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Ministry of Agriculture

Food Security Coordination Directorate (FSCD)

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Acronyms

ADS	Agriculture Development Sector
AED	Agriculture Extension Directorate
ANC	Ante Natal Clinic
BCC	Behavior Change Communication
BDS	Business Development Services
BOWRD	Bureau of Water Resource Development
CAP	Comprehensive Action Plan
CATS	Commodity and Allocation Tracking System
CBHI	Community Based Health Insurance
CBO	Community Based Organization
CBPWRDG	Community Based Participatory Watershed and Rangeland Development Guideline
CD	Capacity Development
CDTAC	Capacity Development Technical Advisory Committee
CFSTF	Community Food Security Task Force
CMPM	Commodity Management Procedures Manual
CMC	Coordination and Management Committee
CMCO	Commodity Management and Coordination Office
COP	Community of Practice
COPCD	Channel One Programs Coordination Directorate
CPI	Consumer Price Index
CRGE	Climate Resilient Green Economy
CSA	Central Statistics Agency
DA	Development Agent
DAP	Drought Assistance Plan
DCT	Donor Coordination Team
DPs	Donor Partners
DRFS/P	Drought Risk Financing Strategy/Plan
DRM	Disaster Risk Management
DRMP	Disaster Risk Management Policy
DRAP	Drought Response and Assistance Plan
DRR	Disaster Risk Reduction
DWG	Donor Working Group
EFY	Ethiopian Fiscal Year
ESMF	Environmental and Social Management Framework
EW	Early Warning
EWRD	Early Warning and Response Desk
FCA	Federal Cooperative Agency
FDP	Food Distribution Point
FDRE	Federal Democratic Republic of Ethiopia
FGM	Female Genital Mutilation
FHH	Female-Headed Household
FIC	Federal Information Center
FMTF	Financial Management Task Force
FS	Food Security
FSCD	Food Security Coordination Directorate
FSTF	Food Security Task Force

GBV	Gender Based Violence
GOE	Government of Ethiopia
GRM	Grievance Redress Mechanism
GTP	Growth and Transformation Plan
HEPHSD	Health Extension and Primary Health Service Directorate
HEW	Health Extension Worker
HFA	Humanitarian Food Assistance
HIV	Human Immunodeficiency Virus
IA	Implementing Agency
ICFRP	Integrated Cash Food Response Plan
IDDRSI	Drought Disaster Resilience and Sustainability Initiative
IDP	Internally Displaced People
IFRs	Interim Financial Report
IGA	Income Generating Activity
IGAD	Intergovernmental Authority on Development
IPF	Investment Project Financing
JCC	Job Creation Commission
JRIS	Joint Review and Implementation Support
JSOC	Joint Strategic Oversight Committee
KAC	Kebele Appeals Committee
KFSTF	Kebele Food Security Task Force
LH	Livelihoods
LICU	Livelihoods Implementation Coordination Directorate
LASS	Linkages to Available Social Services
M&E	Monitoring and Evaluation
MCHND	Maternal and Child Health and Nutrition Directorate
MEL	Monitoring, Evaluation and Learning
MFI	Micro-Finance Institution
MIS	Management Information System
MoA	Ministry of Agriculture
MoF	Ministry of Finance
MoLSA	Ministry of Labor and Social Affairs
MoP	Ministry of Peace
MoWCA	Ministry of Women and Children Affairs
MSE	Micro and Small Enterprise
NDRMC	National Disaster Risk Management Commission
NFNP	National Food and Nutrition Policy
NGO	Non-Government Organization
NMA	National Meteorological Agency
NRMD	Natural Resource Management Directorate
O&M	Operations and Management
OFSP	Other Food Security Program
OH&S	Occupational Health and Safety
PAR	Portfolio at Risk
PD	Person Days
PDP	The Pastoral Development Policy
PDS	Permanent Direct Support
PIM	Program Implementation Manual

