assets produced are not always what communities really need (hand dug wells constructed rather than river diversion or capped springs), there are limited opportunities for participants to learn new technical skills and the sustainability and maintenance of public work outputs. Thus community based strategies and structures are required (Slater et al. 2006).
- Many of the poorest households had little vision or plan for getting out of poverty, lacked exposure to new ideas, were unable to recognize market opportunities, and felt they did not have the knowledge or skills to take advantage of new livelihood activities or farming methods. Where DAs were most active, households had clearer plans for future livelihoods and were receiving training. Where DAs were less numerous and people were unable to maximize the opportunities to strengthen skills that came from the construction of farmer training schools through public works. Where the FSP was a true package beyond credit alone, the potential for graduation from the PSNP and HEP was much greater (Slater et al. 2006).
- Benefit levels in the PSNP are insufficient to enable graduation from poverty. Program wages received (30 birr/month per household member) were insufficient to fill the hunger gap, ACF found that households enrolled last year earned far too little income to meet their food needs, and, although PSNP households were able to protect more productive assets during the hunger season than non-PSNP households, they still suffered a significant net average loss. PSNP wages would have to be raised 67%, to about ten birr/day per household to enable the poorest of the poor families (in Tigray, Amhara and SNNPR) to protect household assets and graduate. Wage rates for the program are so low due primarily to resource availability and the fear of dependency. However, benefit levels are too low for households to protect their assets and fill their hunger gap-the ultimate goal of PSNP(ACF 2006)
- “If assistance levels are not raised, the FSP will have to choose between either including the poorest of the poor, but failing to permanently graduate these households from food insecurity or pursuing the original objective of graduation, but targeting only the better-off.” (ACF 2006)
- Coverage was found to be low and numerous programmatic barriers emerged in the ODI study areas (Tigray, Amhara and SNNPR) (Slater et al. 2006).
- Household and community interviews revealed that package options were much narrower than officially available by the program (Slater et al. 2006).
- Study respondents report limited or non-existent training and services to support agricultural credit which should comprise the “packages”. Households also report low confidence for repayment, fear of debt, lack of labor, short-term returns on investment, support services and environmental constraints which inhibit their ability to take OFSP loans (Slater et al. 2006).
- Without the combination of PSNP with OFSP, households would use loans to meet their consumption needs during difficult times rather than invest in livelihoods, they

would be unwilling to take the risk of indebtedness without the security of PSNP incomes, and without distress migration, people are more likely to be able to invest the necessary time in their packages to make them a success. (Slater et al. 2006).

- There were negative aspects of PSNP that inhibit graduation. Late PSNP payments forced households to take out loans (credit) to purchase food and have an effect for OFSP-with households failing to repay (selling assets). The quantity of benefits was too small to meet food gaps for all the members of the household. Some households did not know whether they would be receiving PSNP transfers next year, which inhibited their risk-taking behavior. This was due to uncertainty about the targeting process, and a lack of understanding of the PSNP process due to interpretations of the PSNP rules for graduation (Slater et al. 2006).
- There were negative aspects of the OFSP (HEPs). There are indications that households did not feel they have choices HEP (livelihood packages). PSNP labor demands on households may significantly reduce the range of livelihood activities that they can try and pursue through the credit packages. Households repeatedly cited lack of additional agricultural extension and support as a key constraint to achieving their livelihood strategy and as a factor that dissuaded them from taking credit (Slater et al. 2006).
- Labor restricted households are disadvantaged because the PSNP does not take into account their labor scarcity for those who qualify for public works (PW). As well, the extended daily hours of physical labor are conflicting with other essential work including productive activities and women's domestic responsibilities (Slater et al. 2006).
- Many beneficiary households in the study areas were engaged in the public works between May and August, coinciding with peak farming periods in most areas. Data suggests that food payments were better synchronized with the hungry season than cash payments and beneficiaries frequently complained that the PSNP payments were late in relation to the work done, and in relation to the months when they were most needed. However, a different seasonal pattern in SNNPR and smaller variations among the other regions exist. In any follow-up studies, it is recommended that the timing of needs, transfers, and public works implementation should be analyzed by region or by economic area (Sharp et al. 2006).

