

**Country Specific Information: Ethiopia**  
**U. S. Agency for International Development**  
**Office of Food for Peace**

**Fiscal Year 2016: Request for Applications for**  
**Title II Development Food Assistance Projects**

**I. Introduction**

The U. S. Agency for International Development's (USAID's) Office of Food for Peace (FFP) intends to award up to six development food assistance projects in Ethiopia. The anticipated FFP funding for these awards is approximately \$110 million in Title II resources per year for five years. A combination of Title II resources including commodities, ITSH and section 202 (e) will be available for programming and should be budgeted for in project budgets. Section 202 (e) cash resources will be available for strategic use, such as cash transfers, under the development agreements. Please refer to FFPIB 14-01 for eligible uses of 202(e). Monetization of Title II commodities will not be permitted. Please note determination of funding levels per funding source will be decided by the Office of Food for Peace Agreement Officer.

These five-year development projects will support and contribute to the achievement of the Government of Ethiopia's Productive Safety Net Program (PSNP) and USAID/Ethiopia's Country Development Cooperation Strategy (CDCS); particularly its objective of building resilience by increasing the absorptive and adaptive capacities of vulnerable communities and households.

This document serves as a complement to the Food Security Country Framework and provides recommendations on how FFP resources should be targeted, programmed and integrated with other resources to strengthen food security and resilience among vulnerable populations in Ethiopia. It also supplements FFP's FY16 RFA, the Bellmon Analysis, the PSNP 4 design document, the PSNP 4 Program Implementation Manual (PIM), the PSNP 4 Capacity Development strategy and the Ethiopia climate variability and change document. All supplementary documents are posted the USAID Country Page website (<https://www.usaid.gov/ethiopia/food-assistance>). All of the documents listed should be used for developing an application for submission. In addition, applicants should review FFP's technical reference chapters that are available on [USAID's website](#). Applicants are encouraged to review the wide range of resources available through the FFP-funded Technical Operational and Performance Support [Food Security and Nutrition Network](#), and the Bureau of Food Security (BFS) learning platform, [Agrilinks](#). Applicants are encouraged to extrapolate from other experience and learning, proposing innovative concepts and/or use of technologies.

**2. USAID/Ethiopia and FFP Program Goal**

FFP has supported the PSNP since its inception and will continue to do so under its new awards. The 2016-2020 Food for Peace awards for Ethiopia share the PSNP 4 goal of *Resilience*

*to shocks and livelihoods enhanced, and food security and nutrition improved, for rural households vulnerable to food insecurity.*<sup>1</sup> Applicants are requested to develop a coherent, evidence-based theory of change and a detailed logical framework for the proposed activity. Applications must align to the PSNP 4 Program Implementation Manual.

Proposals should be informed by a comprehensive understanding of the national and regional dynamics of food security, the programmatic context provided in the following sections, and the Ethiopia Mission's CDCS. The applicant's theory of change should outline a pathway for substantial change in chronic and acute malnutrition, household hunger, income, and absorptive and adaptive capacities, as well as the factors contributing to them. Underlying causes to be reflected and measured may include, but are not limited to, social accountability and governance, gender equity, women's empowerment, family planning and reproductive health and youth development.

### **3. Geographic Coverage**

The PSNP currently operates in 319 woredas and is set to expand to 411 woredas by 2020, with eventual expansion to a national rural program. FFP programs will be expected to support the PSNP and to target only PSNP beneficiary households for transfers and project activities, fully in line with the PSNP 4 program design. Aligning with the Government of Ethiopia's expectations, FFP programs will need to cover the entire PSNP caseload for the selected woredas (districts). Of the regions where PSNP will operate, FFP has further limited geographic coverage of its programs to five regions and one administration of Ethiopia: Amhara, Oromia, northern Somali, Southern Nations Nationalities and Peoples and Tigray plus Dire Dawa Administration.

