



Productive Safety Net Programme Phase IV Programme Implementation Manual

Ministry of Agriculture
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ACRONYMS

AED	Agriculture Extension Directorate
AGP	Agricultural Growth Programme
BCC	Behaviour Change Communication
BOA	Bureau of Agriculture
BOFED	Bureau of Finance and Economic Development
BOH	Bureau of Health
BOLSA	Bureau of Labour and Social Affairs
BSC	Balanced Score Card
CAPWP	Community Annual Public Works Plan
CBN	Community Based Nutrition
CBPWD	Community Based Participatory Watershed Development
CDTAC	Capacity Development Technical Committee
CFSTF	Community Food Security Task Forces
CMAM	Community-based Management of Severe Acute Malnutrition
COPCU	Channel One Program Coordinating Unit
CRC	Citizen Report Card
CRGE	Climate Resilient Green Economy
CSO	Civil Society Organisation
CSC	Community Score Card
DA	Development Agent
DCT	Donor Coordination Team
DHS	Demographic Health Survey
DRM	Disaster Risk Management
DRM-SPIF	Disaster Risk Management Strategic Programme Investment Framework
DRMFSS	Disaster Risk Management and Food Security Sector
EFSRA	Ethiopian Food Security Reserve Administration
EFY	Ethiopian Financial Year
EIA	Environmental Impact Assessment
EPA	Environmental Protection Authority
ESAP	Ethiopia Social Accountability Programme
ESMF	Environmental and Social Management Framework
ETB	Ethiopian Birr
EWRD	Early Warning and Response Directorate
EWRD/P	Early Warning and Response Desk/Process
EWS	Early Warning System
FCA	Federal Cooperatives Agency
FDRE	Federal Democratic Republic of Ethiopia
FEMSEDA	Federal Micro and Small Enterprise Development Agency
FIC	Federal Information Centre
FMU	Food Management Unit
FS	Food Security
FSCD	Food Security Coordination Directorate
FSD/P	Food Security Desk
FSP	Food Security Programme

FTC	Farmer Training Centre
GoE	Government of Ethiopia
GSD	Gender and Social Development
GPS	Graduation Prediction System
GTP	Growth and Transformation Plan
HABP	Household Asset Building Programme
HEW	Health Extension Worker
HH	Household
HIV/AIDS	Human Immuno Virus/Acquired Immunodeficiency Syndrome
HRD	Humanitarian Requirements Document
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
IDA	International Development Association
IFR	Interim Financial Reports
IGA	Income Generating Activities
IPM	Integrated Pest Management
IYCF	Infant and Young Child Feeding
JRIS	Joint Review and Implementation Support [Mission]
JSOC	Joint Strategic Oversight Committee
KAC	Kebele Appeals Committee
KASNP	Kebele Annual Safety Net Plan
KFSTF	Kebele Food Security Task Force
LCS	Least Cost Selection Method
LIAS	Livelihoods Impact Analysis Sheet
LZAG	Livelihood Zone Assessment Group
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal
MERET	WFP Land Generation Programme
MFI	Microfinance Institute
MIS	Management Information System
MOA	Ministry of Agriculture
MOFED	Ministry of Finance and Economic Development
MOH	Ministry of Health
MOLSA	Ministry of Labour and Social Affairs
MoU	Memorandum of Understanding
MoWCYA	Ministry of Women, Children and Youth Affairs
MSE	Micro and Small Enterprise
MUAC	Mid Upper Arm Circumference
NGO	Non-Governmental Organisation
NNP	National Nutrition Programme
NRD/P	Natural Resources Desk/Process
NRM	Natural Resource Management
NRMCP	Natural Resource Management Core Process
NRMD	Natural Resource Management Directorate
OFAG	Office of the Federal Auditor General
OFSP	Other Food Security Programme
OTP	Outreach Therapeutic Programme
PASS	Payroll and Attendance Sheet System

PBS	Protecting Basic Services
PCDP	Pastoralist Community Development Project
PIM	Programme Implementing Manual
PLW	Pregnant or Lactating Woman
PLWHA	People living with HIV/Aids
PMT	Proxy Means Test
PSNP	Productive Safety Net Programme
PTC	Pastoral Training Centre
PWCU	Public Works Coordination Unit
PWFO	Public Works Focal Unit
PWSG	Public Works/Access to Services Support Group
QCBS	Quality and Cost Based Selection method
QWICR	Web Interface Commodity
RASNP	Regional Annual Safety Net Plan
REMSEDA	Regional Micro and Small Enterprise Development Agency
REST	Relief Society of Tigray
RFP	Request for Proposal
RFQ	Request for Quotations
RFSSC	Regional Food Security Steering Committee
RFSTF	Regional Food Security Task Force
RRM	Rapid Response Mechanism
RRT	Rapid Respond Team
RUSACCO	Rural Savings and Credit Cooperative
SAIP	Social Accountability Implementing Partners
SBD	Standard Bidding Documents
SDTF	Social Development Task Force
SLM	Sustainable Land Management
SLMP	Sustainable Land Management Programme
SMS	Subject Matter Specialist
SNNP	Southern Nations, Nationalities and Peoples (Region)
SRFP	Standard Request for Proposals
TC	Technical Committee
TOR	Terms of Reference
TSF	Targeted Supplementary Feeding
TVET	Technical Vocational Education and Training
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VSLA	Village Savings and Loan Association
WAO	Woreda Agriculture Office
WASNP	Woreda Annual Safety Net Plan
WFP	World Food Programme
WFSTF	Woreda Food Security Task Force
WHO	Woreda Health Office
WOFED	Woreda Office of Finance and Economic Development
WOLSA	Woreda Office for Labour and Social Affairs

PSNP IV Programme Implementation Manual

Part 1: Introduction

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CHAPTER 1 HOW TO USE THE MANUAL

This is the Programme Implementation Manual (PIM) for Phase 4 of the Government of Ethiopia's Productive Safety Net Programme (PSNP). The PIM is the final source of guidance on programme concepts, objectives, principles and procedures.

This is the fourth major version of the PIM since the initiation of the PSNP in 2005, although there have been other minor updates, and two addendums which were additional documents to be read alongside the July 2006 version. The history of earlier versions is as follows:

- Original PIM, produced December 2004
- Revision in March 2006
- Further revision in July 2006
- Addendum to July 2006 PIM in October 2006
- Addendum to July 2006 PIM in January 2010
- PIM for Phase III, dated May 2010
- This version, dated December 2014

This version of the PIM has been introduced to support the new phase of the PSNP, commencing in January 2015. A number of major design changes have been introduced to the PSNP (as outlined in Part 1, Chapter 2 [Introduction]), and this PIM describes the new processes and procedures that support these design changes. This PIM also draws from the Household Asset Building Programme (HABP) PIM and consolidates the changes found in the original PIM and its addendums.

This is the overall programme manual, and as such it applies to all PSNP woredas – be they supported by Government or NGOs. The guidance described below, including the use of PSNP budget lines, must be used in PSNP woredas unless stated otherwise.¹

1.1 How the PIM is Organised

1.1.1 OVERALL STRUCTURE

This version of the PIM is in modular format to make it easier for programme implementers to find and use sections relevant to their tasks. It is not intended to be read as a book from start to finish – although key implementers may choose to familiarise themselves with it originally in this way – but rather as a reference guide for implementers. Section 1.3 below provides a quick reference for implementers and can serve as a basis for the development of modules for different programme components, as needed.

The PIM is organised into six parts:

Part 1: Introduction. This part includes two introductory chapters:

- This “how to” chapter

¹ Contractual agreements between the NGO and USAID may require slightly different arrangements and processes than those described in this PIM. In this case, the NGO and woreda will discuss the issue first with USAID and identify issues and possible solutions. If necessary, these situations will be brought to the attention of the JSOC on a case-by-case basis. Any proposed special arrangements for an NGO to bypass or modify a particular PIM directive, when necessary, will be submitted by USAID to JSOC for consensus and then the agreement reached will be disseminated by DRMFS and USAID to the affected woredas and regions.

- An “Introduction” chapter introducing the PSNP’s background, context, goal and outcomes. The introduction chapter also presents the PSNP’s outputs and how they relate to the various components, along with a discussion of programme principles, scale and scope, safeguards and an overview of what’s new in this phase of the PSNP.

Part 2: Planning and Preparatory Activities. This part describes the various activities that need to happen prior to commencing programme implementation. Each type of activity is outlined in a separate chapter:

- Programme entry and exit (targeting and graduation)
- Setting of the public works and transfer schedule, the wage rate and the mode of transfer
- Livelihoods analysis which needs to be conducted prior to annual planning
- Annual planning

Part 3: Implementation. This part lays out the detailed steps that implementers at different levels need to follow in order to efficiently and effectively implement the programme. In order to facilitate this, this part of the document is therefore sub-divided into five chapters:

- Permanent direct support component
- Public works and links to social services component
- Livelihoods component
- Social accountability and complaints and grievances
- Risk management

Part 4: Resource management. This part describes management of PSNP resources and is divided into the following five chapters:

- Financial management
- Food management
- Procurement
- Physical resource management
- Systems building and capacity

Part 5: Monitoring and evaluation. This part, which consists of only one chapter, presents the monitoring and reporting processes for the programme along with a number of monitoring and evaluation tools.

Part 6: Institutional arrangements. The final part and chapter of this PIM, Part 6 presents the institutional arrangements for the programme, with a detailed description of the role and responsibilities of each implementing agency, task force, committee, and other entities.

Where applicable (e.g. for planning, monitoring and evaluation, institutional arrangements, and sections of other chapters), chapters are further subdivided to make it clear which actions should be implemented at what level:

- Community and Kebele
- Woreda
- Region
- Federal

In addition to the main body of the document, a number of formats and other key materials are included as annexes. Other important PSNP reference documents, such as complementary guidelines and manuals for the programme, are cited where appropriate in the text below.

1.1.2 NEW SECTIONS

This PIM includes new sections not only for new design elements, but also to highlight:


- What's new in each chapter. This is the first section of each chapter
- Regional variations for each type of programme activity. The "Regional Variations" section is typically found at the end of the chapter.

1.2 New Visual Tools

This PIM introduces new visual tools to draw attention to different aspects of the programme. Each of these new tools is described in the boxes below.


1.2.1 THINGS TO LOOK OUT FOR

The pointing hand symbol below represents important things to note and clarifications. Implementers should pay special attention to these issues.

	Timing of public works: The timing of public works will be in accordance with the annual plan and the overall public works and transfer schedule. As stated in Part 2, Chapter 4 (Public Works and Transfer Schedule, Wage Rate and Mode of Transfer), public works will be scheduled so as not to undermine normal agricultural activity and the majority of public works will therefore take place during the dry season, the exact timing of which varies in different parts of Ethiopia. Section 4.2.3 of Chapter 4 indicates when public works will take place in your woreda.
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1.2.2 SPECIAL CIRCUMSTANCES

The puzzle piece symbol below represents important specifications (for example about the role of NGOs) and what to do in special circumstances that may differ from general PSNP operating procedures.

	Specific provisions for NGO supported woredas In woredas supported by NGOs, NGOs will take a lead in executing food payments. However, the broad steps remain the same and the use of PASS remains mandatory.
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1.2.3 EXAMPLES AND ILLUSTRATIONS

The "e.g." symbol below highlights examples to clarify the guidance in the PIM.

	How to apply the 12 months' notice period For households that select monthly payments: In a woreda where the transfer cycle is January to June, a household which is notified that it has been identified for graduation in September 2016 will receive its final monthly PSNP transfer in June 2017; but a household which is not notified that it has been identified for graduation until February 2017 will remain in the programme until June 2018.
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1.2.4 IMPLEMENTATION QUESTIONS

Boxes with the question mark symbol provide additional explanation on why a specific action is needed. This is to help implementers understand why certain steps are so important.



What is the livelihoods checklist for?

The livelihoods checklist serves two purposes:

- As an implementation and accountability tool, to ensure that clients receive all of the necessary trainings to fully understand the livelihood prior to developing a business plan and obtaining financing for their investment
- As an M&E tool, to help the DA (or other training provider) to know what trainings the client has completed and to track, and report on, their progress

1.3 Quick Reference for Implementers

1.3.1 TRANSFER IMPLEMENTERS

Transfer implementers should refer to the following chapters:

- Chapter 5: Public works and transfer schedule, wage rate and mode of transfer
- Chapter 7: Permanent direct support component—transfer arrangements for permanent direct support clients
- Chapter 8: Public works and links to social services—transfer arrangements for public works and temporary direct support clients
- Chapter 10: Continuum of response—transfer arrangements for transitory clients
- Chapter 12: Financial management—budgeting and financial management processes
- Chapter 13: Food management—food management processes
- Chapter 17: Monitoring and evaluation—reporting lines for financial and food management
- Chapter 18: Institutional arrangements—role of Food Security, Early Warning, MOFED/BOFED/WOFED, and the newly created Food Management Unit.

1.3.2 PUBLIC WORKS IMPLEMENTERS

Public works implementers should refer to the following chapters:

- Chapter 3: Programme entry and exit—targeting into public works or permanent direct support
- Chapter 4: Annual planning—preparation of annual public works plans at each level, including a table summarising different types of public works sub-projects, ESMF processes
- Chapter 5: Public works and transfer schedule, wage rate and mode of transfer —planning of public works schedules
- Chapter 8: Public works and links to social services component—implementation of public works
- Chapter 17: Monitoring and evaluation—monitoring of public works activities, public works reviews, etc.
- Chapter 18: Institutional arrangements—role of Public Works Technical Committee at each level, and roles and responsibilities of the Natural Resources line agencies and other contributing agencies

1.3.3 LIVELIHOODS IMPLEMENTERS

Livelihoods implementers should refer to the following chapters:

- Chapter 3: Programme entry and exit—targeting for livelihoods transfers
- Chapter 4: Annual planning—preparation of annual livelihoods plans at each level, including a description of the livelihoods , ESMF processes
- Chapter 6: Livelihoods analysis such as technical analysis, value chain analysis, other preparatory activities, and an overview of ESMF processes for livelihoods
- Chapter 9: Livelihoods component—implementation of livelihoods activities across the three pathways

- Chapter 17: Monitoring and evaluation—monitoring of livelihoods activities, livelihoods reviews, and the introduction of tracking of client participation in livelihoods
- Chapter 18: Institutional arrangements—role of Livelihoods Implementation Unit and Livelihoods Technical Committee at each level, and roles and responsibilities of Extension, the Livestock Development Sector, the MSE Agency, Labour and Social Affairs, TVET, Cooperative Promotion, and other contributing agencies.

1.3.4 NUTRITION AND SOCIAL SERVICE IMPLEMENTERS

Nutrition and social service implementers should refer to the following chapters:

- Chapter 3: Programme entry and exit—targeting into public works or permanent direct support
- Chapter 4: Annual planning—preparation of annual plans related to BCC provision for public works clients, links to social services for temporary direct support clients and identification of appropriate services for permanent direct support clients
- Chapter 7: Permanent Direct Support Component – case management for permanent direct support clients
- Chapter 8: Public works and links to social services component—provision of BCC for public works clients, and links to social services implementation procedures
- Chapter 17: Monitoring and evaluation—monitoring of nutrition and links to social services provisions
- Chapter 18: Institutional arrangements—role of Labour and Social Affairs line agencies, Health line agencies and Food Security in supporting these activities

1.3.5 SYSTEMS IMPLEMENTERS

Systems implementers should refer to the following chapters:

- Chapter 16: Systems and capacity development – an overview of all the different systems which are to be developed and the responsible agencies
- Chapter 3: Programme entry and exit—food insecurity/poverty indices and national household registry
- Chapter 7: Permanent Direct Support Component – use of PASS to support payments to permanent direct support clients
- Chapter 8: Public works and links to social services component— use of PASS to support payments to public works and temporary direct support clients
- Chapter 10: Social accountability and grievance redress mechanism – implementation of social accountability tools and the grievance redress system
- Chapter 11: Risk Management Improvements to the early warning and needs assessment processes
- Chapter 17: Monitoring and Evaluation – the development of a Management Information System to support programme operations

1.4 Revision Process

As with all manuals, there will be a need for a regular review and revision process for the Programme Implementation Manual (PIM). This is particularly important for this manual because there are a number of known changes planned in the implementation of the programme, which – when fully designed and ready for roll-out – will need to be incorporated in the PIM.

This document has been designed in a modular format. This is to allow revisions to individual chapters of the PIM. When a chapter has been revised, it will be reissued with a new issue date and

revision number and distributed to the relevant institutions at federal, regional and woreda level who should then substitute the old chapter with the revised version.

The table below highlights some of the planned revisions and the chapters which they will effect. Other revisions may become apparent as operational experience is gained through the implementation of programme components and to take into account any changes in government systems:

Known change	Schedule and process	Revised modules to be released
Review and redesign of the grievance redress mechanism	EFY 2007 consultancy to review and revise grievance redress mechanism	Chapter 10
Design of a capacity development strategy	EFY 2007 consultancy to design a capacity development strategy	Chapter 16
Handover to MOLSA	Following the appropriate development of capacity in Labour and Social Affairs line departments	Chapters: 3, 4, 7, 8, 10, 12, 17 & 18
Development of MIS, food insecurity and poverty indices, and national household registry	Following design and piloting of each system	Chapter 16, Chapter 17, Chapter 7, Chapter 8 and Chapter 3

The process for revising the manual is as follows:

- Agreement that there is a need to revise one or more chapters (either during a Joint Review and Implementation Support Mission or by the Coordination and Management Committee) and the provision of guidance on the nature of revisions required.
- Tasking of specific individuals or teams (and any supporting consultants) to draft/revise the new chapters
- Review of the draft text by the relevant technical teams
- Approval of the revised chapter(s) by the Coordination and Management Committee or its delegates

Once a chapter or several chapters have been revised an update package will be released. This update package will include:

- A memo documenting the titles and module numbers of chapters attached
- A general description of revisions made
- Instructions for updating the manual

If two thirds or more of the manual are being revised at once, the full manual will be reissued.

CHAPTER 2 INTRODUCTION TO THE PROGRAMME

The Productive Safety Net Programme (PSNP) is Ethiopia's rural safety net for food insecure households. The programme covers households in Afar, Amhara, Dire Dawa, Harari, Oromiya, Southern Nations, Nationalities and Peoples (SNNP), Somali and Tigray, and targets households that are chronically and transitorily food insecure. The programme provides cash and/or food transfers to these households.

Households that have able-bodied adult labour engage in public works and receive transfers for 6 months of the year. Public works focus on integrated community-based watershed development, covering activities such as soil and water conservation measures, rangeland management (in pastoral areas), and the development of community assets such as roads, water infrastructure, schools, and clinics. These works contribute to improved livelihoods (through increased availability of natural resources including water and cultivatable land, soil fertility, increased agricultural production and improved market access), strengthened disaster risk management and climate resilience, and nutrition. The programme facilitates linkages with health and nutrition services, particularly for pregnant and lactating women who have antenatal care and nutrition-related co-responsibilities (soft conditionalities) as they transition to temporary direct support, but also for public works clients, whose participation in nutrition behavioural change communication (BCC) sessions counts towards their public works requirement.

Households without labour capacity, permanent direct support clients, receive 12 months of unconditional transfers and are linked with social protection services.

The programme provides technical assistance and training in livelihood activities (crop and livestock, off-farm, and employment) to clients to enable households to increase and diversify their incomes and build their assets. While many clients who participate in livelihoods activities are referred to credit providers, for the poorest households, the programme provides livelihood transfers that do not need to be repaid, helping them build their assets more rapidly while avoiding a cycle of indebtedness.

Together, these interventions aim to strengthen resilience, improve nutrition, and help households become food sufficient and, eventually, food secure.

2.1 Background and Context

PSNP Phases 1 and 2. Following the drought of 2002/2003, the Government of Ethiopia formed the New Coalition for Food Security to identify key actions to break the cycle of emergency appeals—which saved lives but did little to protect household assets—and comprehensively address food insecurity in Ethiopia. This process led to a number of initiatives, including the PSNP, which provided food and/or cash transfers to food insecure households in chronically food insecure woredas (those receiving food aid annually prior to 2005). Another, parallel programme - the OFSP - provided productive asset packages on credit and invested in socio-economic infrastructure in order to build household assets and enable graduation from the PSNP.

PSNP Phase 3. The following phase of the PSNP saw significant expansion and some important improvements in programme design and implementation. Building on the successes and lessons learned of the previous phase, the PSNP was expanded into two new regions (Somali and Afar);

improvements were made in the timeliness of transfers and the quality of public works, and there was an increasing shift from food to cash transfers. The OFSP was redesigned as HABP, designed to build household assets through improved technical assistance, business planning, and credit provision from appropriate financial institutions. This five-year phase was extended by six months and is due to end in June 2015.

The GoE's current Growth and Transformation Plan (GTP) aims to enhance productivity and production of smallholder farmers and pastoralists; strengthen marketing systems; improve participation and engagement of the private sector; expand the amount of land under irrigation; and reduce the number of chronically food insecure households. The PSNP fits within this overall plan and contributes to four key policies: the Social Protection Policy, the Disaster Risk Management (DRM) Policy, the National Nutrition Programme (NNP), and the Climate Resilient Green Economy Policy (CRGE).

2.2 Programme Objectives

The objectives of the PSNP are articulated at 3 levels: the policy objectives, the programme goal and the programme outcomes. The extent of the contribution of the PSNP varies between these levels. With regard to the policy objectives, the PSNP is one of several programmes or interventions aiming to contribute to the achievement of these objectives. With respect to the programme goal, the PSNP expects to make a more significant contribution, although other interventions are also critical to achieving the goal (and achieving the goal is beyond the power of the PSNP alone). Progress towards achieving this goal and the contribution by the PSNP will be measured through its regular impact assessments. The programme outcome, on the other hand, is within the PSNP's ability to deliver.

2.2.1 POLICY OBJECTIVES

Policy and Objective	Indicators
<p>Growth and Transformation Plan To become a country where democratic rule, good governance and social justice reign, upon the involvement and free will of its peoples, and once extricating itself from poverty to reach the level of a middle-income economy as of 2020-2025</p>	<ul style="list-style-type: none"> • Number of clients raised above poverty line.² • Total poverty-oriented expenditure as % of GDP.³
<p>Social Protection Policy To see all Ethiopians enjoy social and economic well-being, security and social justice</p>	<ul style="list-style-type: none"> • Number of safety net clients expressed as a percentage of people living below poverty line.⁴ • Number of safety net clients benefiting from fee waivers and nutrition-related conditionalities.
<p>Disaster Risk Management To reduce risks and the impacts of disasters through the establishment of a comprehensive and integrated disaster risk management system within the context of sustainable development.</p>	<ul style="list-style-type: none"> • Reduction in distress sales of assets by safety net clients as compared to previous similar disasters in operational areas. • Reduction in the number of children in operational areas affected by severe malnutrition⁵.

² PSNP's contribution to the GTP indicator "Decrease in # of people living below the poverty line". Measuring the "Number of clients raised above the poverty line" indicator will require panel data on per capita consumption/poverty. If this is not possible (e.g. through the Ethiopian Food Security Study or HICES), then this indicator will need to be adapted in order to be measurable.

³ GTP Indicator

⁴ At present there are not indicators included in the Social Protection Policy or Strategy. These indicators may need to be revised once a results framework for the strategy is developed.

Policy and Objective	Indicators
<p>Climate Resilient Green Economy To achieve the GTP goal of building Ethiopia into a middle-income country by 2025 in a way that is both resilient to the negative impacts of climate change and does not result in a rise in greenhouse gas emissions.</p>	<ul style="list-style-type: none"> • % of land covered by improved watershed and rangeland management structures and practices • Mt CO₂e sequestered in public works supported watersheds.⁶
<p>National Nutrition Programme To improve nutritional status of women and children in Ethiopia.</p>	<ul style="list-style-type: none"> • Reduction in % of stunting in children under 5 in operational areas⁷

2.2.2 PROGRAMME GOAL

The PSNP 4 has the following goal:

“Resilience to shocks and livelihoods enhanced, and food security and nutrition improved, for rural households vulnerable to food insecurity.”

While the PSNP is expected to make a substantial contribution to this goal, its achievement will also require support from other interventions as well as a more general enabling environment.

The PSNP’s contribution to achieving this goal will be regularly measured through programme impact assessments, using the following indicators:

- % of children age 6-23 months of age who receive minimum acceptable diet
- Household dietary diversity
- Average value of asset holdings
- Number of different income sources

The above indicators will be analysed to allow comparisons between PSNP clients, a control group (or counterfactual) and those who have exited the programme (graduates). This will allow an assessment of the impact of the programme on households participating in the programme, and the contribution of the programme to achieving sustainable livelihood security. Furthermore, data will be disaggregated to assess the differing impacts by gender of household head and gender of the household member participating in livelihood enhancing activities (whether credit or livelihood transfer).

2.2.3 PROGRAMME OUTCOME

The PSNP’s outcome is as follows:

“Enhanced participation in improved rural safety net, livelihood and nutrition services by food insecure female/male headed households”.

The PSNP’s achievement of this outcome will be realised through a combination of the expanding scale of the programme; improved quality of implementation; the introduction of instruments and tools which can enhance implementation and are one of the building blocks of a broader system;

⁵ PSNP’s contribution to the DRM SPIF indicators: “the reduction in the number of lives lost as compared to previous similar disasters, the reduction in the value of economic losses incurred as compared to previous similar disasters and the reduction in the number of people and children affected by severe malnutrition”

⁶ PSNP’s contribution to CRGE Strategy Indicator “Annual CO₂ emissions remain at 150 Mt CO₂e”

⁷ PSNP’s contribution to NNP indicator “% height for age”

and key activities that improve programme clients' access to key social services (particularly in relation to nutrition).

2.3 PSNP Principles

1. Fair and transparent client selection. Clients are selected through community-based targeting, with an effective appeal mechanism to address inclusion or exclusion errors. The client list is verified through public meetings during which it is read aloud and discussed. The final client list is also posted in public locations.

2. Timely, predictable and appropriate transfers. To create an effective safety net, clients must be sure that they can depend on the PSNP at all times. Transfers can be considered predictable if PSNP clients have timely knowledge of their eligibility for the programme, and they know what type of transfer they will receive, how much of this transfer they will receive and when they will receive it. A transfer is timely if it is provided to clients before or at the time during the year when they need the support. A timely transfer also takes place according to a planned transfer schedule. A transfer is appropriate if it meets the needs of households: cash is provided in settings where markets function well, while food is provided in areas where there is no food to purchase or food prices are extremely high. An appropriate transfer also has the same value whether it is provided in cash or food.

3. Primacy of transfers. Since the PSNP is primarily a safety net, ensuring that clients receive transfers takes priority over all considerations. Transfers should not be delayed for any reason, including those related to public works implementation.

4. Productive safety net. The PSNP is a productive safety net which means that it not only includes a commitment to providing a safety net that protects food consumption and household assets, but it is also expected to address some of the underlying causes of food insecurity and to contribute to economic growth in its own right. The productive element comes from infrastructure and improved natural resources base created through PSNP public works and from the multiplier effects of cash transfers on the local economy.

5. Tailored livelihood solutions. The PSNP provides livelihoods support that is tailored to 1) households and individuals according to their capacity, and 2) institutional capacity for each of three livelihoods pathways (crop and livestock, off-farm income generation, and employment).

6. Integrated into local systems. The PSNP is not a project but a key element of local development planning. PSNP plans are integrated into wider development plans at woreda, zone, region and federal levels.

7. Scalable safety net. The PSNP is scaled up when needed in the event of shocks to ensure that assistance is available to those households who need it most in PSNP woredas, to prevent them from becoming more food insecure. The PSNP can scale up to a predetermined ceiling; any transitory needs that cannot be met through the PSNP will be addressed through the emergency response system.

8. Cash first principle. When possible, cash should be the primary form of transfer. This assists with the stimulation of markets – since people spend their cash in local markets – and the move away from food aid. Food transfers are provided at times and places when food is not available in the market, or where market prices for food are very high. This protects PSNP clients from food shortages and asset depletion.

9. Gender equity. The PSNP is designed to respond to the unique needs, interests and capabilities of men and women to ensure that they benefit equally from the programme. This is done by promoting the participation of both men and women in PSNP decision-making structures and responding to women's responsibility for both productive and reproductive work and the differential access of female-headed households to resources.

2.4 Programme Elements

The table below summarises the five outputs of the PSNP, their key components and where to find further information on operationalizing these components in the manual:

Outputs	Key Components	PIM Chapter
Output 1: Prioritised instruments and tools in place to support an effective system for Social Protection and Disaster Risk Management	• Targeting (programme entry and exit)	Chapter 3 (Programme Entry and Exit)
	• Management information systems (MIS)	Chapter 17 (Monitoring and Evaluation)
	• Mapped public works data based	Chapter 17 (Monitoring and Evaluation)
	• Single registry	Chapter 3 (Programme Entry and Exit)
	• Disaster risk management system	Chapter 11 (Continuum of Response)
	• Planning, coordination and governance	Chapters 4 (Planning) and 18 (Institutional Arrangements)
	• Social accountability and grievance redress mechanism	Chapter 10 (Social Accountability and Complaints and Grievances)
	• Capacity development	Chapter 16 (Capacity)
Output 2: Appropriate, timely and accessible transfers received by male and female clients	• Provision of transfers (food and cash) for public works clients (six months of support), temporary direct support (six months), and permanent direct support (12 months)	Chapters 7 (Permanent direct support Component) and 8 (Public Works and Links to Social Services Component)
	• Operationalization of risk management tools which allow safety net transfers to be scaled up in response to shocks	Chapter 11 (Continuum of Response)
Output 3: Sustainable community assets built up and access to social services enhanced	<ul style="list-style-type: none"> • Planning and construction of public works that contribute to livelihoods, nutrition and other social services, climate resilience and DRM • Expansion of public works to include participation in BCC, literacy and financial literacy • Soft conditionalities which link temporary direct support clients to existing health and nutrition services 	Chapters 4 (Annual Planning), 6 (Periodic Planning) and 8 (Public Works and Links to Social Services Component)
Output 4: Clients' livelihood opportunities facilitated through three pathways: crop and livestock, off-farm income generation, and employment	<ul style="list-style-type: none"> • Basic training and technical support (e.g. financial literacy and savings) • Tailored technical support to three livelihood pathways • Referral of households to credit service providers • Provision of livelihoods transfer 	Chapters 4 (Annual Planning), 6 (Periodic Planning) and 9 (Livelihoods Component)

Outputs	Key Components	PIM Chapter
Output 5: Effective management and operational processes in place to manage the programme	• Human resource management	Chapter 16 (Capacity)
	• Accountable programme management systems with strengthened monitoring and evaluation function	Chapters 17 (Monitoring and Evaluation) and 18 (Institutional Arrangements)
	• Accountable budgeting and financial management	Chapter 12 (Financial Management)
	• Accountable food management systems	Chapter 13 (Food Management)
	• Accountable procurement systems.	Chapter 14 (Procurement)
	• Accountable asset management systems	Chapter 15 (Physical Resource Management)

2.5 Programme Safeguards

The PSNP has a variety of safeguards designed to ensure that the programme does not have any negative environmental or social impacts. These safeguards are outlined below by programme element.

Element of programme	Safeguard
General	Charter of rights and responsibilities Grievance Redress Mechanism Social accountability
Programme entry and exit	Public posting of client lists Appeals through Grievance Redress Mechanism One year grace period for graduation
Payments	Client cards and PASS Grievance Redress
Public works	ESMF Community review of PSNP Public Works plans presented at kebele level, after woreda Food Security Task Force approval.
Livelihoods	ESMF Grievance Redress
Resource Management	Audits

2.6 Scale and Scope

The PSNP 4 will scale up to a national rural programme. The programme will scale up systematically so as to ensure that capacity is built before programme implementation begins in each area. The scaling up of the programme will build on the residual caseload and phase in the introduction of households and woredas experiencing the greatest vulnerability in the existing programme regions.

Eventually the PSNP will cover all regions in the country except Gambella and Benishangul Gumuz⁸ and become a national programme. The estimated maximum annual programme caseload will be 10 million clients, consisting of 8.3 million chronic food insecure clients and the capacity to support an additional 1.7 million transitory clients if need exists. Transitory needs will be determined using data generated by the early warning system through a joint seasonal assessment conducted in December each year.

⁸ These regions are covered by other government programmes

As clients graduate, new clients will be added on a needs basis, using the targeting system, as long as there are unmet needs in the country.

The programme will also build strategic linkages between the development of the rural safety nets and the urban safety net (under development with the Ministry of Urban Development, Housing and Construction) to ensure consistent coverage using complementary tools and a consistent approach.

The PSNP retains previous phases' focus on food insecurity and poverty as the key criteria for selecting programme clients. However, within this poverty focus specific services will be targeted so that the particular needs of categorical groups (elderly, young children, pregnant and lactating women) can be better addressed.

2.7 What's Different in this Phase of the PSNP

The PSNP 4 builds largely on the successes and lessons learned from the current phase, with a number of important innovations:

1. **Transition to a system of integrated service delivery:** This phase sees the transition from a series of time-bound programmes to the development of an efficient and effective system for delivering elements of social protection and disaster risk management.
2. **Integration of the livelihoods component within the PSNP:** The two sets of interventions – safety net activities and livelihoods activities – are merged into one integrated programme with a common log frame.
3. **An increase in the value of the transfer:** The increase in value of the transfer to 15 kg of cereals and 4 kg of pulses allows for improved levels of consumption as a result of the increased kilocalorie value and higher protein and fat contents, as well as more significant contribution to resilience and asset protection because of its higher value.
4. **Twelve months of support for permanent Direct Support clients:** The move to year-round transfers recognises the greater needs of households who have no adult able-bodied support and provides these extremely vulnerable households with the support they need.
5. **Strengthened continuum of response:** The continuum of response further strengthens the current mechanisms which allow the programme to scale up in response to both localised and more widespread shocks through greater decentralisation of decision making and clear triggers and mechanisms.
6. **Greater flexibility in public works:** This greater flexibility allows the programme to increase its impact in the areas of social infrastructure, nutrition, climate resilience and disaster risk management.
7. **Expansion of conditionalities beyond previous public work focus:** The previous PIM allowed for some skills training and behaviour change communication; this PIM establishes mechanisms to ensure that this is a widely implemented part of the programme.
8. **Support to three livelihood pathways to graduation:** The three pathways are crop and livestock; off-farm income generation and employment. Each pathway is supported with better tailoring and sequencing of interventions. In addition the use of livelihoods transfers for the most vulnerable households – for whom credit is not an option – is introduced.
9. **MOLSA to gradually assume responsibility for permanent direct support clients:** based on the planned capacity review and in line with the development of MOLSA capacity, the PSNP will gradually transition the Permanent Direct Support clients over to the responsibility of MOLSA while ensuring common systems for targeting and implementation are used (e.g. the single registry).

10. A **strengthened focus on gender equity**: gender equity is one of the eight principles that have guided PSNP implementation to date,⁹ but provisions intended to enhance women’s equal participation and increase their benefit have been not fully realised. Hence, the PSNP more systematically addresses gender-related concerns, particularly in the areas of nutrition, household asset management, and community cohesion, in order to make meaningful strides towards sustainable and gender equitable development outcomes.
11. **Gradual increase in Government of Ethiopia’s financial contribution**: In line with Government of Ethiopia commitments to increase domestic financing of social protection, the PSNP 4 will see a gradual increase in Government of Ethiopia’s financial contribution to the services this programme supports, with the goal of putting the programme “on budget” within a ten-year period. The total value of the GoE’s contribution is estimated at approximately USD 500 million, of which approximately USD 285 million will be provided as a cash contribution that will be incorporated in the annual PSNP budget and will be deposited into the pooled local currency account.

⁹ MoARD, 2010. PSNP Programme Implementation Manual Final October 2010, Addis Ababa

PSNP IV Programme Implementation Manual

Part 2: Planning and Preparatory Activities

Version 1.0

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3.1 Introduction

This chapter of the manual describes the processes for identifying households eligible for the various components of the PSNP. It describes how they should be identified for entry into the programme (targeting) and the criteria by which they should exit from the programme (graduation).

There are four core components of the programme from which individual households receive benefits and therefore resources need to be targeted. These components and the key criteria of eligible households are summarised in the table below:

Component	Selection criteria
Permanent direct support component (previously known as permanent direct support)	<ul style="list-style-type: none"> • Community member • Chronically food insecure - faced continuous food shortages (3 months of food gap or more per year) in the last 3 years • Those who have become suddenly food insecure as a result of a severe loss of assets (financial, livestock, means of production, assets), especially if linked to the onset of severe chronic illness, such as AIDS • No adequate family support and other means of social protection and support <p style="text-align: center;">and</p> <ul style="list-style-type: none"> • No adult-able bodied labour¹⁰
Public works and temporary direct support component	<ul style="list-style-type: none"> • Community member • Chronically food insecure - faced continuous food shortages (3 months of food gap or more per year) in the last 3 years • Those who have become suddenly food insecure as a result of a severe loss of assets (financial, livestock, means of production, assets), especially if linked to the onset of severe chronic illness, such as AIDS • No adequate family support and other means of social protection and support <p style="text-align: center;">and</p> <ul style="list-style-type: none"> • With at least one adult member able to participate in public works¹¹
Livelihoods component: Livelihoods technical support	<ul style="list-style-type: none"> • Is a member of a household benefiting from either the permanent direct support or the public works and temporary direct support component <p style="text-align: center;">and</p> <ul style="list-style-type: none"> • Self-selects to participate in the livelihoods component. If more clients are interested in participating than there are resources to support them, communities will undertake a targeting exercise to prioritise which interested households will receive livelihoods support during the year. <p style="text-align: right;">See Part 2, Chapter 4 (Annual Planning) for details on this self selection process</p>
Livelihoods transfer	<ul style="list-style-type: none"> • Is a member of a household benefiting from either the permanent direct support or the public works and temporary direct support component <p style="text-align: center;">and</p> <ul style="list-style-type: none"> • Has been selected through a community process as needing additional support before being able to embark on livelihood investments. Communities will be instructed to prioritise female household heads, landless youths, members of the poorest households, members of other households for whom credit is not an option. A household may only be targeted for one livelihoods transfer.

¹⁰ At least one household member who is over 18, not suffering from chronic illness, under the age of 60 and not mentally or physically challenged.

¹¹ A person temporarily unable to participate in public works, for example because they are pregnant, would qualify. But for the duration of their pregnancy and the first year they breast fed their child they would be referred to temporary direct support.

Risk management component	<ul style="list-style-type: none"> • Households who have successfully appealed wrongful exclusion from PSNP transfers • Households who have at least one malnourished child under the age of five who receive Targeted Supplementary Food or benefits from Community Management of Acute Malnutrition • Households who have been affected by a shock <p style="text-align: center;">See Part 3, Chapter 11 (Risk Management) for further details regarding selection criteria and targeting approach.</p>
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Households whose food security status has improved sufficiently that they no longer need transfers are expected to graduate from the programme. The key criteria for graduation is that

“households achieve food sufficiency in the absence of external support”

Both targeting and graduation use a combination of administrative and community targeting, the combination of which is described in the sections below.

3.1.1 WHAT’S NEW IN THIS VERSION OF THIS CHAPTER

- Introduction of a household cap of five persons per household
- Separation out of periodic targeting from annual recertification
- Summary of how to operationalize the graduation prediction system and identification of graduate households
- The development and piloting of a food insecurity/poverty index to support targeting
- The design and testing of a single registry of clients or national household registry
- Clarification on how to address polygamous households during targeting
- Introduction of flexibility in targeting approaches used in lowland operational areas
- Expansion of the programme into new woredas with a significant recurrent emergency caseload
- Expansion of programme in existing woredas to address unmet chronic food insecurity.

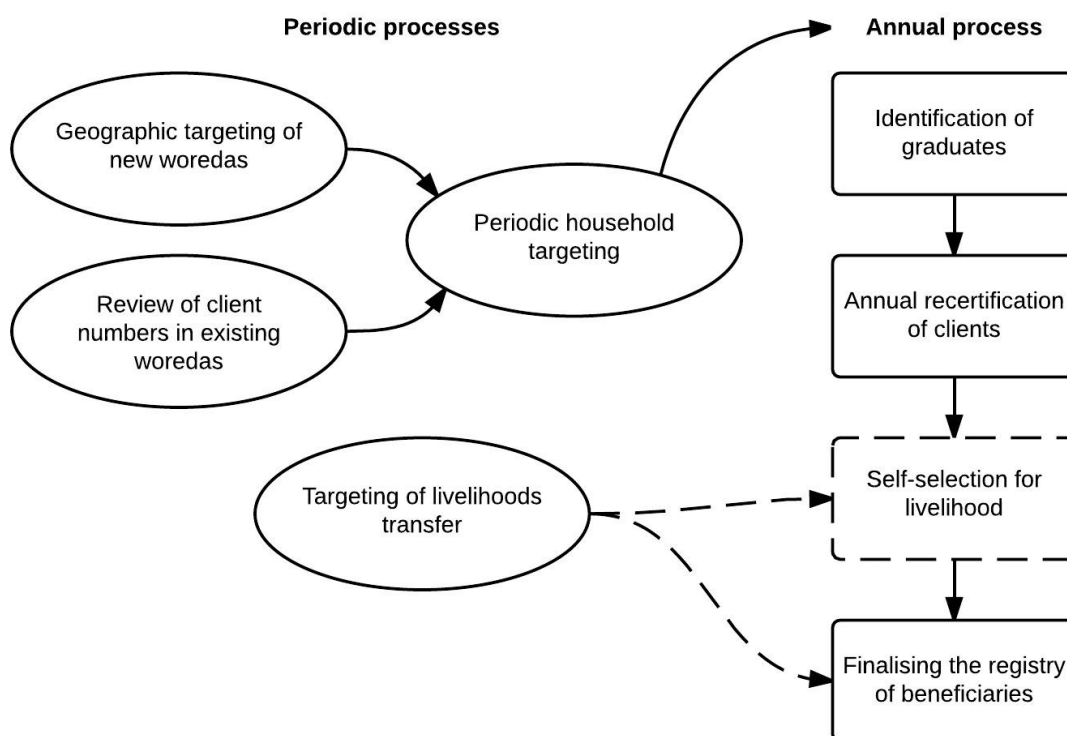
3.2 Key Principles for Programme Entry and Exit

- **Participatory approach.** Communities should be involved in the selection of programme clients and have an opportunity to verify and validate the final selection list
- **Fairness.** Households should be selected on the basis of entry criteria and not included or excluded on the basis of personal relationships or discrimination.
- **Transparency.** Communities and households should be aware of the selection criteria and those who have been identified in the programme. The client list is verified through public meetings during which it is read aloud and discussed. The final client list is also posted in public locations.
- **Access to an appeals mechanism.** Households will have access to an effective appeal mechanism to address inclusion or exclusion errors.
- **Evidence based graduation.** Graduation should be based on case-by-case, evidence-based assessment of a household’s circumstances compared to relevant, realistic criteria. Identification of graduate households is in no way linked to policy targets for graduation.
- **Safeguards against premature graduation.** Households are provided with 12 months notice of the fact will stop receiving core safety net transfers

3.3 Overview of processes for programme entry and exit

The flow chart below provides an overview of the key processes involved in programme entry and exit. As can be seen these key processes can be split into those which take place periodically (every three to five years) and may involve new woredas, and those which take place annually.