Off-Farm and Urban Livelihood Group

- Providing food transfers rather than cash transfers can potentially have negative effects on food prices and to local urban traders (Garrett 2001).

Somali Region

- In Somali Region, household surveys conducted in 2006 revealed a range of “livelihood problems” depending on their geographic location and particular livelihood strategy being pursued. Across the full sample (1,100 households), lack of health services was clearly identified as the most pressing problem, followed by lack of access to education. Lack of food and water ranked third and fourth. Lack of cash income was the fifth most common complaint, followed by ‘other problems’ such as lack of veterinary services or farming equipment (Devereux 2006).

- The viability of pastoralism in Somalia has been questioned in the wake of repeated and severe drought. However, Devereux suggests that pastoralist livelihoods may be as resilient now as they ever have been. The problem is simply that pastoralists are operating under an increasingly difficult policy environment which makes it impossible for their usual adaptive strategies to be implemented (Devereux 2006).

Pastoralists

- For pastoralists, livelihood sustainability in a marginal environment is made more difficult by a range of “political risks”. The risks most commonly cited as contributing to the erosion of pastoralism as a viable livelihood in the Somali Region include: 1) conflict between and within clans over scarce natural resources, government policies that obstruct/constrain rather than facilitate trade (ban on trade with Somalia and ban by Saudi Arabia of import of livestock from Horn of Africa, weak governance *within* the region, inadequate provision of essential education and health services, inconsistent and effective delivery of social safety nets (i.e. food aid) and continued decline of traditional systems for conflict resolution and intra-community support (Devereux 2006).
- Somali culture is inextricably linked with the practice of rearing livestock. As a result, Somali men who lose their animals due to a range of livelihood shocks, are often unwilling or unable to adopt alternative income-generating activities (Devereux 2006).
- “A common failing of past rangeland development projects in Africa was to focus on single issues and interventions in isolation, such as addressing animal health problems with veterinary services, or addressing the under-provision of education and health services with mobile schools and clinics.” Although these interventions have been important in improving the well-being of individuals in the Somali Region, they have been insufficient for enhancing resiliency. Rather than continually relying on external assistance, there are several political, institutional and social issues that must be addressed by the people of the region themselves (Devereux 2006).

C. Indicators of Resiliency/Vulnerability

- o The following were identified as *determinants of upward mobility* in terms of livelihood security during a Participatory Poverty Assessment (PPA) conducted in both rural and urban areas of Ethiopia during 2004-2005 (Ellis and Woldehanna 2005):

Rural indicators of resiliency (livelihood security)

- land rental income (including sharecropping)
- non-farm business income
- new/rehabilitated small-farm irrigation
- on-farm diversification

- rising farm yields/outputs
- success of livestock rearing / livestock purchasing
- fertilizer use
- cash saving and investment
- obtaining land through inheritance

Urban indicators of resiliency (livelihood security)

- road improvements
 - sewerage/sanitation improvements (communal toilet installations)
 - improvements in health facilities
 - market place construction
 - mobile phone networks (including new areas of coverage)
 - water supply
 - land made available for private housing
 - increasing private services (education, health)
 - youth programs (training and business start-up)
- The following were identified as *contributors to downward mobility* in terms of vulnerability to livelihood insecurity during a Participatory Poverty Assessment (PPA) conducted in both rural and urban areas of Ethiopia during 2004-2005 (Ellis and Woldehanna 2005):

Rural contributors to vulnerability (livelihood insecurity)

- Livestock disease and death
- Death of household head or other productive member
- Illness and medical expenses
- Force livestock divestment (sales, ceremonies, dowry)
- Land subdivision/partition
- Large family size
- Old age
- Drought / crop failure

Urban contributors to vulnerability (livelihood insecurity)

- Cost-of-living increases
- Crime and theft
- Sanitation and sewerage problems
- Unemployment
- Spread of disease (HIV/AIDS, malaria)
- Inward (urban) migration
- Increases in inequality

Amhara, Oromiya, Tigray and SNNPR Regions (PSNP-Related)

- o Households receiving Direct Support from the PSNP had considerably lower average incomes and asset values and owned and cultivated less land, than households participating in PSNP Public Works. Public Works participants are poorer in both

incomes and assets than non-beneficiary households, and cultivate less land. One in four Direct Support households and one in ten Public Works households are landless. This confirms evidence from other studies that landlessness is a robust proxy for chronic vulnerability in the rural highlands of Ethiopia (Devereux et al. 2006).