Applications should include a proposed geographic focus area outlining regions and woredas where project activities are expected to take place. Applicants should justify the proposed area of intervention and outline the criteria used for region- and woreda-level selection. While applicants should develop their own set of criteria, possible factors to consider include: need, potential for interventions to address root causes of food insecurity, accessibility, security, appropriateness of food or cash modalities, and the potential to build upon, complement or overlap with past, present or future<sup>2</sup> USAID investments. Applicants are encouraged to visit [Grants.gov](http://Grants.gov) and [FedBizOpps.gov](http://FedBizOpps.gov) to view the solicitations for new awards that USAID/Ethiopia has issued. The planned sequencing of the release of solicitations for Food for Peace and relevant Feed the Future activities should provide applicants sufficient information for identifying areas of potential geographic overlap. Please note, while applicants will provide a proposed geographic focus for activities, the specific woredas for implementation are subject to

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<sup>1</sup> PSNP PIM, 2014

<sup>2</sup> Where overlap with future USAID-supported activities is a driving factor in geographic targeting, yet complementary activities have not yet been awarded (such as the GRAD follow-on), applicants may outline a timetable for adding or modifying woredas of intervention. However, in that case, applications must outline an organizational approach to adaptive programming and change management.

negotiation. USAID will have final approval of the geographic focus in order to maximize opportunities for strategic layering of related implementing mechanisms post-award.

#### **4. Implementation Principles**

The implementation modalities, program features, components and anticipated results of the new FFP Development Food Assistance Project(s) in Ethiopia are largely determined by the PSNP 4 design document. In addition, FFP and USAID/Ethiopia have identified five Core Implementation Principles (CIP). Applicants will need to ensure that their proposed activities align with these principles.

*CIP 1: Layering and Sequencing Interventions.* From USAID/Ethiopia's perspective, layering involves geographic and programmatic overlap and collaboration of its activities. Sequencing in the context of USAID's theory of change includes an approach that helps vulnerable populations towards a pathway from their current status to expanded assets, enhanced resilience capacities, improved technical knowledge and skills, and greater confidence to engage in risk taking or transformative activities. Accordingly, FFP development projects are not a "stand alone" activity and are expected to partner with, support, and leverage a significant portfolio of complementary activities in the region. This includes USAID-funded Feed the Future activities<sup>3</sup> as well as relevant externally-funded activities in the implementation areas. In *woredas* where other complementary USAID-funded activities are being implemented, it is strongly recommended that the Recipient actively plan and project activities together with other implementing partners to increase synergies and achieve greatest impact. In addition, it is expected that the Recipient meet regularly with other donors and partners working at regional and national levels to share information and strategically coordinate efforts to effectively address the direct and underlying causes of malnutrition. To facilitate on-the-ground coordination and programming, the Recipient is expected to participate in nutrition and livelihood technical working group meetings, organize learning visits, and use findings to inform implementation. With USAID support, the Recipient will be encouraged to develop joint work plans with other USAID partners and donors implementing livelihoods, nutrition, reproductive health and family planning as well as WASH activities, create GIS maps of nutrition-specific and nutrition-sensitive interventions in Ethiopia to determine gaps and areas of greatest potential overlay for impact, and development of joint integration indicators (Please refer to Appendix 2 of the RISE report for examples posted on Ethiopia country page). Recipients should anticipate and budget for significant collaboration, including appropriate staffing for joint work planning and monitoring. The Recipient is expected to reflect the integration and collaboration among its technical sectors, like agriculture, environment, health, and nutrition, and to propose staffing structures that encourage synergy, collaboration, and learning across the entire project.

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<sup>3</sup> Examples include newly-awarded or planned activities for livelihoods promotion for chronically food insecure populations, water, sanitation and hygiene in lowlands areas, nutrition, and youth workforce development as indicated in USAID/Ethiopia's A&A business forecasts.