Figure 3.1: Flow Chart Indicating Key Targeting Processes



3.4 Roles and Responsibilities in Programme Entry and Exit

Federal Food Security Coordination Directorate	<ul style="list-style-type: none"> • Identify woredas with a recurrent emergency caseload for future inclusion in the programme • Review the number of clients for each existing or new woreda on the basis of the recurrent emergency caseload • Identify the order in which the roll-out should happen to new woredas on the basis of levels of need and the existence of key capacities • Take the lead in developing and piloting the poverty index to support targeting in discussion with MOLSA • Support the development the National Household Registry in consultation with FSCD and MOLSA
Early Warning and Response Directorate	<ul style="list-style-type: none"> • Support the identification of woredas with a recurrent emergency caseload for future inclusion in the programme • Support the review of the number of clients for each existing or new woreda on the basis of the recurrent emergency caseload
MOLSA	<ul style="list-style-type: none"> • Take a lead in developing the National Household Registry in consultation with FSCD. • Support the development and piloting the poverty index to support targeting

Regional Food Security	<ul style="list-style-type: none"> • Support the ordering of the roll-out to new woredas by providing information on the existence of key capacities • Support training and capacity building for woredas targeted for expansion • To print and distribute client cards
Woreda Food Security Task Force	<ul style="list-style-type: none"> • Select any new kebeles for inclusion in the programme following geographical targeting or expansion in client numbers • Review how any additional client numbers should be allocated across kebeles. • Approve the overall client list for the woreda
Woreda Food Security Desk	<ul style="list-style-type: none"> • Contract photographer for client cards • Distribute client cards to each kebele
Woreda Office of Labour and Social Affairs	<ul style="list-style-type: none"> • Contribute to targeting processes as a member of the WFSTF
Livelihoods Zone Assessment Group	<ul style="list-style-type: none"> • Apply the graduation prediction system and agree projected number of graduates per kebele
Kebele Food Security Task Force	<ul style="list-style-type: none"> • Discuss and agree allocation of client numbers between different communities • Review and approve the client list generated by the CFSTF • Support distribution of client cards
WOLSA Social Worker (where available)	<ul style="list-style-type: none"> • Contribute to targeting processes as a member of the KFSTF
Kebele Appeals Committee	<ul style="list-style-type: none"> • Hear any targeting or graduation related appeals
Community Food Security Task Force	<ul style="list-style-type: none"> • Complete household targeting for safety net transfers in accordance with the PIM • Complete client targeting for livelihoods transfers in accordance with the PIM • Brief community on final client list and raise awareness on complaints procedures • Identify potential graduates using wealth ranking • Conduct annual recertification of programme clients
Community Care Coalitions	<ul style="list-style-type: none"> • Contribute to targeting processes as members of the CFSTF or the KAC¹²

3.5 Periodic processes

3.5.1 FEDERAL LEVEL GEOGRAPHIC TARGETING OF NEW WOREDAS

Geographic targeting describes the selection of regions, woredas and kebeles for inclusion in the PSNP programme. Targeted areas are selected because of the prevalence of chronic food insecurity as indicated by recurrent emergency needs.

¹² Individual CCC members may either be members of the CFSTF or the KAC. One person cannot sit on both the CFSTF and the KAC because of the need for separation of responsibilities.

Programme expansion will take a phased approach with some woredas selected for the roll-out of expansion in EFY 2008, others in EFY 2009, etc.

The following is the basis for future geographic targeting in the programme:

- The programme continues to operate in eight regions of Ethiopia: Tigray, Amhara, Oromiya, SNNP, Afar, Dire Dawa, Harari and Somali.
- Woredas previously included in the programme will continue to be covered by the PSNP
- Within these woredas, new households will be accepted for inclusion in the programme if they have received emergency relief assistance in three years preceding 2014.
- New woredas will be accepted for inclusion in the programme if they have received emergency relief assistance in three of the five years preceding 2014.
- The order in which the programme will roll-out to new woredas will be decided on the basis of a) the level of needs and b) existence of key capacities (minimum staffing levels, financial /food management etc.).

The following five steps summarise this expansion in geographic targeting by the Food Security Coordination Directorate (FSCD), in coordination with the Early Warning and Response Directorate (EWRD):

Step 1: Identification of woredas with a recurrent emergency caseload (this is defined as those woredas receiving emergency relief assistance in three of the five years preceding 2014).

Step 2: Assessment of the likely number of programme clients in each of these woredas based on the average number of relief beneficiaries.

Step 3: Identification of woredas to be targeted in the roll-out for the next financial year based on a) the level of needs and b) existence of key capacities (minimum staffing levels, financial/food management and other capacity requirements detailed in Part 2, Chapter 16 (Systems Building and Capacity). This assessment of capacity will be one by the FSCD in coordination with regional food security offices and development partners. The final list of woredas to be targeted in each financial year's roll-out will be approved by the Joint Strategic Oversight Committee (JSOC).

Step 4: Training and capacity building in woredas targeted in the first wave of new roll-out

Step 5: Launch of the programme in new woredas

(Steps 3-5 will then be repeated for all subsequent woredas identified for roll-out)

3.5.2 FEDERAL LEVEL REVIEW OF CLIENT NUMBERS IN EXISTING WOREDAS

In addition to geographic targeting of new woredas, Step 2 above will also be used to review the number of clients in existing woredas to ensure the inclusion of all chronically food insecure households.

3.5.3 WOREDA SELECTION OF KEBELES AND ALLOCATION OF CLIENT NUMBERS

Selection of kebeles supported by the programme is done by the Woreda Food Security Task Force who will consider kebeles have been in receipt of recurrent food assistance (for at least three of the past five years). When the programme rolls-out to new kebeles (whether in existing safety net woredas or in new woredas there will be to establish key structures at woreda kebele, and community level including the Woreda, Kebele and Community Food Security Taskforces. Information on the composition (including requirements for women's participation) and

responsibilities of these taskforces and other key committees and institutions can be found in Part 6, Chapter 18 (Institutional Arrangements).

Woredas also use information on recurrent receipt of emergency assistance to identify how any increase in client numbers should be divided amongst kebeles in the woreda.

3.5.4 PERIODIC HOUSEHOLD TARGETING FOR SAFETY NET TRANSFERS

A full retargeting of safety net client households should take place every three to five years. This full retargeting will provide a greater opportunity to correct any inclusion and exclusion errors than is possible by an annual recertification exercise. Triggers for a targeting or re-targeting exercise include:

- Inclusion of a new area into the safety net programme (and the need to do initial programme targeting)
- Significant changes to client numbers as a result of the above federal level review of client numbers in existing woredas
- Identification of significant inclusion and exclusion error through periodic spot-checks
- The fact that it has been more than four years since the previous targeting exercise

The key steps in household targeting (in new woredas and kebeles) or retargeting (in existing safety net kebeles) at the kebele and community levels are as follows:

3.5.4.1 Kebele

Step 1: The Kebele Food Security Task Force (KFSTF) receives information on the number of PSNP clients allocated to their kebele. If this number is significantly different from what they were anticipating (based on previous years' experience and their knowledge of any graduation which has been agreed within the kebele) they should immediately report their concerns to the woreda Food Security Desk and seek clarification. The KFSTF may also receive guidance from the WFSTF on specific criteria to be used within the woreda for the identification of clients. Such criteria will be related to locally relevant indicators of poverty such as livestock holdings, land size, access to irrigation, and other locally predominant assets (fruit trees, timber trees, perennial crops, employment status, receipt of remittances, small businesses etc.).

Step 2: The KFSTF will discuss and agree on the specific allocations that will be passed onto the Community Food Security Task Forces which cover the kebele. In discussing and agreeing on these allocations the KFSTF should consider the following criteria:

- Previous years' PSNP allocations
- Number of households and household members who have graduated from the PSNP in previous years.
- Any serious events which may have affected the number of chronically food insecure households (severe droughts or other disasters).
- Prevailing conditions affecting food security within different areas of the kebele (agro-ecology, access to irrigation, soil quality and degradation, etc.).

Step 3: The KFSTF informs the CFSTFs of their respective PSNP client number allocations. If this number is significantly different from what the CFSTFs were anticipating (based on previous years' experience and their knowledge of any graduation which has been agreed within the kebele) they should immediately discuss their concerns with the KFSTF and seek resolution. If any issues cannot be resolved within the kebele, the complaint should be passed on to the WFSTF for clarification and resolution.



Temporary Direct Support

Pregnant and lactating women (up to one year after birth) and primary care-givers of malnourished children transition to temporary direct support. This means that at least one per person transfer is provided to their household without a public works requirement. The identification of **temporary** direct support clients is not a major focus of periodic household targeting, because household members eligibility for temporary direct support varies over time – not only year to year but even within the annual cycle of safety net implementation.

However, during periodic targeting any household members eligible for temporary direct support will be noted and referred to the relevant social services as outlined in Section 8.4 below and Part 3, Chapter 8 (Public Works and Links to Social Services Component), Section 8.3 for further details.

3.5.4.2 Community

The CFSTF has the main responsibility for identifying which households are within the PSNP, and whether these households should participate in public works and temporary direct support component or the permanent direct support component.

The key decision making process followed by the CFSTF is as follows:

Step 1: Identify household in need of safety net transfers: In conducting new targeting or undertaking a retargeting exercise, the CFSTF should refer to the following basic and supplementary criteria for targeting PSNP support to identify those households that should be eligible for safety net transfers (at this stage there is no need to distinguish whether permanent direct support or public works):

Basic PSNP eligibility criteria:

- The households should be members of the community
- Chronically food insecure households who have faced continuous food shortages (3 months of food gap or more per year) in the last 3 years
- Households who suddenly become more food insecure as a result of a severe loss of assets (financial, livestock, means of production, assets), especially if linked to the onset of severe chronic illness, such as AIDS, or other debilitating conditions, and who have been unable to support themselves over the last 3 to 6 months
- Households without adequate family support and other means of social protection and support

Supplementary criteria to assist in the refinement of the client list (further guidance on supplementary criteria may be provided by the WFSTF and forwarded by the KFSTF):

- Status of household assets: land holding, quality of land, livestock holding, food stock, labour availability etc.
- Income from agricultural and non-agricultural activities
- Specific vulnerabilities such as female-headed households, households with members suffering from chronic illness, elderly headed households caring for orphans etc.
- Where resources are available and other factors are equal, consider also the needs of poor and vulnerable pregnant and lactating women

Step 2: Assess the household's eligibility for the public works or permanent direct support component. Households with adult able-bodied labour should be selected for the public works and links to social services component. The following criteria should be used to determine whether an individual household member should be counted as an able-bodied adult:

- The household member should be above the age of 16.

- The household member should not be chronically sick, disabled or mentally challenged in such a way as to prevent them from undertaking work

If there are no members of the household who comply with the above criteria, then the household is considered eligible for permanent direct support. Households with at least one member meeting the above criteria are considered eligible for public works and links to social services.



Pregnant women and lactating mothers

Pregnant women and lactating mothers must not participate in public works but are still eligible for the public works and links to social services component. Within this component they are designated a temporary direct support client (from the moment the pregnancy is identified by a health agent and until the child is one year old) and requested to comply with co-responsibilities which will improve the health and nutrition of themselves and their child.

Step 3: Assess the application of the labour cap for households eligible for the public works and links to social services component. Households considered eligible for public works should be reviewed to assess the number of able-bodied adults and determine whether or not the household should be included fully as public works, or whether a cap should be set on the amount of labour the household will provide.

Step 4: Targeting up to the household cap of five. If a household is identified as being eligible for the PSNP, all household members will be listed as clients of the programme. However, transfers will only be provided for up to five household members and the public works requirement will be based on the number of transfers the household is receiving. For households of five and under, all family members, regardless of their age, will be listed and eligible for a transfer.



Listing of all household members

Even though transfers will only be provided for up to five household members, all household members should be documented during the targeting process. This will allow better documentation and recording of other services the household is receiving (such as temporary direct support) and will become an input into the single registry when it is developed.

eg

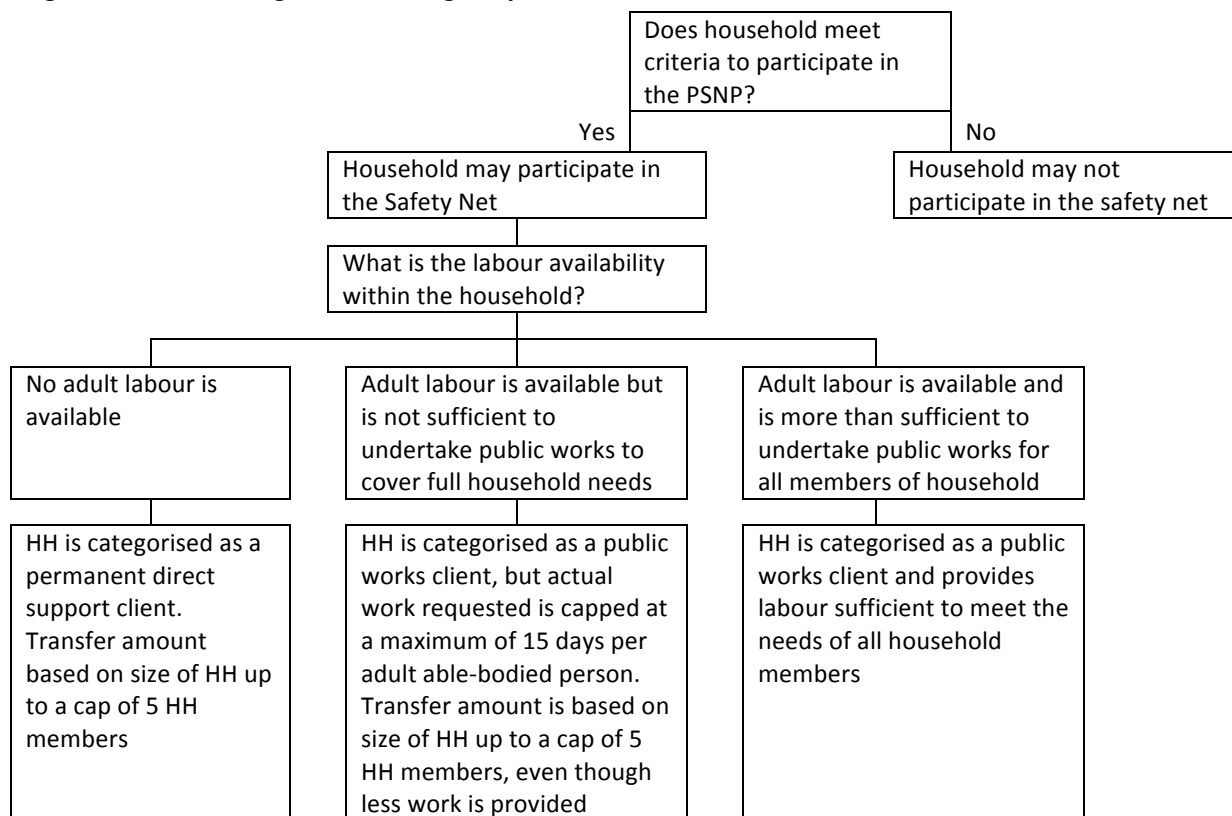
Illustration of how to operationalize steps 2, 3 and 4 above.

HH ID	Total HH Size a)	Number of able-bodied adults b)	HH category: public works (PW) /permanent direct support (PDS)	Number of HH members provided with transfer a) up to maximum of 5	Monthly transfer entitlement c) x 100 Birr	Monthly work requirement c) x 5 days, up to a maximum of b) x 15
001	2	0	PDS	2	200	0
002	3	1	PW	3	300	15
003	7	3	PW	5	500 (HH cap)	25
004	5	2	PW	5	500	25
005	5	1	PW	5	500	15 (labour cap)

Note: the basis of these calculations is the wage rate of 20 Birr per day. Actual wage rates vary from woreda to woreda and are adjusted annually for inflation.

The above steps can be summarised in the decision tree below:

Figure 3.2: Determining Household Eligibility



Further considerations that influence targeting include:

Polygamous families: For the purposes of safety net targeting each wife and her children should be counted as one household, with the husband only being counted in one of the households. Each of these separate households should be assessed as to whether or not they should be eligible for the PSNP. For those households considered eligible for the PSNP, the transfer each household receives, and associated work requirements, will be calculated separately.

Divorce: In the case that a husband and wife become divorced during the course of their inclusion in the PSNP, all family members residing in the kebele should continue as clients for the year. The transfer each household receives should correctly reflect the number of family members dwelling together. For example, if the children reside with their mother, she should receive their transfer, while the father would receive a payment for himself only. The next year, during the recertification exercise, the food security status of the separate households should be assessed to determine their eligibility for the PSNP, with each household being treated equally.¹³

Duration of client eligibility: Clients will remain in the PSNP for multiple years until they reach the graduation threshold. They will not be excluded from the PSNP through the annual recertification exercise if they are better off but do not meet the criteria for graduation.

Step 4: If community targeting of the livelihoods transfer is being done at the same time as targeting of safety net transfers, the CFSTF will at this point apply the wealth ranking techniques to identify

¹³ If one of the divorced parties moves to another PSNP kebele, she or he should register with the KFSTF in the new kebele; and will be eligible for consideration for inclusion through the appeals process and contingency budget, and for consideration for inclusion during the recertification process next year.

the poorest PSNP client households, as well as female-headed households, households with landless youth¹⁴, and others for whom credit is not an option for receipt of the livelihoods transfer (see section 3.5.7 for further details).

Step 5: The results of the targeting processes, the list of eligible households, and whether they are categorised for permanent direct support or public works will then be verified by the wider community. In order to ensure adequate input into this verification process, the list of proposed participants will both be displayed in a public place and discussed during a full general meeting of village residents.

The proposed list of participants, and their eligibility for permanent direct support or public works, will be displayed in public for at least a week prior to a full general meeting of village residents. During this meeting, the CFSTF will present the full targeting process and the results. The CFSTF will then allow a thorough discussion by community members, which will result in changes to the list if the community does not agree with the assessment of the CFSTF. The meeting should be concluded when there is broad agreement on the list of PSNP participants.

For more details, please refer to the Targeting Guidelines (available from FSCD).

3.5.4.3 Submission of client list for approval to woreda food security task force

Following community verification, the CFSTF will finalise the list of PSNP participants and forward it to the KFSTF for approval and further action. The KFSTF will collect the participant lists from all CFSTFs prior to compiling a full list for the kebele to be forwarded to the WFSTF for verification, approval, and/or necessary adjustment. This process may include minor adjustments in proposed client numbers (deviations from the originally projected allocations).

Once the list of PSNP clients is approved, the CFSTF briefs the community on the final list and raises awareness that they can raise complaints through the appeals committee (see Section 3.5.5 below).

The list of PSNP clients submitted to the woreda and the list that is approved by the woreda should be posted in a public location in the woreda and kebele centres.

3.5.5 KEBELE APPEALS PROCESS

An appeals process has been established for all aspects of PSNP implementation as part of the Grievance Redress Mechanisms (see Part 3, Chapter 10 (Social Accountability and Grievance Redress Mechanism) for further details) and includes a Kebele Appeals Committee and access to the Woreda Cabinet for unresolved complaints.

As described in Part 3, Chapter 10 (Social Accountability and Grievance Redress Mechanism), the Kebele Appeals Committee meets quarterly. One of these meetings will be convened within one month of a new annual listing of PSNP participants being produced to hear appeals related to the client selection process. During this meeting any appeals regarding selection will be heard whether it is from households who believe they were wrongly excluded during the targeting process, or complaints of inclusion error. The KAC members will review the evidence and make their recommendations on how the cases should be resolved. The KAC will have provided a listing of the appeals and the associated resolutions to the Kebele Council, Woreda Council and Woreda Agriculture Office.

¹⁴ This criterion is primarily relevant to highland areas and riverine areas in the pastoral lowlands. Pastoral lowland areas that are not riverine may consider prioritizing households with unemployed youth and/or pastoral drop outs.

Further details on appeals and the Grievance Redress Mechanisms can be found in Part 3, Chapter 10 (Social Accountability and Grievance Redress Mechanism).

3.5.6 ISSUING OF CLIENT CARDS BY WOREDAS AND KEBELES

Once the targeting process has been completed, and the participant list approved by the WFSTF (and after subsequent approval from regional and federal levels), all PSNP clients will be issued with a Client Card. The costs associated with issuing a Client Card are covered by the woreda administrative and regional management budgets in all woredas. Under no circumstances will PSNP clients be asked to pay for a Client Card.

All PSNP client households must hold a PSNP Client Card, with the photograph and signature of both spouses.¹⁵ However, delays in issuing client cards will not delay payments. Card is proof that a household has been targeted for the programme, and thus improves the security and predictability of their transfers. The Card also details how many days each household must participate in public works and the level of transfer they will receive. This provides clear information on the type of transfer each household can expect to receive, and provides clients certainty of their inclusion in the programme and on their entitlements. If a household is eligible for a livelihoods transfer (see Section 3.5.7), this will also be indicated on the card. A copy of the Client Card is included as Annex 3.1.



Use of Client Cards

The use of the Client Cards reduces the risk of rotation of households on and off the programme. It also improves the security of the transfer mechanism by ensuring clients' attendance during payments. This is because each client must present their card if they are to receive their payment; without presenting their card they will not receive payment. All clients must be informed of the requirement to bring their Client Card with them on each payment day. A member of the CFSTF may be delegated to collect transfers on others' behalf if no-one from the household is able to attend. In this case the representative takes the Client Cards and returns them to the clients with their transfers.

Client cards are printed by the regions and issued to woredas, which ensure that each card has a serial number written at the bottom of it. The correct number of cards (based on the planned number of PSNP clients in the respective kebele (plus five extras to account for error or loss) are then issued to each kebele.

The following steps are taken to issue client cards at kebele level.

Step 1: The Kebele Administration (KFSTF or Administrator) collects cards with written serial numbers from woreda based on the planned number of PSNP clients as above.

Step 2: The Woreda FSD/P contracts a photographer to take photographs of each client. A schedule should be created and communicated to kebele officials by the woreda FSD/P, identifying when photos will be ready for distribution by the photographer or for pick-up by kebele officials. Kebele officials, based on the schedule, call client households for their photos to be taken. Client Cards are issued to PSNP clients free of charge. Any costs associated with this process are covered by the PSNP through the woreda administrative budgets. Clients should not pay for the photographs nor for any other part of the Client Card, or any other PSNP process.

¹⁵ In the case that there is only one adult, the Client Card carries his or her photograph and signature.

Step 3: After photos have been received, kebele officials meet with household clients individually to fill out the card and affix the photo. Clients (household head and spouse) should also sign the card after they approve that the information entered is correct.

Step 4: Cards are then taken to the woreda office for final authorisation (this includes entering the PASS ID or National Household Registry ID¹⁶ number into the client card). At this time, kebeles return any voided or unused cards to the woreda. All voided cards are filed and all unused cards are stored in a safe place at the woreda office.

Step 5: Kebeles collect cards from woreda and bring back to kebele to distribute to clients. Kebele officials must confirm that all clients have received a card. If a household has not received a card, kebele officials should immediately take appropriate actions to ensure that a card is assigned.

If a card is lost, this loss should be reported immediately to the Kebele Administration who will request an additional card from the woreda and re-issue a new card.

When a client graduates or decides to leave the PSNP he/she hands in the Client Card to the KFSTF, which will arrange for the card to be stamped 'Graduated' thereby rendering the client ineligible for PSNP transfers.

Other card management issues:

- Cards will be renewed, as required, on an annual basis following the annual recertification process, by the Kebele Chair on the recommendation of the KFSTF. The cards can remain valid for five years. The renewal is done by indicating the year and receiving an official stamp.
- The expected transfer type is filled out at the time the card is issued or renewed using columns for cereal and pulses when necessary.
- Client Cards are non-transferable. Households may not sell their card nor exchange their card for any other benefits.
- If a household divorces, household head or spouse dies, and or marries the Client Card is re-issued with the new amended details following the next annual recertification.

3.5.7 COMMUNITY TARGETING OF THE LIVELIHOODS TRANSFER

Livelihoods transfers, described in more detail in Part 3, Chapter 9 (Livelihoods Component), are also targeted using a community targeting process. Livelihoods transfers are limited to members of households that are benefiting from either the permanent direct support or the public works and temporary direct support component and are deemed by the community as being in need of additional support before being able to embark on livelihood investments.

The CFSTF will prioritise the poorest PSNP client households (using wealth ranking techniques), female-headed households, households with landless youth¹⁷, and others for whom credit is not an option. Through this approach, the CFSTF will identify those in the community who should receive the livelihoods transfer.

Households targeted for the livelihoods transfer will not necessarily receive it in the year following the targeting exercise, but any time in the following three years. These households will be eligible to

¹⁶ The National Household Registry has not yet been developed but is expected to be designed and piloted in EFY 08/09 with roll-out some time after. Once the registry is in place it, along with the MIS, will supersede PASS.

¹⁷ This criterion is primarily relevant to highland areas and riverine areas in the pastoral lowlands. Pastoral lowland areas that are not riverine may consider prioritizing households with unemployed youth and/or pastoral drop outs.

receive only a one-time livelihoods transfer during the course of the programme after successful completion of the livelihoods checklist and business plan, as outlined in Part 3, Chapter 9 (Livelihoods).

Whenever possible, the targeting of livelihood transfers will take place at the same time as the community targeting of the permanent direct support or public works components. Woredas that are planning a large-scale retargeting of programme clients may choose to target their livelihood transfers during the same process. But woredas that have no retargeting planned may need to conduct this process separately.

Clients who believe they have been unfairly excluded from eligibility for a livelihoods transfer may bring their complaint to the Kebele Appeals Committee.

3.5.8 DEVELOPMENT AND PILOTING OF A FOOD INSECURITY/POVERTY INDEX TO SUPPORT TARGETING

PSNP 4 will introduce a kebele food security index and a household poverty index to complement the existing community targeting system. These combined will form a proxy means test (PMT) which can be used to verify targeting. The PMT will be used to reduce errors of exclusion and inclusion and will be applied once the community targeting process has nominated a family for inclusion in PSNP transfers, but it will not replace community verification, nor community targeting; it is a supplement. Initially the index will be applied to those identified by community targeting (and as such, correct inclusion errors)' by the end of the programme (at the latest), all households in PSNP kebeles should be covered by the poverty/food insecurity index, which will then enable it to correct for both inclusion and exclusion errors.

The proposed revised targeting system that will be developed and piloted utilises: 1) A food security index to identify vulnerable kebeles, 2) The current community-based targeting methodology with standardised guidelines, and 3) Verification of clients by a proxy means test/household poverty index. This will facilitate: a reduction in exclusion and inclusion errors, management of appeals, adequate graduation procedures, and case management by providing a ranking score for each household. Food security indicators will be aggregated at the kebele level and will provide the basis for geographic targeting of kebeles with updated data and indicators.

PSNP will use the household poverty and kebele food insecurity indexes for the following purposes:

- During the targeting process, flagging possible cases of exclusion (households excluded by community but categorised as poor using the poverty-food insecurity indices) or inclusion (households selected by the targeting committee, but categorised as non-poor using the poverty-food insecurity indices). The appeals committee will review these cases to analyse and resolve the discrepancies.
- During the graduation process to provide input to the process identifying households ready for graduation according to local committees, but categorised as still poor using the poverty-food insecurity indices. The appeals committee will review these cases to analyse and resolve discrepancies.
- During the case management process to provide an objective procedure as one input to resolve appeals made by households that have been excluded from the programme.

Once the new approach and associated software have been developed, they will be piloted in selected woredas before being further revised and rolled out. Woredas selected for piloting will be informed of their selection and will be trained on how to collect the household information required for the new approach and how to use the index to verify the community targeting.

Woredas that have not been contacted should continue to use the targeting approach indicated in sections 3.5.1 to 3.5.6 until they are informed otherwise.

Once design and testing of the new approach has been completed and to support further roll-out of the approach an update of this chapter of the PIM will be issued which will provide information on who needs to do what and at which level to operationalize the approach.

3.6 Annual Process

The Annual Programme Entry and Exit process involves the identification of potential programme graduates, the recertification of programme clients of the permanent direct support and public works components, and the targeting of the livelihoods component. The sections below describe these processes in more detail.

3.6.1 GRADUATION

As part of the annual recertification process, the PSNP assesses whether or not any clients have achieved the required food security status to graduate. Undertaking this assessment uses a combination of the Graduation Prediction System (GPS) and wealth-ranking conducted by the Community Food Security Task Force to identify potential graduates from the PSNP. In addition it is possible that a small number of households will self-graduate.

The following key principles underpin graduation from the PSNP

- **Evidence Based:** The identification of a household for graduation must be based on that household meeting the criteria for graduation (rather than based on targets)
- **Transparency:** the system must be transparent to external actors (donors and federal/regional government) and to PSNP clients
- **Accountable:** the system must be accountable to PSNP clients
- **Simple, responsive and relevant:** the criteria used to identify clients should be easy to use, livelihood specific and revised periodically to remain relevant
- **Flexible:** the system should be implemented in a flexible manner (similar to targeting)
- **Balance incentives:** the system needs to be responsive to both positive and negative incentives.
- **Community awareness and involvement:** communities are best placed to operationalize graduation

3.6.1.1 Predicting the likely graduation rate (woreda and kebele representatives)

A Graduation Prediction System has been designed to support the assessment of likely graduation rates on a livelihood-by-livelihood basis. The GPS doesn't identify graduate households, but simply predicts the likely graduation rate. The selection of households for graduation is the responsibility of CFSTFs and the communities.

There is a GPS tool for each livelihood zone¹⁸ in every PSNP woreda. All woredas will be provided with the GPS and the relevant tools for each of their livelihood zones by FSCD. The GPS tool is used

¹⁸ A livelihood zone is an area which has similar agro-ecology and production pattern and where the population follows common livelihood strategies and have comparable access to markets. Woredas can have two or three livelihood zones marked by different altitudes, varying levels of rainfall, different cropping patterns, and greater or lesser dependence on livestock.

in graduation assessment sessions run annually. A separate graduation assessment session is conducted for each livelihood zone by a 'Livelihood Zone Assessment Group'.

Step 1: If not yet constituted, a "Livelihood Zone Assessment Group" will be constituted for each livelihood zone in the woreda. This group will be chaired by the head of the WFSTF and composed of the Kebele cabinet heads and the chairs of each KFSTF and CFSTF in the kebeles which make up the livelihood zone.


Step 2: The Livelihood Zone Assessment Group together decides what information is to be entered into the GPS tool to calculate the projected graduation rate. This information concerns a) the crop production performance of the year, the terms of trade, some key PSNP specifications (for example type and timing of public works), and the level of engagement in programme supported livelihood activities. Further information on how to use the Graduation Prediction System can be found in Guidelines: Graduation Prediction System available from the FSCD.

Step 3: Once the Livelihood Zone Assessment Group (LZAG) has completed its calculations of graduation rates for the livelihood zone, they then decide how the projected graduation rate will apply across kebeles. For example, if wealthier kebeles exist with more households ready to graduate, these kebeles should be allocated a higher percentage of graduates than poorer kebeles in the livelihood zone. By the end of the session, the LZAG should have discussed and agreed the projected number of graduates per kebele.

3.6.1.2 Identification of graduate households by CFSTF

Once the projected number of graduates per kebele has been agreed, CFSTFs conduct a wealth ranking exercise to assess which PSNP clients should be put forward for graduation. The wealth ranking exercise should be carried out for all PSNP clients and should follow the following steps:

Step 1: Identification of three to four easily recognisable wealth groups through a community discussion which focuses on key differences in households which make some do better and others worse off. This might produce a categorisation similar to what is presented in Table 3.1 below.

 **Types of questions that can be used to support identification of wealth groups**

CFSTFs can ask, "We know that households are not living in exactly the same way. What is it that makes one household better or worse off than another in the same kebele?" Or, "What are the different characteristics of households who are doing well, or not doing well, in our kebele?" These questions should serve as entry points into a discussion on estimates of household size, land holding, livestock holding, other asset ownership, and so on. Sometimes its easier to talk about difference than it is to talk about who is 'rich' or 'poor'.

Table 3.1: Sample wealth criteria (these will differ for each livelihood zone)

Wealth criteria	Very Poor	Poor	Lower Middle	Upper Middle
No. people in HH	2-3	2-4	3-5	4-6
No. hectares cultivated	0-0.1	0.1-0.25	0.25-0.5	0.5 – 1.5
No. goats	0	0-2	1-3	2-10
No. sheep	0	0-2	1-4	2-10
No. cattle	0	0	0-1	1-2
No. chickens	0-1	1-3	1-7	3-10

Step 2: PSNP clients' wealth categories should be marked on the master list of households (this master list should be produced using the PASS payroll software to ensure that it is complete).¹⁹

Step 3: Using the predicted rate of graduation calculated by the LZAG in its graduation assessment session as a guide, the CFSTF should begin to identify the potential graduate households from the wealthiest²⁰ of the better-off wealth group receiving PSNP transfers, proceeding to the next wealthiest and, if appropriate, the next wealth group. This process should continue until the number of predicted graduate households is met or the CFSTF considers that the households being identified are not ready to graduate. In the event of the latter, the CFSTF should not list these households as graduates, should stop the ranking exercise and document their conclusions.



Avoidance of premature graduation

The CFSTF should not list any household for graduation who does not meet the key criteria for graduation that a household is "food sufficient in the absence of external support".

Step 4: The list of projected graduates must be posted by the Kebele Council/KFSTF for at least a week prior to a public meeting to discuss the list. All households listed for graduation need to be notified of this fact prior to the public meeting and informed of the time and place of this meeting. A public verification meeting is then held to review the list of graduates and allow any correction of errors.

Step 5: If disagreements over the list remain after the public meeting, those grievances should be taken up with the Kebele Appeals Committee (KAC) by individual households.

Once appeals have been heard and resolved, the KFSTF can submit the final list of graduate households to the WFSTF. This should not occur before the KAC has heard and resolved all appeals.

When the poverty/food insecurity index is in operation, this will be used to verify the readiness to graduate of households identified through the wealth ranking process.

3.6.1.3 Self-graduation

Self-graduation may also occur. Self-graduation occurs when a household voluntarily withdraws from the PSNP. This may occur if households determine that their time and labour are better used engaging in non-programme income generation activities than in public works activities. However, self-graduation must occur on a completely voluntary basis and not due to urging on any level from programme officials.



Urging of households to self-graduate is forbidden

In some areas in the past, programme officials have placed pressure on households to self-graduate as a means to achieving graduation targets in the woreda. This has led to households leaving under the label of 'self-graduating' from the programme who did not leave the programme on a truly voluntary basis, and who have not yet reached food sufficiency. These households are placed at greater risk of more elevated food insecurity levels than if they had remained in the programme, and still remain at least as large a burden on government resources – if not a heavier one – as they are very likely to end up on the emergency food aid beneficiary lists later in the year.

¹⁹ PASS or the Payroll and Attendance Sheet System facilitates the management of client information to allow the generation of attendance sheets and payrolls to support public works implementation and public works and permanent direct support transfers. As such it holds a complete master list of all clients.

²⁰ The use of the term wealthiest does not imply that any of these households are wealthy, but that the least poor should be selected.

3.6.1.4 Twelve months notice and lump-sum payment

Households that graduate from the PSNP remain in the PSNP for a year from the date at which they were notified that they have been selected for graduation. This means that households should complete a full safety net cycle (six months of public works and six months of transfers) between the time of notification and their exit from the programme. For these last six months of transfers, households targeted for graduation may opt for a lump sum payment or for 6 monthly payments. All households, including those which select the lump sum payment, are expected to participate in public works for the full six months.



What is the lump sum payment?

A household targeted for graduation may choose to receive its last six months of public works transfers as a one-time, lump sum payment equivalent to the same amount. This payment should be provided in cash at the start of the public works period. The advantage of a lump sum payment is that households will have the ability to make livelihoods-related investments as they prepare for graduation. However, this lump sum payment must NOT be confused with the livelihoods transfer or other aspects of the livelihoods component (see Part 3, Chapter 9 (Livelihoods)).



How to apply the 12 months' notice period

For households that select monthly payments: In a woreda where the transfer cycle is January to June, a household which is notified that it has been identified for graduation in September 2016 will receive its final monthly PSNP transfer in June 2017; but a household which is not notified that it has been identified for graduation until February 2017 will remain in the programme until June 2018.

For households that select a lump sum payment: In a woreda where the transfer cycle is January to June, a household which is notified that it has been identified for graduation in September 2016 will receive its lump sum payment in February 2017. A household which is not notified that it has been identified for graduation until February 2017 will remain in the programme until the following year (through June 2018) and receive its lump sum payment in February 2018. This household will continue doing public works until June 2018.

3.6.2 ANNUAL RECERTIFICATION OF CLIENTS

Each year, the CFSTF should recertify all safety net clients. The primary objectives of this recertification is to:

- Ensure that the household is still resident in the kebele and eligible for receiving PSNP transfers
- Record any changes in household composition (such as births or deaths of household members, adoption of children, or other adjustment in household size)
- Record any changes in household status (such as members' ability to participate in public works)

These changes are recorded on the page of the client card which relates to public works participation and transfers for the coming year.

In addition, the annual recertification process provides an opportunity to review the PSNP caseload and to make any adjustments evident as a result of previous year's activities. The CFSTF should:

- Ensure that the new list of client reflects the exit of households identified for graduation at least 12 months previously (but still includes households that were identified less than 12 months previously)

- Incorporate households which successfully appealed wrongful exclusion from the programme in the previous year and were covered by the contingency budget (see Part 3, Chapters 10 and 11 for further details).
- Consider those households which were covered by the contingency budget for other reasons the previous year (particularly those whose children were screened as malnourished during Targeted Supplementary Feeding screening) and whether they should be incorporated as core programme clients.
- Review households eligibility for the public works or public works components and whether adjustments are needed in terms of the labour cap (see steps 2 and 3 of Section 3.5.4.2 above).

Any adjustments to the list of clients as a result of the annual recertification should be sent to the KFSTF for approval. The KFSTF will collect the same from all CFSTFs prior to compiling a full list for the kebele to be forwarded to the WFSTF for verification and approval.

Finally, the client cards of recertified clients are renewed by the Kebele Chair on the recommendation of the KFSTF. The renewal is done by indicating the year and receiving an official stamp.



What about targeting of livelihoods interventions?

Participation in the livelihoods component of the PSNP is on the basis of self-selection, with prioritisation by the CFSTF if more households are interested in participating than there are resources for them (both in terms of budget and in terms of capacity to provide training). The prioritisation process targets poorer clients first. This is an annual process that is described under Part 2, Chapter 6 (Annual Planning).

3.6.3 FINALISING THE REGISTRY OF BENEFICIARIES

The annually adjusted list of clients forms the basis of the registry of beneficiaries at woreda level. As indicated in Part 3, Chapters 7 and 8 (Section 7.5 and 8.5), at the start of each financial year the final lists of enrolled public works clients and permanent direct support clients are entered into the PASS software.

This list also becomes a key system for tracking the support provided to clients:

- Within the PASS it becomes a means of indicating participation in public works and receipt of transfers (see Part 3, Chapters 7 and 8 for further information on the use of PASS).
- The Extension Desk also maintains a livelihoods checklist tracker, linked to each household's unique (PASS issued) PSNP ID number (see Part 3, Chapter 9 for further details).
- The Food Security Desk maintains a similar tracker, with support from the Woreda Health Office, for temporary direct support clients to monitor their use of services as recorded in the co-responsibilities checklist (see Part 3, Chapter 8).

This approach will allow woreda implementers to better keep track of not only the number of clients benefiting from specific services (for example the number of households who have take livelihoods training or started savings which are both interventions under the livelihoods component), but also whether households are benefiting from the full regime of services expected.

Although initially tracking will be component specific, this approach will act as a precursor to the single registry of clients (see below for further details).

3.6.3.1 National household registry

PSNP 4 will introduce a Single Registry of Clients or National Household Registry, which will act as a full database for all Ethiopia's safety net, social protection and relief programmes. The National Household Registry will be housed in the Ministry of Labour and Social Affairs as they are the ministry with overall responsibility for social protection, with read access at regional level and read and write access at woreda level. The National Household Registry will both play a key role in the application of the poverty index described in Section 3.5.7 above and will also register the benefits households are receiving from different programmes and services. This will enable:

- Better targeting of services to households with different characteristics (e.g. nutrition services to households with young children)
- A reduction in the risks of duplication of coverage between different safety net interventions (e.g. PSNP and relief interventions).
- Tracking of the services households receive
- Increased coordination and oversight of all social protection interventions.

The proposed national household registry will be developed and piloted before being rolled out. Woredas selected for piloting will be informed of their selection and will be trained on how to use the registry, including how to collect the necessary information to make it work.

Once design and testing of the national household registry has been completed and to support further roll-out of the approach an update of this chapter of the PIM will be issued which will provide information on who needs to do what and at which level to operationalize the approach.


3.7 Regional Variations

3.7.1 TARGETING IN LOWLAND IMPLEMENTATION AREAS

Woredas and kebeles in lowland regions are encouraged to test different approaches to improve the quality of targeting in lowland areas. Woredas can test either of the community-based approaches outlined in the Guidelines for Implementation of the Pastoral Areas Pilot (and described below), or can propose their own approach and request regional approval to implement it.

The Guidelines for the Implementation of the Pastoral Areas Pilot outlined two community based targeting options. These included:

- Community triangulation targeting
- Community values-based targeting



Adequate support to targeting

Whichever approach is used for targeting needs to be adequately supported. Key elements of this support include:

- Ensuring the formation of community committees who properly represent their wider communities and do not just reflect the elite.
- Sensitisation of the community on the need for targeting, the eligibility criteria, and the importance of supporting those in the community whose needs are greatest.
- Adequate training of community structures to conduct targeting according to the guidance provided
- Regular field visits to oversee and supervise targeting processes and to confirm that processes are being followed
- Support to the establishment and effective functioning of appeals mechanisms.

The sections below describe how to implement these approaches.

3.7.1.1 Community-based triangulation targeting

Community-based triangulation targeting is a method of selecting households by the community based on their own knowledge of their local area and of one another. Separate groups from the community independently make a list of whom they think should be selected for help and then the lists are compared and discussed to agree a final list.

Steps in using community-based triangulation targeting

- Communities are made aware of the PSNP and eligibility criteria
- Meetings are arranged to bring together wide representation of the whole community
- Representatives of the community are divided into three groups – usually, men, women, and DAs with local knowledge
- Each group independently prepares their list of the poorest households in the community
- The three lists are discussed and compared in a joint public meeting
- Names that appear on all three lists are automatically included in the programme
- Names that appear on only one or two lists are discussed until it is agreed whether they should be included on the final list
- The list of eligible names will be posted in a public place



Ranking within the category of poorest

It is important that the communities realise at this stage that there may need to be limits on the number of households that can be supported so they should also rank the beneficiaries in some way to indicate: most needy, less needy and least needy. This ranking should be noted at this stage to help make any revisions of the plans easier at a later stage.

3.7.1.2 Community values-based targeting

This approach uses the community's knowledge. Pastoralists are very aware of each other's livestock holdings and social networks and this local knowledge is used in a number of traditional livestock redistribution systems in pastoral areas, where better off families help 'destitute' and 'very poor' pastoralists. In Somali (and other) areas livestock redistribution systems are further supported by Islamic teaching where the *Quran* and *Hadieth* teach that help should be given to the poor

Steps in Community Values-Based Targeting

- Communities are made aware of the PSNP and eligibility criteria and the need to target is couched within community values and systems regarding support to the destitute and very poor.
- A community committee is formed representing as broad a range of community interests as possible
- The members and responsibilities of the committee are agreed in an open meeting
- The beneficiary selection characteristics are agreed in open meeting(s)
- Target households are selected using agreed selection characteristics
- The list of selected households is discussed and agreed in open meeting(s)
- The final list is written out and posted in a public place
- The final list is sent to the kebele board



Ways of Reducing Targeting Errors

- Make sure there is wide community participation in the selection process, particularly agreeing characteristics to be used to identify suitable households for the programme
- Do not hurry the targeting process – allow time for full discussion in the community
- Try to get information on households from different sources
- Make sure there is good exchange of information by having plenty of public meetings and using traditional communication networks
- Supervise the targeting process and make sure targeting committees are held responsible for their decisions by the community
- Monitor that the selected households actually receive benefits
- Make sure that the people involved in the selection are also available to check on the distribution
- Monitor that selection committees are not falsely supporting friends or relatives
- Keep a regular check on the list with the help of respected elders and make sure it is updated properly

3.7.2 GRADUATION IN LOWLAND IMPLEMENTATION AREAS

With the introduction of the livelihoods component to pastoral areas and ongoing implementation of public works and safety net transfers, it is expected there may be some graduation from the PSNP in lowland implementation areas. The GPS, wealth-ranking and verification procedures will be introduced to these areas alongside appropriate training and capacity building.