- o From the study areas, more non PSNP beneficiaries rear animals, suggesting that the poorest households (PSNP beneficiaries) are unlikely to own livestock (Devereux et al. 2006).

Somali Region

- o Devereux (2006) identifies four primary sources of risk for informal marketing in the Somali Region: 1) conflict and insecurity (inter and intra-clan conflict, cross border conflict); 2) Saudi Arabia import bans; 3) Government of Ethiopia policies declaring export of livestock and import of “contraband” goods into Somalia; and 4) exchange rate fluctuations and currency bans (i.e. Ethiopian birr, Somali shilling and U.S. Dollar) (Devereux 2006).

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Maps



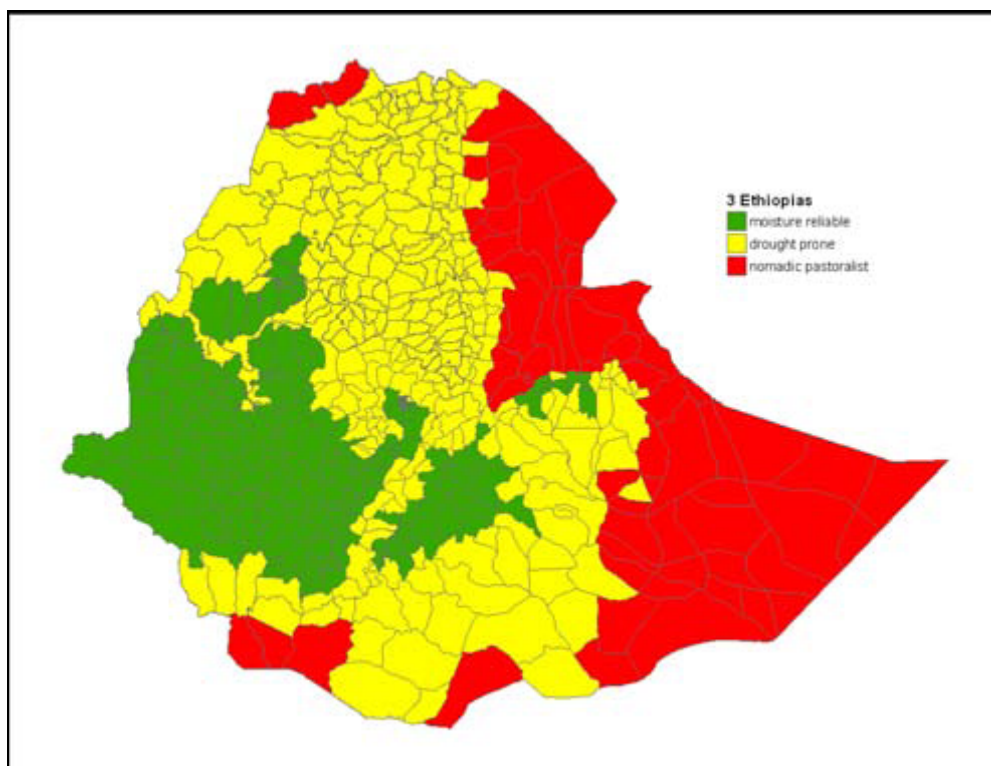
Administrative Regions and Zones of Ethiopia



Ethnic Groups in Ethiopia



‘Three Ethiopias’ (Ministry of Agriculture and Rural Development)



Note: woreda boundaries shown in grey.

Source: MoARD

Classification of woredas into agricultural potential zones