PLW	Pregnant and Lactating Women
PM	Program Management
PMTC	Program Management Technical Committee
PMT	Proxy Means Test
PPD	Policy and Planning Directorate
PPE	Personal Protective Equipment
PPPDS	Public Procurement and Property Disposal Service
PSC	Program Steering Committee
PSNP5	Productive Safety Net Program [phase] Five
PW	Public Work
PWTC	Public Works Technical Committee
PWFU	Public Works Focal Unit
RACI	Responsible Accountable Consulted Informed
RF	Fisk Financing
RIC	Regional Information Center
RJOCD	Rural Job Opportunities Creation Directorate
RJOCFSS	Rural Job Opportunities Creation and Food Security Sector
RRT	Rapid Response Team
RuSACCOs	Rural Saving and Credit Cooperatives
SBCC	Social Behavior Change Communication
SD	Sustainable Development
SDGs	Sustainable Development Goals
SDTF	Social Development Task Force
SNNP/R	Southern Nations, Nationalities, and Peoples/Region
SoE	State of Emergency
SSI/D	Small Scale Irrigation/ Directorate
STEP	Systematic Tracking of Exchanges in Procurement
SWD	Social Welfare Directorate
TC	Technical Committee
TDS	Temporary Direct Support
TMC	Technical Management Committee
TR	Transfers
TRTC	Transfers Technical Committee
TF	Task Force
TVET	Technical and Vocational Education Training
WCAD	Women's and Children's Affairs Directorate
WEP	Wage Employment Pathway
WFSD	Woreda Food Security Desk
WFSTF	Woreda FS Task Force
WoA	Woreda Office of Agriculture
WoF	Woreda Office of Finance
WoLSA	Woreda Office of Labor and Social Affairs

Executive Summary

Background and design process

1. Ethiopia has a painful history of large-scale food insecurity and sometimes famine. The extremes of the dire impacts of the 1984-5 and 2002-3 drought disasters led the Government of Ethiopia (GOE) to call for action in 2003 to proactively address the issue of drought disaster and its impacts on the most vulnerable. In 2005, Ethiopia launched its Productive Safety Net Program (PSNP) supported by a group of like-minded development partners (DPs). The idea was to prevent the extreme effects of severe drought by providing regular support to the large numbers of households experiencing chronic food insecurity, leaving the humanitarian response to address the needs of a smaller number of people with acute needs when required. The PSNP is now beginning its fifth phase, PSNP5, and will reach around 8 million rural people annually with regular support, with others supported during shocks as required.

2. PSNP has significantly contributed towards addressing the extreme negative effects of severe drought, alongside other efforts. In 2011, a severe one-in-60-year drought affected the whole of eastern Africa. The drought caused famine in Ethiopia's neighbor Somalia, and acute hunger and malnutrition in northern Kenya. But Ethiopia was able to manage the crisis without experiencing the famine its neighbors faced. During the 2015-16 El Nino droughts, which resulted in millions of Ethiopians requiring emergency food assistance, PSNP was hailed for demonstrating 'how contingency arrangements could be used during emergencies, and like crisis modifiers, provided timely assistance relative to typical humanitarian projects'[1].

3. This GOE design document for PSNP5 defines the continuing and evolving rationale for the program, the lessons from previous experience and adjustments made to respond to them, and the overall shape and strategic framework of this phase. It is fully-aligned with relevant government of Ethiopia policies, strategies and mandates. This is the result of a highly participatory government-led design process stretching over more than a year during 2019-20, and involving substantive input and discussion between governments at all levels and stakeholders from DPs and civil society. Regional governments have been deeply involved at every stage of the design, contributing ideas and reviewing proposals through multiple rounds of consultation and versions of the current document. A multi-stakeholder Executive Committee chaired by the Federal Food Security Coordination Directorate (FSCD) and co-chaired by Donor Chair has managed this process throughout, and Technical Working Groups have led the technical discussion underlying the design.

Key lessons and design features for PSNP5

4. Key lessons from previous phases and how they have been addressed in the forthcoming phase are reported in section 1.3. Some highlights are presented below:

5. Targeting the chronically food insecure for PSNP excluded some of the extremely poor rural population. Five areas of improvement are envisioned for PSNP5: (i) an adjustment to the program target

[1] USAID (2016) El Nino in Ethiopia – 2015-2016: a real-time review of impacts and responses

group (extreme poor); (ii) expanded geographic coverage; (iii) a new methodology for geographic allocation of caseload; (iv) improved standards regarding the frequency and processes for retargeting and recertification; and (v) the introduction of a new methodology for client recertification and program exit.

6. Delayed and inadequate transfers have persisted and are caused by multiple factors. PSNP5 will adopt a range of measures to ensure timely, predictable and adequate transfers. The most significant of these is the introduction of automatic payment of transfers in which payment is always made on time. Others include improvements and expansion of e-payments, and stronger accountability measures including performance-based conditions whereby funding is contingent on achieving timely transfers. Adequacy of transfers will be addressed through annual adjustments to the wage rate in line with consumer price index (CPI) to protect its real value.