Annex 3.1: Client Card for public works, temporary direct support and permanent direct support clients

PASS ID No: _____

National Household Registry ID No: _____

Region _____ Woreda _____

Kebele _____ Mender _____

Issuing Authority _____ Position _____

Signature _____ Date Issued _____

1

[HH head picture]

[Spouse Picture]

Name of HH Head: _____

Name of spouse: _____

Sex: Female
 Male

Client's Signature: _____

HH Categorisation: PW
 PDS

2

Public Works Participation and Transfers

Year _____ No of Months of Entitlement

Number of PW HH members _____

Number of DS members _____

TOTAL HH members _____

Month	PW days	DS days	Transfer		Date received	Cashier Signature
			Type/Amount			

3

Community Behavioural Change Communication Participation

Name of session	Initials	Name of session	Initials
1. _____	□	4. _____	□
2. _____	□	5. _____	□
3. _____	□	6. _____	□

Soft Conditionalities Participation

Reason included in temporary direct support (check one)	Soft conditionality
Pregnant woman <input type="checkbox"/>	<ul style="list-style-type: none"> • 4 ANC visits • BCC sessions
Lactating woman with child <1 year old <input type="checkbox"/>	<ul style="list-style-type: none"> • One post-partum health facility visit • GMP • Child immunisation
Child assessed as malnourished <input type="checkbox"/>	<ul style="list-style-type: none"> • Monthly check-up of child at closest health facility • BCC sessions • Treatment of child

4

Livelihoods

Client Information

Year _____

Client Name _____

Gender _____ Age _____

Livelihood Pathway

- Crop and Livestock
- Off-farm
- Employment

Describe planned livelihood and investment in box below

Livelihoods Checklist		
Step 1: Financial literacy training	Completion date (whole course)	Name of training provider
Step 2: Savings participation	Savings institution <input type="checkbox"/> VSLA <input type="checkbox"/> RUSACCO <input type="checkbox"/> MFI <input type="checkbox"/> Other Name: _____	Monthly savings
Step 3: Technical training	Date	Name of training provider

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Livelihoods Checklist (continued)		
Step 3: Technical training	Date	Name of training provider
Step 4: Business/marketing skills training	Date	Name of training provider
Step 5: Checklist completion	Completion date	Signature of DA/MSE agent
Step 6: Business plan		

Step 7: Source of finance:
<input type="checkbox"/> Credit (Source: _____ Date: _____)
<input type="checkbox"/> Livelihoods Transfer
<input type="checkbox"/> Other (Source: _____ Date: _____)

If Eligible for Livelihoods Transfer:	
Date received	Client signature

Step 8: Follow-up technical support	Date	Name of DA/MSE Agent

12

CHARTER OF RIGHTS & RESPONSIBILITIES

RIGHTS OF ALL CLIENTS

- If you have been selected as a PSNP client, you must be issued a Client Card free of charge.
- You should receive your transfer no later than 20 days after the month to which the payment relates if you are receiving cash transfers, and 30 days after the month if you are receiving food transfers.
- You have the right to receive your full transfer. You will be informed of the transfer rates at the beginning of the year.
- You have the right to request livelihoods technical assistance from the programme. If you self-select into the livelihoods component, you have the right to receive livelihoods technical support in the year that you are prioritised by the community.
- If you are targeted for a livelihoods transfer, you have the right to receive this transfer if you have successfully completed the livelihoods checklist and business plan.
- You have the right to know the criteria for graduation and to remain in the programme if you do not meet these criteria.

RESPONSIBILITIES OF ALL CLIENTS

- You must provide accurate and complete information to targeting committees.
- You must present your Client Card at the transfer site to record the receipt of payment.
- Should you lose your Client Card you must report its loss immediately to the Kebele Administration.
- You must report any abuses of these rights affecting yourself or your neighbour to the Kebele Appeals Committee. If you are not satisfied with the response, you may pursue your complaint up to the Woreda Council.
- If you are receive a livelihoods transfer, you have the responsibility to invest that transfer in planned livelihoods activities.

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RIGHTS OF PUBLIC WORKS & TEMPORARY DIRECT SUPPORT CLIENTS

- You have been categorised as a public works client because there is an able-bodied adult in your household. If you believe you have been wrongly categorised, you may appeal to the Kebele Appeals Committee.
- Your household should not provide more than five days' labour per household member per month. Furthermore, no individual should work for more than 15 days a month.
- If you are pregnant, and you have gone to your first antenatal care visit or are in your fourth month of pregnancy, or you are in your first year breastfeeding your child, you should not participate in public works. You have the right to receive your transfers as a temporary direct support client, and no-one should deduct any money for any reason from your transfer.
- If you have an illness or disability, you should not participate in public works, and no-one should deduct any money for any reason from your transfer. If this illness or disability becomes permanent and you are the only adult client in your household, you may request to transition to social assistance.

RESPONSIBILITIES OF PUBLIC WORKS & TEMPORARY DIRECT SUPPORT CLIENTS

- Households with able-bodied members must provide labour for public works and be committed to complete works to an acceptable standard.
- You must not send a child under 16 to contribute their labour to public works
- If you have transitioned to temporary direct support due to pregnancy or being in the first year postpartum, you are required to comply with soft conditionalities outlined by the Health Extension Worker.
- You have the responsibility to build your assets and work towards graduation.

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CHAPTER 4 PUBLIC WORKS AND TRANSFER SCHEDULE, WAGE RATE AND MODE OF TRANSFER

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4.1 Introduction

This chapter describes the different types of transfer available under the PSNP, how to decide which transfer type to use and how the wage rate is set. It also describes the process for agreeing the public works and transfer schedule which may vary from woreda to woreda depending on the labour slack period, the time people experience the greatest food shortages and taking into consideration other factors.

As outlined in Chapter 2, one of the core principles of the PSNP is the cash first principle. This states that whenever possible, cash should be the primary form of transfer. The use of cash stimulates markets – since people spend their cash in local markets – and supports a move away from dependence on food aid. Food transfers are provided at times and places when food is not available in the market, or where market prices for food are very high, thereby protecting clients from food shortages and asset depletion.

Another of the core principles of the PSNP is the ‘primacy of transfers’ which states that “transfers should not be delayed for any reasons, including those related to public works implementation”. Clients have a right to receive their transfers regardless of technical or administrative delays and have a right to know in advance how much is coming and when.

4.1.1 WHAT’S NEW IN THIS VERSION OF THIS CHAPTER

- The introduction of twelve months of support for permanent direct support clients.
- Variation in the timing of public works and transfers based on the specific needs of different woredas and regions.
- Further reinforcement of the cash first principle with a move away from food in highland implementation areas.
- Testing of cash transfers in lowland implementation areas
- Testing of new modalities of payments including e-payments and vouchers.
- New benchmark for the wage rate of the equivalent of 15kg of cereal and 4kg of pulses per month

4.2 Public Works and Transfer Schedule

The definition of the public works and transfer schedule is a key input to the overall implementation of the PSNP. The timing of public works and transfers are scheduled while taking into account three key factors (further elaborated in the section below):

- Public works are expected to be timed to coincide with the labour slack period and during periods when weather conditions are appropriate (avoiding periods of heavy rainfall or extreme heat).
- Transfers expected to be provided during or prior to the period of greatest need.
- Public works payments should take place soon after the period the work is completed.

4.2.1 TRANSFER SCHEDULE FOR PERMANENT DIRECT SUPPORT

Permanent direct support clients will be entitled to 12 months of transfers beginning in Ethiopian Financial Year (EFY) 2008. Thereafter, transfers will be made in all twelve months of the year.

4.2.2 THE TIMING OF PUBLIC WORKS AND THE TRANSFERS SCHEDULE FOR THE PUBLIC WORKS AND LINKS TO SOCIAL SERVICES COMPONENT

While the January to June public works and transfer schedule is appropriate to the lean season and agricultural labour requirements in many PSNP implementation areas, for some regions and woredas an alternate schedule would be more appropriate.

The key factors influencing the timing of public work and transfers are presented in the table below:

Table 4.1: Factors Influencing Public Works and Transfers Schedule

Key Factor	How it might influence decision making
Timing of rainy season	May affect ease of transporting food and cash. This could mean that there is a need for pre-positioning of food, or some pragmatic compromises to facilitate timely payments. Households living in pastoral areas may divide during the dry season making disbursing payments challenging. It may be easier to make payments during the wet season when the family is together, or it may be necessary to reach agreement on who should receive the payment if part of the family is travelling. ²¹ On the other hand inaccessibility during the rains presents a challenge.
Agricultural peak times	Will affect availability of clients for meetings since they will be busy at various times, some of which intensively. This includes land preparation, planting, weeding, and harvest periods. The periods of heaviest workload may fall on woman and men differently. In agricultural areas, for example, women tend to work most during the pre-harvest and harvest periods.
Timing of slack labour period	It is critical that public works be timed to coincide with the slack labour period to ensure minimum disruption to core livelihood activities. Slack labour periods can vary enormously over short distances. For example the dry season is a period of peak labour in exclusively pastoral populations as households travel long distances in search of pasture; whereas in neighbouring agro-pastoral areas the wet season is an intense labour period as households have to prepare, plant and weed the land.
Peak hunger season	Households should receive PSNP payments before or during the period where they experience the most severe hunger. If payments do not start by this time, households may have to sell productive assets in order to meet immediate food needs, undermining a key objective of the PSNP. Given that the slack labour period and the peak hunger period rarely coincide, and few households are willing to defer payments more than a short time period after completing work, this is an area which requires significant consultation before a decision can be reached. While public works must be matched with slack labour periods, transfers can be timed to so that clients receive them slightly before the hungry season rather than exactly during that period.
Prices of major staple foods	Programme clients tend to prefer food during periods of high prices and cash when prices are lower. Therefore seasonal price variations might influence the general timing of transfers, but might also influence when households will receive food and when they receive cash in woredas where a combination of food and cash have been requested.
Heat	Public works should be planned so as not to take place during periods of excessive heat. This is particularly important in pastoral lowlands.
Mass mobilisation	Public works schedules and mass mobilisation schedules should be coordinated.

Therefore, as part of the planning process, each region will set a public works and transfer schedule based on woreda needs, up to a maximum of 2-3 different transfer schedules for the region, and forward its schedule to the federal level. Federal disbursements to regions, and regional

²¹ Women typically travel less, and keep younger more vulnerable children with them. Households might, in these circumstances, be encouraged to agree that women should receive the PSNP payment when their husbands, or other male household members, travel.

disbursements to woredas, will follow this schedule, as described further in Part 4, Chapters 12 and 13.

The tailoring of public works and transfer schedules to the needs of woredas should follow the following principles:

- For ease of implementation, each region should not have more than 2-3 different transfer schedules for its woredas
- Timeliness of transfers remains paramount. Regardless of the schedule, regions and woredas are bound by the 20-day transfer target for cash and the 30-day target for food. In other words, if public works are implemented in December (e.g. to allow for mass mobilisation in January), transfers must be made within 20-30 days after the end of December.
- The months of public works implementation do not need to be consecutive.

The setting of the public works and transfer schedule will be done once at the start of Phase IV as part of the 2015/16 planning process. Modifications after this point are possible, once experience of the new schedules are developed, but will be considered on a case-by-case basis.

Woreda public works and transfer schedules will be publicly posted as part of the woreda plan.

The table below provides illustrative public works and transfer schedules for two different woredas.

Table 4.2: Illustrative Schedule for 2 Woredas

		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Woreda A	SA transfers												
	PW implementation												
	PW transfers												
Woreda B	SA transfers												
	PW implementation												
	PW transfers												

In the table above, Woreda A follows the January-June public works schedule, and the February-July transfer schedule, that PSNP woredas have applied in the past, and that continues to be relevant for many woredas.

Woreda B applies a new schedule, conducting public works in November and December, with a one-month break in January, and starting again in February through May. This may be due to mass mobilisation or other reasons.

For both woredas, transfers to permanent direct support clients continue year-round. It should be noted that the first payment of the new fiscal year budget for permanent direct support clients will be made in the month of August, while the last payment will be made in the month of July of the following fiscal year.

4.2.3 THE TRANSFER SCHEDULE FOR YOUR WOREDA

Woredas should complete the below schedule on the basis of the regionally approved public works and transfer schedule for your woreda.

Name of Woreda _____

Table 4.3: Agreed Public Works and Transfer Schedule

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
SA transfers												
PW implementation												
PW transfers												

4.3 Mode of Transfer

Four modes of payment are possible in this phase of the programme:

- Cash payments made using the traditional approach of WOFED cashiers
- Cash payments made electronically through third party payment service providers (MFIs, mobile money transfers etc.).
- Food transfers
- Food vouchers

The PSNP aims to provide transfers in the form that is most appropriate for clients taking into consideration their preferences, market conditions, the availability of services and capacity.

Evidence shows that there is limited justification for a continuation of food transfers in most highland implementation areas. Therefore, it is assumed that transfers in these areas will be made in cash (either using traditional methods or electronic payments) unless special justification is made.

Box 4.1: Special justification for food in highland implementation areas

- Woreda is exceptional because of its lack of access to functioning markets
- Agreement that this should be a combined cash/food woreda with support from USAID financed NGOs
- Emergency situation affecting food availability and requiring the need for an injection of food into local markets.

At present electronic payments are in the process of being designed and tested. Woredas selected for piloting will be informed that they are a pilot woreda. Unless they are informed, they should plan to make cash payments using the traditional method (outlined in Part 3, Chapters 7 and 8) of WOFED cashiers. Woredas where piloting is happening will be provided with the relevant guidance material on how to operationalize payments.

Food is expected to remain the predominant mode of payment in lowland areas (Somali, Afar and the pastoral areas of Oromiya). However, testing of both cash and voucher – in selected areas where market conditions, the availability of service providers (e.g. banks) and other conditions make it possible – is encouraged. Woreda Food Security Desk and the Regional Food Security Coordination Office should together agree that such testing be operationalized and should seek technical support to design and operationalize the approach.

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 factors in the following table. A single woreda will also have the

flexibility to provide cash transfers for some portions of the year and food transfers at other times in the year (for example cash may be more appropriate after the harvest when food is in good supply and food may be needed in the hungry period leading up to the harvest if food is scarce and unavailable in the market or at a very high price).

It should be noted that preferences for cash payments can usually be accommodated, but, for the following reasons, food needs cannot always be met:

- Food availability and management may sometimes constrain food transfers
- Food transfers may be used as a risk management tool at federal level to address food supply issues when needed

For these reasons the decision on the balance between cash and food transfers is finalised at Federal level. Regions and woredas are informed in writing each season what the arrangements will be for that year. This occurs as part of the annual planning process.

Key factors to be considered when choosing the mode of payment are summarized in the table below:

Table 4.4: Factors to Consider when Choosing Cash and/or Food as Payment

Transfer	Factors to Consider
Cash	<ul style="list-style-type: none"> • Near food surplus areas (in same or neighbouring woreda) • Availability of active food markets • Cash management capacity (presence of finance officers, cashiers, safes, transport, security at woreda level).
Electronic payments in cash	As above plus: <ul style="list-style-type: none"> • Selected as a pilot woreda because of the availability of service providers
Food	<ul style="list-style-type: none"> • Poor functioning of food markets affecting availability and making prices unpredictable • Price of food in markets so high as to make cash transfers the higher cost option. • Lack of experience in cash management and better food management capacity
Vouchers	<ul style="list-style-type: none"> • Food markets still weak, but improving • Systems in place to support testing of vouchers

4.4 Setting of Wage Rate

4.4.1 CASH

The PSNP cash-first principle determines that cash is the preferred mode of transfer in all areas where markets are functioning. It is therefore important that the wage rate accurately reflects the purchase cost of food in order that the PSNP fulfils its consumption smoothing function. Furthermore, a failure to ensure that cash rates are equivalent to the price of food will result in PSNP clients preferring food transfers.

The daily wage rate of the cash transfer is calculated on the basis of the cost of buying 3kg of cereal and 0.8 kg of pulses per day (15kg of cereal and 4kg of pulses per person per month) in the market.²²

²² The PSNP provides a cash transfer to households that can purchase 3 kgs of the cheapest cereal and 0.8 kg of the cheapest pulses available in the market.

PSNP clients receive the same transfer regardless of whether they are a permanent direct support client or a public works and links to social services client.

An annual wage rate study, commissioned by the Food Security Coordination Directorate, determines the cash transfer rates to be used in the programme. Rates can vary geographically to reflect the differing costs of food items in different markets. The wage rate study is conducted in September of each year and will assess how wage rates need to be adjusted in order to maintain benchmarking against the 15kg of cereal and 4kg of pulse standard. Each adjustment will include a buffer to account for projected inflation for the following year in such a way that the cash wage rate will enable clients to purchase the in-kind transfer equivalent during the lean season. Wage rate decisions will be made by November of each year and operationalized in the following January.

In exceptional circumstances severe market food price fluctuations may require an amendment to the cash wage rate at intervals shorter than one year. In this situation, DRMFS may provide additional transfers to areas that are severely affected or pay transfers for two months in a single month, although this would be financed through the woreda or federal contingency budgets. For details on procedures related to the woreda and federal contingency budgets, please refer to Chapter 11.

4.4.2 FOOD

The monthly food transfer is 15kg of cereal and 4kg of pulses.

For recipients of conditional transfers (public works), the level of food transfer provided per day of work is calculated on the basis that 5 days should be worked for each person receiving transfers. This is the level agreed as reasonable for a chronically food insecure person who also has other livelihood activities to consider. Therefore the daily food transfer is calculated as monthly ration of food divided by 5 days, which is 3 kg of cereal and 0.8 kg of pulses ($\frac{1}{5}$ th of a monthly ration of 15 kg and 4 kg).

4.4.3 VOUCHERS

Vouchers are pieces of a paper which safety net clients can present to selected businesses and redeem an agreed value of goods. In woredas where vouchers are being tested, vouchers will provide households the equivalent of a daily wage of 3kg of cereal and 0.8 kg of pulses or a monthly transfer of 15 kg of cereal and 4kg of pulses.

Experience from the pilots will inform programme-wide lessons-learning and if necessary more detailed guidance on vouchers in subsequent editions of the PIM.

CHAPTER 5 LIVELIHOODS-RELATED ANALYSES

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5.1 Introduction

This preparatory activity for the livelihoods component aims to shortlist the list of livelihoods to be supported by the programme in each area in order to enable technical assistance providers – DAs, woreda SMSs, cooperative promoters, TVET trainers and others – to prepare and deliver appropriately tailored training and advice for each livelihood.

In order to identify/refine the list of livelihood options to be supported by the programme in each woreda, Regional Livelihoods Implementation Units will lead a market/value chain analysis and a technical analysis, which will culminate in the development of tailored training curricula. Technical experts as well as gender experts from Women, Children and Youth Affairs, as well as the Women and Youth Affairs within the BOA, will participate in these analyses to ensure that livelihoods with strong potential for women’s involvement are prioritised. In addition, livelihood options will be screened for potential environmental and social impacts, including climate change impact.

Where such analyses already exist (e.g. as conducted under HABP, or as conducted by TVET for off-farm livelihoods), new analyses need not be conducted. Existing livelihood zone analyses will also be used where available. Analyses will initially be conducted at the zonal level – with woreda-specific livelihoods/IGAs outlined where possible – and will be updated on a regular basis as needed.

5.1.1 WHAT’S NEW IN THIS VERSION OF THIS CHAPTER

This version provides additional clarity on the scope of the market and value chain analyses and the technical analyses to be conducted under the programme, and the frequency with which they should be updated. It also provides guidance on the training materials that need to be developed for each livelihood option.

Finally, this version lists the one-time activities that need to be completed in preparation for the implementation of the livelihoods component.

5.1.2 KEY ROLES IN LIVELIHOODS-RELATED ANALYSES

Extension, including Woreda SMSs	<ul style="list-style-type: none"> Through the LIU, lead livelihoods-related analyses and provide technical direction and input where needed
MSE Agency	<ul style="list-style-type: none"> Support market/value chain analyses for the off-farm pathway
Labour and Social Affairs	<ul style="list-style-type: none"> Conduct employment analyses
TVET	<ul style="list-style-type: none"> Support employment analyses as needed
Cooperative Promotion	<ul style="list-style-type: none"> Support market/value chain analyses as needed
WOFED	<ul style="list-style-type: none"> Disburse livelihoods transfer
Women and Youth Affairs; Women, Youth and Children Affairs	<ul style="list-style-type: none"> Ensure that livelihoods-related analyses take into account the needs of women and youth
Livestock Development Sector	<ul style="list-style-type: none"> Guide/provide input into analyses for livestock-related livelihoods
Financial institutions	<ul style="list-style-type: none"> Advise on financial viability of livelihoods

5.2 Market/value chain analysis

This analysis will combine aspects of the following:

- A **market analysis**: a market survey or assessment to find out the information about potential consumers, their requirements and any opportunities for capturing a share of the market.
- A **value chain analysis**: an analysis of market potential for introducing new products or improvements to an existing product through examining opportunities along its value chain; i.e., production (including sourcing of inputs), storage, packaging and post harvest processing, marketing, transportation, value addition/processing, export or domestic consumption.

Market/value chain analyses help identify products and services with market potential and are therefore critical to determining viable livelihood opportunities. Consulting firms may be contracted to assist with these analyses, but woreda and regional experts should participate in, and contribute significantly to, each step of the process. These analyses will comprise the following steps:

Step 1: Identification of potentially marketable products and services. The starting point is the selection and identification of potential products or services for market and value chain analysis, based on the livelihood zone. This should be done through consultation with community groups – including youth groups and women’s groups – as well as discussions with woreda and regional experts. It is important that these analyses focus on value chains that are within the reach of poor clients as well as women. Experts from the Women and Youth Affairs will participate in this process to ensure that the needs and interests of women and landless youth are taken in to account. An initial list of livelihoods may include the following:

Table 5.1: Illustrative List of Livelihood Options

Crop and livestock	Off-farm	Employment
<ul style="list-style-type: none"> • Ox fattening • Fruit seedling production • Sheep fattening • Poultry • Vegetable production • Beekeeping 	<ul style="list-style-type: none"> • Petty trading • Sand collection • Tailoring • Donkey cart transport • Carpentry • Masonry • Milling 	<ul style="list-style-type: none"> • Construction • Textiles • Cobblestone

Step 2: Compilation of available local knowledge in relation to markets and value chains. This may include knowledge of DAs, woreda experts, traders, and PSNP clients themselves.

Step 3: Analysis of market conditions and selected value chains. This will involve field work, visits to markets, and discussions with value chain actors as well as service providers (animal health input providers, feed suppliers, etc.).

Step 4: Understanding of analytical findings by experts. Findings will be validated by regional, woreda and kebele experts.

The expected outputs of effective market/value chain analysis are:

- Identification of products with greatest market opportunities through examination of market share, current market trends and existing competition in both local and more distant markets. These will be the **priority livelihoods/IGAs** for each woreda. For this exercise, a ranking matrix similar to the one below should be used.

Table 5.2: Illustrative Livelihood Ranking Matrix

Value Chain Selection Criteria	Weighting (%)	Rationale
Potential to maximise impact and outreach, including for women, youth, and other vulnerable clients	[Should be highest percentage]	<ul style="list-style-type: none"> • A critical mass of target clients exists that, with the appropriate support, can provide this product or service • Product/value chain has the potential to maximise incomes and improve livelihoods for significant numbers of clients • Sector/value chain has the potential to increase livelihood opportunities for women, youth and other vulnerable/landless clients
Competitiveness and market potential		<ul style="list-style-type: none"> • Product/service has significant unmet market demand • PSNP clients can access markets either directly or via cooperatives and/or a lead firm • With employment linkage support, PSNP clients can access employment opportunities • Sector is not overly constrained by legal or regulatory barriers
ESMF compliance		<ul style="list-style-type: none"> • Environmental and social impact are minimal and/or have appropriate mitigating measures in place

Source: Adapted from Emerging Markets Group, Ethiopia Graduation Pilot (as quoted in *From Extreme Poverty to Sustainable Livelihoods – A Technical Guide to the Graduation Approach*)

Implementers may be useful to use the matrix above to narrow down the list of potential livelihood options prior to conducting full market/value chain analyses, in order to ensure that programme resources are used to conduct analyses only for livelihoods that have significant potential.

- For each priority IGA:
 - Identification of possible product improvements including quality and standards
 - Mapping of available supporting services
 - An understanding of the existing producers and supplies and the capacity of local markets to absorb additional and surplus agricultural products.

Some PSNP clients may have an interest in activities that have not been included in the initial market and value chain analysis, but are believed to have the potential to improve the incomes of the households. If a client wants to pursue a livelihood that is not officially supported by the programme technical assistance component, s/he will be permitted to complete a checklist for that livelihood as long as the following conditions are met: 1) the livelihood is considered by woreda experts to be technically and financially viable, 2) the livelihood is deemed not to have significant negative social or environmental impacts, and 3) the client can demonstrate that s/he has sufficient technical know-how and/or has received external technical training, e.g. by an NGO. If sufficient interest is generated in a livelihood, it will be included in the next periodic update of livelihood options.

5.3 Labour Market Assessment

In each region, BOLSA, with support from REMSEDA and/or TVET where needed, will undertake a labour market assessment to determine employment opportunities to which PSNP clients can be linked. This assessment will include the following:

- **A list of employment opportunities.** Where possible, these opportunities categorised by type, e.g.:

- Seasonal agricultural wage labour (e.g. on commercial farms)
- Construction jobs
- Jobs requiring more significant training
- Etc.
- **Training requirements.** Where additional skills are needed in order for PSNP clients to take advantage of employment opportunities, the assessment will outline the training needs for each opportunity.
- **Employer commitment.** The assessment will identify employers willing to provide training, internships and/or guaranteed employment to clients. On the basis of these discussions, the programme will develop plans for employment linkage facilitation.

This assessment, which will be conducted and/or updated every year, will feed into the annual planning process for livelihoods.

5.4 Technical analysis

Once the information on market opportunities is analysed, the programme will assess the technical and financial feasibility of the identified livelihoods/IGAs, and what technologies, inputs, and complementary support are necessary. This analysis will include the following:

- Technical feasibility analysis, including an analysis of biophysical suitability
- Financial viability analysis

These analyses will be complemented by an analysis of potential environmental and social impacts, which is described in the following section.

5.4.1 TECHNICAL FEASIBILITY ANALYSIS

The technical analysis will comprise the following major elements (much of which already exists in technical manuals of the Ministry of Agriculture and FEMSEDA):

- For each potential IGA, a detailed description of:
 - Production processes/requirements (or, for service-related livelihoods, service delivery processes/requirements)
 - Input requirements, including seeds, fertiliser, plant protection products, tools, feed, water, animal health products, equipment, and other inputs
 - Potential local sources for the inputs outlined above
 - Business management requirements
 - Plant and animal health interventions
 - Special harvesting, storage and certification requirements.
- A list of technical training requirements for each potential IGA/livelihood.

In addition, the programme will analyse the biophysical suitability of the targeted locations to the selected commodity, taking climate change into consideration and using the following three major criteria:

- Suitability of the climate variables (rainfall, temperature and LGP)
- Suitable topography (slope)
- Suitable soil

These biophysical suitability criteria will be applied to each IGA and matched for each location, using a decision guide to be developed by CSI.

Technical feasibility analyses will be the responsibility of each responsible institution: Extension for crop and livestock livelihoods, MSE Agency (with support from TVET) for off-farm livelihoods, and Labour and Social Affairs (with support from TVET) for employment. Analyses will be undertaken in collaboration with relevant SMSs, micro and small enterprise development specialists, Agricultural Research Organisations, Rural Technology Development Centres, NGOs, and experienced households.

5.4.2 FINANCIAL VIABILITY ANALYSIS GUIDE

Building on the information from the technical analysis, a financial viability analysis guide will be prepared to facilitate the calculation of a simple Gross Margin Analysis for each livelihood. Given the localised differences in input prices and market access in each locality, it will not be possible to create one standard financial viability analysis for each livelihood. However, this guide should enable Woreda Subject Matter Specialists to calculate localised based on a comparison of projected revenue to cost of inputs related to different IGAs/livelihoods. This guide will include, for each livelihood:

- Guidance on how to calculate revenue based on a projected volume of output and/or services and market prices, reflecting value addition through storage or processing where relevant.
- The cost of inputs, including technology and labour, which will be deducted from the annual revenue.
- How to calculate credit repayment (principal and interest) in the cost.

This guide should be reviewed by MFIs at the regional level to ensure that it is aligned with their own viability analysis methods. Using this guide, Woreda SMSs will conduct a financial viability analysis/cost-benefit analysis for each livelihood at woreda level, and provide training to DAs in how to customise it for the preparation of tailored business plans.

5.5 Assessment of Environmental and Social Impacts (ESMF)

Following development (or updating) of the Woreda Environmental Profile (WEP) in conjunction with the Woreda Public Works Focal Person, each type of proposed IGA/livelihood is assessed annually by Natural Resources and Social Development Experts for any potential negative environmental or social impacts.

89 **Examples of potential livelihoods-related environmental and social concerns**

Areas of particular environmental concern for livelihoods activities might include:

- The promotion of increased livestock production without adequate safeguards for ensuring increased production of livestock feed.
- Environmental issues related to irrigation projects, such as issues related to downstream use of water, or a requirement for mitigating measures such as the application of integrated pest management (IPM).

Areas of particularly social concern might include the social aspects of seasonal migrant labour to distant commercial farms. Where this is being promoted, the dangers of HIV/AIDS should be properly understood.

The environmental and social impact assessment of each type of IGA is undertaken in consultation with local leaders and knowledgeable persons such as environmentalists and public health workers.

The assessment of potential environmental and social impacts involves three steps:

- The potential impacts of each type of IGA are identified in order to develop a list of eligible and ineligible IGAs in each woreda, as set out in the PSNP Environmental and Social Management Framework.
- The DA checks each proposed business plan against the list to ensure that the IGA is eligible.
- If the IGA is eligible, the DA determines whether any mitigating measures are necessary, and whether special conditions apply.

5.6 Other Livelihoods-related Preparatory Activities

5.6.1 PREPARE REGIONS AND WOREDAS FOR IMPLEMENTATION

Once the analyses have been conducted and finalised, a series of activities must take place to ensure that regions and woredas are ready for the implementation of the livelihoods component. These are described below.

5.6.1.1 Revision and dissemination of the financial literacy toolkit

The Livelihoods Implementation Unit will oversee a revision of the financial literacy toolkit based on the existing Household Asset Building Programme (HABP) and Graduation with Resilience to Achieve Sustainable Development (GRAD) programme toolkits, and will cascade this toolkit down to trainers at the local level.

5.6.1.2 Development and dissemination of an intensive coaching and mentoring guideline for DAs

Intensive coaching and mentoring will be a new activity for many DAs, and will require different skills from the technical skills on which their training usually focuses. Therefore, the Livelihoods Implementation Unit at the federal level will prepare and disseminate a guideline on intensive coaching and mentoring to give DAs the “soft” skills necessary for the implementation of this new activity.

5.6.1.3 Development and dissemination of technical guidelines and training curriculum for each livelihood pathway

For every livelihood option to be supported in each woreda, the responsible training institution (Extension for crop and livestock, and TVET for off-farm and employment) must have a training curriculum prepared that includes technical trainings as well as business skills and marketing trainings. If the livelihood option is new or relatively unfamiliar to the DA (e.g. beekeeping), the programme must ensure that DAs receive high-quality training on the livelihood for an adequate period of time prior to the provision of trainings to clients.

5.6.1.4 Determination of exact regional implementing arrangements

Institutional structures, particularly for off-farm and employment pathways, vary by region. For instance, in Amhara, REMSEDA and TVET have merged into one institution. In SNNP, a Job Creation Agency is responsible for employment linkages, particularly for youth. In addition, in some regions, zones play a greater role than in others. Therefore, when Regional Livelihoods Implementation Units are created at the start of the programme, the exact regional implementing arrangements for each pathway will be agreed.

CHAPTER 6 ANNUAL PLANNING

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6.1 Introduction

Planning is the critical first step in preparing for PSNP implementation. Planning in the PSNP largely takes place annually starting with planning at community level, which then feeds into woreda plans, which in turn fit into regional plans and so on. This planning is complemented and informed by other key preparatory activities including targeting and recertification of programme clients (see Chapter 3), the setting of the wage rate (Chapter 4), decisions regarding the mode of transfer (also Chapter 4) and livelihoods-related analyses (Chapter 5).

PSNP planning takes place in time to release the budget for the start of the Ethiopian Government Financial Year on 8th July.

6.1.1 WHAT'S NEW IN THIS VERSION OF THIS CHAPTER

This version of the planning chapter incorporates new design elements for the next phase.

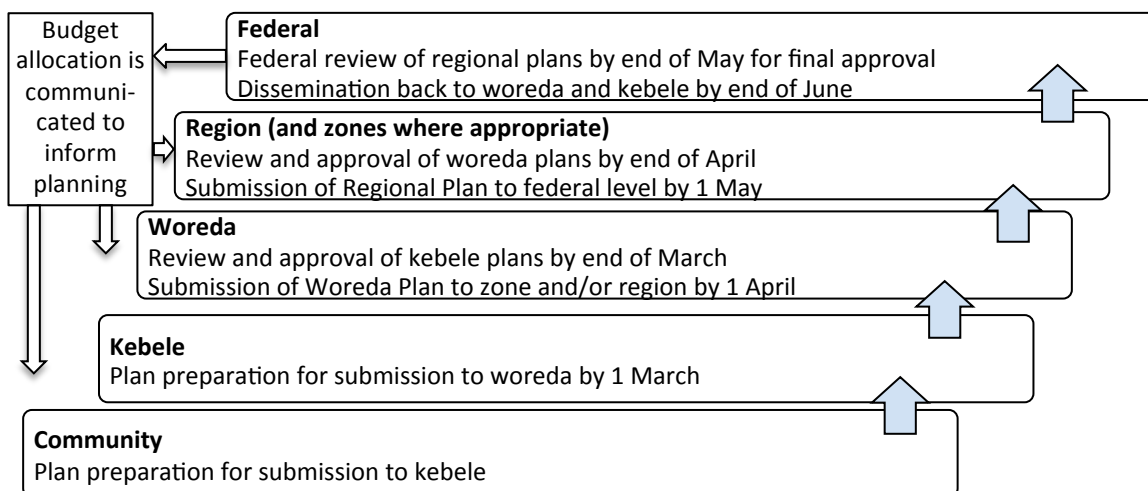
- Overall planning:
 - Provides an overview of ESMF procedures during planning
 - Integrates livelihoods plans into overall planning
 - Integrates links to social services per public works and temporary direct support clients, and case management of permanent direct support clients, into overall planning
- Livelihoods planning:
 - Incorporates livelihoods plans into PSNP plans at every level
 - Provides detail on the mechanisms for livelihoods planning
- Links to social services planning for public works and temporary direct support clients:
 - Incorporates links to social services in planning processes
 - Provides detail on the mechanisms for planning of soft conditionalities for temporary direct support clients and community BCC for public works clients
- Case management for permanent direct support clients:
 - Incorporates case management for permanent direct support clients in planning processes
- Public works planning
 - Provides guidance on enhancing women's participation in planning
 - Describes the tailoring of public works planning to the various livelihood types in pastoral lowlands
 - Details how to accommodate the different workloads for women in public works planning
 - Includes the planning for behavioural change communication as a public work, and how to adjust public works plans accordingly
 - Describes coordination mechanisms to increase the contribution of public works/conditionalities to livelihoods, nutrition and other social services, climate resilience and DRM.

6.2 Overview of the Planning Process

6.2.1 PLANNING PROCESSES, REVIEWS AND TIMELINES

The PSNP planning process is a multi-level process that combines a bottom-up and top-down approach, and produces annual safety net plans at each level, as illustrated in the figure below.

Figure 6.1: PSNP Planning Process²³



The planning process involves the following steps:

- It begins with community, which with the assistance of the DA produces the Community Plan
- These plans are reviewed, approved and consolidated at kebele level, and combined with kebele level client selection to produce the Kebele Annual Safety Net Plan
- The Woreda Annual Safety Net Plan consolidates kebele plans and incorporates specific woreda-level activities
- The Regional Annual Safety Net Plan combines the woreda plans along with activities to be conducted at regional level
- The Federal Annual Safety Net Plan is the highest level planning document which summarises plans across the whole programme for the coming year as well as describing specific activities to be conducted at the federal level

Each of these steps is detailed in the sections below.

For each of these plans there is a hybrid review process which involves two parallel processes:

- **Horizontal review:** Submission of plans for various components by Food Security, with review and consolidation into an overall safety net plan (for example, a Woreda Annual Safety Net Plan which includes inputs on public works as well as livelihoods). This enables Food Security at each level to have an overview of the whole programme in relationship to budget allocation and utilisation as well as ownership of the programme as a whole. This process also ensures the integration of safety net plans into overall development plans (e.g. Woreda Development Plans) and oversight of appropriate administrative bodies at each level.
- **Vertical review:** Submission of plans for various components to appropriate line structures to allow for technical review and technical coherence of each component. This is particularly critical for the livelihoods component, which requires input from the regional level in relation to value chains and markets, employment opportunities, availability of TVET services, etc.

²³ In regions where zone play a role in reviewing and consolidating plans, the woreda submit their plans to the zones who then consolidate them and forward them to the region. However, the deadlines indicated in this figure still apply.

Therefore, each section of the plan is submitted to Food Security at the appropriate level for consolidation into the overall Safety Net Plan, and is also submitted vertically to appropriate sectors for technical review and oversight.

Each of the plans is distributed back down to the lower levels immediately following federal approval so that all participants are aware of final planning decisions that have been taken and final resource allocations that have been made. This also allows greater downward accountability.

Once the PSNP annual plan and budget have been approved at the federal level, MOFED posts the annual woreda-by-woreda budget on its website. Each woreda also posts the annual PSNP plan, budget and list of clients, along with the Client Bill of Rights and Responsibilities, in a public location in the woreda centre and in each kebele centre.

6.2.2 KEY CONSIDERATIONS IN PLANNING

6.2.2.1 Preparations for planning


As a first step in planning at all levels, there is a review of the planning organisations and their membership, to ensure that:

- The planning bodies all exist and are functional
- The correct members are present
- Members have been adequately informed of their task and have the necessary skills and information to conduct it
- Any new members, for example where there has been staff turnover, have been adequately trained

6.2.2.2 Planning at different levels

The following sections are structured according to the hierarchy of planning and the planning product produced, starting with community and kebele, moving to woreda, and then to regional and federal level planning.

At each step of the process, additional information is added to the plans. For some aspects of the programme, information flows from the top down to inform the planning process. This includes information on budget allocation (to guide the targeting process) as well as livelihoods-related information such as market information, labour market opportunities, and credit availability.

	<p>Annual identification of market potential for livelihood opportunities</p> <p>Annual identification of market potential for livelihood opportunities is likely to follow the following pattern, which will determine at what level livelihood opportunities are incorporated into the planning process:</p> <ul style="list-style-type: none">• At community level: primarily on-farm crop and livestock livelihoods as well as some localised off-farm livelihoods• At woreda level: crop and livestock livelihoods, a greater range of off-farm livelihoods, and some labour (construction)• At regional level: labour/wage employment linkages (plantations, commercial farms, etc.) and off-farm livelihoods• At federal level: facilitation of employment linkages between regions as needed
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6.3 Overview of ESMF Procedures during Planning

The Environmental and Social Management Framework (ESMF)²⁴ is designed to address potential environmental and social issues arising from:

- Public works
- The livelihoods component

In order to effectively address any environmental and social issues, potential risks need to be identified during the planning process and any mitigating actions identified and planned for at this point.

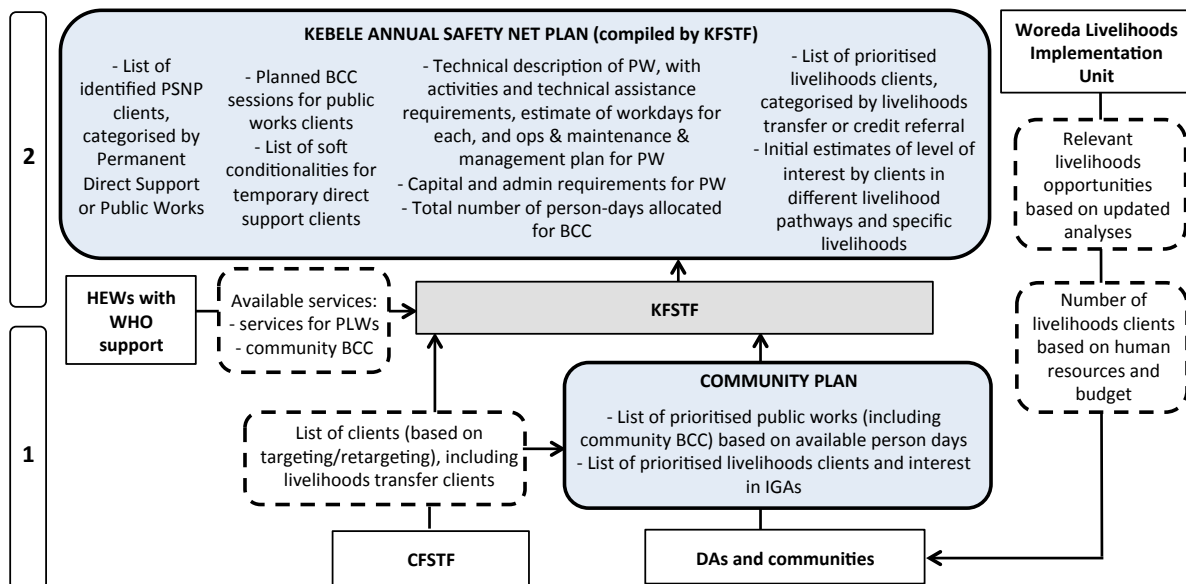
For public works, a screening tool supports the effective identification of ineligible projects, projects of concern or requiring special procedures and which therefore need referral to woreda and regional authorities, and projects which require mitigating actions. This screening tool is applied by the DA during the community planning process (see Section 6.4.1.1 below).

For the livelihoods component, the risk is less from the livelihood choice of an individual household and more the potential cumulative effects if particular livelihood investments become popular and are taken up at scale. Because it is the potential cumulative effects which are of concern, the ESMF is applied at woreda level for the livelihoods component (see Chapter 5 (Livelihoods Related Analysis), Section 5.5).

6.4 Preparation of the Community and Kebele Plans

The Kebele Annual Safety Net Plan is the lowest level planning document in the PSNP. It is prepared from PSNP planning processes that begin at the community level and are aggregated at the kebele, as illustrated in Figure 6.2 below.

Figure 6.2: Preparation of the Community and Kebele Plans



Several elements described in the preceding chapters also feed into the annual planning process. These include:

²⁴ "ESMF" here includes related documents such as the Resettlement Policy Framework.

- The client selection process, including the categorisation of clients into permanent direct support or public works, and targeting of clients for livelihoods transfers. This process is described in Chapter 3 (Programme Entry and Exit).
- Scheduling of public works and transfers. This process is described in Chapter 4 (Public Works and Transfer Schedule, Wage Rate, and Mode of Transfer).
- Livelihoods-related analyses, including market/value chain analyses, technical analyses, labour market analyses, and environmental and social impact analyses. The process by which these analyses enable the shortlisting of livelihoods options for each woreda is described in Chapter 5 (Livelihoods-Related Analyses).

The following sections describe the planning processes for public works, livelihoods, links to social services, and other aspects of programme implementation at the community and kebele level, along with their approval processes.

6.4.1 COMMUNITY PLAN

In January and/or February of each year, the community gathers to plan for public works, livelihoods, and links to social services. These various elements of the programme are planned in an integrated manner in order to maximise synergies between them (for example, identification of forage development as a public works sub-project to contribute to clients' livestock-related livelihoods). This process will also support climate smart planning.²⁵

6.4.1.1 Public works planning


Development Agents assist communities in planning public works based on sub-projects selected through the watershed-based community development planning process (refer to Community-Based Participatory Watershed Development Guidelines [CBPWDG] and the Pastoral Public Works Guidelines). This process helps to identify community needs, prioritise activities based on those needs, and ensure community ownership of the sub-projects as appropriate.

Prior to the community planning process, work will have taken place at woreda level to define the major watersheds and the critical watershed units. These watershed units may still encompass several kebeles or communities, and will therefore need to be further defined into community-based sub-watersheds. It is these community-based sub-watersheds (or community watersheds) which form the basis for planning, in order to have integrated management of watersheds (rather than a piecemeal selection of sub-projects).