From USAID's perspective, there are several advantages to more intentional layering and sequencing of new investments linked to a push-pull approach. These advantages include the ability to strengthen or expand an existing intervention by providing access to a skill or technology not otherwise a part of the activity. The approach could provide cost savings and lead to better engagement of local civil society organizations, private sector, and local government stakeholders in the broader array of activities. It could enable activity managers to be more responsive to requests from a community or farmer association to provide expanded services. Lastly, the new and more collaborative approach could enable the projects to reach a greater number of beneficiaries and also promote linkages between PSNP graduate households and access to enhanced livelihood opportunities.

*CIP 2: Identify opportunities for transformation within existing systems.* In line with Food for Peace's focus on systems building, Applicants are encouraged to systematically incorporate innovation and learning into the PSNP to improve the overall system. PSNP 4 has a greater emphasis on a systems approach involving the use of common administrative mechanisms and tools to reduce policy, institutional and budgetary fragmentation. In support of the overall systems building approach, the PSNP has developed a capacity development strategy, which identifies the key areas where capacity needs to be built with recommendations for systems strengthening. Applicants should align under this strategy to fill gaps, such as the harmonization of information management and monitoring systems for transfers, public works, sustainable land management, and community development. USAID anticipates supporting engagement to mentor, coach and provide technical assistance to communities, front line service delivery agents, and woreda practitioners. This engagement may be directed at the regional, zonal and/or woreda levels. Applicants are expected to collaborate with a wide range of GOE PSNP implementers to implement transfers, public works, nutrition and livelihoods activities. While training and equipment may be a component of this strategy, USAID anticipates supporting horizontal engagement to mentor/coach and provide technical assistance to front line service delivery agents and woreda practitioners. Prior USAID-supported activities have been successful at experimenting and innovating, and have been instrumental in piloting new approaches, such as PSNP interventions in the lowlands and livelihood activities that were eventually incorporated into the PSNP 4 design document. NGOs have a comparative advantage in engaging directly with communities and with the operational levels of government. These relationships and lessons learned will be instrumental in helping to inform the overall PSNP system, and to develop the local capacity required for sustainability in the long term. This system strengthening approach is also applicable to market systems: applicants are encouraged to consider a strategic approach that balances facilitation when possible, with direct intervention when necessary, in order to reduce the possibility of dependence and/or need for an unrealistic exit strategy. Market-based approaches that enhance household and community access to goods and services, without creating redundant and unsustainable delivery systems, are a cornerstone to the facilitative approach envisioned for the FFP funded projects.

*CIP 3: Support the enfranchisement, aspirations, and agency of women and youth.* Women continue to face disproportionate economic, social and health challenges in Ethiopia -- including constraints to accessing land, education, financing, family planning and reproductive health care -

- as well as potentially debilitating cultural practices like female genital mutilation, early childhood marriage and gender-based violence. Youth under the age of 25 comprise more than 50 percent of the population<sup>4</sup> and face many hurdles to achieving their aspirations. Approximately 20 million youth are outside of the formal school system and have little or no access to skills or vocational training. While Ethiopia has one of the highest urban youth unemployment rates (50 percent), there is also high under employment in rural areas. Youth are constrained by the national land policy that restricts ownership of land, except through inheritance, resulting in ever-shrinking land holdings. Youth also encounter difficulties in accessing credit and inputs to engage in income generating activities. The need to engage men, women, elders and youth to become active change agents for gender equity, youth and women's empowerment should be reflected throughout the application. Detailed gender-related activities are incorporated into the PSNP Program Implementation Manual (PIM) to further mainstream gender in the PSNP in order to meet the needs of poor women in food insecure households. The PSNP 4 also highlights the importance of youth with a focus on youth employment as a government priority.