7. There has been slow progress on harmonizing the PSNP and humanitarian food assistance systems, and effective program monitoring and reporting. PSNP5 will improve its shock responsiveness allowing effective and timely scaling up (and down) of response to shocks, and enhancing the effectiveness of the program through system building and modernization. This will encompass improved early warning systems, standard operating procedures including pre-agreed rules for scale-up a drought response plan, expansion of geographic footprint of PSNP into drought-prone woredas and establishment and operationalization of a single delivery system for both for food and cash transfers

8. Public works placed insufficient emphasis on enabling rehabilitated watersheds to be used to improve livelihood productivity. A focus on greater integration of work conducted by the PW and livelihood teams will be ensured to enhance the contribution of PW activities to building sustainable livelihoods. PSNP5 will place greater emphasis on utilizing rehabilitated watersheds to enable livelihood enhancement for PSNP clients. It will also introduce improved analysis and planning of the integration between public works and livelihoods interventions, aiming to create more enabling conditions for program exit.

9. Linkages to social services were weak in PSNP4. PSNP5 will allocate specific responsibility and emphasis to ensuring client linkages to social services receive adequate attention and are developed more effectively, especially for the most vulnerable.

10. The livelihood component provided a bundled and time bound package of support to participants to develop productive activities and link them with job opportunities .However, in PSNP-4 it was not contributed to increased graduation from the program. PSNP5 will adopt a ‘big push’ on livelihoods focusing on providing higher quality and value of support to fewer and better-targeted clients. Unlike in the previous phase, Wage Employment Pathway (WEP) will not be implemented across the board but in woredas/regions having the potential to provide wage employment.

11. Accountability for effective program delivery and management was inadequate in PSNP4. PSNP5 governance systems are re-designed to ensure all parts of the system have clear responsibilities for delivering expected results, transparency of what is actually happening, and accountability where roles are not being executed effectively so that action can be taken before it is too late. This will include a

combination of incentives and deterrents, with a strong focus on addressing capacity gaps in capabilities and systems. PSNP5 will also introduce performance-based conditions on financing, intra-governmental MOUs, and performance-based contracts with specific ministries/departments and between federal and regional levels.

PSNP5 strategic framework

12. Central to the PSNP5 design is the PSNP5 log frame, which is presented in Annex 1. The log frame forms the structure around which the higher level of objectives and detail of implementation are arranged. The overall design for PSNP5 is described in chapter 2, with further operational detail provided in chapter 3.

13. PSNP5 has the following **Goal** statement, which the program cannot achieve on its own but to which it is expected to meaningfully contribute alongside a lot of other efforts:

'*Extreme poverty reduced in PSNP woredas'*

14. The PSNP5 **Outcome** statement is the overall program objective, which all PSNP interventions are collectively designed to achieve. It is stated as:

'Enhanced resilience to shocks of extreme poor and vulnerable rural households in PSNP woredas'

15. The PSNP5 expected Outcome will be achieved through the combined effect of **six Outputs** through which PSNP5 will focus its efforts. These are as follows:

Output 1: Timely and adequate transfers received by eligible core caseload of PSNP clients. This Output ensures the most in need people receive PSNP regular cash or food transfers as either direct support or in return for labor, enabling them to smooth consumption and prevent asset depletion. It focuses on ensuring these transfers are of sufficient value, are in the most appropriate form, can be received with low transaction costs, and arrive predictably on time.

Output 2: Shock-responsive transfers received by eligible clients when needed. In times of shock, people in the PSNP core caseload may need additional support to protect consumption and assets, and others beyond the caseload may also be at risk. This Output allows the PSNP to scale up temporarily to provide this support, with systems in place to ensure an early response which provides effective protection to recipients.

Output 3: Public Works respond to community livelihood needs and contribute to disaster risk reduction, climate change adaptation and mitigation. Under this Output, PSNP labor-intensive public works, including social infrastructure, are planned and delivered in ways which maximize the benefits to PSNP clients and their wider communities and support their wider livelihood needs.

Output 4: Linkages to available social services facilitated for core PSNP clients with emphasis on PDS and TDS. This Output supports PSNP clients, who are the poorest, most vulnerable, and often socially marginalized, to access available services beyond the PSNP, such as for health, education, and nutrition.

Output 5: Tailored livelihood options accessed by eligible PSNP clients. This Output supports selected households to improve their livelihoods through a combination of time-bound and appropriate strategies and investments and provision of loans, cash grants and technical support.

Output 6: PSNP management and capacity enhanced. In PSNP5, systems' being mainstreamed means that each of the other five Outputs has direct management roles. Output 6 has a two-fold role of overseeing and contributing to work done under Outputs 1 to 5, and ensuring that it is performed in line with program standards and expectations; and conducting management roles that are needed across the program.