Estimating person-days for public works. The number of public works sub-projects a community can complete is related to the number of person-days of public works participation available. Therefore, the number of person-days must be calculated based on the number of adult public works clients, these clients' labour requirement (different for women and men), and adjustments for temporary direct support clients. In addition, public works planning should include provisions for public works clients to participate in at least six 2-hour community BCC sessions per year. The DA and the Health Extension Worker work together to determine a realistic number of community BCC sessions to be organised for public works clients and how to schedule these sessions throughout the period of public works implementation (see Section 6.4.2.1 below for further details). The planned public works sub-projects and other community priorities should inform the topics to be covered in

²⁵ One method for climate-smart planning might be the application of the Climate Vulnerability and Capacity Analysis tool piloted by the Climate-Smart Initiative (CSI) to identify public works and livelihood activities that reduce key vulnerabilities and build resilience.

community BCC. For example, if water development or latrine construction projects are planned – at least one community BCC session should focus on hygiene and sanitation.



Public Works Exemptions for Financial Literacy and Basic Literacy Training

Clients participating in the livelihoods component can be exempt from up to four days of public works if financial literacy training is provided intensively during the public works period. However, the impact of this training on the number of available person-days for public works is expected to be minimal. Financial literacy training exemptions can therefore be taken into account as needed during implementation rather than at the initial planning phase.

Clients may also be temporarily exempt from participation in public works if: 1) basic literacy training is available, 2) the WFSTF approves the basic literacy training provider in the woreda, and the KFSTF decides that the client needs this training. This process is described in Part 3, Chapter 8 (Public Works and Links to Social Services). As with financial literacy training, basic literacy training can be taken into account as needed during implementation rather than initial planning.

The calculation for the potential number of person-days of employment should follow the process laid out in the below table:

Table 6.1: Calculating Available Person-Days for Public Works

Step	Process
Step 1: Identify the number of public works clients in the community	Figure to be provided by DA
Step 2: Approximate male and female breakdown	Unless other data is available, estimate a 50/50 split
Step 3: Calculate the total number of person days available prior to adjustments	% of male PW participants x total PW clients x 5 days per month x 6 months per year % of female PW participants x total PW clients x (5 days per month x 6 months per year) ÷ 2
Step 4: Adjust the number of person days to reflect exemption of temporary direct support clients from public works participation	Unless other data is available, reduce the total above by 3%
The total from Step 4 is the total number of person-days available for public works	
Step 5: Allocate person-days to community BCC and other types of public works	Community BCC: Unless other data is available, estimate 2% of the total from Step 4 above Other public works: Unless other data are available, estimate 98% of the total from Step 4 above.

Planning of sub-projects. For each community watershed, a planning team will be formed. This will often be based on the Community Food Security Task Force (CFSTF), but sub-teams may be formed to better support the planning process. In the formation of this planning team, careful consideration is needed to ensure active participation of women (both household heads from female-headed households and female members of male-headed households). Women should be encouraged to take leadership positions in public works planning wherever possible. Depending on the local context, the community may decide that a mixed team is the most appropriate approach, with a designated proportion of women in the planning team and ground rules to enhance women’s participation; or to establish separate male and female planning teams. The Social Development Expert monitors the participation of women in planning to ensure that constraints to their participation and leadership are minimised or eliminated.

The detailed planning process follows the steps laid out in the Community Based Participatory Watershed Development Guidelines and the Pastoral Public Works Guidelines. The smallest planning unit for public works should provide for efficient and collective planning and management of PW. In highland areas, the community is the smallest planning unit used. In pastoral areas, the lowest

planning unit may be the kebele or the community, depending on the dominant livelihood system in the target area. For further detail, see the Regional Variations Section (Section 6.10) and the Pastoral Public Works Guidelines.

Each community begins with a strategic plan through which the baseline conditions have been determined and an inventory of community assets has been done. Through this process, community needs are identified, with careful consideration of the needs of both men and women and different groups within the community. During this process, communities are encouraged to consider projects that contribute not only to watershed development but also specifically to livelihoods, nutrition, climate resilience and disaster risk management. A list of potential sub-projects is developed, which are then ranked in order of priority, taking into account the needs of women and other groups in the community. This process should consider the time during the year when the public works sub-projects will be carried out, and the number of person days available to complete the public works (see also Table 6.1 above).

The major types of sub-projects that are typically implemented under the PSNP are as follows:

- Biophysical soil and water conservation
- Gully control
- Forestry/agroforestry, forage development and pasture development
- Water projects/community and micro level/construction
- Water projects/community and micro level/rehabilitation
- Small-scale irrigation construction or expansion
- Small-scale irrigation rehabilitation
- Community road construction
- Community road rehabilitation
- Social infrastructure construction (including latrine construction)
- Social infrastructure rehabilitation
- Nutrition and other social services related activities, including participation in community BCC

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Contribution of public works to livelihoods, nutrition, climate resilience and DRM

Public works can contribute to livelihoods, nutrition, climate resilience and DRM in numerous ways. For instance, roads constructed or rehabilitated through public works may contribute to both livelihoods (through improved market access) and links to social services (through improved access to health facilities). Some other examples include:

- Construction of training halls for Farmer Training Centres (FTCs) and Pastoralist Training Centres (PTCs), forage and pasture development, nursery establishment, and construction of animal health posts are all ways in which public works might contribute to livelihoods.
- Latrine construction, development of kitchen gardens, construction of health posts, establishment of child care centres and provision of child care at these centres, and participation in community BCC are all ways in which public works might contribute to nutrition. Outcomes of community conversations²⁶ on maternal and child health and nutrition can help promote the identification of nutrition-sensitive public works by communities, where applicable.
- Area enclosures, birka construction and/or pond rehabilitation re are all ways in which public works might contribute to climate resilience and DRM.

²⁶ Under Community-Based Nutrition, community conversations on nutrition are organised to discuss the progress of implementation of nutrition activities in the community, receive updates on nutrition status, and identify causes and possible solutions of malnutrition.

The landscape approach (looking at “clusters” of similar enterprises) piloted by the Climate-Smart Initiative can strengthen linkages between key household and community assets which are required to reduce vulnerabilities and increase resilience to climate change effects. This approach looks beyond household-level planning at the socio-economic dimension of watersheds and linked micro-watersheds. This is particularly important for market development interventions, environmental transformation (degraded lands development) and carbon financing opportunities.



Eligible Public Works

The above list should not be considered the complete list of eligible public works. Any public work planned by the community is eligible for consideration as a PSNP public work as long as it a) is labour intensive and b) meets the eligibility criteria laid out in the ESMF screening process.

Finally, a list of prioritised public works projects is completed based on the resources (public works person-days) available for the coming year. The DA is then responsible for the designing of the sub-projects with the assistance of woreda, zone or regional experts, as appropriate.

ESMF check and screening. The DA undertakes an ESMF eligibility check and ESMF screening for each planned sub-project. The DA attaches the completed and signed screening form to the sub-project file. For sub-projects of particular environmental concern, the DA ensures that the sub-project file is earmarked according to the procedures set out in the ESMF. The ESMF screening is overseen by the Woreda Environmental or NR Expert, who takes responsibility and signs the completed ESMF Screening Form.

The DA then completes for each sub-project form *PSNP-PW002: PW Sub-project & Activity Identification and Description*, setting out details of the sub-project including non-labour inputs, technical assistance likely to be needed for implementation, and operations and maintenance requirements. This is done in accordance with the guidelines published by the federal PWCU and disseminated in the PSNP Annual Training Course.

6.4.1.2 Livelihoods planning

Livelihoods planning entails a combination of bottom-up and top-down approaches, as livelihoods interventions must be based on community/client interest but also on resource availability (particularly human resources to provide financial literacy training, coaching, and technical training), credit availability, and market demand for goods and services.

The initial identification and shortlisting of livelihood opportunities is described under Part 2, Chapter 5 (Livelihoods-Related Analyses).

At the local level, livelihoods planning will entail the following key steps:

Step 1: Livelihoods client allocation. This step actually takes place at the woreda level, but should be completed prior to the preparation of the community livelihoods plan. Woredas will receive initial estimates of their budget allocation and will estimate their capacity to provide technical support, based on the programme’s implementation capacity (particularly human resource capacity) as well credit availability and market capacity. The box below illustrates how this process works.

Allocation of livelihoods clients based on woreda-level capacity

Woredas will use the following criteria to determine how many livelihoods clients can be supported in each kebele and community:

- **Implementation capacity**, and particularly human resource capacity. The number of households to be supported in completing livelihoods checklists per livelihood pathway in a given year is guided by the following:
 - Crop and livestock: a 1-to-50 ratio of DAs to households²⁷
 - Off-farm: availability of one-step service centres and/or capacity of the MSE Council to oversee the coordination and implementation of the off-farm pathway. (Note: for simple off-farm livelihoods to be supported by extension, the 1-to-50 ratio of DAs to households will apply)
 - Employment: proximity/availability of training services and linkages to employment opportunities (based on information provided from the regional level)
- **Financial capacity**, and particularly the availability of credit resources. The plan should detail the availability of credit from MFIs and RUSACCOs in the woreda, based on their willingness to supply credit to PSNP client households.
- **Market capacity** for each livelihood pathway, based on an annually updated analysis (see Chapter 5). Information on market capacity for employment pathways and, to a lesser extent, off-farm livelihood pathways, is provided to the woreda from the regional level.

Based on these factors, woredas indicate how many clients can be supported in each kebele, and communicate these figures to communities to inform their planning and prioritisation processes, as described below.

Step 2: Community consultations. Community consultations are a key initial step in the planning of livelihoods interventions each year. The purpose of these consultations is as follows:

- To inform clients about the livelihoods component of the PSNP.
- To explain the livelihood pathways relevant to the community (in some communities, this may be all 3 pathways, while in other communities, only 1 or 2 pathways may be relevant), and how the project will support them. This process is tied in with public works planning, as public works sub-projects may expand opportunities in certain pathways.
- To provide clients with the opportunity to provide their input and suggestions on livelihoods interventions.

Community consultations include women from male and female-headed households, youth and other community members, and are done in conjunction with public works planning where possible. During the consultation, the DA visits the community and explains the purpose of livelihoods interventions, the types of livelihoods that will be supported, the various trainings clients may receive, and, where applicable, the employment linkages that may be facilitated. Participation in off-farm and employment pathways should be discussed in potential terms, as the plan for these pathways will ultimately depend on market demand for products and skills, as well as the availability of TVET trainers, which will be determined at a higher level. DAs coordinate with experts from the Women Affairs' desk in the Woreda Agriculture Office and other experts to ensure that representatives from women's and youth groups are present. These representatives subsequently organise women's group meetings, youth meetings and other community meetings to spread the word about livelihoods interventions and initiate the process of aspiration development. Through this process, poorer households that may initially be reticent to participate in livelihoods interventions are encouraged to register their interest.

²⁷ For an explanation of why this ratio is used, see Part 3, Chapter 9 (Livelihoods Component).

After women's, youth and other community groups have had enough time to spread the word about livelihoods interventions (this may take several days or a few weeks), the CFSTF registers the list of clients interested in participating in livelihoods interventions during the year.

Community consultations are repeated each year during the preparation of the woreda plan and prior to prioritisation of clients for livelihoods interventions.

Step 3: Prioritisation of clients and households. If more clients are interested in participating than there are resources to support them (see Step 1 above), the Community Food Security Task Force meets to prioritise which interested households will receive livelihoods support during the year:

- Households targeted for a livelihoods transfer (see Part 2, Chapter 3 (Programme Entry and Exit)) receive priority support in order that all households targeted for a livelihoods transfer are able to receive livelihoods support within three years of being targeted, if possible.
- Households that are identified as being "ready for the next step" in terms of livelihoods will be prioritised to make up the remainder of livelihoods clients for the year.²⁸

Up to two clients per household may participate in livelihoods interventions in a given year, but only one client may receive a livelihoods transfer during the programme. In each community, the final list of clients must reach a target of 50% women (including female youth). All households should be given the opportunity to participate in livelihoods interventions before one household participates for a second time.

Step 4: Preparation of a list of livelihoods clients and initial indications of interest regarding livelihood pathways/IGAs. These indications of interest are for planning purposes only, as clients will select their livelihoods once they have begun receiving technical support.

6.4.1.3 Compilation of the community plan

All of the processes outlined above feed into the Community Plan, which includes the elements below and is submitted to the Kebele Food Security Task Force:

- List of prioritised public works (including participation in community BCC) based on available person days
- List of prioritised livelihoods clients and interest in IGAs

6.4.2 KEBELE PLAN

The Kebele Food Security Task Force is responsible for preparation of the Kebele Annual Safety Net Plan (KASNP). This plan uses the results of the targeting/retargeting processes as well as plans for public works and livelihoods developed at community level, and incorporates further inputs on links to social services prepared at the kebele level, as outlined below.


6.4.2.1 Links to social services planning

Adjustments to co-responsibilities (as needed) based on local realities. At kebele level, Health Extension Workers in consultation with the Woreda Health Office review the expected co-responsibilities outlined in the table below against the capacity to provide health and nutrition services. If necessary, proposed modifications are made on the basis of the services available for inclusion in the KASNP.

²⁸ If communities cannot agree on how to prioritise clients for participation in the livelihoods component, a lottery system may be used as a final resort.

Category of Temporary Direct Support Client	Co-Responsibilities
Pregnant women	<ul style="list-style-type: none"> • Attendance of four ante-natal consultations • To participate in BCC sessions as informed by the HEW
Lactating women with a child less than one year old	<ul style="list-style-type: none"> • Attendance at one post-partum health facility visit • Attendance at growth monitoring and promotion/behavioural change communication sessions as informed by the HEW • Uptake of routine immunisation on behalf the child as informed by the HEW
Primary care-giver of a malnourished child under five years old during treatment	<ul style="list-style-type: none"> • Monthly check up of the child at the closest health facility • Attendance at BCC sessions provided by HEWs or the health development army as informed by the HEW. • Participation in treatment (e.g. community management of acute malnutrition or targeted supplementary feeding) as advised

Planning of BCC for public works clients. HEWs, with support from the Woreda Health Office and other actors as appropriate (e.g. WOLSA), map the potential existing and planned community BCC provisions in the kebele, taking care to focus on BCC that: 1) takes place during the public works season, and 2) targets both men and women. These might include community BCC planned for nutrition-related community conversations, community BCC planned during various health campaigns, and other planned group-focused BCC sessions.



Community-Based Behaviour Change Communication Interventions

PSNP public works clients will be reached at least once a month with community BCC interventions, including monthly cooking and feeding demonstrations. These BCC sessions will improve women’s and men’s access to and use of user-friendly information, and ultimately aim to change behaviour of nutrition and health-related caring practices of pregnant women and young children. As such, it is important that community BCC reach beyond the traditional target population of mothers, and also target men. This will allow the power of a broad range of influential groups to be harnessed in order to change overall social norms.

The following BCC and associated health-seeking behaviours are eligible to be counted as contribution to public works clients’ public works commitment:

- Participation in up to two community health days
- BCC sessions provided at a public works site (each session should last at least two hours)
- Participation in community conversations conducted as part of community-based nutrition

Following this assessment of existing community BCC services, the HEWs assess whether public works clients’ community BCC requirements (six sessions during the course of the public works implementation period) can be addressed through existing services or whether it will need to be complemented by additional specific sessions arranged for public work clients. The HEWs then agree the schedule of existing and specific sessions so that they can be accommodated in the above public works planning process.

6.4.2.2 Preparation of the kebele annual safety net plan

Step 1: The KFSTF consolidates all lists of needs and priorities related to public works and livelihoods prepared by the CFSTFs in the community plans, and adds the links to social services plan as outlined above, as well as the results of annual targeting/retargeting processes. Based on these inputs, the KFSTF prepares the Kebele Annual Safety Net Plan.

The KASNP has the following content:

- A list of identified PSNP clients, including categorisation:
 - Public works clients (including temporary direct support)

- Permanent direct support clients
- A brief technical description of proposed public works sub-projects
- A list of activities to implement those public works sub-projects
- An estimate of workdays required for each sub-project, based on standard work norms which are found in Part 1 of the CBPWD Guidelines and adjusted based on the mix of men and women (in line with the 50% reduction in the work load for women) and planned participation in community BCC, as outlined in Table 6.1 above.
- Requirements for technical assistance for the design of the project or during implementation
- Requirements for non-labour capital or administrative inputs
- Operations and maintenance and future management plan for all new infrastructure
- The number of total person-days allocated for participation in community BCC.
- Planned community BCC sessions for public works clients
- Any proposed modifications to the co-responsibilities for inclusion in the Links to Social Services sub-component.
- A list of PSNP livelihoods clients, including categorisation for credit referrals or livelihoods transfers
- Initial estimates of level of interest by clients in each of the three livelihood pathways



Budgeting

Budgets are not prepared at Kebele level. Budget information is added at woreda level.

Step 2: The KFSTF verifies that the KASNP pays particular attention, where relevant, to: 1) incorporating management and rehabilitation of the watershed as a key activity for promoting long-term food security, and 2) linkages and synergies between planned public works sub-projects, livelihoods pathways and investments, and links to social services activities.

Step 3: The KASNP and the Kebele Development Plan are integrated in all respects, and the content of the KASNP is used to update the wider Kebele Development Plan as appropriate. The Kebele Annual Safety Net Plan specifies which activities within the broader Kebele Development Plan will be undertaken under the PSNP.

Step 4: The completed Kebele Annual Safety Net Plan is presented within the context of the wider Kebele Development Plan to a general meeting of all communities in the kebele for review and endorsement.

Step 5: The endorsed KASNP is sent to the Woreda Food Security Task Force.

Step 6: The KASNP is assessed technically by the WFSTF, which arranges a technical appraisal of the proposed projects by experts from the woreda or regional BOA and other line Bureaus, if not done already. This includes project screening with ESMF.

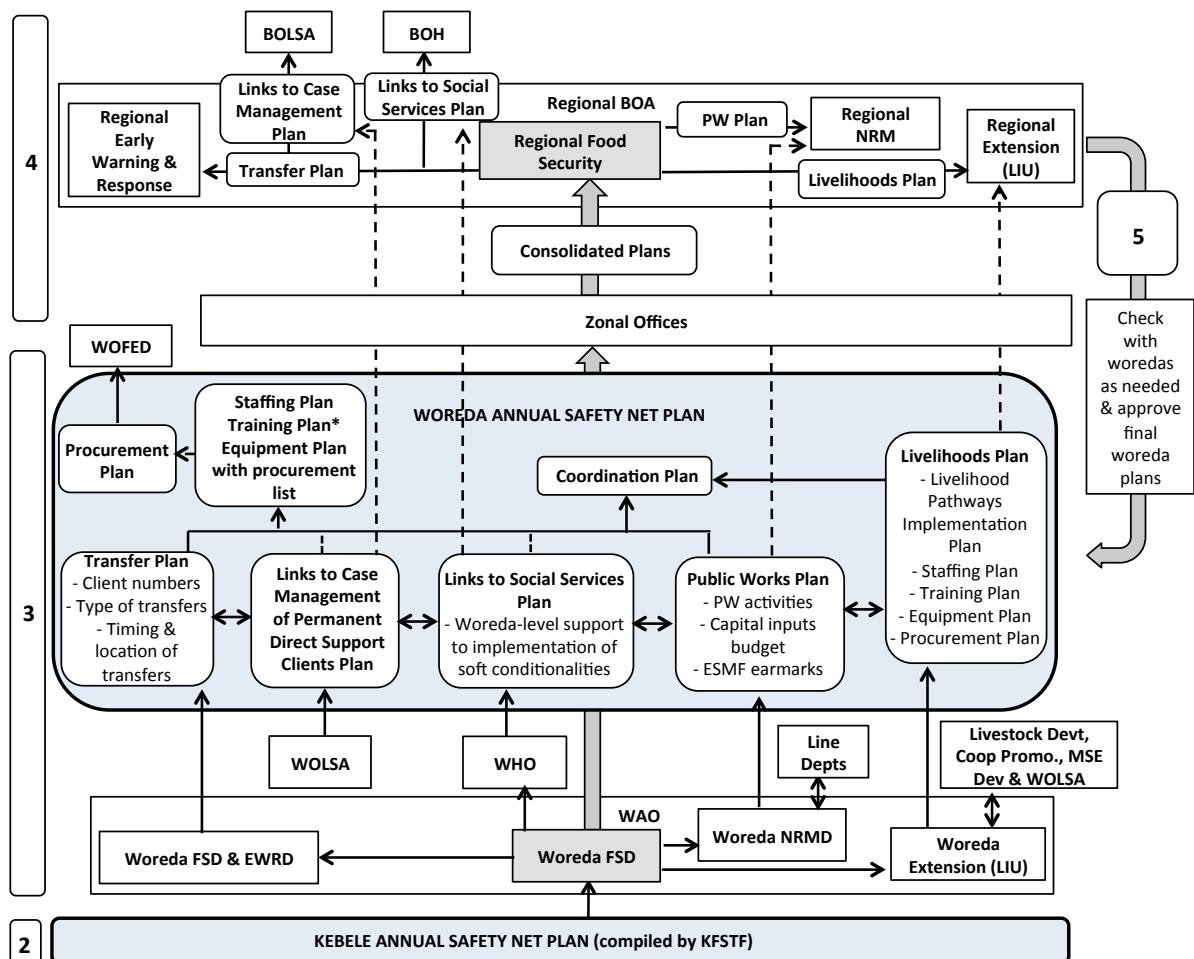
Step 7: If this process results in technical concerns with any of the proposed activities, these concerns are discussed with the WFSTF and may result in the suspension or rejection of some of the proposed sub-projects. However, this is not grounds for delaying approval of the wider KASNP. Any appeals arising from this process will be heard by the Woreda Council or Cabinet, as appropriate.

Kebele Annual Safety Net Plans, once approved, form the basis for PSNP interventions.

6.5 Preparation of the Woreda Plan

Woreda Annual Safety Net Plans (WASNPs) are prepared from all of the Kebele Annual Safety Net Plans in a woreda. Woreda Annual Safety Net Plans are prepared by the Woreda Agriculture Office (WAO), working together with other sector offices. This helps ensure that their roles and responsibilities are acted on and that duplication of plans is avoided. The woreda plan includes plans for each of the programme elements: transfers, public works, links to social services, links to case management of permanent direct support, and livelihoods. However, the plan is more than the sum of its parts: it integrates all safety net activities in the woreda, including the woreda-level functions, as illustrated in the diagramme below.

Figure 6.3: Preparation and Review of the Woreda Plan



*The Links to Case Management of Permanent Direct Support Clients Plan and the Links to Social Services Plan feed into the training plan, but not the staffing plan, equipment plan, or procurement plan. At woreda level, the Livelihoods Plan has each of these sections separately as they are covered by a separate budget.

The WASNP includes the following content:

1. Client numbers and whether they are clients of the permanent direct support or public works clients (including temporary direct support). The proportion of resources required in cash and food, and when each is needed based on community demand
2. Transfer plans for cash and food, including when transfers will be needed, and where and when they will be distributed
3. Planned public works sub-projects, indicating those requiring specialised technical input, and including the schedule for the year
4. Links to social services plans

5. Links to case management of permanent direct support clients plans
6. Livelihoods plans
7. Staffing needs in the woreda
8. Equipment needs in the woreda
9. Training needs and plans for the woreda
10. Basic procurement plans
11. Coordination plans
12. Woreda budget and schedule

The Woreda budget and schedule should cover all programme activities separated by line item. The administrative budget will cover staffing, equipment (including procurement), and training for the implementation and oversight of transfers, and public works. It will also cover training needs for the implementation and oversight of links to social services. The livelihoods capacity building budget will cover these administrative costs for the implementation of the livelihoods component. This is described in further detail in Part 4, Chapter 12 (Financial Management).

The WASNP is prepared in April when all the KASNPs are available, although planning must occur in time to ensure that the WASNP is submitted to the zone (and/or region where appropriate) by the end of April. The process for planning and approval of the key elements of the Woreda Annual Safety Net Plan is described in sections below.

6.5.1 CLIENT NUMBERS BY COMPONENT

The WASNP summarises kebele level data on client numbers, with the following process.

Step 1: Kebele client lists, which have taken into account graduation and any other adjustments, and are presented as a part of the KASNP, are sent to the WAO and shared with sector offices for consolidation and analysis, and discussed by WFSTF. The client lists are part and parcel of the KASNP.

Step 2: The Woreda Cabinet checks and approves the list of participants in each kebele, ensuring that adequate resources will be available during the year to support this number of clients.

Step 3: If any adjustments are needed, the WFSTF informs the KFSTF, which revises its client list and KASNP accordingly.

Step 4: If adjustments are needed that increase the client number above the PSNP budget allocation, the Woreda Council may approve use of the woreda contingency to cover the increase.

6.5.2 TRANSFER PLAN

Timely and predictable transfers are key to the success of the PSNP. The Woreda Annual Safety Net Plan is the source of information that allows regions and the federal level to plan in order for transfers to be disbursed in a timely manner. Planning for the types of transfers (food or cash) is covered in Chapter 4 (Public Works and Transfer Schedule, Wage Rate, and Mode of Transfer). The woreda takes into account preferences articulated in the KASNP where appropriate and develops an overall resource plan for the woreda.

The transfer plan includes a section for transfers to permanent direct support clients, who will receive 12 months of transfers per year, and a separate section for transfers to public works (and temporary direct support) clients, who will receive six months of transfers per year. Section 4.2 of Chapter 4 (Public Works and Transfer Schedule, Wage Rate, and Mode of Transfer) describes the process for scheduling of disbursements for permanent direct support transfers as well as public works transfers, including in woredas where transfer schedules may differ from other woredas in

their region. Section 12.3 of Part 4, Chapter 12 (Financial Management) and Section 13.3 of Part 4, Chapter 13 (Food Management) detail the key steps with the resulting payment schedule for cash and food transfers annexed to the WASNP.

The number of clients targeted for graduation who opt for a lump sum transfer is taken into account during the preparation of the transfer plan. This transfer must be provided at the start of the public works period, and must be provided in cash, even in woredas where transfers are provided in food.

If cash and/or food flow plans are amended during the year, the Woreda Food Security Desk/Process informs the WFSTF and WOFED in a timely manner and woreda plans are amended. The amended payment schedule is communicated to PSNP clients.

6.5.3 PUBLIC WORKS PLAN

The Woreda reviews the prioritised public works in the KASNPs and consolidates them into an overall woreda public works plan. This process is completed by the Public Works Technical Committee chaired by the Natural Resources Desk. The committee reviews the resources available to complement the labour input, develops the budget for capital inputs into the public works project, and ensures the mainstreaming of gender and social development issues into the public works plan. The technical committee also ensures the integration of the community watershed plans into overall watershed planning of the woreda and the major watersheds and critical watershed units previously identified.

Contributions of public works to livelihoods, nutrition, climate resilience and DRM should be specifically outlined in the Public Works Plan.

The Woreda Environmental or NR Expert ensures that any planned public works sub-projects of environmental concern are clearly earmarked.

The Woreda Natural Resources Desk submits the Public Works Plan to the Woreda Food Security Desk/Process for incorporation into the overall Woreda Annual Safety Net Plan, and also sends it to Zonal Agriculture Office for compilation and submission to the Regional Natural Resources Core Process for technical review.

6.5.4 LINKS TO SOCIAL SERVICES PLAN

The Woreda Health Office and WOLSA, where available, review any proposed modifications to the list of co-responsibilities proposed by HEWs in the kebele plans, with support and participation of the Woreda Agriculture Office, per the National Nutrition Programme (NNP) policy. They also review potential estimates of number of temporary direct support clients and identify any additional support HEWs and health facilities will need to meet any increased uptake in services. In addition, the Woreda Health Office reviews kebele plans for the provision of community BCC to public works clients. WHO and WOLSA use these plans to inform their own woreda-level activity planning in order to ensure that adequate human resources and other resources will be available for their implementation.

6.5.5 LINKS TO CASE MANAGEMENT OF PERMANENT DIRECT SUPPORT PLAN

In woredas where WOLSA has a presence, WOLSA staff review the list of permanent direct support clients and identify potential services they can be referred to, as discussed further in Part 3, Chapter 7 (Permanent Direct Support Component).

6.5.6 LIVELIHOODS PLAN

The livelihood component of the Woreda Plan incorporates the capacity analyses described in Section 6.4.1.2 above (implementation capacity, credit availability, and market capacity) together with PSNP client interest in different types of livelihoods.²⁹

The process for the preparation of the Woreda Livelihoods Plan is as follows:

Step 1: The Extension Desk/Process, through the Livelihoods Joint Technical Committee, compiles the following information:

- Human resource capacity at the woreda level to provide financial literacy training and technical assistance in each of the three livelihood pathways.
- Credit availability (including willingness to lend) at MFIs and RUSACCOs
- Market demand for goods, services and labour
- Number of clients prioritised for livelihoods technical support, by pathway.
- Number and list of clients targeted for livelihoods transfers who are prioritised for the year
- Initial livelihoods training plan, including:
 - Financial literacy training
 - Savings promotion
 - Training in each of the livelihood pathways
 - Business plan preparation
 - Follow-up support
- Implementation arrangements for each of the above

Step 2: Based on initial ESMF assessments conducted during the livelihood analysis process (see Part 2, Chapter 5 [Livelihoods-Related Analyses]), the Woreda Environmental or NR Expert uses the Livelihoods Environmental and Social Management Planning Template and Checklist and ensures that any planned livelihood activities of environmental concern are clearly earmarked. This checklist is used to identify potential negative environmental and social impacts, and to plan for the implementation of mitigating measures as required.

Step 3: The Livelihoods Implementation Unit prepares staffing plans, training plans, equipment plans and basic procurement plans as outlined in the sections below. The livelihoods elements of these plans will be kept separate from the other elements, as they will be covered by the Livelihoods Capacity Building budget rather than the Woreda Administrative Budget.

Step 4: Following review and approval by the Livelihoods Technical Committee, the Extension Desk/Process submits the Woreda Livelihoods Plan to the Woreda Food Security Desk/Process for incorporation into the overall Woreda Annual Safety Net Plan, and also sends it to Zonal Agriculture Office for compilation and submission to the Regional Extension Core Process for technical review.

6.5.7 STAFFING PLAN

The woreda needs to plan to ensure it has sufficient staff, both permanent and on contract, to implement the PSNP effectively. Staff turnover is a critical challenge at kebele and woreda levels, and should be assessed at least once a year by each line sector, and compiled by the WAO. The assessment result indicates the staffing capacity and measures to be taken. The following process is followed to ensure such plans are entered in the WASNP:

²⁹ As noted above, this indication of interest is for planning purposes only, as clients will have the opportunity to select their pathway once they have received initial trainings and participated in client consultations.

Step 1: WFSTF reviews KASNP and identifies support requirements from woreda-level staff from all departments and other organisations, including itself. This should be comprehensive but may include staff for financial management, food management, programme oversight, provision of required and anticipated technical support, monitoring and evaluation, provision of training, and procurement.

Step 2: WFSTF circulates kebele plans and its initial assessment of support required from woreda staff to Line Departments and other organisations required to provide support to kebele level and play a role in PSNP implementation. In order to strengthen synergies between different components, all offices/desks should also receive a copy of the overall staffing plan, but their primary responsibility for review and input will be allocated according to the list below:

- Overall staffing plan: WAO and eventually WOLSA (where available)
- Staffing for transfers: WOFED and EWRD/P
- Staffing for public works: Natural Resources, Roads Desk, Woreda Health Office, Education Office
- Staffing for livelihoods: Extension Desk, MSE Agency, WOLSA (where available), Cooperative Promotion Office, Livestock Development Desk (this is covered under the Livelihoods Capacity Building Line Item)
- Others as appropriate

Step 3: All offices, departments and other agencies assess needs for the coming year against current staffing availability, taking into account any known changes for the coming year.

Step 4: WFSTF assesses staffing levels against minimum standards for effective PSNP implementation if relevant, and any subsequent capacity assessments as specified in Part 4, Chapter 16 (Systems Building and Capacity).

Step 5: All departments submit reports on staffing status and its adequacy to serve needs in the current year, with proposals for any changes and proposed budget for permanent or contract staff, to the WFSTF.

Step 6: WFSTF compiles analysis of staffing adequacy and staffing requirements, and discusses them with departments until agreement is made.

Step 7: WFSTF compiles Annual Staffing Plan, and inserts this as a section in the Woreda Annual Safety Net Plan. Staffing for the livelihoods component is indicated separately with the budget source the livelihoods capacity building budget.

Step 8: Following regional and federal approval processes, the Woreda is informed of approved staffing plans, and adjusts the WASNP as necessary.

6.5.8 TRAINING PLAN

The training plan includes: awareness creation on PSNP, refresher training for newly recruited or appointed staff in PSNP guidelines, and other training. The training plan is structured by types of training, training clients (KFSTF, communities, development agents, woreda staff), and resource persons/institutions to provide training. The training plan may also consider experience sharing (local or regional).

Woreda offices are responsible to:

- Provide whatever role is required of them to ensure adequate training and human resource development for lower levels.

- Ensure woreda staff, both new and existing, are adequately trained.

The training plan includes a separate section on training of clients in livelihoods, which should be identical to the training plan under Section 6.5.3 (Livelihoods Plans), as well as training of staff for implementation of livelihoods activities.

The following process feeds into the development of the Woreda Annual Safety Net Plan:

Step 1: WFSTF reviews minimum requirements for regular training, as described in Part 4, Chapter 16 (Systems Building and Capacity), and plans for what is needed.

Step 2: WFSTF reviews kebele plans and identifies any further requirements for a woreda role in training.

Step 3: WFSTF refers to other training assessments for the PSNP under capacity building initiatives to identify further training needs.

Step 4: WFSTF requests that other departments and offices submit their own training needs under the PSNP.

Step 5: WFSTF compiles an annual training needs assessment for needs that cannot be met at woreda level. It also compiles an annual training plan for training which can be delivered at woreda level. These are submitted to Regional Food Security for approval and planning as a part of the WASNP.

Step 6: Following regional approval and planning, Regional Food Security provides the woreda with an approved annual training schedule for training organised at regional or federal levels.

Step 7: The WFSTF amends the WASNP as necessary.

6.5.9 EQUIPMENT PLAN

Each woreda must make sure that all equipment that will be needed for the coming year will be available when it is needed. The following process feeds into the WASNP. As with staffing and training, livelihoods-related equipment needs are listed separately.

Step 1: WFSTF reviews minimum requirements for equipment.

Step 2: WFSTF reviews KASNPs and identifies any further requirements for equipment at woreda level to support kebele plans.

Step 3: WFSTF refers to other capacity assessments for equipment for the PSNP under capacity building or procurement initiatives to identify further equipment needs.

Step 4: WFSTF requests all cooperating Departments and Organisations at woreda level to submit their own equipment needs under the PSNP, with justification.

Step 5: WFSTF compares existing equipment holdings with requirements and identifies where additional equipment is needed for effective implementation of the PSNP.

Step 6: WFSTF plans how each type of equipment need may be met. This may include:

- Pooling arrangements

- Other sharing arrangements
- Repairing existing equipment
- Purchasing new equipment

Step 7: WFSTF reconciles priority needs with available budget and prepares an equipment plan for the Woreda Annual Safety Net Plan, including items to be purchased and sourced by other means.

Step 8: Any equipment requiring purchase is included in the procurement planning process, as described in Section 6.5.10 (Basic Procurement Plan) below.

6.5.10 PROCUREMENT PLAN

The rules for PSNP procurement are summarised in Part 4, Chapter 14 (Procurement). Woreda responsibility for procurement comprises:

- Preparation of procurement plan
- Procuring items allowed at the woreda level
- Passing on procurement needs where regional or federal action is required

The following steps are followed:

Step 1: The WFSTF identifies procurement needs from the process of identifying equipment described in Section 6.5.9 above, the capital inputs for public works based on the Public Works Plans. Input requirements from the Livelihoods Plans are listed separately.

Step 2: Other non-equipment procurement needs are identified from the training needs assessment (Section 6.5.8) and other sources.


Step 3: The Procurement Officer in WAO consolidates procurement requirements from different implementing agencies and prepares a procurement plan based on the needs of each department.

Step 4: The list of procurement items is included in Woreda Annual Safety Net Plan, which is submitted as a proposal to Regional Food Security.

Step 5: The region may seek further justification for procurement proposals, particularly those for equipment.

Step 6: Following regional and federal approval processes, the woreda will receive feedback from Regional Food Security on procurement proposals, and will modify the woreda procurement plan if necessary.

Step 7: A detailed Procurement Plan is prepared according to the procurement guidance and following the format in the Procurement Manual. This Procurement Plan is prepared by the Procurement Officer in WAO and is submitted to the WFSTF for approval. Following WFSTF approval, it is submitted to WOFED.

	<p>Importance of timely preparation and submission of the Procurement Plan for timely procurement</p> <p>Timely preparation and submission of the Procurement Plan is the basis for timely procurement and delivery of capital goods required for public work implementation. The basic procurement plan must be included in the safety net plan at each level, and a detailed procurement plan following formats in the Procurement Manual must be submitted by July of each year.</p>
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6.5.11 COORDINATION PLAN

Coordination is essential if the PSNP is to achieve its objectives. Coordination is something that you do, not something that happens automatically. As such it needs to be planned like any other activity. The steps for planning coordination at woreda level are as follows:

Step 1: WFSTF defines all the needs for coordination at woreda level, and all the mechanisms that are available for facilitating that coordination. Specific events and dates should be identified to the extent possible. Particular attention should be given to coordination with:

- Social services, e.g. activities by social workers and other social protection initiatives
- Health services, such as the Health Extension Programme
- Nutrition services, such as Community-Based Nutrition activities and other elements of the National Nutrition Programme
- Livelihoods and economic development programming, such as the Pastoral Community Development Programme (PCDP), the Agricultural Growth Programme (AGP), and NGO programming
- Land management programming, such as the Sustainable Land Management Programme (SLMP)
- Climate change resilience activities, such as the Climate Smart Initiative (CSI)

Step 2: WFSTF circulates the coordination list to all concerned stakeholders and asks them to confirm that they have entered their obligations in their own annual plans.

Step 3: The WFSTF translates the coordination list into an action plan that it will implement over the coming year for proactive coordination.

Step 4: The WFSTF ensures that it has sufficient resources to fulfil its obligations regarding coordination, and enters any additional resources into the relevant section of the annual plan.

Step 5: The WFSTF includes the coordination plan in the Woreda Annual Safety Net Plan, for submission to regional level.

6.5.12 WOREDA BUDGET AND SCHEDULE

PSNP budgeting takes place at the woreda level, together with preparation of the Woreda Annual Safety Net Plan. The PSNP woreda budget consists of seven components:

- **The transfer budget for permanent direct support clients.**
- **The transfer budget for public works clients (including temporary direct support clients).**
- **The public works capital budget which** covers capital inputs and material for public works activities. The total capital budget must stay under the threshold, calculated as the ETB equivalent of \$8.5 per public works and temporary direct support client for the first 30,000, and the ETB equivalent of \$6 per public works and temporary direct support client thereafter. This is described in further detail in Part 4, Chapter 12 (Financial Management). Within the overall budget, there is no cap to the capital budget allocated to an individual sub-project. The WFSTF has the responsibility to allocate and approve the woreda capital budget as per the approved public works sub-projects.
- **The livelihoods implementation (capacity building) budget.** This budget is based on the number of targeted clients for livelihoods interventions as well as the need for capacity building of grassroots institutions such as FTCs/PTCs and RUSACCOs. This budget covers training costs (including TVET trainer fees), training equipment, inputs, and other activity

costs, as well as all associated staffing and administrative costs (e.g. small office equipment and materials travel and transport, and monitoring and evaluation activities).

- **The livelihoods transfer budget.** This represents approximately \$200 per livelihoods transfer client. Livelihoods transfers will be disbursed by PSNP cashiers and recorded in PASS using the Livelihoods Transfer budget line, which will be distinct from regular transfer payments.
- **The administrative budget which** covers human resources, small office equipment and materials, travel and transport, training, monitoring and evaluation activities, and other costs (e.g. costs related to the operation of RRTs), with the exception of livelihoods-related costs. The WFSTF has the responsibility to allocate and approve the woreda admin budget for the implementing sector offices.
- **The contingency budget.**³⁰ Once the total budget has been established (transfers, plus capital, and administrative costs, but excluding livelihoods capacity building costs), the woreda adds 5% of the total permanent direct support client transfers and public works (including temporary direct support) client transfer funds as its contingency budget. Management of the contingency budget is described in detail in Part 3, Chapter 11 (Risk Management).

Further information on eligible expenditures under these seven components can be found in Part 4, Chapter 12 (Financial Management).

The budget is linked to the Woreda Annual Safety Net Plan so that it is clear what each allocation will be spent on. A timetable will also be produced showing what expenditures will be incurred at what point during the Ethiopian Fiscal Year, with a clear overview of the public works, transfer and livelihoods schedules.

The budget is submitted for approval to the Woreda Council and Cabinet, which ensure compatibility with Woreda Development Plans, and is then submitted to the Region for approval.

6.6 Zonal Level Consolidation

In some regions, zones consolidate woreda plans and submit them to regions.

6.7 Regional Level Planning and Approval

Regional level planning starts early enough to have a complete plan for submission to FSCD by the end of May, and involves two parallel processes:

- Bringing together and ensuring quality and adequacy of plans emerging from woredas
- Putting into place plans for regional-level functions

The product of the regional planning process is the Regional Annual Safety Net Plan. This document covers each of the same areas as the Woreda Plan, but with additional content as well as management and monitoring components.

The overall process for the RASNP is outlined below:

³⁰ Each woreda should have a Contingency Plan which includes plans for how to scale up the PSNP in response to shocks. See Part 3, Chapter 11 (Risk Management) and relevant guidance from the Early Warning and Response Directorate for further information.

Step 1: Regional Food Security receives the WASNPs. In some regions, these plans may be submitted through Zonal Offices. The Regional Food Security reviews these plans to ensure that they are complete and accurate, then circulates them to the Natural Resources Management Core Process (NRMCP) through its Public Works Focal Unit, the Early Warning and Response Core Process (EWRCP), the Extension Core Process through its Livelihoods Implementation Unit, BOLSA, the Bureau of Health, and BOFED.

Step 2: Implementing agencies review woreda plans as required and develop regional plans for each of the programme components (see the sections below). In addition, BOFED receives and reviews plans, and makes an allocation schedule that reflects the resource flows required.

Step 3: Regional Food Security consolidates the plans from Regional Natural Resources Management, Early Warning, Extension, and BOFED, together with its plan and a resource allocation plan, into the Regional Annual Safety Net Plan.

Step 4: The Regional Food Security Steering Committee reviews and approves the plans and submits them to the Regional Cabinet for final approval.

Step 5: The Cabinet verifies that safety net annual plans and budgets are in line with strategic regional priorities (growth corridors, natural resource conservation, etc.) and harmonised with Government agendas.

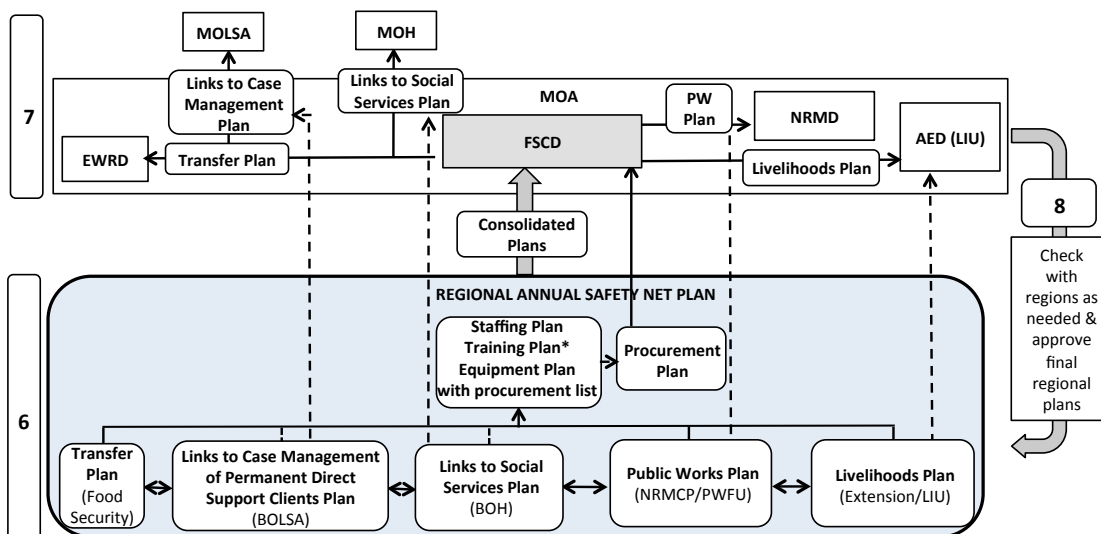
Step 6: If plans and budgets are not approved by the Cabinet, they are sent back to Regional Food Security, which communicates with woredas and zones to discuss the issue(s) blocking approval and to find a solution. Plans are then resubmitted.