*CIP 4: Learn from and adapt program approaches based on evidence and program experience.* Food insecurity, under-nutrition, climate change impacts, and poverty are multi-sector challenges requiring a commitment to understanding the contributing factors, potential drivers, potential change agents and existing bottlenecks. Programmatic approaches to addressing these complex issues may require refinement, modification or re-design as applicants learn from the successes and failures during implementation. The successful applicant must present a vision and strategy for project management that allows adaptation of strategic approaches based on project learning, experience, and inputs from stakeholders at all levels. This collaborative learning and adaptation approach will promote real-time applied learning, collaboration, and adaptive management while supporting achievement of the program goal. Applicants are encouraged to consider the centrality of continuous monitoring, the development of feedback loops, and implementation of an FFP learning agenda.

*CIP 5: Use resource transfers strategically.* PSNP 4 includes a cash-first principle and FFP expects the current cash-food mix for PSNP transfers to change over the life of the DFAPs. Applicants may include requests for food, cash, or a food/cash split, where appropriate, for consideration with justification. Understanding the role of food assistance as a time-bound resource transfer, and ensuring that it is used creatively and appropriately as a means to enable communities and households to make strategic and transformational choices for themselves, will minimize the possibility of dependence or short-lived impact.

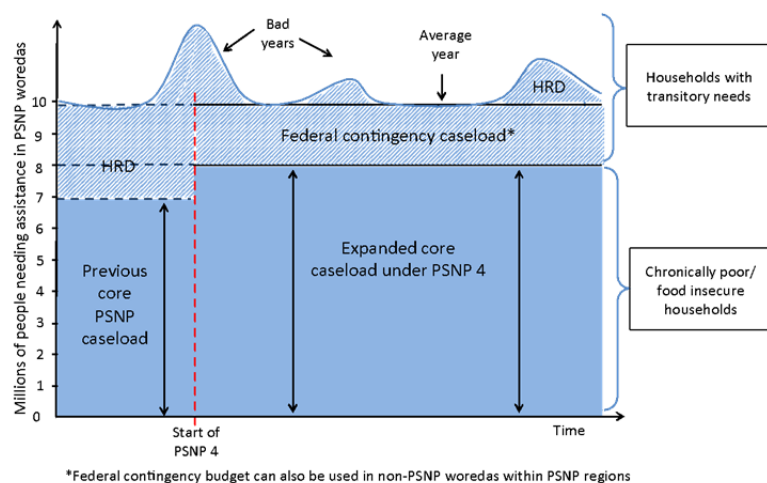
## **5. Other Considerations**

### **a. Continuum of Response**

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<sup>4</sup> UNICEF State of The World's Children 2015

Despite the important mitigating influence of the PSNP, rural households in Ethiopia continue to experience shocks and transitory food insecurity. PSNP 4 seeks to operationalize a more robust “continuum of response” that explicitly links the PSNP risk financing mechanism (aka, contingency budget) to the humanitarian response system in order to respond to such shocks more effectively and eventually establish a more unified DRM system. In essence, the link between development and relief must be even more integrated. In order to do this, the PSNP has the capacity to cover a maximum caseload of 10 million beneficiaries, which includes a core program caseload and a caseload of repeat, transitory beneficiaries who received emergency food assistance under the HRD for multiple years. PSNP 4 has designed a 5 percent contingency budget, managed at the woreda-level, to respond to exclusion errors or localized shocks. A federal-level contingency budget allows the PSNP to provide transfers to meet transitory needs in PSNP areas in response to assessed needs identified through the HRD process and through formal, ad hoc requests from the regions.



Transitory needs that exceed the capacity of the PSNP federal contingency budget will be addressed by humanitarian responses outside of the PSNP. Should there be an extreme shock that exceeds the ability of the PSNP contingency budget to respond, FFP is requesting applicants to design an emergency response plan to describe how the program could pivot to address such needs by utilizing Title II emergency funding, if made

available.