Step 7: The approved Regional Plan is then submitted to FSCD, and copied to MOLSA, AED and NRMD at the federal level.

Step 8: When the final Regional Annual Safety Net Plan is approved by the federal level, it is circulated down to woredas so they are fully informed on the decisions affecting them.

This process is illustrated in the diagramme below.

Figure 6.4: Preparation and Approval of the Regional Plan



*The Links to Case Management of Permanent Direct Support Clients Plan and the Links to Social Services Plan feed into the training plan, but not the staffing plan, equipment plan, or procurement plan.

6.7.1 TRANSFER PLANS: CASH AND FOOD

Timely and predictable transfers are key to the success of the PSNP. In order to ensure this in practice there are some preparations regions can make, as follows:

Step 1: Regional Food Security receives Woreda Annual Safety Net Plans and prepares an analysis that includes the following:

- Total client number per woreda based on approved number of clients after initial appeals.
- Total cash and food required for each woreda based on proposed cash-food split (see Section 6.5.2).
- Timing of cash and food needs based on woreda-specific plans for timing of transfers across the year. The timing of transfers will typically be set once, at the start of the programme, with minimal changes from year to year. This process is described under Part 2, Chapter 4 (Public Works and Transfer Schedule, Wage Rate, and Mode of Transfer).
- Number of clients targeted for graduation who opt for a lump sum transfer. This transfer must be provided at the start of the public works season, and must be provided in cash, even in woredas where regular public works transfers are provided in food.

This plan should include all PSNP woredas, whether government or NGO implementers. This process should be done in parallel with an analysis of food requirements to create a complete picture of woreda-level resource requirements.

Step 2: Regional Food Security uses this information to compile a cash and food flow requirement analysis for the region. Regional Food Security shares the cash flow information with BOFED for planning purposes. BOFED shares this planning information with the Commercial Bank to allow it to address liquidity constraints on banks in PSNP woredas.

Step 3: Based on this analysis, Regional Food Security and BOFED plan cash transfers to woredas following the normal financial processes, making sure everything is in place for timely disbursement. Regional Food Security prepares a food resource plan by month. This plan should include a clear indication of where and when food resources will need to be pre-positioned. The regional cash and food flow analysis is included in the Regional Annual Safety Net Plan, which is submitted to FSCD by the end of May.

Step 4: The Transfers and Resource Management Technical Committee receives proposals from relevant line bureaus (including Regional Food Security, EWR, Regional Extension [and other livelihoods implementing agencies at regional level], BOFED, BOLSA and BOH³¹) for their budget needs for supporting safety net implementation. These proposals should reflect the need to support and monitor timely transfers, livelihoods technical support, and other aspects of overall programme implementation, as well as links to community BCC for public works clients, links to social services for temporary direct support clients, and links to case management for permanent direct support clients. These proposals will then be discussed along with proposals from the Public Works Joint Technical Committee and the Livelihoods Technical Committee as discussed in Section 6.7.6 below.

Once the annual plan is approved the Regional Food Security sends approved cash and food flow information to each WAO, and the woreda amends its own cash and food flow plan if necessary. At the same time, Regional Food Security sends the approved cash flow information to BOFED, which

³¹ Budget support to BOH for PSNP-related activities to will be provided through the Capacity Development budget rather than the regional management budget.

sends a copy to WOFEDs. The approved distribution plan is communicated to PSNP clients through public meetings and the posting of the approved distribution plan in public locations.

If cash flow plans are amended during the year, FSCD informs Regional Food Security in each region in a timely manner and regional and woreda plans are amended as per steps 6 and 7. Any amendments are communicated efficiently to BOFED and WAO and WOFED. WAO then informs PSNP clients of any changes in the PSNP cash transfer schedule.



Importance of timely reporting to maintain cash flow schedule

Submitting financial and physical reports on a quarterly basis is necessary to ensure that funds are available at Federal level when required. Reporting is the responsibility of BOFED and Regional Food Security.

6.7.2 PUBLIC WORKS PLAN

The Woreda Annual Safety Net Plans are submitted to Regional Food Security, which submits them immediately to the Regional NRMCP. NRMCP also receives a copy of public works plans from woredas via zones.

Step 1: The NRMCP then circulates to the line departments, which review woreda plans to check if they are compatible with regional development plans, priorities, targets and the wider watershed. If they are not, the line departments communicate their concerns to NRMCP, through its Public Works Focal Unit. These concerns are consolidated and then communicated to the woreda. The woreda may be asked to adjust its plan in response to these comments.

Step 2: The ESMF Focal Person in the Public Works Focal Unit passes the files for any sub-projects of environmental concern to the Regional Environmental Protection Authority (EPA) for a decision as to whether or not an Environmental Impact Assessment (EIA) is required.

If the Regional EPA decides that an EIA is required, the PWFU informs the concerned woreda Environmental or NR Expert, who arranges for the EIA, in accordance with the procedures set out in the ESMF.

If the Regional EPA decides that an EIA is not required, then EPA should approve (or modify) the proposed mitigating measures in the Screening Form, so that the DA can finalise the sub-project design.

Step 3: The woreda plans and woreda and regional sector department budget proposals are discussed in the Regional Public Works Joint Technical Committee. The Committee approves the final plans before submission to Regional Food Security, and onward submission to the Regional Cabinet.

The Regional NRMCP, supported by the PWFU, provides technical backstopping and quality control for all sectors of Public Works through the Technical Committee in the plan approval process. Acting as secretary for the Public Works Technical Committee, the Head of the PWFU is responsible for convening meetings and circulating comments on the plan for discussion.

The Regional Public Works Technical Committee has 3 main functions:

1. Reviewing the annual regional public works plan to ensure the feasibility of projects, a balanced portfolio of project under public works, and inclusion of all public works actors
2. Ensuring budget provisions from the regular government budget for the operation and maintenance of new infrastructure in all sectors including health and education

3. Ensuring the active participation and technical inputs of the relevant line bureaus and offices in the implementation and monitoring of the public works programme.

Based on the feedback from the Regional PW Technical Committee, the Regional NRMCP, supported by the PWFU, makes necessary changes to the WASNP after consultation with woredas, consolidates final woreda public works plans and budgets, and sends them to Regional Food Security.

Step 4: The Regional NRMCP, supported by the PWFU, based on their analysis of the plans, devises a plan for itself that outlines the technical backstopping, etc., needed for the year to come including the associated management budget required. The same is done by other line departments involved in public works implementation. The Regional Public Works Joint Technical Committee discusses these proposed plans and finalises them. These proposals will then be discussed along with proposals from the Transfers and Resource Management Joint Technical Committee and the Livelihoods Technical Committee before the overall regional plan and budget is confirmed and approved (as discussed in Section 6.7.6 below).

Step 5: The Regional NRMCP, supported by the PWFU, consolidates the final woreda public works plans, together with its plans to support Public Works implementation in the Region and the plans of the sectoral line agencies, into a single Regional Public Works Plan. This plan is reviewed and approved by the Public Works Technical Committee and is then submitted to Regional Food Security and copied to the Natural Resources Management Directorate at federal level.

6.7.3 LINKS TO SOCIAL SERVICES PLAN

The Woreda Food Security Desk submits woreda plans for links to social services to Regional Food Security, which forwards them to the Bureau of Health. BOH reviews the plans, provides feedback to woredas, and, based on its analysis of the plans, devises a plan for itself that outlines the technical backstopping, etc., needed for the year to come. This enables BOH to ensure that it has adequate resources to support the implementation of soft conditionalities for PLWs and community BCC of public works clients, and to request programme capacity development support as needed. This plan is submitted to Regional Food Security and copied to the MOH.

6.7.4 LINKS TO CASE MANAGEMENT OF PERMANENT DIRECT SUPPORT PLAN

The Woreda Food Security Desk submits woreda plans for links to case management of permanent direct support clients to Regional Food Security, which forwards them to the Bureau of Labour and Social Affairs. BOLSA reviews the plans, provides feedback to woredas, and, based on its analysis of the plans, devise a plan for itself that outlines the technical backstopping, etc., needed for the year to come. This enables BOLSA to ensure that it has adequate resources to support case management for permanent direct support clients, and to request programme capacity development support as needed, as a supplement to overall BOLSA and MOLSA capacity development to take on the permanent direct support component. This plan is submitted to Regional Food Security and copied to MOLSA.

6.7.5 LIVELIHOODS PLAN

The woreda livelihoods plan approval process and regional livelihoods plan development differs slightly from the process for public works planning. This is because several key implementing agencies from the livelihoods component (BOLSA and TVET) do not have a presence in every woreda, and several key implementing institutions (TVET institutes and one-stop service centres run by REMSEDA) are town-based rather than woreda-based. Moreover, employment opportunities are frequently found outside of PSNP woredas. As a result, a significant amount of planning for these

agencies occurs at the regional level. Therefore, the regional level will see a greater level of planning and integration of plans for livelihoods than for other aspects of the programme.

Upon receipt of the Woreda Annual Safety Net Plans, Regional Food Security immediately submits them to the Extension Core Process and its Livelihoods Implementation Unit, which through the Livelihoods Technical Committee leads the review and completion process.

Step 1: Regional Food Security submits WASNP to the Livelihoods Implementation Unit within the Extension Core Process at regional level. Extension then circulates it to Livelihoods Focal Points within REMSEDA, BOLSA, the Cooperative Promotion Bureau, and TVET, as well as other members of the Regional Livelihoods Technical Committee. Acting as chair of the Livelihoods Technical Committee, the Extension Core Process is responsible for convening meetings and circulating comments on the plan for discussion.

Step 2: Prior to receiving the plan, REMSEDA, BOLSA and, in some instances, TVET, will have engaged with employers at the regional level to identify demand for labour services and the skills required for PSNP clients to fill these opportunities. These institutions will seek to obtain commitment from employers to hire a certain number of PSNP clients following the provision of training, in order to set up the employment pathway. Based on these commitments as well as market analyses, REMSEDA, BOLSA and TVET will provide inputs into the regional livelihoods on market demand for off-farm goods and services and labour, availability of training facilities and trainers, and other inputs.

In addition, these agencies as well as Extension and the Cooperative Promotion Bureau devise a plan for themselves that outlines the technical backstopping, etc., needed for the year to come, including the associated management budget required. The Regional Livelihoods Technical Committee, through the assigned Livelihoods Planning Team and/or Implementation Unit, then consolidates these inputs.

Based on both woreda and regional level inputs, the Regional Livelihoods Technical Committee provides technical backstopping and quality control for all livelihoods interventions in the plan approval process. The committee analyses woreda plans in terms of:

- Market capacity
- Availability of credit (from outside the programme) and livelihoods transfers (from the programme budget)
- Human resource availability for financial literacy training, savings promotion, and technical assistance in each of the three livelihoods pathways
- Number of clients and the degree of women and youth participation
- Capacity of grassroots institutions (FTCs/PTCs, RUSACCOs, MFIs and multipurpose cooperatives) to support programme interventions
- Consideration of environmental and social factors.

Based on regional plans incorporating additional capacity and demand information on off-farm and employment pathways, the Livelihoods Technical committee matches client interest at the woreda level with available resources at the regional level, and consolidates the final product into a draft regional Annual Work Plan.

Step 3: The Livelihoods Technical Committee receives proposals from regional line departments for management and implementation budgets based on the WASNP and the draft regional Livelihoods Plan (described above). The woreda and regional sector department budget proposals are discussed in the Regional Livelihoods Technical Committee. The Committee reviews the feasibility of the proposed budget and disbursement schedule in terms of:

- Type of activity and the average processing time for activities within regions

- Required work load and actual existing implementation capacity
- Performance levels including the proposed budget compared to the past performance record.

The Technical Committee approves the final plans before submission to Regional Food Security, and onward submission to the Regional Cabinet.

Step 4: The ESMF Focal Person (based in the Public Works Focal Unit) passes the files for any livelihoods activities of environmental concern to the Regional Environmental Protection Authority (EPA) for a decision as to whether or not an EIA is required.

- If the Regional EPA decides that an EIA is required, the ESMF Focal Person informs the concerned Woreda Environmental or NR Expert, who arranges for the EIA, in accordance with the procedures set out in the ESMF.
- If the Regional EPA decides that an EIA is not required, then EPA should approve (or modify) the proposed mitigating measures in the Screening Form, so that the livelihoods plan can be finalised.

Step 5: The Livelihoods Planning Team within the Technical Committee consults with woredas and makes necessary changes to the WASNPs based on the draft regional plan. The TC then consolidates final woreda livelihoods plans and budgets, and sends them to Regional Food Security.

Step 6: The Regional Livelihoods Technical Committee makes final edits to the Regional Annual Work Plan and Budget as needed and submits it to Regional Food Security and to the Agricultural Extension Directorate at federal level.

6.7.6 STAFFING PLAN

Regional Food Security receives inputs from all implementing bureaus and processes through the technical committees (Transfers and Resource Management Joint Technical Committee, Public Works Joint Technical Committee and Livelihoods Technical Committee) and prepares a first draft of an overall regional management plan and budget.³²

Staffing capacity and needs – including an analysis of staff turnover – are assessed at least once a year by each line sector, and compiled by Regional Food Security. This assessment should reflect the minimum standards outlined in Part 4, Chapter 16 (Systems Building and Capacity). The resulting staffing plan should be compiled.

All offices should receive a copy of the overall staffing plan, but their primary responsibility for review and input will be allocated according to the list below:

- Overall staffing plan: BOA/Regional Food Security and eventually BOLSA as well
- Staffing for transfers: BOFED and Regional Early Warning
- Staffing for public works: NRMCP/Public Works Focal Unit, Bureau of Health, Education Office, Roads, Water
- Staffing for livelihoods: Extension Core Process, REMSEDA, BOLSA, Cooperative Promotion Bureau, TVET, Livestock Development Agency/Bureau
- Bureau of Health
- Women’s Affairs Desk in Bureau of Agriculture
- Others as appropriate

³² Although the woreda administrative budget does not cover livelihoods implementation costs [which are covered in a separate line item at woreda level], the regional management budget covers management of the livelihoods component.

6.7.7 TRAINING PLAN

Training requirements should be fed into an overall training plan following the steps indicated below. The Training Plan should be submitted as part of the overall regional annual safety net plan.

Step 1: Regional Food Security reviews minimum requirements for regular training (see Part 4, Chapter 16 (Systems Building and Capacity)), and plans for when, how, where, by whom it will be conducted. The Livelihoods Implementation Unit within the Extension Core Process provides input to this plan for livelihoods-related training. A budget is prepared for each item.

Step 2: Regional Food Security reviews woreda plans and identifies any further requirements for a regional role in training.

Step 3: The Livelihoods Implementation Unit within the Extension Core Process reviews woreda training plans related to livelihoods and, in consultation with the Livelihoods Technical Committee, identifies additional trainings per the Regional Livelihoods Plan.

Step 4: Regional Food Security refers to other training assessments for the PSNP under capacity building initiatives such as the Capacity Development Support Facility to identify further training needs.

Step 5: Regional Food Security requests other Departments and Organisations to submit their own training needs under the PSNP.

Step 6: Regional Food Security compiles an annual training plan, which also describes whether regional or federal level is responsible for financing and providing each training requirement.

6.7.8 EQUIPMENT PLAN

Equipment planning should take into consideration regional needs to support the differing components of the programme and the minimum standards outlined in Part 4, Chapter 16 (Systems Building and Capacity). Steps in developing the equipment plan and corresponding procurement plan are outlined below.

Step 1: Regional Food Security reviews minimum requirements for equipment (see Part 4, Chapter 16 (Systems Building and Capacity)).

Step 2: Regional Food Security reviews woreda plans and consolidates any equipment requests from woredas. It also identifies any further requirements for equipment at regional level.

Step 3: Regional Food Security refers to other capacity assessments for equipment for the PSNP under capacity building or procurement initiatives to identify further equipment needs.

Step 4: Regional Food Security requests other Departments and Organisations to submit their own equipment needs under the PSNP, with justification.

Step 5: If requests are not approved, they are returned to their source with explanation and further discussion takes place.

Step 6: Regional Food Security compares existing equipment holdings with requirements and identifies where additional equipment is needed for effective implementation of the PSNP.

Step 7: Regional Food Security plans how each type of equipment need may be met. This may include:

- Pooling arrangements
- Other sharing arrangements
- Renting vehicles or other equipment
- Repairing existing equipment
- Purchasing new equipment

Step 8: Regional Food Security reconciles priority needs with available budget and prepares an equipment plan for the Annual Regional Plan. From this equipment plan, procurement needs are identified and addressed through the procurement planning process described below.

6.7.9 PROCUREMENT PLAN

The rules for PSNP procurement are summarised in Part 4, Chapter 14 (Procurement). Regional responsibility for procurement comprises:

- Procuring items allowed at the regional level, and
- Passing on procurement needs where federal action is required

For public works capital items and office facilities, excluding IT equipment, procurement takes place at woreda level, unless an agreement is in place for the region to undertake the bulk procurement of capital goods on behalf of the woreda, such as in times of accessibility/supply problem. Livelihoods inputs and training materials, e.g. for Farmer Training Centres, are also procured at the woreda level (in the case of training materials and inputs used by TVETs, procurement may take place at the woreda or the regional level). A similar approach is applied between region and federal level, as required.

The following steps are to be followed:

Step 1: Regional Food Security identifies procurement needs from the process of identifying equipment described in Section 6.7.8 above.

Step 2: Identify other non-equipment procurement needs from training needs assessment other sources.

Step 3: A list of procurement items is prepared for inclusion in the Regional Annual Safety Net Plan.

Step 4: Procurement Coordinators in BOA, in coordination with other sector office procurement officers, prepare a detailed Procurement Plan following the format in the Procurement Manual. This Procurement Plan is prepared separately and submitted to FSCD, together with the maintenance plan for any items that will be procured to determine the cost of purchasing spare parts.

Step 5: FSCD consolidates regional Procurement Plans submits them to the World Bank for approval.

Step 6: The World Bank reviews the Procurement Plans and, if approved, gives a 'no-objection' to FSCD.

6.7.10 REGIONAL BUDGET

The Regional Management Plan and Budget should include provision for staffing, supervision and monitoring costs (supervision and monitoring including the costs associated with staff travel to

woredas in support of the key components of the programme and the recruitment of local consultants to support monitoring), training and equipment.

The Annual Regional Plan budget pulls together all budget items from woreda and regional plans, for submission to federal level, with the following steps:

Step 1: The full costs of all Woreda Annual Safety Net Plans are compiled in the prescribed format, as described in Section 6.5.12, by Regional Food Security. This includes both cash and food, and both Government and NGO woredas.

Step 2: The full costs of all regional-level expenses as identified in this section are added to the same format, by Regional Food Security.

Step 3: Regional Food Security checks this budget and ensures that all cost categories have been included for all levels, including transfers, livelihoods implementation and livelihoods transfers, capital and administration, contingency budget, and capacity building.

Step 4: The checked budget is included in the Regional Annual Safety Net Plan, and submitted by Regional Food Security to FSCD.

Step 5: Following its own budgeting and approval processes, the federal level returns the final annual budget to the region in early July. If the budget has been revised, Regional Food Security revises its own budget and informs other regional implementing bureaus, sector offices and woredas of their own revised budgets. Regional Food Security also informs other sector offices/bureaus regarding the approved budget. Regional Food Security also informs all PSNP woredas of the approved budget. Woredas revise their budget as necessary and post the final approved budget in a public location.

Step 6: Regions and woredas then revise their own Annual Plans to fit with the final budget allocation. The final, approved Annual Plans are posted in a public location or available publically.

6.8 Federal Level Planning and Approval

The product of federal planning is the Federal Annual Safety Net Plan, which summarises all key dimensions of the programme and compiles an overall programme budget for the year. The federal planning process takes place at the same time as planning processes for lower levels, in time for the new Financial Year.

The format for the Federal Annual Safety Net Plan has the same sections as the regional plan, for each of which guidance is provided in the sections below. When the final Federal Annual Safety Net Plan is approved, it is circulated down to regions, to other federal agencies, and to Development Partners so all are fully informed on the decisions that have been made. Any amendments to the Annual Plan are communicated formally to regions and Development Partners.

6.8.1 PUBLIC WORKS PLAN

The Public Works Coordination Unit:

- Verifies consistency of regional public works plans and their correspondence with the resources available.
- Verifies that the regional public works plans follow the principles of the PSNP.
- Verifies that the ESMF procedures are followed and that the plans are in line with federal priorities.

- Submits the regional public works plans to the federal Public Works Joint Technical Committee for information, discussion and review.
- Communicates concerns, if any, about regional public works plans to the regional Public Works Focal Units for their appropriate action.
- Forwards all the regional public works plans to the FSCD once they are finalised appropriately.

The Public Works Coordination Unit also prepares an annual plan that details how it will support the implementation of the RASNs together with their overall mandate.

6.8.2 LINKS TO SOCIAL SERVICES PLAN

The Federal Ministry of Health:

- Verifies consistency of regional plans for links to social services and their correspondence with the resources available.
- Forwards any concerns about the regional links to social services plans to BOH for their appropriate action.
- Prepares an annual plan that details how they will support the implementation of the RASNs together with its overall mandate.
- Forwards final Links to Social Services plan to the FSCD and takes it into account for its own annual planning.

6.8.3 LINKS TO CASE MANAGEMENT OF PERMANENT DIRECT SUPPORT PLAN

MOLSA:

- Verifies consistency of regional plans for links to case management of permanent direct support and their correspondence with the resources available.
- Forwards any concerns about the links to case management of permanent direct support plans to BOLSA for their appropriate action.
- Prepares an annual plan that details how they will support the implementation of the RASNs together with their overall mandate.
- Forwards a final Links to Case Management of Permanent Direct Support Plan to the FSCD and takes it into account for its own annual planning.

6.8.4 LIVELIHOODS PLAN

At the federal level, the Livelihoods Implementation Unit:

- Verifies the consistency of regional livelihoods plans and their correspondence with the resources available.
- Verifies that the regional livelihoods plans follow the principles of the PSNP's livelihoods component.
- Verifies that the ESMF procedures are followed and that the plans are in line with federal priorities.
- Forwards any concerns about the regional livelihoods plans to the regional Livelihoods Technical Committee for their appropriate action.
- Together with other Livelihoods Technical Committee members, prepares an annual plan that details how each institution will support the implementation of the RASNs together with their overall mandate.
- Prepares a summary presentation of the proposed annual budget by livelihood pathway and activity, and consolidated Livelihoods Plan and Budget
- Forwards the final regional and federal Livelihoods Plans and Budgets to the FSCD

6.8.5 TRANSFER PLAN: CASH

FSCD and MOFED are responsible for ensuring that cash is available for disbursements to make cash transfers timely and predictable. The process for planning cash at federal level is as follows:

Step 1: FSCD proposes a predicted wage rate for the programme for the coming year in June, as described in Part 2, Chapter 4 (Public Works and Transfer Schedule, Wage Rate, and Mode of Transfer), which is approved by the JSOC.

Step 2: FSCD decides on the appropriate cash:food split for each region, taking into account:

- Requests expressed in Regional Annual Safety Net Plans
- Predicted food availability for the programme overall
- Predicted cash availability for the programme overall
- Predicted wage rate for the programme for the year
- The cash first principle

Any mid-year shift from cash to food or vice versa should be finalised on or before December 31 of each year.

Step 3: FSCD analyses Regional Annual Safety Net Plan submissions, calculates the cash required each month of the year, for each region, based on their regionally approved transfer schedules.

Step 4: FSCD produces expenditure and cash requirement forecasts.

Step 5: The expenditure and cash requirement forecast is passed to MOFED.

Step 6: The expenditure and cash requirement forecast is part of the quarterly IFR and be submitted to Development Partners by MOFED for clearance.

Step 7: FSCD prepares a disbursement plan and instruction to MOFED, Government Line Departments, and Regional Food Security in the regions as part of the reporting downwards process. MOFED effect the cash transfers to the regions and Government Line Departments as per the instructions from FSCD and communicates the same to BOFEDs and FSCD.

6.8.6 TRANSFER PLAN: FOOD

Federal level FSCD is responsible for ensuring that food is available to provide food disbursements and transfers in a timely and predictable manner. The process for planning food transfers at the federal level is as follows:

Step 1: FSCD identifies the likely food availability for the coming year, taking into account:

- Carry-over stocks held by EWRD, NGOs and WFP
- Agreed provision from development partners, especially USAID, and the timeline for these deliveries
- Current stocks in EFSRA and the possibility of accessing them
- Predicted market trends, nationally and internationally
- Predicted emergency requirements
- Possibility of procuring food nationally or internationally

Step 2: FSCD decides on the appropriate cash:food split for each region, as outlined under Section 6.8.5 above.

Step 3: FSCD analyses Regional Annual Safety Net Plan submissions, calculates the food required each month of the year, for each woreda in each region, based on their regionally approved transfer schedules.

Step 4: FSCD produces a food flow requirements analysis, including an assessment of the source of food for each monthly payment. Any amounts to be borrowed from the EFSRA are secured in advance.

Step 5: The food flow requirement analysis is passed to the Food Management Unit within the EWRD. EWRD defines when disbursements will be made to woredas for the coming year and the amount of each disbursement. EWRD provides a copy of this analysis to FSCD. After the food flow requirement is analysed, FSCD and the Food Management Unit in EWRD jointly develop an allocation plan, dispatch plan and delivery reporting plan.

Step 6: The final food flow analysis and disbursement plan is circulated by FSCD to Regional Food Security and EWRD, and to NGOs, WFP and USAID as part of the reporting downwards process.

Step 7: EWRD's Food Management Unit and FSCD plan the sourcing of the food to meet this schedule, including a timetable for specific actions that are needed to ensure the food is available where needed on time.

Step 8: If any changes are required during the course of the year, EWRD informs FSCD, which informs regions as soon as possible, and provides revised schedules. Regions then inform woredas, and woredas revised their woreda plans accordingly to ensure predictability for PSNP clients. Woredas communicate any changes in the distribution plan to PSNP clients.

6.8.7 STAFFING PLAN

The federal level is responsible for ensuring adequate staffing in federal level organisations with PSNP responsibilities, and also approving staff requests from regions. The process is as follows:

Step 1: FSCD reviews regional plans and identifies support requirements from federal-level staff from all departments and other organisations, including itself. This should be comprehensive but may include staff for financial management, food management, programme oversight, social development, provision of required and anticipated technical support (including for livelihoods interventions in each of the three pathways), monitoring and evaluation, training provision, and procurement.

Step 2: FSCD circulates regional plans and its initial assessment of support required from federal staff to Line Departments and other organisations required to provide support to regional level and play a role in PSNP implementation. Review of the staffing plan should be comprehensive based on local arrangements but may include:

- Overall staffing plan: FSCD and eventually MOLSA
- Staffing for transfers: EWRD, MOFED
- Staffing for public works: NRMD, Ministry of Health, Education, Roads, Water
- Staffing for livelihoods: Extension Directorate, FEMSEDA, MOLSA, Federal Cooperative Agency, TVET, Livestock Development Directorate
- Ministry of Health
- Women's Affairs Desk in Ministry of Agriculture
- Others as appropriate

Step 3: All federal implementing agencies and other organisations assess needs for the coming year against current staffing availability, taking into account any known changes for the coming year. They also assess staffing levels against minimum standards for effective PSNP implementation if relevant, and any subsequent capacity assessments.

Step 4: All implementing agencies submit reports on staffing status and its adequacy to serve needs in the current year, with proposals for any changes, to FSCD

Step 5: FSCD compiles analysis of staffing adequacy and staffing requirements, and approves the plans. If plans are not approved, they are returned to the relevant organisation with explanation, for further discussion.

Step 6: FSCD compiles an Annual Staffing Plan and inserts this as a section in the Federal Annual Safety Net Plan.

Step 7: FSCD allocates available staffing budget on priority basis in the plan, and reports back to relevant organisations on budget allocations through circulation of the Federal Annual Safety Net Plan.

Step 8: FSCD reviews proposed staffing plans in the Regional Annual Safety Net Plans and approves them as part of the wider process of approval of these Regional plans. If FSCD does not approve the staffing proposals then an explanation is provided to the Region and the issue is resolved through discussion. Regions then update their plans and resubmit to FSCD for final approval. FSCD sends final approved plans back to Regions as described.

Step 9: Departments and organisations plan approved recruitment.

6.8.8 TRAINING PLAN

FSCD, in coordination with MOFED, EWRD, NRMD, AED, Livestock Development Directorate, FCA, REMSEDA, MOLSA and TVET, is responsible for

- Providing whatever role is required of them to ensure adequate training and Human Resource Development for lower levels
- Ensuring federal staff, both new and existing, are adequately trained

The following process feeds into the development of the Federal Annual Safety Net Plan:

Step 1: The Capacity Development Support Facility reviews minimum requirements for regular training at federal level.

Step 2: FSCD and the Capacity Development Support Facility review regional training plans and identify additional requirements for a federal role in training.

Step 3: FSCD and the Capacity Development Support Facility refers to other training assessments for the PSNP under capacity building initiatives to identify further training needs requiring federal input.

Step 4: FSCD requests other Federal Departments and Organisations to submit their own training needs under the PSNP.

Step 5: FSCD and the Capacity Development Support Facility compile an annual training plan that describes when, how, where, by whom training will be conducted. A budget is prepared for each item.

Step 6: The training plan is included in the Federal Annual Safety Net Plan.

6.8.9 EQUIPMENT PLAN

The federal level must make sure that all equipment that will be needed at federal level for the coming year will be available when it is needed. This might include:

- Vehicles
- Motorcycles
- Computers and other computer-related equipment
- Furniture
- Accessories for computers, photocopy machines, fax machines, etc.

The following process feeds into the annual plan:

Step 1: FSCD reviews minimum requirements for equipment at federal level.

Step 2: FSCD reviews the Regional Annual Safety Net Plans and identifies any implications for further equipment required at regional level, such as vehicles, motorbikes, computers, etc.

Step 3: FSCD refers to other capacity assessments for equipment for the PSNP under capacity building or procurement initiatives to identify further equipment needs.

Step 4: FSCD requests other Departments and Organisations to submit their own equipment needs under the PSNP, with justification.

Step 5: If requests are not approved then they are returned to their source with explanation and further discussion takes place.

Step 6: FSCD compares existing equipment holdings with requirements and identifies where additional equipment is needed for effective implementation of the PSNP.

Step 7: FSCD plans how each type of equipment need may be met. This may include:

- Pooling arrangements
- Other sharing arrangements
- Renting vehicles or other equipment
- Repairing existing equipment
- Purchasing new equipment

Step 8: FSCD reconciles priority needs with available budget and prepares an equipment plan for the Annual Federal Plan.

6.8.10 PROCUREMENT PLAN

The rules for PSNP procurement are summarised in Part 4, Chapter 14 (Procurement). Federal responsibility for procurement comprises:

- Procuring items required at the federal level, and
- Consolidating regional procurement plans

The following steps are to be followed for the Federal Safety Net Plan:

Step 1: FSCD identifies procurement needs from the process of identifying equipment described in Section 6.8.9 above.

Step 2: Other non-equipment procurement needs are identified from the training needs assessment (Section 6.8.8) and other sources.

Step 3: FSCD reviews procurement proposals in draft Annual Plans from regions and approves them. If regional plans are not approved, FSCD provides an explanation why and addresses the situation through discussion.

Step 4: FSCD identifies items from regional procurement plans requiring federal procurement.

Step 5: The Procurement Coordinator in FSCD prepares a separate annual procurement plan, consolidating regional and federal procurement plans, according to the procurement guidance. This is accompanied by a maintenance plan for all equipment to be purchased. These plans are submitted to the World Bank for approval.

Step 6: The World Bank reviews the procurement plan and, if approved, gives a 'no-objection' to FSCD.

6.8.11 FEDERAL BUDGET

The Annual Federal Budget pulls together all budget items from the PSNP, with the following steps:

Step 1: The full costs of all approved Regional Annual Safety Net Plans are compiled in the prescribed format by the FSCD. This includes both cash and food, and both Government and NGO woredas.

Step 2: The full costs of all approved federal-level planned expenditures as identified in this section are added to the same format.

Step 3: The FSCD checks this budget and ensures that all cost categories have been included for all levels, including transfers, capital and administration, livelihoods implementation (capacity building) and livelihoods transfers, contingency budget, capacity building and management budgets.

FSCD should ensure inclusion of the federal contingency budget in the overall annual plan and budget. At the start of the year this should reflect the lumpsum budget reflected in the overall safety net budget. Once the federal contingency budget is triggered, actual resources to be programmed will be further broken down according to whether resources are to be provided in cash or food and the need for accompanying administration and capital budgets.

Step 4: The final budget is included in the Federal Annual Safety Net Plan, and submitted by the end of June to MOFED for approval with the regular Government Budget and Development Partners at federal level, and in the final Federal Annual Safety Net Plans back down to regions, which in turn provide relevant information to zones and woredas.

6.9 Dissemination of Approved Federal Annual Safety Net Plan

Once the PSNP annual plan and budget has been approved at federal level, MOFED posts the annual woreda-by-woreda budget on its website.

The final woreda PSNP Annual Plan and budget is posted in a public location in the woreda and kebele centres, together with the approved client list and list of appeals, as they are issued. This helps ensure that clients and non-clients in PSNP areas are well informed of which households will participate in the PSNP for the coming year, and of those, which will participate in livelihoods, the overall budget, and expected public works activities. The Plan and budget should remain posted for the full year.

The Client Bill of Rights and Responsibilities is posted next to the PSNP plan and budget in the woreda and kebele centres and, if possible, among PSNP communities. This should remain posted throughout the year. Woreda officials should also ensure that all other PSNP posters and information materials are publically displayed. If the posters have become old or have disappeared, woreda officials should request new posters from the Regional Food Security Coordination Office.

6.10 Regional Variations

Planning processes will be similar across regions, with a few variations depending on institutional structures and agroecological and cultural characteristics.

6.10.1 TRANSFER AND PUBLIC WORKS SCHEDULES

As described in Part 2, Chapter 4 (Public Works and Transfer Schedule, Wage Rate, and Mode of Transfer), woredas and regions have the opportunity to set their own public works and transfer schedules to correspond to the timing of the hungry season as well as labour availability. This will be particularly important in pastoral lowlands.

6.10.2 ROLE OF ZONES

In some regions (e.g. SNNP), zones play an important role in the review of woreda plans and the approval of budgets.

6.10.3 PLANNING APPROPRIATE PUBLIC WORKS SUB-PROJECTS IN LOWLAND IMPLEMENTATION AREAS

Public works planning in pastoral lowland areas is guided by the Pastoral Public Works Guidelines. These guidelines outline scheduling considerations, planning units, and types of public works tailored to pastoral lowlands.

6.10.3.1 Scheduling

In addition to the general factors to take into consideration when planning public works scheduling (as outlined in Part 2, Chapter 4 (Public Works and Transfer Schedule, Wage Rate, and Mode of Transfer)), in pastoral lowlands, heat is an important scheduling factor.

6.10.3.2 Planning units

The smallest planning unit for public works should provide for efficient and collective planning and management of PW. In pastoral areas, the lowest planning unit should be defined based on the dominant livelihood system prevailing in the target area under consideration (pure pastoral system on the one hand, and agro-pastoral, ex-pastoral and riverine farming systems on the other).

- In pure pastoral systems, the kebele is the smallest planning unit
- In other livelihood systems (agro-pastoral, ex-pastoral and riverine farming), the community is the smallest planning unit, as in the highlands

More detail is provided on pages 24-25 of the Pastoral Public Works Guidelines.

6.10.3.3 Types of public works

The planning of public works subprojects and livelihoods interventions will take into account the differing agro-ecological and sociocultural characteristics in pastoral lowlands, with public works and livelihoods tailored to pastoral livelihoods, agro-pastoral livelihoods, riverine agriculture livelihoods, and ex-pastoral livelihoods. Planning of public works is the result of a community based participatory planning process and actual works selected reflect this participatory planning process. Any public works that is labour intensive and is eligible according to the ESMF framework is allowable. The table below lists some of the most frequently prioritised public works sub-projects according to differing livelihood zones of lowland implementation areas.

Table 6.2: Tailoring of Public Works Types to Livelihoods Types in Pastoral Lowlands

Livelihood type	Illustrative public works subprojects
Pastoral livelihoods	<ul style="list-style-type: none"> • Rangeland management (including water and grazing land rehabilitation) • Social services infrastructure • Any other labour-intensive public works based on community priorities and income generating activities
Agro-pastoral livelihoods	<ul style="list-style-type: none"> • Rangeland and integrated water and soil management • Any other labour-intensive public works based on community priorities and income generating activities
Riverine agriculture livelihoods	<ul style="list-style-type: none"> • Irrigation • Bush control • Flood control through dike construction • Any other labour-intensive public works based on community priorities and income generating activities
Ex-pastoral livelihoods	<ul style="list-style-type: none"> • Any labour intensive public works based on community priorities and income generating activities

6.10.4 PLANNING APPROPRIATE LIVELIHOODS INTERVENTIONS

The planning of livelihoods interventions will take into account the differing agro-ecological and sociocultural characteristics in pastoral lowlands, with livelihoods tailored to pastoral livelihoods, agro-pastoral livelihoods, riverine agriculture livelihoods, and ex-pastoral livelihoods. A table summarising possible livelihoods interventions in each of the lowland livelihood areas is provided in the Regional Variations section of Part 3, Chapter 9 (Livelihoods Component).

PSNP IV Programme Implementation Manual

Part 3: Programme Implementation

Version 1.0

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7.1 Introduction

Under this component, the programme will provide transfers to poor labour constrained households, defined as households without adult able-bodied labour. This includes households comprised of the elderly, disabled, and people with chronic illness; as well as female headed households that are very poor and have high dependency ratios. This component is called the permanent direct support component because a) direct support refers to the fact that clients receive transfers without participating in public works and b) permanent differentiates clients from this component from temporary direct support clients who for a short period of time receive their transfers without participating in public works (because they are pregnant, breastfeeding or caring for a malnourished child prior to reverting back to participating in public works). The management of temporary direct support clients is discussed in Chapter 8 below.

The permanent direct support component entails two sets of activities: 1) the transfers to labour constrained households, and 2) where available, the provision of support to these households to link with other services.

As this phase of the programme evolves it is expected that the Ministry of Labour and Social Affairs (MOLSA) will play a greater role in the programme, particularly in relation to the labour constrained households. This greater responsibility will be assumed as capacity is developed at national, regional, woreda and community levels. In this version of this chapter, MOLSA's role remains limited and will depend on the availability of capacity at woreda level. Responsibility for cash payments will remain with WOFED and for food payments will remain with EWRD/P.

This chapter details how labour constrained households are supported once they are enrolled in the programme. Details on how they are targeted and enrolled are covered in Part 2, Chapter 3 (Programme Entry and Exit). Information on the funds flow and food logistics for this component can be found in Part 4, Chapter 12 (Financial Management) and Chapter 13 (Food Management).

7.1.1 WHAT'S NEW IN THIS PHASE OF THE PROGRAMME

The permanent direct support component is similar to the provision of services to permanent direct support clients in previous phases of the PSNP. Some of the key differences are listed below:

- **Support to labour constrained households increased from six to twelve months.** Labour constrained households are amongst the poorest and most vulnerable PSNP households. Their lack of adult able-bodied labour means they have very limited income earning opportunities and their needs extend beyond the six months of support that is provided to most safety net clients. In recognition of this greater need, permanent direct support clients will receive twelve months of support.
- **Introduction of a separate payment schedule and payroll for permanent direct support clients.** The payment schedule and payroll for permanent direct support will be separated out from the systems supporting public works clients to allow payments to be made without any interruptions (such as a delay to public works implementation) and to make it easier to transfer responsibility for these clients to MOLSA in the future once capacity is developed.
- **Provision of social care and support to permanent direct support clients where capacity exists.** Where Woreda Offices of Labour and Social Affairs (WOLSAs) and/or social workers are present and have capacity, they will begin to provide support to permanent direct support clients including linking them to appropriate social services.

- **New performance standards for timeliness of payments.** The new performance standard for timeliness in the PSNP 4 will be 20 days after the end of the month for cash and 30 days after the end of the month for food.
- **The implementation of a pilot for future MOLSA management of the Permanent direct support component and engagement in soft conditionalities.** During this phase of the PSNP, MOLSA is expected to begin to take on responsibility for clients of the permanent direct support component. In preparation for this, a pilot is underway to test some of the potential modalities of this involvement. The pilot is taking place in two woredas of Oromiya (Adami Tulu and Dodota) and two woredas of SNNP (Alaba and Shahego)

7.2 Key processes in Implementing the Permanent Direct Support Component

There are four key processes in implementing the permanent direct support component:

- The targeting of PSNP clients and the identification of which clients are eligible for the permanent direct support component and which clients are eligible for the Public Works and Links to Social Services Component (this is described in Part 2, Chapter 3 (Programme Entry and Exit)).
- The planning for case management of permanent direct support clients (described both in Section 7.3 below and in Part 2, Chapter 4 (Annual Planning)).
- Case management of permanent direct support clients (described in Section 7.3 below).
- Regular monthly payments to permanent direct support clients (described in Section 7.5 below).

7.3 Key Roles and Responsibilities in the Permanent Direct Support Component

Food Security Desk/Process (FSD/P)	<ul style="list-style-type: none"> • In woredas where payments are made in cash, provide the Woreda Office of Finance with the list of permanent direct support clients and liaise with them each month to ensure payroll is prepared. • In woredas where payments are made in food, prepare the payroll and submit to Early Warning and Response Desk • Communicate payment dates to Kebele Chair and KFSTF for onward communication to clients
Woreda Office of Labour and Social Affairs (WOLSA)	<p>In woredas where WOLSA has a presence</p> <ul style="list-style-type: none"> • To support the Food Security Desk in its activities related to the permanent direct support clients (including taking on responsibility of these actions if delegated) • To review needs of permanent direct support clients and refer them to any available services.
Woreda Office of Finance (WOFED)	<p>In woredas where payments are made in cash:</p> <ul style="list-style-type: none"> • Confirm adequate resources in bank account • Prepare the payroll • Withdraw money from bank and ensure safe passage to payment points • Provide cashiers to execute cash payments
Early Warning and Response Desk/Process (EWRD/P)	<p>In woredas where payments are made in food:</p> <ul style="list-style-type: none"> • Ensure resources have been received

	<ul style="list-style-type: none"> • Prepare appropriate requisition documents for food distribution points • Provide distribution experts to execute food payments
Cashiers/ Distribution Experts	<ul style="list-style-type: none"> • Check client cards against payroll to ensure that payments are being made to correct households • Execute payments
Woreda Health Office and Health Extension Workers	<ul style="list-style-type: none"> • Coordinate all HEP activities including those related to PSNP clients • Follow up permanent direct support clients to encourage their uptake of health services
Kebele Chair and KFSTF	<ul style="list-style-type: none"> • Communicate payment dates to clients • Support and oversee payment days
NGOs	<p>In woredas supported by NGOs:</p> <ul style="list-style-type: none"> • Prepare/check payroll • Prepare appropriate requisition documents for food distribution points • Provide distribution experts/cashiers to execute food payments

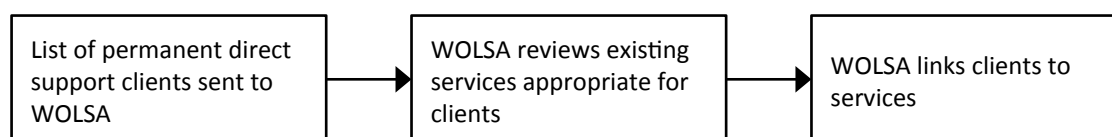
7.4 Case Management of Permanent Direct Support Clients

7.4.1 INTRODUCTION

The following processes will only be possible in areas where Labour and Social Affairs has a woreda presence. These should be considered a minimum set of activities and, as capacity of Woreda Offices for Labour and Social Affairs is developed, guidance for their involvement will change and a new edition of this chapter of the Programme Implementation Manual will be released.

The following flowchart highlights the key steps in case management in areas of WOLSA involvement:

Figure 7.1: Flow chart for case management of permanent direct support clients



7.4.2 LIST OF PERMANENT DIRECT SUPPORT CLIENTS SENT TO WOLSA

Following the annual recertification exercise (see Part 2, Chapter 3 [Programme Entry and Exit] for further details), the Woreda Food Security Desk submits to WOLSA the final list of enrolled permanent direct support clients. Where available, this should include as much information as possible on the composition of client households and the specific vulnerabilities which have made them eligible for the permanent direct support component (age, disability, ill health, etc.).

WOLSAs, where they have the capacity, may seek to supplement the information available in this final list of enrolled clients by investigating further the circumstances of permanent direct support clients and the needs they face, for example by requesting key information kept in the family folders available at health posts.

7.4.3 WOLSA REVIEWS SERVICES AVAILABLE FOR PERMANENT DIRECT SUPPORT CLIENTS

WOLSA social affairs staff will review any services available in the woreda and their appropriateness for permanent direct support clients. Potential services include:

- Community Care Coalitions (CCC)
- Self help groups organised for the elderly or disabled
- NGO programmes supporting specific target groups (elderly, disabled, chronically ill)
- Appropriate elements of the Health Extension Programme
- Availability of fee waivers to support medical expenses of poor households



Links to Health and Nutrition Services

This phase of the PSNP includes a strong focus on links to mainstream health and nutrition services provided through the Health Extension Programme. Female members of households participating in the PSNP who are either pregnant or have a child under the age of one are expected to take up these services as part of their responsibilities to the programme whether they are clients of the permanent direct support component or the public works component. A full description of how these linkages are to be operationalized can be found in Part 3 Chapter 8 (Public Works and Links to Social Services Component), Section 8.3.

In woredas where WOLSA has a presence, WOLSA staff and may be delegated to support the operationalization of these linkages.

7.4.4 WOLSA LINKS CLIENTS TO SERVICES

Once the WOLSA social affairs staff have identified what services exist which may be appropriate to permanent direct support clients, they will make use of the capacity they have to link permanent direct support clients to these services. This will include ensuring that Woreda Health Office Staff and Health Extension Workers are aware of the existence of permanent direct support clients and any specific needs they have, and making use of Community Care Coalitions where they exist.

As highlighted above, where a permanent direct support client household includes a member who is pregnant or has a child under the age of one, they should be expected to take advantage of key health and nutrition services and should be catered for in the procedures laid out in Section 8.3.

7.5 Payment Procedures

7.5.1 INTRODUCTION

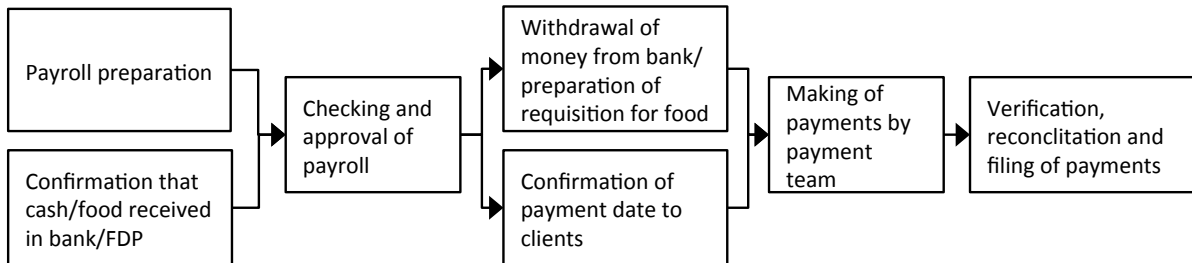
Payments are made to permanent direct support clients on a monthly basis throughout the year. Therefore, implementers must ensure that cash flow and food flow management allow transfers to be available in a timely manner throughout the year, as outlined in Part 4, Chapter 12 (Financial Management) and Chapter 13 (Food Management) The payment amount is set annually according to the process outlined in Part 2, Chapter 5 (Public Works and Transfer Schedule, Wage Rate and Mode of Transfer).

A core principle of the PSNP is that payments to clients are timely and predictable. This means that all cash payments will be made to clients by the 20th of each month, and all food payments will be made by the 30th of each month.

Payments to permanent direct support clients can be made independently of payments made to public works clients and should be prepared on a separate payroll.

The following flow chart indicates the main steps in the payment process for permanent direct support clients:

Figure 7.2: Flow chart for payment process to permanent direct support clients




These steps are spelt out further in the sections below.

7.5.2 CONFIRMATION THAT CASH/FOOD HAS BEEN RECEIVED

In woredas where payments are made in cash, WOFED monitors the receipt of funds and confirms that adequate funds have been received prior to payments being made. Further information on cash flow planning and funds flow can be found in Part 4, Chapter 12 (Financial Management).

In woredas where payments are made in food, EWRD confirms that adequate food stocks are held in the relevant Food Distribution Points (FDPs) prior to payments being made. Further information on food disbursement planning and logistics can be found in Part 4, Chapter 13 (Food Management).

7.5.3 PAYROLL PREPARATION AND VERIFICATION

 **Payroll and Attendance Software System (PASS):**

Use of payment software – PASS – is mandatory in all PSNP woredas in Amhara, Oromiya, SNNP, Tigray, Dire Dawa and Harari. PASS will also increasingly be used in woredas of Somali and Afar regions where there is a functioning electricity supply. Once a woreda has the software installed and has received the required training they will be expected to make use of the software to generate payrolls.

Should the PASS malfunction, WOFED, in coordination with the WAO, will contact the IT Helpdesks at the regional level for assistance. However, payments to clients should not be delayed if these problems persist. In this case, attendance sheets and payrolls can be prepared in Excel for the affected month. The problem with the PASS should be then be rectified prior to the following month’s payment and any data entered into the excel sheet should be uploaded into PASS.

The exact steps followed in payroll preparation vary depending on whether the woreda makes payments in cash or food. The sections below highlight these differences.

At the start of each year, woredas should establish a schedule of payments which is communicated to permanent direct support clients and informs them of when they can expect to receive their permanent direct support transfers.

	Woredas with cash payments	Woredas with food payments
Annual update of PASS	Following the annual recertification exercise (see Part 2 Chapter 3 (Programme Entry and Exit) for further details), the Woreda Food Security Desk/Process submits to WOFED the final list of enrolled permanent direct support clients. This list is entered into the PASS software at the start of each PSNP annual cycle and forms the basis of the monthly payroll.	Following the annual recertification exercise (see Part 2 Chapter 3 (Programme Entry and Exit) for further details), the Woreda Food Security Desk/Process (FSD/P) enters the final list of enrolled permanent direct support clients into the PASS software at the start of each PSNP annual cycle. This forms the basis of the monthly payroll.
Payroll Preparation	Towards the end of each month, WOFED, in discussion with the FSD/P, generates the monthly payroll using the PASS software. As payments to permanent direct support clients are unconditional, the generation of the payroll does not require any submission of attendance information.	Towards the end of each month, FSD/P generates the monthly payroll using the PASS software. As payments to permanent direct support clients are unconditional, the generation of the payroll does not require any submission of attendance information. The payroll is then passed to EWRD/P to allow them to communicate with Food Distribution Points.
Scheduling of Transfers	WOFED then sets up the transfer schedule depending on when transport, security and staffing can be arranged. Priority should be given to ensure that the transfers are made as per the performance target. As such transfers should adhere to the already agreed transfer schedule prepared during annual planning.	EWRD/P then sets up the transfer schedule depending on when transport and staffing can be arranged. Priority should be given to ensure that the transfers are made as per the performance target. As such transfers should adhere to the already agreed transfer schedule prepared during annual planning.
Communication	WOFED then communicates to the kebeles (through the kebele chair and KFSTF) the date planned for cash payments. The aim is to minimise the amount of time clients will have to wait to receive their payment. If WOFED can, it should indicate the time at which payments will start in each payment site and the list of households that will be paid in the morning and then in the afternoon. This will allow the households to come in the morning or afternoon rather than waiting the whole day.	EWRD/P then communicates to the kebeles (through the kebele chair and KFSTF) the date planned for food payments. The aim is to minimise the amount of time clients will have to wait to receive their payment.

In woredas where transfers are made in a combination of cash and food, WOFED is responsible for entering the final list of enrolled permanent direct support clients into PASS at the start of each PSNP annual cycle and uses PASS to generate the monthly payroll for all months regardless of whether payments are made in cash and food. In the months that payments are made in food, WOFED sends the payroll to EWRD/P, copied to the FSD/P, to allow them to schedule transfers and communicate with kebeles and clients.

If, for any reason, the date scheduled for making transfers is delayed by more than a week from the previously approved annual transfer schedule, the delay will be communicated to programme clients so that they know when they can expect their next safety net payment and can plan accordingly.



Specific provisions for NGO supported woredas

In woredas supported by NGOs, NGOs will take a lead in executing food payments. However, the broad steps remain the same and the use of PASS remains mandatory.



Woredas implementing the MOLSA Social Cash Transfer Pilot

The permanent direct support Component in Woredas where MOLSA is implementing a pilot will follow a different set of implementation modalities. These woredas (listed in section 7.1.1 above) will be provided with their own guidance material to support this pilot.

7.5.4 MAKING PAYMENTS

For **cash payments**, the WOFED cashier and accountants collect the cash from the bank to make the transfers and travels to the payment sites. Payment sites are as close to clients as possible, at least in the kebele centre and ideally in the communities. WOFED should mobilise sufficient cashiers and accountants (those working both on PSNP and the regular government program can be mobilised) to make the payment process as fast as possible to meet the agreed performance target.

For **food payments**, food resources are delivered to distribution points (see Part 4, Chapter 13 (Food Management) for further details) and clients are asked to assemble at these points. The actual payment process is the same for both cash and food payments, all that differs is whether the payments are being made by WOFED cashiers or EWRD/P distribution experts.

The key steps in the payment process are as follows:

Step 1: Identity Verification. All payments are made against the PASS payroll prepared by WOFED or the FSD/P. The cashier/distribution expert confirms that the Client Card ID Number matches the PASS ID number corresponding to the client's name. The cashier/distribution expert also verifies that the photo on the Client Card is a match to the person presenting the Card.



Client Cards

PSNP Client Cards provide the basis for all transfers to clients. They record the names of the people entitled to receive transfers, and the size of their entitlement (see Part 2: Chapter 3 [Programme Entry and Exit] for further details).

Clients will not receive their payments if they do not present their Client Card to the cashier. If a client does not have his or her card, the client and cashier will mutually agree if: (i) the client will travel to the woreda capital to collect the payment from WOFED, (ii) the cashier will return at a later day that month; or (iii) the payment will be made during the next payment cycle. The cashier should, to the extent possible, assist the client in receiving his or her payment as soon as possible. The cashier makes a note of the agreement reached with the client. If the card has been lost or stolen the client should be told to report it immediately to the Kebele Administration who will request an additional card from the woreda and re-issue a new card.

Step 2: Payment. After the identity of the client is verified, the cashier pays the clients the total payment due to his or her household.³³ The cashier asks the client to sign on the PASS payroll to indicate receipt of payment and notes the gender of the recipient on the payroll. Immediately afterwards, the cashier will enter the PASS generated data onto the Client Card corresponding to:

- Transfer: type and amount
- Date transfer is received

If a Permanent direct support client is unable to collect his or her payment, for instance if he or she is elderly or disabled, someone else may collect the payment on his or her behalf. This should be

³³ As outlined in Part 2, Chapter 3 (Programme Entry and Exit), Section 3.4 - for the purposes of the PSNP each wife and her children within a polygamous family is considered a household with the husband only counted in one of the households.

agreed with the Community Food Security Taskforce. The CFSTF then informs the KFSTF, which informs the cashier/distribution expert that this arrangement has been made through written confirmation.



Inclusion of a designated person to collect transfer payments in Tigray

In Tigray Region, households can choose to include a designated part to collect their transfers on their client card. The personal information (including picture) of the client as well as the person they designate to collect the transfer on their behalf is clearly indicated on the client card

If the client believes that he or she did not receive the correct payment, they should NOT sign the payroll and should instead ask the cashier/distribution expert to verify that the payment is correct. If this does not resolve the problem, the client can lodge a complaint with a member of the Appeals Committee. If the member can resolve it by providing further details to the client he or she should do so, otherwise the complaint should be immediately referred to either the FSD/P or the woreda council.

Under NO circumstances should clients be asked to pay from their PSNP payment any costs associated with the payment process, such as having their identification verified, their Client Card checked or their name found on the PASS payroll. All payments to PSNP clients MUST be made in full, as stated in the PASS payroll.

Step 3: Closing the payment period. Once payments have been completed, copies of the completed and signed payrolls are filed appropriately, including data entry into PASS on whether payments were collected (or need to be carried over to the next month) and the gender of the recipient. All information regarding a particular payment cycle for permanent direct support clients need to be entered into PASS and the payment period closed, before the following months payment cycle can be initiated. For cash payments, copies of the completed and signed payrolls should be filed at WOFED and for food payments a copy should be retained in the filing system of the EWRD/P and a copy filed with the FSD/P at the woreda level.

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8.1 Introduction

The Public Works and Links to Social Services Component presents the conditionalities linked to transfers for PSNP Client households which contain some adult-able bodied labour.

As in previous phases of the PSNP, one of the core conditions applied to households with some adult-able bodied labour is participation in public works programmes. Public works are labour-intensive community-based sub-projects designed to address underlying causes of chronic food insecurity through the provision of employment for chronically food insecure people who have able-bodied labour. Community assets built through public works provide a significant opportunity to enhance livelihoods while increasing the programme's impact in the areas of nutrition, climate resilience and disaster risk management.

In this phase of the programme, additional conditions will be added which reflect the strong focus on improving the impacts on nutrition and the integration of livelihoods into the core PSNP. As a result, this component also includes two new sets of conditions:

- Participation in a limited number of community behavioural change communication regarding health and nutrition as a substitute to public works for both male and female clients
- Introduction of co-responsibilities (or soft conditionalities)³⁴ for temporary direct support clients. These include pregnant or lactating (up to 12 months after the child is born) members of PSNP client households, and primary care-givers of malnourished children under the age of five living in PSNP client households. These household members will be expected to take up core elements of the health extension programme in return for being exempt from public works.

For public works clients, failure to fulfil public works requirements, or to participate in public works substitutes such as community BCC or agreed training sessions, will result in client households being penalised through deductions to their transfer. Penalties will not be applied to temporary direct support clients, however there will be close follow-up of these household members to encourage their uptake of key services.

The above does not reverse the key principle of 'primacy of transfers', which states that "transfers should not be delayed for any reasons, including those related to public works implementation". If woreda implementers are unable to organise public works projects during the expected period or verify their completion on time, transfers should be made prior to public works implementation or verification. But if public works are conducted and households are provided the opportunity to participate, but they fail to participate or they miss days without a valid reason such as illness, then their transfer should be reduced proportional to the number of days missed.

This component also includes the provision of transfers to public works and temporary direct support clients. Public works and temporary direct support clients will receive payments for six months of the year.

8.1.1 WHAT'S NEW IN THIS VERSION OF THIS CHAPTER

Much of the implementation of public works will remain the same, but the links to social services involves significant differences in operations. Some of the key innovations in this phase of the programme include:

³⁴ A conditionality is considered "soft" when a household is informed of its co-responsibilities and basic monitoring is undertaken but no penalties (in the form of deductions to a transfer) are enforced.

- Increased contribution of public works to livelihoods, nutrition and other social services, climate resilience and DRM (putting this into practice starts from the annual planning described in Part 2, Chapter 6).
- Operationalization of flexibility in timing of public works (described in Part 2, Chapter 4)
- Mainstreaming of the provision that women should work a reduced workload which allows them to arrive late and leave early (and adjusting their work commitment to 50% of the standard)
- Participation in behavioural change communication on health and nutrition as a substitute to public works.
- Further guidance on how participation in basic or financial literacy training sessions as a part substitute for public works if considered necessary and appropriate in the woreda.
- The transition of a woman when she is pregnant to temporary direct support on confirmation from the health worker of her pregnancy (or in the absence of this, from the 4th month of pregnancy); and her continued receipt of direct support until her child is 12 months old.
- The transition of primary care-givers of moderately or severely malnourished children (under five) under treatment to temporary direct support until the child is assessed as no longer requiring special treatment by the health care worker.
- The definition of clear co-responsibilities for women receiving direct support with regards to their uptake of health and nutrition services for them and for their young child.
- More effective tailoring of choice of public works sub-projects to the various livelihood types in pastoral lowlands.

8.2 Key Principles of Public Works and Links to Social Services Component

Many of the core principles of safety net public works remain unchanged from previous phases, but there are minor adjustments and additions, particularly related to the introduction of links to social services. The revised list is as follows:

- **Contribution to livelihoods, nutrition and other social services, climate resilience and DRM:** Public Works and Links to Social Services contribute to each of these in the following ways:
 - Strengthened livelihoods, through the construction of roads and market infrastructure, and through the consideration of financial literacy training as meeting public works requirements
 - Improved nutrition and other services, through behavioural change communication as a part substitute for public works, through the construction of health posts, and through encouragement to temporary direct support clients to take up health and nutrition services
 - Strengthened climate resilience and disaster risk management, through watershed development and rangeland management approaches
- **Participation:** The community participates in the identification, planning, monitoring and evaluation of public works projects to ensure public works are tailored to the prevailing livelihood in the area (particularly important in lowland implementation areas). The participation principle requires that an enabling environment be established so that women – including women in male-headed households – are able to participate in public works

planning. In addition, within the list of possible “projects” will be included participation in community BCC and other trainings.

- **Appropriateness of conditionality:** Households with able-bodied adult labour are expected to participate in public works. Pregnant and lactating women are expected to transition to temporary direct support both to safeguard the health and welfare of themselves and child, but also to allow them to participate in soft conditions which further enhance health and welfare for themselves, the new child and the wider household.
- **Predictability:** Public works are provided through a multi-annual resource framework. Programme participants should be aware of both the timing of public works, which should be scheduled to avoid peak labour periods, and what their entitlements and responsibilities are (with regards to both public works and soft conditionalities).
- **Proximity:** Public works will be conducted to the extent possible in the immediate localities of the people in need. Similarly the co-responsibilities (soft conditionalities) to which temporary direct support beneficiaries agree should be based on what service provision is adequately available in the local area.
- **Watershed approach in the highlands:** Public works will be planned according to the community-based watershed management approach outlined in the CBPWD guidelines. This ensures a holistic approach to managing a watershed, ensuring that activities upstream and downstream complement each other, and incorporates mitigation activities into activities (such as road construction), which may create environmental risks.
- **Tailored approaches in the pastoral lowlands:** In pastoral lowlands, the geographical unit of public works planning and implementation can vary from the watershed approach in the highlands. Furthermore, the choice of public works is likely to vary. In areas where livelihoods are dominated by pure pastoralism, communities are likely to select activities that focus on grazing land rehabilitation (including control of invasive species) and water point development and rehabilitation. In agro-pastoral and riverine areas, community priorities will likely also support crop production, while for ex-pastoralists, a greater focus on social infrastructure is expected. To ensure that public works are relevant to community needs, it will be critical to ensure greater community involvement in planning.
- **Integration:** Public works will be integrated into Woreda Development Plans, Regional Development Plans and – where appropriate – river basin plans (which will allow consideration of meso and macro-watersheds). The works will be planned on inter-sectoral basis and will require coordination between woreda-level offices of NRM, Water, Health, Roads, and Education, and collaboration with complementary programs such as SLM.
- **Gender sensitivity:** Public works are designed to enable women to participate, and priority is given to works which reduce women’s regular work burden. In order for public works to accommodate the needs of women and plan effectively for women’s late arrival and early departure, women’s workload is 50% that of men. Therefore, those planning and overseeing public works must calculate the total number of person days for a project based on the mix of men and women within the team.
- **Work on private land:** Work on private land was allowed in previous iterations of the PIM, but in practice has rarely been implemented. The creation of community assets is a primary objective of public works, but the watershed approach allows public work labour to work on private land if this work is necessary for the improvement of the watershed. In addition, public works activities can be undertaken on private land belonging to female-headed households with severe labour shortages, for instance for the establishment of household gardens.

8.3 Public Works Implementation Procedures

8.3.1 INTRODUCTION

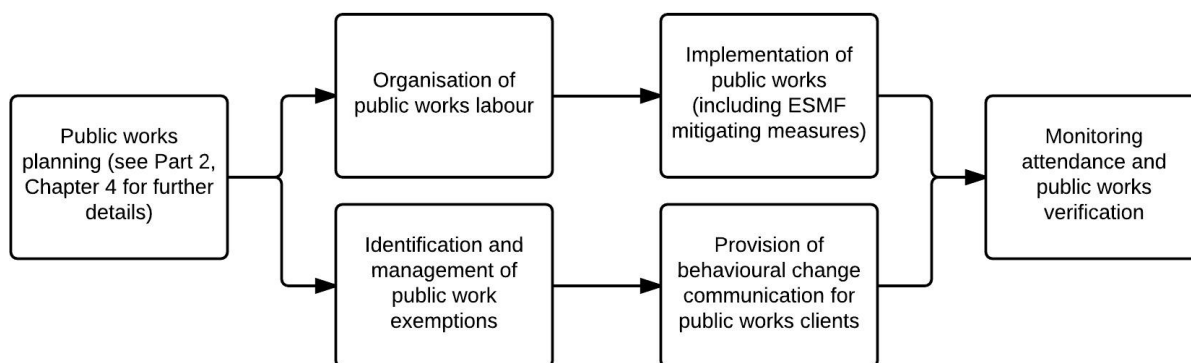
Public works remain a core element of the PSNP. As indicated in Part 2, Chapter 6 (Annual Planning), a wide range of activities are eligible for consideration as public works. The actual public works selected depends entirely on the community planning process and any public work can be considered as long as it complies with the Environmental and Social Management Framework and is labour intensive. Likely typical public works include:

- Biophysical soil and water conservation such as terracing, bund construction, area closures and compost making
- Gully control interventions such as checkdams, SS dams, and gully re-vegetation
- Water interventions including pond construction, spring development, and a variety of water harvesting structures (cisterns, birkas or flood diversion schemes)
- Rehabilitation of water schemes
- Forestry/agroforestry, forage and pasture development including seedling production and planting, forage and grass seed production, clearing of invasive plants on the range land and grassland development
- Small-scale irrigation construction or expansion including traditional river diversion and spate irrigation
- Small-scale irrigation rehabilitation
- Community road construction including earth roads, gravelled roads bridges and culverts
- Community road rehabilitation and upgrading
- Construction of social infrastructure such as farmer and pastoral training centres, market infrastructure nutrition focused infrastructure (latrines, health posts, demonstration homestead or kitchen gardens) child care centres or other infrastructure to support livelihood priorities.
- Social infrastructure rehabilitation
- Participation in health, nutrition and hygiene community behaviour change communication sessions and caring of children in the temporary child care centres during implementation of the PW

In addition to the above, public works activities can be undertaken on private land belonging to female-headed households with severe labour shortages. Public works on such land can include land preparation, irrigation development, and production/distribution of nursery products (vegetable and legume seeds, and fruit tree seedlings) and establishment of household gardens for these households.

Public works planning is not covered by this section of the manual. A summary of planning procedures can be found in Part 2, Chapter 4 (Annual Planning), but for the full planning procedures readers should refer to the Community Based Participatory Watershed Planning Guidelines.

The key steps in public works implementation are as follows:




8.3.1.1 Roles and responsibilities in public works

Food Security Desk Process (FSD/P)	<ul style="list-style-type: none"> • Support the coordination of public works activities • Support coordination of community BCC activities • Provide additional backstopping on gender, social development and nutrition provisions and facilitates collaboration with the health sector(Social Development Expert, where available)
Natural Resources Desk/Process (NRD/P)	<ul style="list-style-type: none"> • Together with the FSD/P supervise public works and provide technical backstopping • Monitor and ensure implementation of mitigating measures identified during ESMF screening • Implement GSD provisions of the PW • Coordinate community BCC activities for public works clients
Road, Water, Education and other sector offices	<ul style="list-style-type: none"> • Provide technical backstopping to ensure quality public works implementation • Take over completed PW sub-projects
Woreda Health Office	<ul style="list-style-type: none"> • Support and oversee health extension worker and health development army provision of community BCC for public works clients • Provide technical backstopping to NRD/P ensure quality implementation of nutrition sensitive public works
Extension Desk	<ul style="list-style-type: none"> • Provide technical backstopping and monitor and supervise DAs
Women and Youth Affairs Desk (and WOLSA where present)	<ul style="list-style-type: none"> • Support and ensure implementation of the gender and social development provisions in the implementation of public works
Kebele manager	<ul style="list-style-type: none"> • Supports coordination of the community BCC sessions and facilitates collaboration between DAs and HEWs
Relevant DAs	<ul style="list-style-type: none"> • Oversee the implementation of public works • Supports the coordination of community BCC sessions and related exemptions from PSNP public works • Facilitates mobilisation of community BCC sessions

Health Extension Workers	<ul style="list-style-type: none"> • Ensure, in collaboration with the health development army, the provision of the community BCC sessions for public works clients • Prepare and provide community BCC for public works participants in accordance with plan
Community Care Coalitions (where available)	<ul style="list-style-type: none"> • Support the provision of child care for children of public work clients during the public work sessions • Supports implementation of the behavioural change sessions for public work clients
NGOs	<p>In woredas supported by NGOs:</p> <ul style="list-style-type: none"> • Provide technical support to the management of public works • Provide capacity support for front line workers in the provision of community BCC • Avail the required budget according to allowable expenditures outlined in Part 4, Chapter 12 (Financial management)

8.3.2 ORGANISATION OF PUBLIC WORKS

Public works are implemented in accordance with the approved plan described in Part 2, Chapter 6 (Annual Planning). Public works will be implemented at specific times of year as indicated in this plan.



Timing of public works:

The timing of public works will be in accordance with the annual plan and the overall public works and transfer schedule. As stated in Part 2, Chapter 4 (Public Works and Transfer Schedule, Wage Rate and Mode of), public works will be scheduled so as not to undermine normal agricultural activity and the majority of public works will therefore take place during the dry season, the exact timing of which varies in different parts of Ethiopia. Section 4.2.3 of Part 2, Chapter 4 (Public Works and Transfer Schedule, Wage Rate and Mode of Transfer) indicates when public works will take place in your woreda.

8.3.2.1 Purchase of capital inputs and other non-labour costs

The budget available for the purchase of non-wage inputs into public works are calculated in accordance with the formula outlined in Part 4, Chapter 12 (Financial Management), Section 12.2. This budget can be used to buy capital inputs (such as cement, gabions, and seedlings); equipment and tools to support public works design and implementation; transportation of these items; and the hiring of skilled craftsmen or foremen/women, the provision and multiplication of community BCC tools where needed and the purchase of first aid kit (Part 4, Chapter 13 (Financial Management) includes a fuller list of allowable expenditure). The identification of the items needed should take place during the planning process (see Part 2, Chapter 6) and procurement should be completed in accordance with the procedures laid out in Part 4, Chapter 14 (Procurement).

8.3.3 ORGANISATION OF PUBLIC WORKS LABOUR

Public works participants will be organised in work teams. A work team is usually comprised of between 15 and 30 members, and work is assigned for completion by the work team, not the individual. There may be only one work team working at a public works site, or – for larger projects – several teams may be involved, but each team will be allocated the work it is expected to complete.



Eligibility for public works:

Only able-bodied adult household members of target households are eligible to work at public works sites. The following household members are not considered able-bodied household members and are therefore NOT eligible to participate in public works:

- Children (under the age of 18)
- Older persons (over 60 years old)
- Physically challenged
- Mentally challenged
- People who are eligible for temporary direct support
 - Pregnant women
 - Lactating mothers during the first 12 months after birth
 - Primary caregivers of children under five who are moderate or severely malnourished, as identified by health.
- Other people who are temporarily unable to work because they are sick (including severely malnourished)

No able-bodied adult household member is expected to work more than 15 days per month. If there are insufficient able-bodied adult household members in a household to fulfil the public works requirement for that household, then the labour cap comes into force. The procedure for defining labour days for each client household is largely completed during the targeting process, and is described in Part 2, Chapter 3 (Programme Entry and Exit). Changes can take place in the course of implementation, for example when a pregnant woman transitions to temporary direct support.

8.3.3.1 Formation of work teams and work units

Teams can be formed by grouping selected clients who reside in the same neighbourhood, are from nearby villages or are close relatives, or on the basis of traditional (e.g. Clan) groupings. This helps to ensure cooperation within teams, such as covering each other's tasks willingly when some are unable to attend, monitoring each other's attendance, and ensuring that each other arrive at work on time. Team formation is done by the DAs/site manager, foremen/women or relevant woreda sector office in close consultation with the kebele cabinet. Each work team should have a fairly balanced composition taking into account gender, age, skill ability and strength. Women can be part of mixed teams or form their own teams. They can also be team leaders or co-team leaders.

Teams elect their own team leaders and co-team leaders who support the organisation of the team and act as the go-between between those overseeing the work (DAs, site managers or foremen/women) and the team. If the selected team leader is male, the co-team leader should be female, and vice versa. Team leaders communicate to their members the time and location of the public works activities, and are responsible for sharing of the work within the team.



Allocation of light works to women:

Team composition and the assigning of teams to different public works project should take into consideration the need to allocate light works to women. When allocating tasks between team members, the team leader is expected again to ensure that lighter works are allocated to women.

The definition of light works can vary according to context – for example the watering of seedlings may be a 'light work' in some areas, but in others may involve the walking of unacceptably long distances to reach a water source.

Special focus should be given to facilitate continuous breastfeeding by women who have children older than 12 months old and who perform public works and to assign them light tasks such as caring for children in childcare centres because of the high-energy demands of breastfeeding.

There should be a similar consideration for older persons, with care to ensure that they are not allocated tasks beyond their capacity.

Where necessary and to facilitate the overall management of large numbers of workers within a single large-scale project work team can be grouped together in work units, each coordinated by a foreman/woman. This can also facilitate the distribution and management of resources when a project is operating in a number of scattered sites. Where needed, a labour unit would generally consist of 5 to 10 work teams.

The relevant woreda sector office will appoint the required site personnel, and—for larger projects—foremen/women.

Most projects, therefore, will have team leaders, a chief artisan, a DA or site manager and, occasionally, guards. In a large project, foremen/women may be required and an assistant to DA/site manager may also be assigned. A relevant woreda sector office supervisor would normally provide technical and managerial guidance to community projects.

Orientation on the fundamental principles of public works, cooperation, participation, and safety precautions should be given to all public work labourers before starting work and a first aid kit made available to each public works site.

Table 8.1: Duties and Responsibilities of Team Leaders and Supervisory Personnel

<p>Team leader/Co-team leader Team leaders chosen by each team should be motivated, literate and have some knowledge of record keeping</p>	<ul style="list-style-type: none"> • Control, monitor and record the attendance of the team members during public works, including the community BCC sessions • Give advice on safety measures to be taken by labourers • Distribute and arrange for the maintenance and repair of hand tools, and the collection and storage of them at the end • Record attendance and reports weekly to the foremen/women on attendance, work accomplished, and the amount of wages to be paid to each labourer • Report disciplinary problems in the team to the DA or foreman/woman • Ensure that women are assigned lighter work and adapted tools
<p>Foreman/woman Where required for a large-scale project, foremen/women are recruited by the relevant woreda sector office. They should have good organisational skills</p>	<ul style="list-style-type: none"> • Direct, coordinate and monitor works undertaken by all teams in the unit • Supervise the team leaders, providing advice and guidance to them • Supervise the implementation of the gender and social development provisions of the PW and organise child care provision for PW clients where needed • Check and approve the attendance list of labourers and persons-days accomplished as reported by each team leader • Compile these into a report for the unit and send it to the DA/site manager for final approval and payment of wages • Refer any disciplinary situations which he/she cannot resolve to the DA/site manager
<p>Site Manager A site manager is a technical person from the relevant woreda sector office</p>	<ul style="list-style-type: none"> • Supervise and provide technical and managerial guidance to the team leaders and the foreman/woman involved in the project • Ensure the satisfactory completion of works according to the work plan and approve the outputs of each team and the



- payment of labourers
- Issue warnings to labourers reported for discipline problems, informing the relevant woreda sector office, and refer serious cases to the Kebele Council/Cabinet or KFSTF
- Perform other tasks given to him by the supervisor

Supervisor
A supervisor is assigned by the relevant woreda sector office

- Make periodic (at least weekly) visits to all work sites, and can be assigned to more than one project.
- Be responsible for the overall technical, administrative and managerial performance of the project(s) and provide guidance to the site manager and other on-site staff
- Identify issues related to implementation of the gender and social development provisions and suggest corrective actions where needed

8.3.3.2 Labour rules


The Woreda Agriculture Office (WAO), in consultation with the KFSTF, Kebele Council/Cabinet, the DA and other implementing agencies, defines the rules with respect to labour organisation in general, and disciplinary measures in particular. The WAO, in consultation with the above entities, may amend these rules from time to time, as necessary.

The WAO will guide and monitor the system of labour organisation in public works, and ensure a consistent overall approach while allowing for local flexibility.

The relevant woreda sector office in consultation with WAO will establish:

- The number of hours to be worked per day and per week; and
- The overall organisation structure (organogram) and number of foremen/women and other supervisor personnel required.

Work can be for a full day or a half-day, depending on local conditions. Work can be undertaken on a shift basis within a day (one set of workers in the morning, another in the afternoon) depending on the need of clients and the resumption of agriculture activities.



50% reduced workload for women:

The work requirement of women is 50% of that of men because of their responsibilities for reproductive labour, such as cooking and caring for children. Women are, therefore expected to work a shorter day than their male counterparts for the same daily wage. This reduced work requirement will have been factored into planning (see Part 2, Chapter 4 (Annual Planning)) and should also have informed the composition of work teams.

As detailed further below in sections 8.3.5 and 8.3.6, clients may be exempt from part of the public works commitments when they participate in community BCC or in financial literacy or basic literacy training. In most instances, exemptions related to community BCC participation will apply to all members of a work team who will participate together in community BCC sessions for part of the working day, and will include both men and women. The expected work norms that the team will be expected to achieve should be adjusted accordingly. Exemptions related to participation in approved financial literacy or basic literacy training will more commonly be granted on a client-by-client basis related to their livelihood pathway and checklist. The main steps in managing these exemptions can be found in sections 8.3.5 and 8.3.6.

Before work commences, the relevant woreda sector office and the labourers, or representatives of the work teams in the presence of the representatives of the kebele task force council, will agree on:

- The actual hours of work (hours of starting and ending work each day) for male and female workers
- The organisation of behavioural change communication sessions for public works clients
- The number of days needed to complete a project, and the public and local holidays to be observed (except for special functions, such as guarding)
- Frequency of payment
- Arrangements to ensure that children will not be present at or working on public works sites, including the provision of child caring services by women if required
- Other practical aspects related to labour organisation (such as how to address absences due to illness or other family emergencies).

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Example of items to be included in Public Works Labour Rules

Labourers working in public works must meet the basic eligible criteria for the PSNP and agree to undertake the various types of work required at the established wage rate. Payment will normally be on a task rate basis calculated on the basis of established work norms.

Each labourer will work the number of hours agreed between the relevant woreda sector office and representatives of the work teams in the presence of members of the Kebele Cabinet.

Children are not expected nor permitted to participate in public works; any children sent will be immediately sent home and a day's payment forfeited (unless an adult from the same household makes up the missed day).

Labourers will bring sufficient drinking water for their own use to the work site.

If a labourer is unable to attend because of illness or a family emergency he or she should send a message to the team leader. If the absence is for greater than 2 days he or she must comply with any requests for additional information from the team leader.

Any labourer who is absent without valid reason, sends an ineligible family member as a labourer, cheats or disrupts the work, or loses or damages tools through wilful neglect, will be publicly warned and reported to the KFSTF. If the problems continue, the labourer will be dismissed and excluded from any further work.

Wages will be withheld from any labourer who loses any tool provided by the agency until he/she finds and returns the tool. If the tool is not returned, the equivalent value will be deducted from his/her wages.

8.3.3.3 Childcare centres

Childcare support mechanisms must be available at each work site or in the village to ensure that people are able to adequately participate in public works, but also to ensure that the burden of childcare responsibilities do not fall on girls or boys of school-going age. Depending on the needs, each public-work team should assign one or two workers to take care of young children etc. This may be considered one of the appropriate light works for women.

In the provision of childcare facilities, it is important to consider the security and safety of such facilities including the need for them to be free from dirt, insects and animals and that they provide some shelter from sun or rain.³⁵ The construction of such centres is an allowable use of public works labour.

8.3.4 IMPLEMENTATION OF PUBLIC WORKS

8.3.4.1 Sub-project implementation, including implementation of mitigating measures identified during ESMF screening

Sub-project construction should follow the agreed design prepared during programme planning and the relevant infotechs included in the Community Based Participatory Watershed Planning Guidelines (or in pastoral areas the Guidelines for PSNP – PW in Pastoral Areas).

³⁵ One good practice conducted by some woredas is the provision of tents as childcare centres.

If during Environmental and Social Management Framework (ESMF) screening, the need for mitigating measures were identified these should be implemented during sub-project implementation. The Kebele will designate a person who is responsible for ensuring the mitigation measures are effectively implemented as specified before, during and after construction. This will normally be the DA.

The Woreda Environmental Protection Office will designate a staff member to inspect and oversee the implementation of mitigating measures. They will make site visits to relevant public works sub-projects during and on completion of sub-projects as required. Monitoring of the implementation of mitigation measures will be reported as part of the public works monitoring and evaluation system, and will allow the Regional Public Works Focal Unit and Regional Bureau of Environment and Forests to assess the application of the prescribed mitigation measures.

8.3.4.2 Attendance and discipline

Attendance of labourers will be taken twice a day generally before starting the morning and after completion of the day's work. Team leaders should be aware of those who have been granted exemptions from public works attendance because of their participation in financial or basic literacy training in order that this to be recorded appropriately in the attendance sheet. Copies of the financial or basic literacy training attendance records will be forwarded to the foreman and the DA/Site manager. The attendance of the labourers should be strictly checked by the DA/site manager, foreman and task forces. In recording attendance, the foreman, and DA/site manager should assess the eligibility of the participant to participate in public works (see above), and reject attendance by those who are ineligible.

If participants arrive for work but are prevented from working by factors outside their control (e.g. delays in the delivery of required public work materials, the Development Agent or foreman is absent, the works are not planned on time) participants should be recorded as having fulfilled their public work requirement and should still receive 100% of the transfer for that day. The overall expectation of the amount of work the team will complete will be reduced accordingly.

In exceptional circumstances (ill health of the public works participant or other emergency), a household may submit a request to waive the public works requirement. The exact process of doing this should have been agreed during the setting of labour rules described in section 8.3.3.2 above.

Disciplinary problems will be solved within the work team or unit as much as possible. The existing disciplinary body of the kebele council, in consultation with the concerned line departments, will approve disciplinary measures that cannot be solved including dismissals.

8.3.5 PROVISION OF BEHAVIOURAL CHANGE COMMUNICATION FOR PUBLIC WORKS CLIENTS

In recognition of the fact that addressing nutrition challenges is the responsibility of the whole family and the wider community, participation in community health and nutrition Behavioural Change Communication (BCC) is expected to be a core public works responsibility. The table below indicates the types of behavioural change communication and associated health seeking behaviour that are eligible to be counted as contribution to public works clients public work commitment. The table also shows the means by which attendance will be registered. Within the six month public works period, clients are expected to participate in at least 6 community BCC sessions. Participation in 3 such sessions is equivalent to one public works day. At least 2 of the 6 community BCC sessions should be attended by the household head.

Eligible community BCC or associated health seeking behaviour	Means of recording participation
Participation in up to 2 community health days	Attendance recorded in client card, which is presented at next public works participation for inclusion in the public works attendance sheet
Community BCC sessions provided at a public works site (each session should last at least two hours)	Public works attendance and client card
Participation in community conversations as conducted as part of community based nutrition	Attendance recorded in client card, which is presented at next public works participation for inclusion in the public works attendance sheet

Community BCC sessions will be planned and organised by Health Extension Workers and may be provided by them directly or using community volunteers such as the Health Development Army, under their supervision. The location of the community BCC should be selected with the suitability of the location in mind (proximity to homes or public work sites, shelter from sun and rain etc.).

Community BCC sessions need to respond to local realities and to addresses specifically local barriers to appropriate health and nutrition caring behaviours. Sessions will cover some of the same community BCC messages as those provided to temporary direct support clients (covering health, nutrition, family planning and sanitation) and will also include cooking and feeding demonstrations for young children. Furthermore, some sessions will be tailored to reflect the specific public works being implemented and to mobilize the community to effectively use any nutrition sensitive public works.

This community BCC will both depend on existing tools and materials, but also some PSNP specific materials developed with the support of the capacity building strategy (see Part 4, Chapter 16 (Systems Building and Capacity) for further information). While most of the costs associated with this sub-component should be covered through core Woreda Health Office budgets, financing for monitoring and supervision and small scale duplication of materials can be covered through the PSNP administrative budget (see Part 4, Chapter 12 (Financial Management) for further details).

Attendance at community BCC sessions or associated health seeking behaviour such as participation in child health days will be marked in the household's Client Card and then entered into the public works attendance sheet according to the standard that participation in 3 such sessions is equivalent to one public works day.

8.3.6 PARTICIPATION IN FINANCIAL LITERACY

As outlined in Chapter 9, Section 9.2.11, financial literacy training is a basic activity that all clients participating in the livelihoods component should participate in to improve the success of this component. Whenever possible, financial literacy training will be provided outside of the public works period; but, if there is an overlap, participation will be considered as a contribution to public works. Participation in five two-hour sessions of training will count towards two days of public works, with individuals participating in the training provided with special dispensation to arrive late or leave early to allow their participation and ensure the completion of the remainder of their public work conditions. With the maximum public work exemption being 4 days in any six month period.

If a public works client is selected to participate in financial literacy training during the public works period, the following processes will be followed:

Step 1: The DA will notify the team leader of the work team of the specified client that they will participate in financial literacy training and they therefore should be provided with flexibility as to

their attendance, and that five days of financial literacy training will count as two days of public works up to a maximum of 4 days.

Step 2: The team leader will note this on his or attendance record at the start of the affected weeks and monitor attendance of the client (and/or his or her household) in public works participation in the light of this adjustment.

Step 3: The client will participate in the financial literacy training and have his or her attendance marked by those providing the training on his or her checklist.

Step 4: The client will take the checklist with him/her when he attends public works to allow this attendance to be transferred to the public works attendance sheet and to confirm whether or not the client and his or her household have completed their public works requirement.

While basic literacy is not a core training provided under the livelihoods component, similar procedures can be followed in the event of such training being available in the woreda, approved as a valid substitute for public works by the WFSTF, and the client's need for this training being confirmed by the KFSTF.

8.3.7 PUBLIC WORKS VERIFICATION PROCESS

Basis of payment: Wage payments are made on the basis of attendance and quantity and quality of work completed as determined by the DA and Kebele Chairperson, in consultation with the foreman/woman, based on the standards (work-norms and specifications) set out in the Community Based Participatory Watershed Development and Pastoral PW Guidelines. Participation in designated community BCC sessions (as outlined in section 8.3.5 above) and basic literacy and financial literacy training (as outlined in section 8.3.6) will be included in this assessment. As outlined above, each two-hour community BCC session will count towards the completion of one third of the work norm requirement of that day, while daily participation in financial literacy training for one week (2 hours x 5 days) will count as two days of public works.

Technical Assessment: Technical assessment is carried out at verification stage by DAs or woreda experts, supported by backstopping from zonal or regional experts if necessary, depending on the type of activity. However, payments to clients do not depend on technical approval of the works by a woreda/zonal/regional expert.

Correcting defects: The measures for correcting defects varies depending on whether the defect is identified during implementation or after the completion of the activity. These variations are indicated below:

- If a defect is identified by a regional, zonal or woreda expert in terms of quantity or quality of the works during the implementation, the defect is corrected by the community during the following month. If this was due to a planning or technical error, this is counted as additional work days for which PSNP clients are paid.
- If, after completion of an activity, a regional, zonal or woreda expert identifies defects in terms of quantity or quality of works, the community, with the support of the DA, can: (i) complete the works on a self-help basis; (ii) apply to the woreda for contingency funds to complete the works; or (iii) include the outstanding works in the safety net plan for the following year.