## b. Climate Change Adaptation and Disaster Risk Reduction

Rural livelihood systems of Ethiopia - crop cultivation, pastoralism and agro-pastoralism - are highly sensitive to climate. Food insecurity patterns are seasonal and linked to rainfall patterns, with hunger trends declining significantly after successful rainy seasons. Increasing year-to-year climate variability including both droughts and heavy precipitation events all lower agricultural production, with negative effects on food security. As rainfall becomes less predictable, pastoralists may have greater difficulty finding sufficient fodder and water for their livestock at critical times. Looking out to the future, as temperatures continue to rise certain crops may begin to reach their thermal tolerance limits, also resulting in declining productivity and potential changes to nutritional content. Along with shifting rainfall patterns, warming

temperatures may also affect human, animal, and crop diseases and pests and could contribute to increased conflict over natural resources. Taken together these long-term stresses are expected to deplete household resilience to the point where traditional coping strategies in some areas may become non-viable.

The differential impacts and opportunities brought about by climate change result from a variety of interconnected factors contributing to household and individual vulnerability, including (but not limited to) the health of the underlying natural resource base, socio-economic conditions, the population's health status and access to relevant technology (e.g. agriculture). Given the differential impacts and underlying capacity of communities, there is no one-size-fits-all approach to addressing climate risks across FFP intervention areas.

Underlying vulnerability and unpreparedness for climate-related disasters compound the negative impacts of climate-related hazards on the livelihoods of vulnerable households. Disaster risk reduction strategies (early warning systems, disaster risk assessment tools, disaster preparedness through contingency planning, disaster mitigation and prevention through natural resource management) are integral to predict and mitigate the risk of disasters. Therefore, it is necessary to scale-up and accelerate efforts in both disaster risk reduction and climate change adaptation to protect livelihoods and achieve food security.

Effective adaptation planning and implementation requires sound risk assessments that identify the specific impacts to food security that may be induced or exacerbated by increased climate variability. This allows for responses to be prioritized and compared impartially to other risks based on resource availability and cost. Addressing the impacts from current climate variability is an important first step in safeguarding against an uncertain climate future. Climate Change considerations are considered in-depth in the Ethiopia climate variability and change document on the USAID website reference on page I in the introduction.

### **c. Graduation of Households from the PSNP**

The PSNP 4 aims to enhance household and community resilience to shocks and improve household food security and nutrition. In addition to transfers, the program is expected to provide a suite of livelihoods services to assist beneficiary households to achieve sustainable graduation from the safety net. The PSNP 4 design document emphasizes evidence-based graduation and includes provisions to ensure that households are adequately supported to exit the program. FFP and USAID/Ethiopia realize that as beneficiary households graduate from the program, it will lead to a reduction in the number of beneficiaries assisted in the USAID implementation areas. The Recipient is asked to consider how it will handle beneficiary graduation from the PSNP and present a plan for full resource utilization.

### **d. Push-Pull and Inclusion**

USAID/Ethiopia's CDCS sets out a push-pull hypothesis that demonstrates the potential of market-based agricultural development to reduce poverty and promote sustainable livelihoods for chronically food insecure households. The "push" seeks to build the capacity of vulnerable and chronically food insecure households to participate in economic activity. The "pull" mobilizes market-led agricultural growth to generate relevant economic opportunity and demand for smallholder production, labor, and services. This approach looks for linkages and synergies between growth-oriented and poverty reduction-oriented activities. The "push" includes activities which increase the assets, capabilities and skills of vulnerable households, and "pull" includes activities which increase the opportunities available for households to engage in markets and growth.

To contribute to USAID/Ethiopia's push-pull strategy, the Recipient should consider how to overlap with other USAID Ethiopia activities based on: (1) co-location, (2) market-shed linkages, (3) upstream and downstream off-farm value addition (4) linkages among input suppliers, (5) linkages to financing, credit or risk based insurance mechanisms, (6) employment and skills training and/or (7) linkages that support social and economic inclusion. Ensuring that investments are broad-based (inclusive of both women and youth), nutrition sensitive, and climate smart will contribute both to agricultural productivity and the multiplier effects of growth that are critical to transformation.