8.3.7.1 Attendance

The foreman/woman records the attendance of public works labourers twice a day generally before starting the morning and after completion of the day's work.

Each week, the foreman/woman gives the attendance sheet to the site manager or DA, whoever is responsible for the public works site. The DA, site manager and Community Food Security Taskforce monitors attendance at public work sites and checks the attendance sheet.

As noted above, if participants arrive for work but are prevented from working by factors outside their control this should be marked as a day attended (even though no work completed) and participants should receive 100% of the transfer for that day.

8.3.7.2 Public works: verification process

Technical supervision of Public Works projects is carried out by woreda, zonal or regional experts depending on the type of activity. These experts remain accountable for the quality of Public Works. However, payments to clients do not depend on technical approval of the works by a woreda/zonal/regional expert.

8.4 Links to Social Services Implementation Procedures

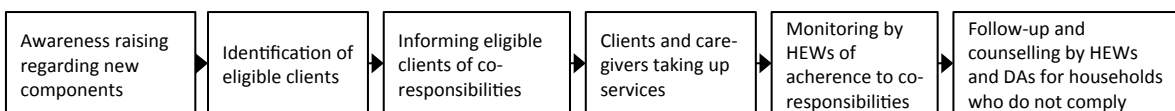
8.4.1 INTRODUCTION

Links to Social Services is a new sub-component of the PSNP introduced in recognition of the importance of coordinating a number of interventions in order to ensure rapid progress in reducing maternal mortality and improving nutrition. Although a new sub-component of the PSNP it builds on already existing service provision provided by the Ministry of Health (and its counterparts at woreda level) through the Health Extension Programme.

The key target groups for this sub-component are as follows:

- Pregnant women
- Lactating mothers with a child under one
- Children under five identified as suffering from moderate or severe malnutrition


The core elements of this sub-component include the identification of eligible clients, the referral of these clients to appropriate services, and the monitoring and follow-up of the use of these services. The flow chart below highlights these key elements which are then explained in more detail below:



8.4.1.1 Roles and responsibilities in links to social services

Food Security Desk/Process (FSD/P)	<ul style="list-style-type: none"> • Support the coordination of health and nutrition activities under the PSNP • Support the training of HEWs in the processes and documentation required for this sub-component. • Enter temporary direct support entitlements into PASS • Ensure and supervise linkages between Health and Agriculture sectors at kebele level
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Woreda Health Office	<ul style="list-style-type: none"> • Identify and meet any additional capacity needs required as a result of intervention • Coordinate all HEP activities including those related to PSNP clients • Train HEWs in the processes and documentation required for this sub-component • Provide woreda specific BCC tools where needed • Oversee health extension workers provision of the HEP and provide technical backstopping • Supervise implementation and monitoring of the Health sector's support to the PSNP and suggest corrective actions where needed
Kebele food security task force	<ul style="list-style-type: none"> • Review implementation of the links to social services sub-component.
Kebele manager	<ul style="list-style-type: none"> • Facilitate collaboration between the DA and HEW • Community mobilization
Health Extension Workers	<ul style="list-style-type: none"> • Confirm that a woman is pregnant and refer them to temporary direct support through the DA • Identify malnourished children through regular screening (including screening for TSF, GMP) and refer them to temporary direct support through the DA • Provide nutrition and health support to temporary direct support clients in accordance with the HEP • Arrange and facilitate separate BCC sessions for temporary direct support clients on regular basis • Follow up temporary direct support clients to encourage their uptake of services • Notify the DA of temporary direct support clients who miss multiple appointments. • Record uptake of services by PSNP temporary direct support clients • Provide a report on uptake on a quarterly basis to DAs • Provide reports on use of services of all community members to WHO
DAs	<ul style="list-style-type: none"> • Support follow-up with households of temporary direct support clients, particularly those missing multiple appointments • Collect reports on uptake of services from HEWs and submit to WAO.
Community Care Coalitions (where available)	<ul style="list-style-type: none"> • Facilitate the implementation of these provisions and supports the HEW and DA where needed
NGOs	<p>In woredas supported by NGOs</p> <ul style="list-style-type: none"> • Provide capacity building, and where required, technical support to the management of the Links to Social Services sub-component. • Avail the required budgets

 **Specific provisions for woredas with a social worker work force**

An increasing number of woredas are hiring social workers to support the provision of social services to vulnerable households. Woredas with a sufficient social worker work-force (for example one social worker supporting three kebeles) may delegate some aspects of operationalizing this component to this workforce.



Woredas implementing the MOLSA Social Cash Transfer Pilot

In woredas where MOLSA is implementing a pilot on social cash transfers, the links to social services sub-component will follow a different set of implementation modalities. These woredas (listed in section 7.1.1 above) will be provided with their own guidance material to support this pilot.

8.4.2 AWARENESS RAISING REGARDING NEW PROVISIONS

As part of the overall roll-out of the new phase of the PSNP, there is a need to ensure that communities and programme clients are aware of the new provisions in the PIM. In particular, it is important that clients understand their rights and responsibilities with regards to this new sub-component:

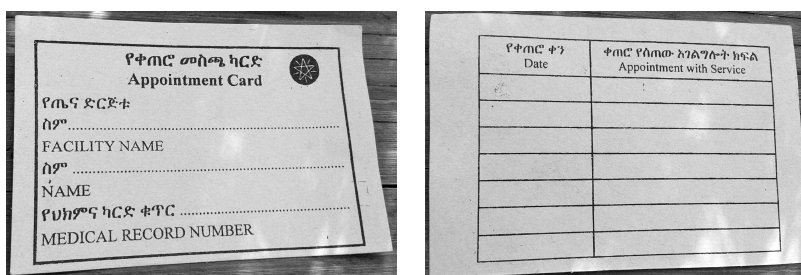
Target Group ³⁶	Rights	Responsibilities
Pregnant women	To transition to temporary direct support and receive a transfer without participating in public works.	To take up the core elements of the ante-natal services provided under the health extension programme as directed by the local health worker
Lactating women with a child of less than one year old	To remain on temporary direct support after the delivery of the child, and receive a transfer without participating in public works.	To take up the core elements of post natal health services, childhood health services and immunization or nutrition services under the health extension programme as directed by the local health agent
Primary care-giver of a malnourished child under five years old	To transition to temporary direct support and receive a transfer without participating in public works.	To participate in Community Management of Acute Malnutrition programming and/or health and nutrition services offered by the health facility as directed by the local health agent

8.4.3 TRANSITION TO TEMPORARY DIRECT SUPPORT

Transition of pregnant and lactating women to direct support until one year postpartum. Women will be transitioned to direct support on confirmation by a health worker that she has undergone a first ante-natal check up. In the absence of this referral, the pregnant woman will be automatically transitioned at four months of pregnancy. The woman should report her pregnancy to the relevant DA supporting public works, along with the evidence of her pregnancy. Evidence accepted will include

- An appointment card stating the date of her first or second ante-natal counselling session (most common)
- A letter from a health worker stating her name and confirming her pregnancy and participation in an ante-natal counselling session (if an appointment card is not available)


Figure 8.1: Sample Appointment Card



³⁶ These rights and responsibilities refer to only the household member who is also part of the target group. Other household members retain their public works responsibilities.

The woman will then remain on direct support until 12 months after the birth of her child.


Transition of primary care-giver of a child under five years old. If a child is identified as moderately or severely malnourished by a health worker (maybe in the course of routine growth monitoring or as a result of targeted supplementary feeding screening) and requiring treatment, the primary care-giver of the child (usually the mother) will be transitioned to temporary direct support during the period of treatment. This will most commonly be done through a reference card from the Health Extension Worker or other health professional.

 **No client should ever be asked for a fee in relation to services related to the PSNP**
 The issuing of the above cards or letters should be provided for free by health workers. In no instance should a PSNP client ever be asked to pay a fee in relation to these notifications.

The DA will report the transitioning of any household members to temporary direct support when he or she submits the attendance sheets for public works attendance to the WAO.

When a household member moves to temporary direct support, no other household member is expected to work to earn that transfer or to work any days beyond the existing labour cap of 15 days per able-bodied adult per month. **Transfer for at least one household member will be provided without participation in public works.**

This means that, in most households, at least one up to three household members will be covered by public works, while the PLW and any additional members will be covered by direct support. In the case of households where the PLW had been the only able-bodied adult, all household members will transition to temporary direct support. The box below presents several scenarios of how the labour cap will be applied when PLWs transition to direct support.

 **Applying the labour cap in households in which a member is temporarily transitioning to direct support**

The following are two examples of how to apply the labour cap to households where a woman has temporarily transition to direct support:

Household 1: Comprised of a husband, wife and young child. The wife becomes pregnant with her second child and transitions to Direct Support. The husband continues to participate in public works to earn a safety net transfer for himself and child. This labour requirement is only 10 days, falling below the labour cap.

Household 2: Comprised of a husband, wife and three young children. The wife becomes pregnant with her fourth child and transitions to Direct Support. The husband continues to participate in public works to earn a safety net transfer for himself and two of his children as this is the maximum he can work under the labour cap. A payment is still received for the third child, but this becomes a temporary direct support payment.

8.4.4 ELIGIBLE CLIENTS INFORMED OF THEIR CO-RESPONSIBILITIES


Once eligible clients are identified, they should be referred to the appropriate services and informed of their co-responsibilities. The key co-responsibilities for different categories of temporary direct support clients are as follows:

Table 8.2: Co-responsibilities for Temporary Direct Support Clients

Category of Temporary Direct Support Client	Co-Responsibilities
Pregnant women	<ul style="list-style-type: none"> • Attendance of four ante-natal consultations • To participate in BCC sessions as informed by the HEW

Category of Temporary Direct Support Client	Co-Responsibilities
Lactating women with a child less than one year old	<ul style="list-style-type: none"> • Attendance at one post-partum health facility visit • Attendance at growth monitoring and promotion/behavioural change communication sessions as informed by the HEW • Uptake of routine immunisation on behalf the child as informed by the HEW
Primary care-giver of a malnourished child under five years old during treatment	<ul style="list-style-type: none"> • Monthly check up of the child at the closest health facility • Attendance at BCC sessions provided by HEWs or the health development army as informed by the HEW. • Participation in treatment (e.g. community management of acute malnutrition or targeted supplementary feeding) as advised

The above co-responsibilities all relate to services which are part of the health extension programme. The PSNP does not duplicate these services, but rather promotes the utilisation of the available services by temporary direct support clients.



What to do in areas where Health Extension Programme not fully functional

Households should only be requested to attend services which exist, and which are provided with a 5km distance from where they are staying. In areas where access to health services and the health extension programme are more limited households should be encouraged to attend any service that is available and nearby and/or a reduced number of ante-natal counselling consultations, regardless of whether provided by the government, an NGO or other partners.

At a minimum, behavioural change communication regarding Infant and Young Child Feeding (IYCF), which could be provided directly under the programme or by linking up with other existing networks, should be made available and temporary direct support clients should be requested to participate.

8.4.5 OPERATIONALIZING CO-RESPONSIBILITIES

This stage combines the final three stages outlined in the flow chart above:

- Clients and their care-givers take up the required services
- HEWs monitor adherence to co-responsibilities
- HEWs and DAs follow up with and counsel households who are not complying with co-responsibilities.

The implementation of these stages largely follows core Health Extension Programme processes, but with some additional monitoring and enhanced follow-up of households who do not comply with co-responsibilities.

The use of 'family folders' is core to the delivery of the Health Extension Programme and plays a key role in the monitoring of co-responsibilities for the PSNP. Services that a household is using and the regime of services they are expected to use are all laid out in the folder (which contains a separate, relevant card for each household member). Folders are complemented by health cards for individuals requiring a regime of services (family planning, antenatal care or vaccinations). These cards are filed using a 'tickler system' (cards are filed according to the date the next action is required), making it easy to schedule follow-up.

In order that this system be used to facilitate strengthened support to, and monitoring of, PSNP temporary direct support clients, the following steps are required:

Step 1: When a PSNP client is referred to temporary direct support (either because the client has attended her first ante-natal counselling session or because she has informed the DA that she has

reached her fourth month of pregnancy), the HEW should mark the family folder with a sticker or stamp indicating they are a temporary direct support client; and their names and serial numbers are added to the list of temporary direct support clients maintained in the health post. The same sticker or stamp should also be put on any associated health cards.

Figure 8.2: Sample List of PSNP Temporary Direct Support Clients

	Name	Household serial number given by health post	Household ID number provided by PSNP	Date entered into temporary direct support	Reason for entry (pregnant (P), lactating (L) or caregiver of malnourished child (M))	Date entered into temporary direct support	Date to be exited from temporary direct support
1.							
2.							
3.							
4.							
5.							

Step 2: The HEW then creates a checklist of co-responsibilities to be met for the client and provide an appointment card to the temporary direct support client in order that she be aware of what is expected of her and the appointments that are due. The required appointments will vary depending on the reason why the household member was selected for temporary direct support (because of pregnancy of the mother, or malnutrition of a child), the stage of their pregnancy (or post-birth), and the services they have already completed (see Table 8.2 above for the proposed co-responsibilities)

Step 3: There is then normal use of the family folder and tickler system to register household use of services and to follow-up with households any missed appointments.

Step 4: At the end of each month, the HEW creates a list of any households who have missed appointments. This can be done by reviewing any cards marked with a sticker or stamp remaining in the tickler box for a specific month. The HEW visits any households that have missed appointments and counsels them in the importance of meeting these appointments, and reminds them of their commitment to do so when they transitioned to temporary direct support.

Step 5: At the end of each quarter, the HEW reviews compliance of each household against its co-responsibilities and produces a tracking reporting that details which co-responsibilities have been met and which have been missed and submits this report to the Woreda Health Office for their monitoring and for onward submission to the woreda Food Security Desk. The HEW flags to the DA any households that have missed multiple appointments to allow the DA to visit these households and further emphasise the importance of adhering to co-responsibilities.

Step 6: The FSD/P enters the uptake information into the relevant register and uses the information to complete the quarterly report on safety net activities. However, no payments will be deducted if the temporary DS clients have not adhered to these provisions.

8.5 Payment Procedures

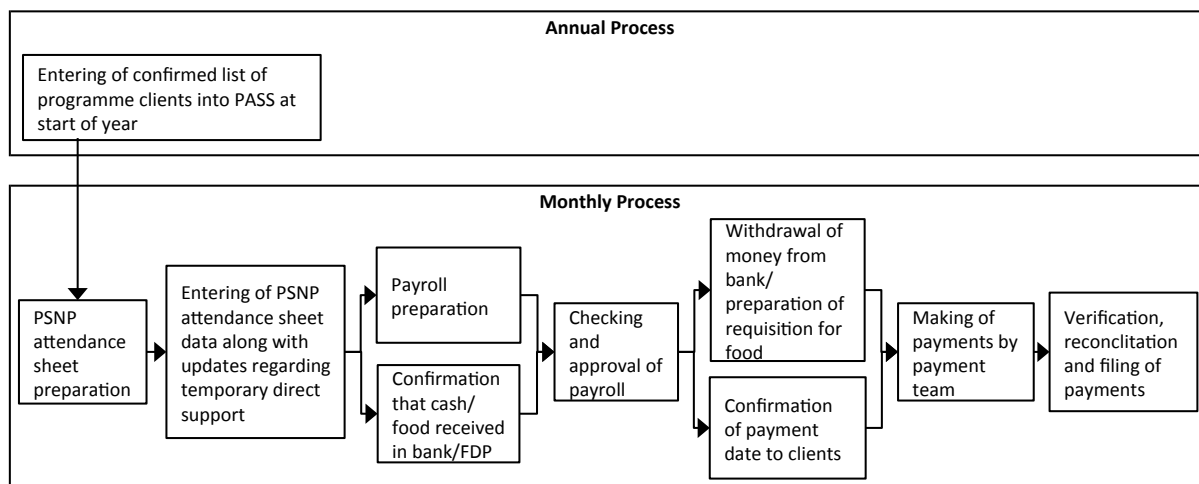
8.5.1 INTRODUCTION

Payments are made to clients of the Public Works and Links to Social Services Component on a monthly basis for six months of the year. These months may be consecutive (for example January to June) or in separate blocks (for example September to November and February to April). The transfer schedule was determined for each woreda at the launch of this phase of the programme as outlined in Part 2, Chapter 4 (Public Works and Transfer Schedule, Wage Rate and Mode of Transfer). The payment amount is set annually according to the process outlined in the same chapter.

A core principle of the PSNP is that payments to clients are timely and predictable. This means that all cash payments will be made to clients by the 20th of each month, and all food payments will be made by the 30th of each month.

The following flow chart indicates the main steps in the payment process for public works (and temporary direct support) clients:

Figure 8.3: Flow chart for payment process to social public works clients



These steps are spelt out further in the sections below.


8.5.1.1 Key roles in payment process

Food Security Desk/Process (FSD/P)	<ul style="list-style-type: none"> • In woredas where payments are made in cash, provide the Woreda Office of Finance with the list of public works clients at the beginning of each financial year. • Enter the data on attendance into the attendance sheet of PASS and records entitlements to temporary direct support transfers • In woredas where payments are made in food, prepare the payroll and submits to Early Warning and Response Desk • Communicate payment dates to Kebele Chair and KFSTF for onward communication to clients
Woreda Office of Finance (WOFED)	<p>In woredas where payments are made in cash:</p> <ul style="list-style-type: none"> • Confirm adequate resources in bank account • Prepare the payroll • Withdraw money from bank and ensure safe passage to payment points • Provide cashiers to execute cash payments
Early Warning and Response Desk/Process (EWRD/P)	<p>In woredas where payments are made in food:</p> <ul style="list-style-type: none"> • Prepare appropriate requisition documents for food distribution points • Provide distribution experts to execute food payments
DAs	<ul style="list-style-type: none"> • Collect the attendance sheet for each public works project and submits to the Woreda Food Security Desk.

Cashiers/ Distribution Experts	<ul style="list-style-type: none"> • Check client cards against payroll to ensure that payments are being made to correct households • Execute payments
Kebele Chair and KFSTF	<ul style="list-style-type: none"> • Communicate payment dates to clients • Support and oversee payment days
NGOs	<p>In woredas supported by NGOs:</p> <ul style="list-style-type: none"> • Prepare/check payroll • Prepare appropriate requisition documents for food distribution points • Provide distribution experts to execute food payments

8.5.2 ANNUAL UPDATE OF PASS

At the start of each financial year, following the annual recertification exercise and identification of programme graduates, the final list of enrolled public works clients is entered into the PASS software. In woredas where at least some of the payments are made in cash, this is done by WOFED. In woredas where payments are made in food this is done by the Woreda Food Security Desk. This list forms the basis of the monthly payroll.



Payroll and Attendance Software System (PASS):

Use of payment software – PASS – is mandatory in all PSNP woredas in Amhara, Oromiya, SNNP, Tigray, Dire Dawa and Harari. PASS will also increasingly be used in woredas of Somali and Afar regions where there is a functioning electricity supply. Once a woreda has the software installed and has received the required training they will be expected to make use of the software to generate payrolls.

Should the PASS malfunction, WOFED, in coordination with the WAO, will contact the IT Helpdesks at the regional level for assistance. However, payments to clients should not be delayed if these problems persist. In this case, attendance sheets and payrolls can be prepared in Excel for the affected month. The problem with the PASS should be then be rectified prior to the following month’s payment and any data entered into the excel sheet should be uploaded into PASS.

8.5.3 PSNP ATTENDANCE SHEET PREPARATION

The attendance sheet for each public works project is collected by the responsible DAs and submitted to the KFSTF. These are approved by the KFSTF and submitted to the Woreda Food Security Desk. Included in the attendance sheet is any participation in agreed financial literacy or basic literacy training as a substitute for public works, and attendance at scheduled BCC sessions. This attendance sheet is submitted alongside any notifications of household members transitioning to temporary direct support. At the same time, the KFSTF informs communities that the attendance sheets have been submitted for processing and that payments should be expected within 10 days.

8.5.4 CONFIRMATION THAT CASH/FOOD HAS BEEN RECEIVED

In woredas where payments are made in cash, WOFED monitors the receipt of funds and confirms that adequate funds have been received prior to payments being made. Further information on cash flow planning and funds flow can be found in Part 4, Chapter 12 (Financial Management).

In woredas where payments are made in food, EWRD/P confirms that adequate food stocks are held in the relevant Food Distribution Points (FDPs) prior to payments being made. Further information on food disbursement planning and logistics can be found in Part 4, Chapter 13 (Food Management).

8.5.5 PAYROLL PREPARATION AND VERIFICATION

The exact steps followed in payroll preparation vary depending on whether the woreda makes payments in cash or food. The sections below highlight these differences.

	Woredas with cash payments	Woredas with food payments
Attendance and direct support entitlement recorded in PASS	<p>The FSD/P enters the data on attendance into the attendance sheet of PASS. If problems with the attendance sheet are noted, the FSD/P requests clarification from the KFSTF.</p> <p>The FSD/P also records/confirms the entitlement for any temporary direct support transfers on the basis of information received from the DA on household members who are eligible for temporary direct support.</p>	<p>The FSD/P enters the data on attendance into the attendance sheet of PASS. If problems with the attendance sheet are noted, the FSD/P requests clarification from the KFSTF.</p> <p>The FSD/P also records/confirms the entitlement for any temporary direct support transfers on the basis of information received from the DA on household members who are eligible for temporary direct support.</p>
Payroll Preparation	<p>Towards the end of each month, WOFED, in discussion with the FSD/P, generates the monthly payroll using the PASS software. This payroll takes into account any lapses in attendance at public works and deducts payments according (no payment is deducted for lapses in attendance of health sessions by temporary direct support clients).</p>	<p>Towards the end of each month, FSD/P generates the monthly payroll using the PASS software. This payroll takes into account any lapses in attendance at public works and deducts payments according (no payment is deducted for lapses in attendance of health sessions by temporary direct support clients).</p>
Scheduling of Transfers	<p>WOFED then sets up the transfer schedule depending on when transport, security and staffing can be arranged. Priority should be given to ensure that the transfers are made as per the performance target. As such, transfers should adhere to the already agreed transfer schedule prepared during annual planning.</p>	<p>EWRD/P then sets up the transfer schedule depending on when transport and staffing can be arranged. Priority should be given to ensure that the transfers are made as per the performance target. As such, transfers should adhere to the already agreed transfer schedule prepared during annual planning.</p>
Communication	<p>WOFED then communicates to the kebeles (through the Kebele Chair and KFSTF) the date planned for cash payments. The aim is to minimise the amount of time clients will have to wait to receive their payment. If WOFED can, it should indicate the time at which payments will start in each payment site and the list of households that will be paid in the morning and then in the afternoon. This will allow the households to come in the morning or afternoon rather than waiting the whole day.</p>	<p>EWRD/P then communicates to the kebeles (through the Kebele Chair and KFSTF) the date planned for food payments. The aim is to minimise the amount of time clients will have to wait to receive their payment.</p>

In woredas where transfers are made in a combination of cash and food, WOFED operates PASS to generate the monthly payroll for all months regardless of whether payments are made in cash and food. In the months that payments are made in food, WOFED sends the payroll to EWRD/P, copied to the FSD/P, to allow them to schedule transfers and communicate with kebeles and clients.


If, for any reason, the date scheduled for making transfers is delayed by more than a week from the previously approved annual transfer schedule, the delay will be communicated to programme clients so that they know when they can expect their next safety net payment and can plan accordingly.

8.5.6 MAKING PAYMENTS

For **cash payments**, the WOFED cashier and accountants collect the cash from the bank to make the transfers and travel to the payment sites. Payment sites are as close to clients as possible, at least in the kebele centre and ideally in the communities. WOFED should mobilise sufficient cashiers and accountants (those working both on PSNP and the regular government programme can be mobilised) to make the payment process as fast as possible to meet the agreed performance target. For **food payments**, food resources are delivered to distribution points (see Part 4 Chapter 13 (Food Management) for further details) and clients are asked to assemble at these points. The actual payment process is the same for both cash and food payments, all that differs is whether the payments are being made by WOFED cashiers or EWRD/P distribution experts.

The key steps in the payment process are as follows:

Step 1: Identity Verification. All payments are made against the PASS payroll prepared by WOFED or the FSD/P. The cashier/distribution expert confirms that the Client Card ID Number matches the PASS ID number corresponding to the client's name. The cashier/distribution expert will also verify that the photo on the Client Card is a match to the person presenting the Card.

**Client Cards**

PSNP Client Cards provide the basis for all transfers to clients. They record the names of the people entitled to receive transfers, and the size of their entitlement (see Part 2: Chapter 3 (Programme Entry and Exit) for further details).

Clients will not receive their payments if they do not present their Client Card to the cashier. If a client does not have his or her card, the client and cashier will mutually agree if: (i) the client will travel to the woreda capital to collect the payment from WOFED, (ii) the cashier will return at a later day that month; or (iii) the payment will be made during the next payment cycle. The cashier should, to the extent possible, assist the client in receiving his or her payment as soon as possible. The cashier makes a note of the agreement reached with the client. If the card has been lost or stolen the client should be told to report it immediately to the Kebele Administration who will request an additional card from the woreda and re-issue a new card.

Step 2: Payment. After the identity of the client is verified, the cashier pays the clients the total payment due to his or her household.³⁷ The cashier asks the client to sign on the PASS payroll to indicate receipt of payment and notes the gender of the recipient on the payroll. Immediately afterwards, the cashier enters the PASS generated data onto the Client Card corresponding to:

- Transfer type and amount
- Date transfer is received

If a client is unable to collect his or her payment, for instance if he or she is sick, someone else may collect the payment on his or her behalf. This should be agreed with the Community Food Security Taskforce. The CFSTF, in writing, informs the KFSTF for approval for a person to collect the transfer from the cashier/distribution expert on behalf of the beneficiary.

If the client believes that he or she did not receive the correct payment, s/he should NOT sign the payroll and should instead ask the cashier/distribution expert to verify that the payment is correct. If this does not resolve the problem, the client can lodge a complaint with the Appeals Committee. The Appeal Committee then investigates within 5 days.

³⁷ As outlined in Part 2, Chapter 3 (Programme Entry and Exit), Section 3.4 - for the purposes of the PSNP each wife and her children within a polygamous family is considered a household with the husband only counted in one of the households.

Under NO circumstances should clients be asked to pay from their PSNP payment any costs associated with the payment process, such as having their identification verified, their Client Card checked or their name found on the PASS payroll. All payments to PSNP clients MUST be made in full, as stated in the PASS payroll.

Step 3: Closing the payment period. Once payments have been completed, copies of the completed and signed payrolls are filed appropriately, including data entry into PASS on whether payments were collected (or need to be carried over to the next month) and the gender of the recipient. All information regarding a particular payment cycle for public works and temporary direct support clients need to be entered into PASS and the payment period closed, before the following months payment cycle can be initiated. For cash payments, copies of the completed and signed payrolls should be filed at WOFED and for food payments a copy should be retained in the filing system of the FDP and a copy filed with the FSD/P at the woreda level.

8.6 Regional Variations

8.6.1 PUBLIC WORKS

The implementation of public works in lowland areas is guided by the Guidelines for PSNP – PW in Pastoral Areas. These guidelines highlight the following key differences in how public works should be implemented in lowland pastoral areas of Afar, Somali, Oromiya and SNNP regions.

Scheduling of public works: The timing of rainy seasons, the labour slack periods and the hungry seasons can vary significantly in pastoral areas when compared to highland areas. Furthermore, heat can become a serious problem at certain times of the year – making public works during that period will be inappropriate (and possibly even dangerous). This means that the scheduling of public works should be different in most pastoral areas and in highland implementation areas. Part 2, Chapter 4 (Public Works and Transfer Schedule, Mode of Transfer and Wage Rate) details how the scheduling of public works should vary.

Planning of public works: The expected planning unit for public works planning varies depending on livelihood system and population densities. Public works planning in lower population densities of pure pastoral areas should use a rangeland approach and kebeles as the lowest planning unit, whereas planning in higher density agro-pastoral or ex-pastoral areas can continue to use the watershed approach used in the highlands. Further details on this and other key differences in public works planning can be found in Section 6.10 Part 2, Chapter 6 (Annual Planning).

Types of public works. The most appropriate types of public works also vary according to livelihood and agro-ecological context. In sparsely populated pure pastoral areas soil and water conservation activities cannot reach an adequate density of intervention to have any demonstrable impact and rangeland management activities are likely to be preferred, while in ex-pastoral areas investments in market places, roads or social infrastructure are likely to be more important for communities and therefore selected through the community participatory planning process. The table in Section 6.10 in Part 2, Chapter 6 (Annual Planning) indicates some of the key types of appropriate public works that are commonly chosen in different lowland livelihoods.

Implementation of public works. Some key differences in public works implementation are required in lowland areas, in particular in relation to the organisation of work teams, greater use of hired skilled labour, work norms and labour rules:

- **Work teams:** Given the lower population densities, at times it may be necessary to reduce the size of work teams allocated to specific public works projects.

- **Greater use of hired skilled labour:** There is a greater scarcity of key skills amongst public works clients in lowland areas, which may necessitate the hiring of skilled labour (e.g. masons) to support public works implementation while skills are being developed.
- **Work norms:** Because of the harsh environment and high temperatures, the same work norms cannot apply in lowland areas. Adapted work norms are in place and are detailed in Chapter 5 of the Guidelines for PSNP – PW in Pastoral Areas.
- **Labour rules:** Given these harsh conditions, coupled with the shortage of drinking water, the effective working day in lowland areas lasts around five hours and finishes before noon to avoid the heat of the middle of the day and afternoon. Timetabling of public works needs to match this reality and start early in the morning and finish before midday.

8.6.2 LINKS TO SOCIAL SERVICES

Woredas where Health Extension Programme not fully operational. The extent of the roll-out of the Health Extension Programme may vary from region to region and woreda to woreda. This will affect the availability of some of the core services listed as key co-responsibilities. As already indicated in Section 1.4.4, woredas can amend co-responsibilities to match the services available (such as reducing the number of ante-natal counselling sessions expected or to attend services provided by NGOs or other partners). At a minimum, all woredas should aim to provide some behavioural change communication regarding Infant and Young Child Feeding either through the programme directly or by linking with other existing networks such as the Health Development Army and one-to-five networks.

Mobile communities and Mobile Health Units. For mobile pastoral communities, the DAs and HEWs should engage with the Mobile Health Units to ensure that these services are provided to the mobile pastoral clients. The HEW who accompanies the MHU can subsequently provide the DA with the necessary information related to adherence to health and nutrition services.

Woredas covered by a pilot for future MOLSA management of the Permanent Direct Support Component and engagement in soft conditionalities. During this phase of the PSNP, MOLSA is expected to begin to take on responsibility for clients of the permanent direct support component. In preparation for this, a pilot is underway to test some of the potential modalities of this involvement. The pilot is taking place in two woredas of Oromiya (Adami Tulu and Dodota) and two woredas of SNNP (Alaba and Shahego). Both the Permanent Direct Support Component and the Links to Social Services sub-component in these woredas will follow a different set of implementation modalities. Operations in these woredas will be guided by the “Manual of Operations for the Social Cash Transfer Pilot Programs for Direct Support Beneficiaries”.

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9.1 Introduction

The livelihoods component of the PSNP 4 seeks to strengthen the livelihoods of PSNP clients in order to build household assets, increase incomes, and strengthen resilience to shocks. Improved livelihoods and increased incomes and assets will lead some households to graduate from the PSNP. However, it is important that graduation be evidence-based, as outlined in Part 2, Chapter 3 (Programme Entry and Exit).

9.1.1 WHAT'S NEW IN THIS VERSION OF THIS CHAPTER

The PSNP's Livelihoods Component is similar in many ways to HABP, but also differs in several important aspects, which will be outlined in greater detail throughout this chapter:

- **Roll-out of livelihoods activities to all safety net implementation areas.** The livelihoods component will now be implemented in all PSNP implementation areas, including in Somali and Afar.
- **Tailored support for each of the 3 livelihood pathways, with expansion of technical assistance providers.** The Livelihoods Component now provides strengthened technical assistance in each of the 3 livelihood pathways – crop and livestock, off-farm, and employment – by assigning institutional responsibility for each pathway according to technical capacity. Hence, the Extension Directorate/Core Process is responsible for the crop and livestock livelihoods pathway, with support from the Livestock Development Directorate/Core Process. The MSE Agency is responsible for the off-farm livelihoods pathway, and BOLSA is responsible for the employment pathway (with support from the MSE Agency where appropriate). Responsible agencies are brought together in the Livelihoods Implementation Unit (LIU) housed in the Extension Service at woreda, regional and federal levels. TVET is included as an implementing agency to provide technical training in the off-farm and employment pathways, and Cooperative Promotion also provides cross-cutting support in financial literacy training, savings promotion, and market linkages.
- **Introduction of free livelihoods transfer for the poorest households.** For the poorest PSNP households, female-headed households, households with landless youth (in the highlands)³⁸, and others for whom taking credit to implement a business plan is not an option (estimated at approximately 30% of the caseload), tailored support is needed according to their capacity. Therefore, these households will be targeted by the community to receive free livelihoods transfers (grants) as well as intensive coaching and mentoring in the implementation of their business plan. These transfers will be provided in cash following the completion of a livelihoods checklist (including participation in savings) and business plan, and do not need to be repaid.
- **Reorientation of livelihoods focus.** The previous livelihoods programme (HABP) had separate outputs related to credit provision, input supply and market linkages. Under the livelihoods component, the programme will not provide credit, but will continue to provide referrals to financial institutions. Input supply and market linkages will still be facilitated, but only within the context of broader follow-up support to households as they implement livelihoods activities.
- **New sequencing of activities.** Proper sequencing of livelihoods interventions is critical to their success. Section 9.3 below provides two flow charts illustrating the general sequencing of programme interventions. Some of these interventions (for instance, financial literacy and

³⁸ This criterion is primarily relevant to highland areas and riverine areas in the pastoral lowlands. Pastoral lowland areas that are not riverine may consider prioritising households with unemployed youth and/or pastoral drop-outs.

savings) will be common to all three livelihoods pathways; others (for instance, training) will be specific to each pathway.

A Livelihoods Guideline/Manual will be developed to reflect the new PIM guidance.



Roles for NGOs in the livelihoods component

PSNP Development Partner-funded NGOs that align their activities and approaches with the PSNP livelihoods component and abide by the provisions of this PIM can play a role in supporting programme implementation. This role will vary from woreda to woreda, but may include support to VSLAs as well as other types of support as guided by this PIM and agreed with woreda government implementers.

9.1.2 KEY ROLES IN LIVELIHOODS IMPLEMENTATION

Extension	<ul style="list-style-type: none"> • Coordinate the implementation of all livelihoods activities • Serve as Chair of the Joint Livelihoods Technical Committee • Oversee the implementation of the crop and livestock pathway • House the Livelihoods Implementation Unit, which brings together all livelihoods implementing agencies
Woreda Subject Matter Specialists	<ul style="list-style-type: none"> • Advise clients on the requirements of different types of each livelihood during the client livelihood consultation • Support technical training in the crop and livestock pathway • Review business plans for feasibility and creditworthiness
DAs	<ul style="list-style-type: none"> • Provide technical assistance within the crop and livestock pathway • Support business plan development and finance referrals
MSE Agency	<ul style="list-style-type: none"> • Oversee the implementation of the off-farm livelihoods pathway • Certify training completion • Support business plan development and finance referrals
Labour and Social Affairs	<ul style="list-style-type: none"> • Oversee the implementation of the employment pathway
TVET	<ul style="list-style-type: none"> • Provide technical training to clients in the off-farm and employment pathways • Provide entrepreneurship training to clients in the off-farm pathway
Cooperative Promotion	<ul style="list-style-type: none"> • Provide training and follow-up support in financial literacy • Conduct savings promotion and provide follow-up support • Link clients to inputs and markets as needed
WOFED	<ul style="list-style-type: none"> • Disburse livelihoods transfer
Women and Youth Affairs Desk for WAO; Women, Youth and Children Affairs	<ul style="list-style-type: none"> • Mobilise community groups for participation in livelihoods activities • Ensure prioritisation of women and youth in livelihoods activities, and that location and timing enable women to attend • Implement activities to strengthen women's confidence levels and negotiation skills

Livestock Development Sector	<ul style="list-style-type: none"> • Provide technical assistance to clients and DAs in livestock-related interventions • Serve as Co-Chair of the Livelihoods Technical Committee
Financial institutions (MFIs and RUSACCOs)	<ul style="list-style-type: none"> • Mobilise savings and disburse loans • Participate in credit committees to review business plans and ensure their financial viability
NGOs and other specialised service providers	<ul style="list-style-type: none"> • Provide training in financial literacy and support savings through VSLAs • Provide other livelihoods support as agreed with woreda government structures

9.2 Guiding Principles of Livelihoods Implementation

The following principles will guide the implementation of the livelihoods component:

1. **Tailored technical assistance with appropriate institutional ownership for each livelihood pathway.** Tailored technical assistance provision entails working through institutions that have existing skill set and mandate for the technical area. The Extension Service is responsible for the implementation of the crop and livestock pathway, while the MSE Development Agency is responsible for the off-farm pathway, and Labour and Social Affairs is responsible for the employment pathway. Each of these institutions is represented in the Livelihoods Implementation Unit.
2. **Tailored support to households and individuals according to their capacity.** The technical and financial support provided to each client along each livelihood pathway must be tailored according to each client's capacity and needs, while taking into account the capacity of government institutions and frontline workers to provide the necessary support. This entails the formation of groups and targeting of poorer individuals to receive livelihoods transfers as well as intensive coaching and mentoring.
3. **Market-oriented and demand-driven livelihoods support.** The implementation of the livelihoods component combines a demand-driven approach based on client interest in livelihoods with realities of product and service markets as well as financial markets and resource availability.
4. **Coordination and synergy with public works and other complementary initiatives.** Livelihoods activities are planned alongside public works activities in order to ensure maximum synergy between the two. At a higher level, the programme liaises with Agricultural Growth Programme (AGP) and the Agricultural Transformation Agency (ATA) to identify economic development investments that can benefit PSNP clients through greater access to inputs and/or markets. Discussion platforms with key stakeholders (including NGOs) help identify local economic opportunities.
5. **Careful sequencing and tracking of livelihoods interventions.** Clients receive a carefully sequenced combination of technical and financial support, beginning with receipt of safety net transfers and followed by savings participation, financial literacy, livelihoods training, and access to finance. A livelihoods checklist included in the Client Card supports tracking of client participation in each activity in order to ensure that s/he is ready for the next step and that significant capacity has been built before a business plan is developed.
6. **Dynamism of identified opportunities and technological innovations.** Programme technical assistance is continually upgraded with new information on recent market trends, local and more distant market opportunities, competition, and evolving supporting market services.

7. **Simplicity of business plans.** Business plans should be easily understandable, based on households technical capacity and opportunities.
8. **Centrality of financial literacy and savings.** Financial literacy and savings are cross-cutting for all pathways and are a cornerstone of livelihoods interventions.
9. **Harmonisation of livelihood interventions with other actors, including non-governmental actors.** The livelihoods component takes into account lessons learned from NGO activities and uses training materials developed by government as well as NGOs. In addition, PSNP Development Partner-funded NGOs that align their activities and approaches with the PSNP livelihoods component and abide by the provisions of this PIM play a role in supporting programme implementation.
10. **Strong focus on learning and knowledge management.** The livelihoods component promotes learning through exchange visits, for example to model FTCs, and sharing of lessons learned with key stakeholders (NGOs, private sector actors and government institutions). In addition, the programme promotes peer-to-peer learning and dialogue between clients through participation in livelihoods groups. New approaches are tested to inform implementation during scaling up/roll out. These activities link with knowledge management interventions for livelihoods, as described under Part 5, Chapter 17 (Monitoring and Evaluation).

9.3 Overview of the Livelihoods Component

9.3.1 PARTICIPANTS

Participation in the livelihoods component is voluntary. During the annual planning process, DAs and woreda Subject Matter Specialists initiate a community consultation process, which is supplemented by other community groups, including women's groups and youth groups. These consultations provide an opportunity for all PSNP clients in the community to learn about the livelihoods component and decide whether or not they want to participate. On the basis of this information, households self-select into the livelihoods component for that year. If interest is higher than implementation capacity to support them, Community Food Security Task Forces (CFSTFs) prioritise households for that year based on eligibility for the livelihoods transfer and readiness for participation in livelihoods activities. This process is described under Part 2, Chapter 6 (Annual Planning). However, if this process was not followed during the planning phase, it must be conducted prior to the start of implementation each year.

The livelihood component's focus on individual clients rather households as a whole is designed to increase participation of women and youth. All livelihoods data will be disaggregated by gender and by youth/adult status.

Women are expected to comprise at least 50% of livelihoods clients. The Women and Youth Affairs section of the Bureau/Office of Agriculture and MOWCYA work alongside other implementing agencies in each pathway to strengthen women's confidence in engaging in activities that may not be typically expected of them, and to ensure that women's confidence levels and negotiation skills are strengthened in order to develop sustainable livelihoods. Women and Youth Affairs representatives will work with other implementers to ensure that livelihoods training locations and timings enable women to attend. These actors also support mobilisation and increase awareness amongst PSNP clients and other community members that women and men alike have the capacity to build livelihoods and increase household incomes.

Youth also receive special attention under the livelihoods component, as many youth in PSNP households are landless and/or unemployed. Off-farm and employment pathways are likely to be

important pathways for youth. Crop and livestock-related livelihoods will also be relevant to youth, such as livestock fattening and the provision of services that contribute to crop and livestock pathways (e.g. input supply).

9.3.2 IMPLEMENTATION MODALITIES

The livelihoods component is implemented through two primary modalities:

- Direct training and technical assistance to clients. This entails the provision of technical trainings, business/marketing skills trainings, and employment skills-related trainings by appropriate institutions. Trainings may be provided at Farmer Training Centres (FTCs) or Pastoralist Training Centres (PTCs), TVET institutes, or other locations (including clients' farms), as appropriate.
- Conditional capacity building of grassroots institutions, which are expected to provide services to PSNP livelihoods clients. With programme support, these grassroots institutions and their contribution to the livelihoods component are as follows:
 - Farmer Training Centres (FTCs) and Pastoralist Training Centres (PTCs): these centres serve as hubs for demonstrations of new technologies and practices to clients and will enable learning-by-doing.
 - Rural Savings and Credit Cooperatives (RUSACCOs): these kebele-based financial institutions provide savings and lending services to PSNP clients.
 - Microfinance Institutions (MFIs): these institutions provide savings and lending services to PSNP clients.
 - Multipurpose Cooperatives: cooperatives provide marketing linkages, agro-processing, or other services to PSNP clients.

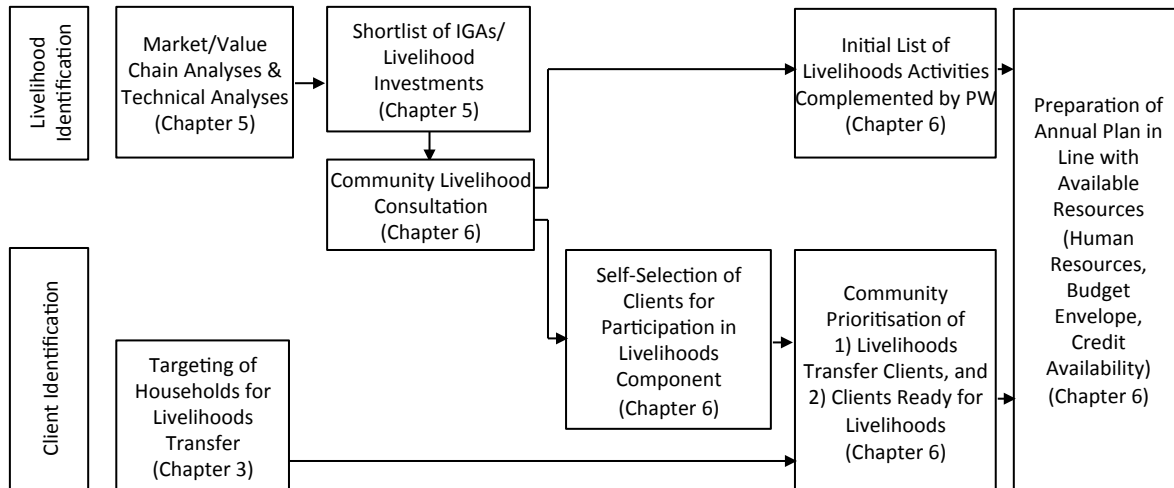
9.3.3 SEQUENCING AND TIMING OF LIVELIHOODS INTERVENTIONS

Initial phases. Figure 9.1 below illustrates the activities that take place prior to the implementation of livelihoods interventions. Two parallel processes occur during these initial phases: **livelihoods** identification across each of the three pathways, and **client** identification. These processes are as follows:

- **Livelihoods identification:** Livelihoods to be supported in each woreda are shortlisted based on market and value chain analyses, technical analyses, and labour market analyses. In addition, an assessment of environmental and social impacts is done to ensure that any potential negative impacts are mitigated. These activities are described in Part 2, Chapter 5 (Livelihoods Analyses). The shortlisted livelihoods and associated opportunities are then presented to clients during the community consultation process, which happens at the same time as public works planning, as outlined in Part 2, Chapter 6 (Annual Planning).
- **Client identification:** This happens at two levels.
 - **Identification of livelihoods transfer clients.** During the targeting/retargeting process, households that are very poor, female-headed, or have landless youth are targeted for a livelihoods transfer. This does not entitle them to receive a livelihoods transfer in that particular year, but it entitles them to receive a transfer during the year in which they participate in livelihoods interventions (after they successfully complete their livelihoods checklist and business plan), and it puts them on a priority list for participation in livelihoods (see next bullet below). These activities are described in Part 2, Chapter 3 (Programme Entry and Exit).
 - **Annual prioritisation of clients for participation in the livelihoods component.** Each year, clients are invited to self-select for participation in the livelihoods component by indicating their interest. If more clients are interested in participating

than the programme has resources to support, the Community Food Security Task Force (CFSTF) prioritises self-selected clients based on the following two criteria: a) eligibility for the livelihoods transfer, or b) readiness to participate in livelihoods activities. This process is described in Part 2, Chapter 6 (Annual Planning).

Figure 9.1: Livelihoods Activities Prior to Implementation



Following the annual community consultation and planning process, livelihoods interventions for self-selected/prioritised clients will follow the sequencing described below and illustrated in Figure 9.2.

Implementation Phase 1: Group formation. This is a key first step to enable consistent support to households and individual clients by DAs.

Implementation Phase 2: Initiation of financial literacy and savings promotion. Financial literacy training and savings participation will be a key initial element of livelihoods interventions, but will also continue as a cross-cutting activity throughout livelihoods implementation.

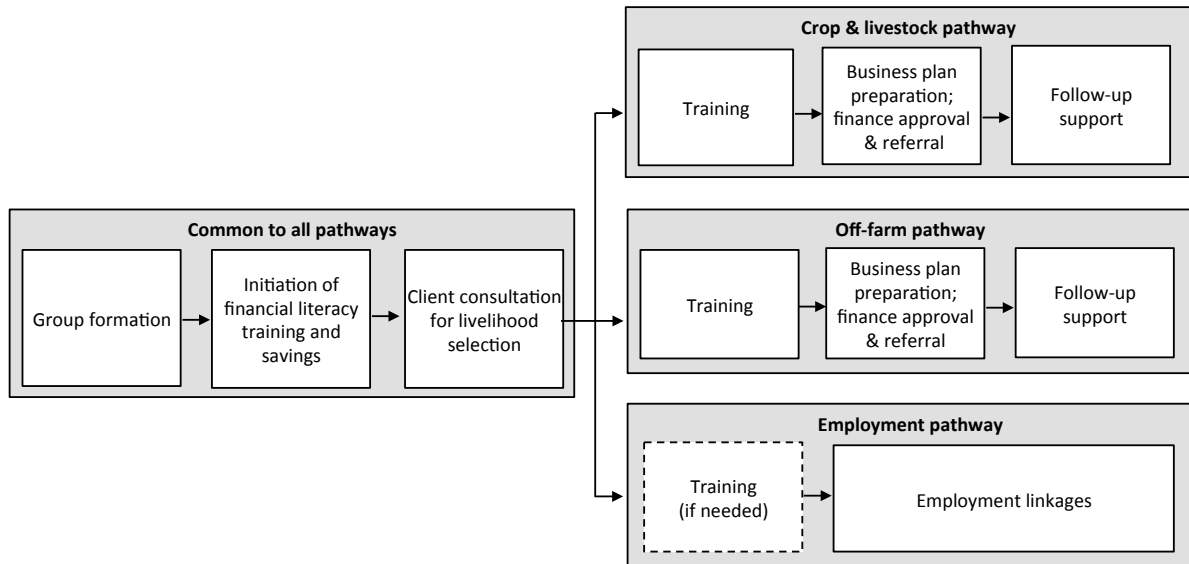
Implementation Phase 3: Client consultation for livelihood selection. Following a period of financial literacy training and participation in savings, DAs will present detailed information on livelihood options to clients and ask them to select a livelihood pathway and, within that pathway, a specific livelihood. Once a livelihood has been selected, a livelihood checklist will be developed.

Implementation Phase 4: Training. Training will be tailored to the pathway and livelihood, and, in the case of crop and livestock and off-farm pathways, is expected to include both technical and business/marketing skills. Employment-related training will be linked to employers wherever possible, and will be tied to specific job opportunities (although some employment linkages may not require training).

Implementation Phase 5: Business plan preparation and finance approval and referral. Following the completion of the livelihoods checklist, clients will be assisted in business plan preparation. Business plans will then be reviewed and forwarded to financial institutions for the provision of credit, or, in the case of clients targeted for livelihoods transfers, forwarded to WOFED for the provision of a livelihoods transfer. This step will be skipped for clients in the employment pathway.

Implementation Phase 6: Follow-up support. Follow-up support includes facilitation of access to inputs and linkages to markets as needed, and coaching and mentoring of clients. This support should continue on an intensive basis through the end of one year after the client has started participating in livelihoods interventions, or through the end of the second year for livelihoods transfer clients. For the employment pathway, this will be the employment linkages phase.

Figure 9.2: Livelihoods implementation flow chart



Although the planning and reporting calendar follows the Ethiopian Government fiscal year calendar, the implementation of livelihoods activities will follow a seasonally appropriate calendar, as crop and livestock livelihoods – as well as wage employment related to a large farms – will follow the agricultural season.

9.4 Common Livelihoods Support Prior to Business Plan

The activities described below apply to clients who have self-selected to participate in the livelihoods component, and whom the community has prioritised for that year.

9.4.1 CREATION OF PSNP LIVELIHOOD GROUPS

Clients who have been prioritised for participation in livelihoods interventions for a given year (as outlined in Part 3, Chapter 6 (Annual Planning)) will be formed into PSNP Livelihood Groups for the provision of training, mentoring and coaching. Groups may be adjusted at a later stage, once livelihoods have been selected, to allow for group-based technical training, but they will be formed at the start of livelihoods implementation in order to provide the basis for financial literacy training and initial savings activities.

As outlined above and in Part 2, Chapter 6 (Annual Planning), the ratio of livelihoods client households to DAs should not exceed 1 to 50, with the exception of clients participating in off-farm and employment pathways. Given that two clients per household may participate in livelihoods interventions, and estimating a membership of 20-25 members per group, each DA is expected to support 4-6 new livelihood groups each year (and provide follow-up support to these groups for an additional year). Also as outlined in Chapter 6, women are expected to comprise at least 50% of livelihoods clients, and therefore they should represent at least 50% of livelihood group members on average.



Why a 1-to-50 ratio for DAs to households?

Under PSNP 4, the livelihoods component will provide more intensive support to clients than it did in the past. Moreover, past programmes have found it is feasible for one person to provide intensive support to 50 households, particularly if these households are formed into groups. Past experience has also shown that a higher ratio (for example 100 households to one DA) would compromise the quality of technical assistance and mentoring support. This is particularly important given that DAs have a variety of other responsibilities (both PSNP-related and non-PSNP-related) in addition to implementing PSNP livelihoods activities. Given the average of 3 DAs per kebele, and the average number of client households per kebele, it should be possible for most kebeles to provide livelihoods support to all interested PSNP clients while keeping this ratio.

Livelihoods interventions will be included in the balanced score card of DAs.

Although many PSNP households are already part of development groups, these PSNP-specific livelihood groups – whose membership will only include a cohort of clients participating in livelihoods interventions during the same year – will be the primary group through which trainings are given under the livelihoods component of the PSNP.

9.4.2 FINANCIAL LITERACY TRAINING AND SAVINGS SUPPORT

9.4.2.1 Financial literacy training

All households that are interested in participating in livelihoods activities should participate in financial literacy training. Training for PSNP clients will be provided by a variety of service providers depending on the woreda: MFI agents, cooperative promoters and accountants, and other specialised service providers such as NGOs.

Training topics. Financial literacy trainings will use a toolkit adapted during the first year from the HABP and GRAD toolkits. Financial literacy trainings should cover the following topics:

- Cash and financial management
- Financial planning and budgeting
- Savings – the importance of savings, and how to save
- Understanding credit
- Calculating profits
- Risk management and insurance (tailored to locally available insurance types, e.g. credit life insurance)

Training location, timing and approach. Financial literacy trainings will be provided at FTCs and PTCs or other accessible locations within the village. Trainings must go through the whole toolkit, but can be done either intensively (e.g. for 2 hours per day, over the course of three weeks, for a total of 15 days), or in a more spaced out manner (e.g. for 2 hours every week, over the course of 15 weeks). Livelihoods clients will be consulted in the development of the schedule.

- If financial literacy training is provided on an intensive basis during the public works period, daily participation in financial literacy training for one week (2 hours x 5 days) will count as two days of public works in PASS.
- If a more spaced-out schedule is selected, technical trainings may be provided prior to the completion of financial literacy training, provided that a DA has engaged in a client consultation, as outlined in Section 9.4.3.1 below.

Regardless of the schedule selected, all trainings will be provided at a time of day that enables women to attend. If preferred, trainings may be provided separately for women, men and youth in

order to allow sufficient time for each client group to express questions related to their situation and obtain clarifications.

Trainings will be participatory and include role-playing, participation and discussion. Trainers should focus on ensuring that participants understand the material by using basic language and encouraging participants to ask questions and suggest answers.

Clients who successfully complete the initial financial literacy training course will receive a certificate of completion.

Follow-up financial literacy training will be given as clients begin investing in livelihoods. These trainings will be timed with clients' needs during their livelihood cycle—for example, a refresher training on credit management as a client receives credit for his or her business plan, etc.

9.4.2.2 Savings mobilisation and support

Participation in savings will be a strongly encouraged first step for participation in livelihoods interventions, as clients will be required to have savings in order to obtain financing from an MFI or RUSACCO, and the programme will require savings for livelihoods transfer clients. Clients may choose to save through one (or more) of three mechanisms depending on their preference and the availability of institutions within their locality:

- VSLAs
- RUSACCOs
- MFIs (through individual savings accounts)

The savings amount will vary depending on the client's capacity and interest as well as the requirements set by the financial institution. Savings will be strongly encouraged for all livelihoods clients, and mandatory for clients preparing to receive a livelihoods transfer.

The PSNP 4 will not avail credit to households or to financial institutions, but will provide (capacity development support to financial institutions (MFIs and RUSACCOs) to provide services, including training and credit from their own funds, to an agreed number of safety net clients.

Creation and capacity building of VSLAs. The programme will create VSLAs, using the newly created PSNP livelihood groups as a platform. Technical support for the start-up of VSLAs will be provided by specialised service providers such as NGOs and others, and DAs will follow up on VSLA progress as well as client savings through the livelihoods checklist. No seed capital will be provided to VSLAs by the programme.



Why support VSLAs?

VSLAs play an important role in enabling poor households to begin participating in savings in an environment of familiarity and trust. Moreover, VSLAs typically includes a social fund, which is easily accessible in case of emergency. This fund is an important risk mitigating measure for poor households. These VSLAs serve as stepping stone, an introduction to savings and credit, for these households. Once households are comfortable with the concepts of savings and lending, as they develop their livelihoods and require larger amounts of credit, they may seek to join a RUSACCO or take their business plan to an MFI.

Finally, as VSLAs are informal, they do not require auditing. Hence, the required level of government support is lower, and it is possible for several VSLAs to be created in one kebele.

Conditional capacity building of RUSACCOs. The programme will build on the success of the HABP in creating RUSACCOs, and will build the capacity of these RUSACCOs to encourage savings and provide services to their members.

PSNP capacity building support to RUSACCOs will include:

- Technical assistance, e.g. training of RUSACCO leadership and technical assistance on financial product development and linkages to MFIs as appropriate
- Matching funds (e.g. up to 25%) for building construction and safe boxes
- Matching funds for bookkeepers for 1-2 years.

In addition, the programme may provide matching funds for technology investments (e.g. a computer) for RUSACCO unions, if and when appropriate. However, the programme will not provide seed capital, nor will it pay for any operational costs besides those listed above.

PSNP capacity building support will be contingent on the RUSACCO meeting the following three conditions:

1. Inclusion of at least 30% of the kebele's PSNP households in the RUSACCO
2. Signing of an MOU agreeing to prioritise PSNP clients for loans
3. RUSACCO participation in savings promotion within the community.

RUSACCOs that received capacity building support under HABP are not eligible for physical capacity building support under PSNP 4. However, they may be eligible for technical assistance if needed, and/or, in some cases, an additional year of matching funds for a bookkeeper. In lowland areas, capacity building of RUSACCOs will be closely coordinated with PCDP, which is establishing and strengthening pastoral savings and credit cooperatives.

Conditional capacity building of MFIs. The programme will provide conditional capacity building of MFIs – including private MFIs – and encourage clients to open individual savings accounts at MFIs where available.

PSNP capacity building support will vary depending on the size and needs of the MFI, but may include:

- The development of financial products that are acceptable to Muslim clients (i.e. Sharia compliant)
- Staff training
- Programme support costs, e.g. for the provision of financial literacy training to PSNP clients and creation of linkages with RUSACCOs
- For MFIs that open a sub-branch in PSNP kebeles:
 - Transport
 - Matching funds for office furniture
 - Matching funds for hardware materials

The criteria for PSNP capacity building support will vary depending on the size of the MFI, but will include the following general criteria:

1. MFI willingness to accept PSNP clients as savers and borrowers, provided that they fulfil the MFI's criteria for creditworthiness
2. MFI willingness to create linkages with RUSACCOs, if appropriate (in the case of larger MFIs)
3. MFI availing of credit to PSNP clients based on approved business plans
4. MFI participation in financial literacy training and savings promotion within the community.

Regional governments will be involved in agreements on conditional capacity building with MFIs, as their allocation of credit and/or credit guarantees (outside of programme funding) to MFIs for on-lending to PSNP clients will be an important factor in the availability of credit for business plans. Other actors outside the programme will also be encouraged to set up credit guarantee funds to support lending to PSNP clients.

9.4.3 HOUSEHOLD/CLIENT LIVELIHOODS CONSULTATION AND LIVELIHOOD SELECTION

9.4.3.1 Client consultation for livelihood selection

Once clients have completed financial literacy training³⁹ and begun saving, DAs and subject matter specialists will present the various livelihood options available to clients with support from the programme. Representatives from different agencies, including the MSE Agency and TVET, will be brought in to the FTC/PTC to present options for each of the livelihood pathways and provide clients with a chance to ask questions about the specifics of each livelihood. Representatives from the Women and Youth Affairs Desk will also participate in this process to ensure that the specific needs of women and youth are taken into account. DAs will then follow up with each individual household and consult with clients regarding their livelihoods interests and ideas. These consultations should not be head of household consultations, but should include all household members who are members of PSNP livelihood groups and have participated in financial literacy training.

In order to guide clients in the selection of livelihoods that are appropriate to their capacity, client consultations will cover the following topics for each type of livelihood:

- Technical difficulty
- Income patterns
- Market opportunities
- Potential for diversification
- Investment requirements (including operating costs, such as feed purchases)
- Potential challenges

Individual household members will then each select their own livelihood pathway, which will be recorded on the livelihoods checklist.

9.4.3.2 Development of livelihood checklists

Following the client's livelihood selection, the DA will assist each client in preparing a livelihood checklist. Up to two members of the same household (for example, a husband and wife, or one adult and one youth, etc.) may be assisted in completing livelihoods checklists in a given year, provided that both members have completed financial literacy training. Therefore, household livelihoods checklist may comprise two individual client checklists, linked through the household's unique PSNP Client Number. One copy of the checklist is included in the Client Card (and therefore kept at the household level), while another copy is kept by the DA or the one-stop service center/MSE Agent for the off-farm pathway.

For some households, the checklist will reflect one pathway for all members, while for others, the checklist will reflect two pathways (one for both participating household members) and the required trainings for each.

³⁹ In communities where financial literacy training is being provided in a spaced-out manner, DAs may initiate client livelihoods consultations prior to the completion of financial literacy training.

Within the livelihood pathway, clients may opt for multiple livelihood *options/investments*. However, for ease of implementation, each individual client will be limited to one livelihood *pathway* in the household livelihoods checklist and business plan. Hence, a client may select to receive PSNP livelihoods technical support for poultry and goats (both of which are within the crop and livestock pathway), but not for poultry and job training/employment linkages (as these are in different pathways).

The checklist will outline the support to which each client is entitled – and which he or she must complete – prior to preparing a business plan. This checklist will comprise the following elements:

- Financial literacy training – in many cases, this should already be completed prior to the development of the checklist, as evidenced by trainer attendance sheets or the participant’s certificate of completion
- Participation in savings—the checklist should indicate whether the client is saving through a VSLA, a RUSACCO or an MFI, and the monthly amount of savings. Clients should be encouraged to being saving prior to the development of a livelihoods checklist.
- Technical training tailored to livelihood pathway
- Business skills/marketing training tailored to livelihood pathway
- Business plan development
- Referrals for financing



What is the livelihoods checklist for?

The livelihoods checklist serves two purposes:

- As an implementation and accountability tool, to ensure that clients receive all of the necessary trainings to fully understand the livelihood prior to developing a business plan and obtaining financing for their investment
- As an M&E tool, to help the DA (or other training provider) to know what trainings the client has completed and to track, and report on, their progress

9.5 Crop and Livestock Livelihoods Pathway

Implementation and monitoring of the Crop and Livestock Livelihoods Pathway will be the responsibility of the Extension Department.

9.5.1 TRAINING

9.5.1.1 Technical trainings

Training provision. DAs and Woreda Subject Matter Specialists will provide a series of technical trainings to clients on their selected livelihood. The programme will systematise some of the technical training protocols developed by the Extension Service and the Livestock Development Sector into a robust training course for participants. Lists of required trainings will be tailored to the product and the livelihood investment planned by the household, and will be included in the Livelihoods Guidelines/Manual.

Technical trainings will be substantial and will be provided at FTCs and/or at the homes of model farmers where possible in order to facilitate practical knowledge sharing and learning-by-doing. Linkages with research institutes will be promoted where feasible, in coordination with the Climate Smart Initiative (CSI). It is expected that technical trainings be provided for a total of at least 10-20 hours over the course of 4-12 weeks, depending on the livelihood. Following the completion of each training session, the DA will ask questions of the clients to ensure comprehension prior to placing a checkmark for completion by that session on their checklist. Crop-related trainings should be

provided sequentially in accordance with the season, while livestock trainings generally do not need to be completed sequentially (in the order they are listed in the livelihoods checklist).

Capacity building of FTCs and PTCs. In order for clients to learn effectively, FTCs must provide appropriate demonstrations of improved practices or technologies. The programme will build the capacity of FTCs and PTCs through the use of programme resources for:

- Construction of:
 - FTC training halls and other infrastructure, such as fencing and water harvesting structures (through PSNP public works)
 - Construction of demonstration technologies/accessory structures, such as watering troughs, poultry cages, water lifting technologies
- Purchase of seeds, fertiliser, improved seedlings and other inputs for crop demonstrations
- Purchase of demonstration technologies such as drip irrigation systems, beehives, etc.
- Training of FTC/PTC management

Where appropriate, improved construction materials can be used for livestock stalls and poultry houses, but a low-technology option (using local materials) should also be provided at FTCs in order to provide a demonstration that can be more easily replicated by individual PSNP clients.

FTCs and PTCs constructed through public works will be supported through the livelihoods component. For newly established FTCs and PTCs, the programme will provide training to management committees as well as material support, as outlined above. For existing FTCs and PTCs, support will be conditional on their having an established and well-functioning management structure in place. Woreda M&E Officers and livelihoods staff will be responsible for monitoring the performance of FTCs and PTCs (along with auditors) and determining whether they will be eligible to receive programme capacity building funds in subsequent years.

9.5.1.2 Business skills and marketing training

In addition to technical trainings, clients will receive a series of business skills and marketing trainings tailored to their selected livelihood. These trainings will be provided by Woreda Subject Matter Specialists, Cooperative Promotion Officers or Marketing Agency specialists. Topics may cover:

- Calculating input costs (building on initial training provided during the financial literacy sessions)
- Marketing and market facilitation topics, e.g.:
 - Where to find markets
 - Optimal marketing timing
 - The advantages and disadvantages of collective marketing (based on product)

9.5.2 BUSINESS PLAN DEVELOPMENT AND FINANCE APPROVAL AND REFERRAL

9.5.2.1 Business plan preparation

Following the successful completion of financial literacy training and all technical and business/marketing trainings on the livelihoods checklist, the DA Coordinator will certify that a client has successfully completed the livelihoods checklist. DAs will then assist clients in developing business plans. This business plan will follow the format provided in the Livelihoods Manual and will include the following sections:

- Names of participating clients within the household and profile
- Selected livelihood
- Certification of completed livelihoods checklist
- Labour utilisation plan

- Input and technology requirement
- Credit or livelihoods transfer requirement
- Production plan
- Marketing plan
- Planned financial flow
 - Expected revenue by month and quarter
 - Expected expenditures by month and quarter
- Financial feasibility statement
- Loan repayment plan (for credit referral clients only)
- Declaration, signed by each client

Business plans will be developed at the client level rather than the household level, but will be linked via the Household PSNP Client ID Number.



What is the business plan for?

The development of the business plan has two objectives:

- To guide clients towards profitable livelihood investments, by helping the client think through how he or she will earn an income, how he or she will manage his or her cash flow, and how he or she will repay his or her loan. Therefore, it is critical that clients be directly involved in the development of their business plan and that they understand all the information that it contains.
- To help the client obtain financing for a specific livelihood investment.

The business plan is not intended to limit the client to one livelihood, as clients are expected to have multiple sources of income throughout the year. Therefore, what DAs need to follow up closely on is not the strict implementation of the business plan per se, but rather the client's success in increasing his or her income and building a sustainable livelihood.

9.5.2.2 Finance approval and referral

Following the completion of the livelihoods checklist and business plans, credit committees – which include MFI representatives and Cooperative Promotion and/or RUSACCO representatives where possible – will appraise business plans for their viability. Clients will then amend business plans if needed and, once these are found viable, the credit committee will refer them either to a financial institution for credit provision or to WOFED for the provision of a livelihoods transfer through PASS, depending on how they have been targeted.

Referrals to financial institutions for credit. Clients will take their completed checklist and business plan to financial institutions, including MFIs (both regional and private) and RUSACCOs, in order to access loans. Where necessary, credit committees will provide financial institutions with lists of clients whose business plans are approved. DAs will also provide additional support to clients in approaching financial institutions with their business plans, as needed – particularly for clients who have little experience with credit but did not qualify for a livelihoods transfer. If one client finishes his or her checklist before another household member, that client can be referred for financing.

Where credit life insurance available, clients will also be referred to this service.

Credit availability from both MFIs and RUSACCOs will be gauged each year during the planning stage, as outlined in Part 2, Chapter 6 (Annual Planning); this will help to ensure adequate credit availability at the time of referral. MFIs and RUSACCOs will benefit from conditional capacity building under the programme, subject to the conditions outlined in Section 9.4.2.2 above. (However, if there is a credit constraint following the completion and referral of business plans, the programme may recommend

that women and youth be prioritised, subject to the review and approval processes of financial institutions.)

Referrals to WOFED for livelihoods transfer. DAs will prepare lists of clients who successfully completed their livelihoods checklists and business plans in the previous month and who are eligible for the livelihoods transfer, and submit them to the Woreda Extension Desk. The Extension Desk will then compile this list and provide it to the Woreda Food Security Desk on a monthly basis, which will forward it to WOFED monthly, together with the public works attendance sheet if during the public works period, or immediately if not during the public works period.

In woredas where payments are provided in cash, livelihoods transfers will be disbursed by PSNP cashiers during the regular transfer payments (which will occur year-round as permanent direct support clients are now eligible for 12 months of transfers). Livelihood transfers will be recorded in PASS using the Livelihoods Transfer budget line, which will be distinct from public works payments.

In woredas where payments are provided in food, livelihoods transfers will be provided by WOFED through a separate payment mechanism, and recorded in PASS using the Livelihoods Transfer budget line.

If clients are not ready to make a \$200 investment, they will be encouraged to make an appropriately sized investment and to save the remainder of their livelihoods transfer until they are ready to invest it.

9.5.3 FOLLOW-UP SUPPORT

Following the provision of credit or a livelihoods transfer, DAs will continue to provide follow-up support to clients as needed during the implementation of their business plan. This will include three kinds of support:

- Follow-up technical advice to all clients
- Intensive mentoring and coaching to livelihoods transfer clients
- Support in obtaining inputs or marketing, if and when necessary

9.5.3.1 Follow-up technical advice

DAs will check in with clients regularly, using PSNP livelihood groups as a platform, to provide technical advice. All visits or follow-up meetings will be recorded on the checklist tracker.

9.5.3.2 Intensive coaching and mentoring for livelihoods transfer clients

Intensive coaching and mentoring will follow a guideline to be developed during the first year of the programme (and included in the Livelihoods Guideline/Manual), but will include regular visits to households receiving livelihoods transfers, coaching on money management, problem solving assistance, and other support. The DA should interact with the client at least once every two weeks. Some of these interactions can take place during PSNP livelihood group meetings or at the FTC, but at least once a month the DA should travel to the client's home for a one-on-one conversation. Where possible, the DA will be supported in this task by the Social Worker and/or the Health Extension Worker, who will also visit these households. Representatives from the Women and Youth Affairs Desk will also support coaching and mentoring to build the confidence and skills of women.

This support should continue on an intensive basis through the end of one year after the client has started participating in livelihoods interventions, or through the end of the second year for livelihoods transfer clients.

9.5.3.3 Inputs and marketing facilitation

PSNP will support clients in obtaining difficult-to access inputs and/or marketing by facilitating linkages with government research institutes, private sector actors, and/or cooperatives, as appropriate. Multipurpose cooperatives that provide inputs, post-harvest technologies, and marketing services to PSNP clients will be eligible to receive conditional capacity building support (e.g. training and/or matching funds for computer purchase) from the programme. In addition, in this activity as well as others, the programme may link clients to NGOs working in similar interventions.

Input supply facilitation. It is expected that many of the local inputs needed by clients for the implementation of their business plans (for example, seeds, or sheep or oxen for fattening) will be available locally and will not require much additional support. Where distribution networks for specific inputs (such as good quality, low-cost chicken coops or beehives, veterinary drugs, or livestock feed) are poorly developed, the programme – through Cooperative Promotion and private sector actors where available – will help build the supply chain through the following activities:

- **Promotion of input supply and trading as a livelihood.** The programme will support clients who want to become agrodealers, traders or other providers of other inputs and services that will help build agricultural value chains that reach into chronically food insecure communities. Support for this activity will be provided through the crop and livestock pathway or the off-farm pathway, as appropriate.
- **Linkages to the private sector.** Where appropriate, kebele and woreda offices will support linkages to private sector suppliers of inputs by communicating demand for inputs by PSNP clients and referring clients as appropriate.

Marketing. The programme will provide marketing support where necessary, using guidance from the Extension Facilitation and Market Linkage Manual (2014) developed jointly by HABP and GRAD. For IGAs such as honey production, it may be profitable for clients to join or form cooperatives for joint marketing to more lucrative markets. Where support is required, kebele and woreda offices will provide referrals to suppliers to cooperatives or private sector actors who can support marketing and provide market information.

- **Creation of marketing groups.** For livelihoods that can benefit from collective marketing, households will be formed into marketing groups and will receive training in collective marketing approaches and strategies. Appropriate institutions (e.g. Cooperative Promotion Offices and/or Marketing Agencies, depending on the woreda) will be responsible for support to these groups, with supplemental support from the programme for the expansion of their mandate to groups below the cooperative level. When ready, groups may be formalised as cooperatives with support from Cooperative Promotion.
- **Capacity building of cooperatives.** Where appropriate, the programme will build the capacity of cooperatives to provide the input supply and marketing support needed by safety net clients in the implementation of their business plans. Capacity building support may include training and technical assistance, but will not include financial support, e.g. for operating costs.

9.6 Off-Farm Livelihoods Pathway

Implementation of the off-farm livelihoods pathway will be the responsibility of the MSE Agency. Monitoring will be conducted jointly by the MSE Agency and Extension. At the woreda level, the MSE Council, consisting of representatives from MSE Agency, an MFI, Women and Youth Affairs, and

others, will oversee the coordination and implementation of the off-farm livelihoods pathway. DAs will facilitate the grass root implementation of off farm interventions where appropriate.



What is the off-farm pathway?

The off-farm pathway includes non-agricultural activities as well as trade and processing of agricultural products. In the PSNP context, because responsibility for the off-farm pathway rests with the MSE Development Agency, “off-farm” livelihoods are defined as those that are within the mandate of the Agency to support. These include the following:

1. Manufacturing, e.g. textile, woodworking, metalwork, pottery, leather
2. Agro-processing
3. Construction, e.g. housing, road, cobblestone (ranging from government mega projects to small local governmental and non-governmental projects)
4. Trade (all types, including agricultural trade)
5. Services (related to tourism, food, transport, etc.)
6. Urban agriculture, e.g. cattle fattening, poultry (Note: in highland areas, urban agriculture is less relevant, but in lowland areas, PSNP clients in small towns may benefit from this type of training.)

The provision of skills training that could be used for self-employment as well as wage employment (e.g. cobblestone) will be considered part of the off-farm livelihoods pathway unless the training is associated with a specific job opportunity. In addition, higher-level agro-processing, trading, and value addition for agricultural products will be considered part of the off-farm pathway, while simpler off-farm income-generating activities (such as ox fattening or petty trading) that can be supported by the Extension Service and/or the Livestock Development Sector will be considered part of the crop and livestock pathway.

9.6.1 REFERRALS FROM DAS TO ONE-STOP SERVICE CENTRES/MSE AGENCIES

Following client livelihood consultations, DAs will create lists of clients that select off-farm income generation pathways. The DA will submit these lists to the Woreda Extension Desk/Process, which will aggregate them and submit them to the MSE Agency, via one-stop service centres, where available. If clients have selected simple off-farm livelihoods that can be supported by the Extension Service, there may be no need for this referral. During a tripartite meeting between the Woreda Extension Desk/Process, the MSE Agency and TVET, the three parties will agree on the number of trainees for each course, and the MSE Agency will transfer PSNP livelihood capacity building funds to TVET to cover training costs, including:

- Trainer fees
- Training materials
- Participant room and board

In addition, the programme will cover the participants’ transport costs to the TVET, where necessary.

9.6.2 TRAINING

9.6.2.1 Technical trainings

Clients who select the off-farm livelihoods pathway will select from a variety of livelihood options (see box above), depending on market potential in their locality.

Clients will be formed into trainee groups for easy coaching and follow-up. Training will be provided by TVET instructors and are expected to last from 7-12 days to approximately 2-4 months depending on the livelihood. Shorter trainings will be provided at FTCs where possible (in which instance the

programme will cover the cost of the trainer's transport, lodging, etc.), while longer trainings will be provided at TVET institutes.

9.6.2.2 Business skills and marketing training

In addition to technical training, TVET trainers will provide training on entrepreneurship and business skills, as appropriate to the livelihood.

9.6.3 BUSINESS PLAN DEVELOPMENT AND FINANCE REFERRAL AND APPROVAL

9.6.3.1 Business plan preparation

The MSE Agency will certify clients following the completion of their trainings. Following the successful completion of financial literacy training and all technical and business/marketing trainings on the livelihoods checklist, MSE agents will assist clients – either individually or in groups – in developing business plans. This business plan will follow the format provided in the Livelihoods Manual.

9.6.3.2 Finance approval and referral

Following the completion of the livelihoods checklist and business plans, the MFI Officer in the one-stop service centre will appraise business plans for their viability. Clients will amend business plans if needed and, once these are found viable, clients will be referred by an MFI officer to a financial institution for credit provision, or by the MSE agent to WOFED for the provision of a livelihoods transfer through PASS, depending on how they have been targeted.

Referrals to financial institutions for credit. Clients will take their completed checklist and business plan to financial institutions, including MFIs (both regional and private) and RUSACCOs, in order to access loans. Where necessary, the one-stop service centre or MSE agents will provide financial institutions with lists of clients whose business plans are approved. MSE agents will also provide additional support clients in approaching financial institutions with their business plans, as needed – particularly for clients who have little experience with credit but did not qualify for a livelihoods transfer.

If one client finishes his or her checklist before another household member, that client can be referred for financing.

Where credit life insurance available, clients will also be referred to this service.

Credit availability from both MFIs and RUSACCOs will be gauged each year during the planning stage, as outlined in Part 2, Chapter 6 (Annual Planning); this will help to ensure adequate credit availability at the time of referral. MFIs and RUSACCOs will benefit from conditional capacity building under the programme, subject to the conditions outlined in Section 9.4.2.2 above.

Referrals to WOFED for livelihoods transfer. MSE Agents will compile a list of clients who successfully completed their livelihoods checklists and businesses plans in the previous month and who are eligible for the livelihoods transfer. MSE Agents will provide this list to the Woreda Extension Desk on a monthly basis, and the Extension Desk will forward it to the Woreda Food Security Desk, which will forward it to WOFED.

In woredas where payments are provided in cash, livelihoods transfers will be disbursed by PSNP cashiers during the regular transfer payments (which will occur year-round as permanent direct support clients are now eligible for 12 months of transfers). Livelihood transfers will be recorded in PASS using the Livelihoods Transfer budget line, which will be distinct from public works payments.

In woredas where payments are provided in food, livelihoods transfers will be provided by WOFED through a separate payment mechanism, and recorded in PASS using the Livelihoods Transfer budget line.

If clients are not ready to make a \$200 investment, they will be encouraged to make an appropriately sized investment and to save the remainder of their livelihoods transfer until they are ready to invest it.

9.6.4 FOLLOW-UP SUPPORT

9.6.4.1 Follow-up technical advice

As clients start their enterprises, MSE agents and/or TVET industrial extension agents, as applicable, will visit their MSEs and advise them on marketing and business development skills.

9.6.4.2 Intensive coaching and mentoring for livelihoods transfer clients

Intensive coaching and mentoring for livelihoods transfer clients in the off-farm livelihood pathway will be provided by MSE agents and/or TVET industrial extension agents if clients have remained near the one-stop service centre, or by DAs if clients have returned to their communities. In the latter case, the MSE Agent must provide the client's livelihoods checklist to the DA for follow-up.

9.6.4.3 Inputs and marketing

MSE agents and/or TVET industrial extension agents will advise clients on sources of inputs and market outlets, and facilitate linkages, as appropriate.

9.7 Employment Pathway

The employment pathway seeks to link PSNP clients to sources of wage employment, for instance at medium to large-scale businesses such as horticultural farms, sugar plantations, construction companies, etc. Implementation of the Employment Livelihoods Pathway will be the responsibility of BOLSA. Monitoring will be conducted jointly by BOLSA and Extension. Employment potential will vary significantly from region to region and zone to zone, and the provision of support for the employment pathway will be adjusted accordingly, focusing on areas of strong labour demand.

9.7.1 REFERRALS FROM DAS TO WOLSAS

Following client livelihood consultations, DAs will create lists of clients that select employment pathways. The DA will submit these lists to the Woreda Extension Desk/Process, which will aggregate them and submit them to WOLSA (and/or to one-stop service centres, where available). These lists will be cross-checked against existing labour market demand for various types of employment opportunities, per information provided by BOLSA and TVET. Based on market demand, the Woreda Extension Desk/Process, WOLSA and TVET will agree on the number of trainees for each course, and WOLSA will transfer PSNP livelihood capacity building funds to TVET to cover training costs, including:

- Trainer fees
- Training materials
- Participant room and board

In addition, the programme will cover the participants' transport costs to the TVET.

9.7.2 TRAINING

Technical trainings are expected to last from 7-12 days to 2-4 months, and may take place at FTCs/PTCs for shorter-term trainings (in which case the programme will cover the trainer's transportation and lodging costs) or at TVET institutes for longer-term trainings. Trainings will be tailored to available employment opportunities, with the aim of allowing clients to compete for more secure and better-remunerated employment. Wherever possible, employers will be involved in the provision of training.

In some instances, employment opportunities will take the form of seasonal casual labour. In this instance, training requirements may be minimal.

9.7.3 EMPLOYMENT LINKAGES

Unlike the crop and livestock and off-farm livelihood pathways, the employment pathway does not have a business plan preparation stage or a finance approval and referral stage. Rather, following the completion of trainings, TVET agents will prepare a list of clients who have successfully completed training and provide this list to employers, with personal references and linkages wherever possible. Trainings will typically include a period of "placement" with potential employers, and agreements will be made ahead of time so that trainings culminate in a tangible employment opportunity.

Where employment opportunities are in the form of seasonal labour migration, the programme will facilitate clients' temporary migration to investment areas demanding labour (e.g. plantation areas, construction zones, and others), and will provide training on health risks (e.g. HIV/AIDS) along with other important topics, such as how to do a money transfer. The ESMF for the employment pathway will focus in particular on the social and environmental impacts of labour migration.

9.8 Regional Variations

Agro-ecological characteristics, livelihoods, access to markets, opportunities for employment, and institutional arrangements vary between and even within regions. Therefore, the implementation of the livelihoods component will be tailored in each region according to local characteristics.

9.8.1 PASTORAL LOWLAND REGIONS

The livelihoods pathways and general implementation activities outlined above are relevant to all PSNP implementation areas, including the pastoral lowlands. Livelihoods interventions will take into account the differing agro-ecological and sociocultural characteristics in pastoral lowlands, with livelihoods tailored to pastoral livelihoods, agro-pastoral livelihoods, riverine agriculture livelihoods, and ex-pastoral livelihoods. Pastoral and agro-pastoral livelihoods fall within the crop and livestock pathway, and will be supported through the extension service. Support provided to clients engaging in pastoral and agro-pastoral livelihoods will include technical advice on endogenous herd growth and drought cycle management, while support to those engaging in irrigated agriculture will focus on crop production and marketing. Off-farm livelihoods and employment pathways will be particularly important for ex-pastoralist clients and those living in small rural towns.

The table below lists possible livelihoods interventions in each of the livelihood areas.

Table 9.1: Tailoring of Livelihoods Interventions to Livelihoods Types in Pastoral Lowlands

Livelihood type	Illustrative livelihoods interventions
Pastoral livelihoods	<ul style="list-style-type: none"> • Training on animal husbandry, herd management, drought cycle management, building on public works where feasible • Training in livestock marketing
Agro-pastoral livelihoods	<ul style="list-style-type: none"> • Market assessments to ensure availability of markets for off-farm products and services • Training in crop production and marketing
Riverine agriculture livelihoods	<ul style="list-style-type: none"> • Training in irrigated crop production, • Training in marketing
Ex-pastoral livelihoods	<ul style="list-style-type: none"> • Market assessments to ensure availability of markets for off-farm products and services • Training in business skills and marketing for petty trade • Technical support to NRM-based income generating activities such as gum and incense collection and marketing • Adaptation of training curricula of TVETs, as needed • Linkages to commercial farms and other employment opportunities

In the pastoral lowlands, coordination with the PCDP will be critically important. The PCDP's innovation and research component can be used to identify promising technologies (such as camel milk processing or fruit and vegetable preservation) that can be scaled up through TVET and introduced through PSNP. Although PCDP no longer provides credit facilities, it has created RUSACCOs in pastoral areas that PSNP clients can join or replicate. PSNP and PCDP will coordinate in the development learning and knowledge management in order to promote replication of good practices. Finally, PSNP and PCDP will coordinate to minimise duplication between PSNP's livelihoods component and the rural livelihood opportunity identification and development component of the PCDP.

9.8.2 REGIONAL INSTITUTIONAL VARIATIONS

9.8.2.1 Use of one-stop service centres in some regions

In some regions, REMSEDAs operate one-stop service centres in rural towns, combining the services of REMSEDA, TVET, and an MFI. Where available, these centres will serve as the locus of interventions for off-farm livelihood pathway activities.

9.8.2.2 Support to the off-farm pathway

Coordination of the off-farm pathway will be the responsibility of FEMSEDA, with training provided by TVETs. However, in Amhara, REMSEDA and the TVET Agency have merged; therefore, support will be provided jointly in that region.

9.8.2.3 Support to the employment pathway

Support to the employment pathway will be the responsibility of the Employment Promotion Directorate under the Ministry of Labour and Social Affairs. However, in SNNPR, the Youth Employment Agency will take the lead on activities related to youth employment.

9.8.3 LIVELIHOOD PATHWAYS AND MARKET DEMAND

Livelihood pathways may be prioritised differently in different regions and woredas depending on market demand.

9.9 Start-Up and Scale-Up

9.9.1 ROLL-OUT TO ALL REGIONS IN YEAR 1

The livelihoods component will be rolled out to Somali and Afar beginning in Year 1, in close coordination with PCDP. Intensive preparatory work needs to be undertaken before launching the livelihoods component in these regions. The Pastoral Task Force will guide this process to ensure that PIM provisions are appropriate to the pastoral lowland contexts, and/or that they are adapted as needed prior to being rolled out.

The programme will prioritise new implementation areas with institutional capacity building funds, e.g. for the development of PTCs and other grassroots institutions that will support the implementation of the livelihoods component.

9.9.2 TESTING AND SCALING UP OF LIVELIHOODS TRANSFER IN YEAR 1

In order to generate lessons to guide programme implementation, the livelihoods transfer component will be implemented in a subset of woredas and kebeles in Year 1 prior to roll-out in Year 2. Woredas will be selected at the start of the programme based on the presence of lead institutions for livelihoods (Extension, MSE Agency [or one-stop service centre], WOLSA, TVETs and Cooperative Promotion).

At the end of Year 1, the programme will document lessons learned on the livelihoods transfer via an assessment, and, based on lessons learned, will adapt the methodology as needed for roll-out in Year 2. The livelihoods transfer will then be rolled out in Year 2 in other highland regions as well as lowland implementing areas.

During this test year, a recommendation will be made for whether group enterprises will be eligible for livelihoods transfers.

Annex 9.1: Livelihoods Checklist Template (DA Version)

Household and Client Information

Household PSNP ID Number	
Client Name	
Gender	
Age	

Livelihood Pathway

- Crop and Livestock
- Off-farm
- Employment

Livelihood Investment

Describe planned livelihood and investment in box below

--

Source of finance:

- Credit (Source: _____)
- Livelihoods Transfer
- Other (Source: _____)

Checklist

Step 1: Financial literacy training	Completion date		Signature of training provider		
Step 2: Participation in savings	Savings location (check type and write name)			Monthly savings amount	
	<input type="checkbox"/> VLSA _____				
	<input type="checkbox"/> RUSACCO _____				
	<input type="checkbox"/> MFI _____				
<input type="checkbox"/> Other _____					
Step 3: Technical training [using codes]	Completion date		Name/title of training provider		
Step 4: Business/marketing skills [using codes]	Completion date		Name/title of training provider		
Step 5: Certification	<i>We certify that _____ (name) has received and successfully completed all of the above trainings.</i>				
	Signature (or fingerprint) of client			Signature of DA/MSE Agent	
Step 6: Business plan development	Completion date		Signature of DA/MSE Agent		
Step 7: Referral for financing	Date of referral	Institution		Financing provided	Date provided
				ETB	
Step 8: Follow-up support	Visit dates		Notes (progress, challenges, support provided)		