16. Together these Outputs deliver the following:

- Well-targeted cash and food support to the most in need, to enhance consumption-smoothing and avoidance of negative coping strategies;
- The ability to protect households in PSNP woredas from shocks so they are able to retain their assets;
- Appropriate community infrastructure which sustainably builds environmental resilience and enables climate change mitigation and adaptation;
- Access to a wider set of social services which help build human capital for the most vulnerable and counteract inter-generational transmission of poverty;
- New opportunities for appropriate and sustainable livelihood enhancement, providing the chance to graduate beyond the need for PSNP support for those who are successful;
- All of which is well-managed, delivered effectively and maximizes potential impacts

PSNP5 governance

17. PSNP5 puts in place a robust program governance framework to ensure adequate accountability, management and coordination between the various implementing agencies both vertically between levels of government and horizontally across implementing agencies in this large and complex decentralized federal program. The objective of the overall governance system for PSNP5 is to ensure an effective, transparent and accountable system for program management, which enables achievement of program objectives. The details of the new system are provided in chapter 4.

18. The systems approach to governance emphasizes that PSNP management needs to work as a system and not just as a number of connected pieces; and it forces a dynamic approach which identifies issues as they arise and is designed so that remedial measures will be taken in time to allow course-correction. It defines what is meant to happen but, unlike the management arrangements in PSNP4, it also defines what happens if the system is not working as planned.

19. PSNP5 is a government program in which government takes decisions, and is responsible for its success. Accountability therefore begins in government systems. Central to success is that PSNP roles and responsibilities are **institutionalized** in the mandates of all agencies, in MoUs for all responsible agencies that include performance based conditional ties, in the job descriptions of all implicated bodies and staff, in the government's performance management structures for all bodies and staff, and in all plans and budgets for all implementation agencies. Roles and responsibilities for the various implementing agencies are stated in table 4 in chapter 4.

20. Overall responsibility for the effective implementation of the PSNP and achievement of the expected Outcome resides with the PSNP Program Director, who is the Director of FSCD under the Ministry of Agriculture (MoA). While the FSCD Director does not have direct control of and authority over, all the PSNP actions and actors, it is the role of this position to monitor effectiveness of the program and to put in place measures as required to ensure success is achieved. This starts with supporting the application of government accountability systems and includes mobilization of the program-specific governance structures as required.

21. PSNP5 introduces Output-based responsibility, based on the program log frame. Each Output is led by FSCD or another directorate from the Ministry for delivery of that Output as required, with other ministries assuming the co-chair role where necessary.

22. Government accountability systems are complemented by PSNP-specific arrangements. A hierarchy of committees is prescribed as for previous phases, with the highest level Joint Strategic Oversight Committee (JSOC) overseeing the Coordination and Management Committee (CMC), whose aim is to support FSCD in achieving the success of the program. New in PSNP5 is the alignment of Technical Committees and their sub-committees to specific Outputs, enhancing accountability for results at the Output level.

Monitoring, evaluation and learning (MEL)

23. PSNP5 MEL system is an integral part of the PSNP management system, and so is inseparable from the wider strategic framework for PSNP5, as defined in the program log frame. The log frame drives what is to be achieved and defines what success looks like; the results framework is nested within the log frame and elaborates on specific indicators that will be reported upon at all levels; and the MEL system combines those two elements with the processes that are required to achieve the MEL system objectives. Key changes for MEL in PSNP5 include the introduction of the MIS; a more explicit recognition that learning is an important function of M&E, captured in the use of the term MEL; the enhanced use of MEL for adaptive management; and the more explicit understanding of MEL as a system rather than just a collection of distinct tools. The details of the PSNP5 MEL system are provided in chapter 6.

Financing PSNP5

24. PSNP5 will be financed through a combination of GOE and DP financing. The overall budget for the five years of PSNP5 from 20/21 to 2024/25 will be 2.381 billion USD. DPs have committed to 65% and GOE to 25% of the budget leaving a 10% financing gap. Additional financing will be mobilized in the course of the program implementation to cover for the financing gap and also reincorporate the woreda contingency budget which is excluded from the current budget due to funding shortage. Full details of the program budget by year, by Output, and by funding source are provided in chapter 5.

25. Prior to PSNP 4, the GoE financing was limited to staffing and management costs. However, the GoE also started to cover program costs during PSNP4, and the government contribution has gradually increased to 14% of the core program in that phase. In PSNP5 the GoE will increase its share to 25% of total budget, as it moves towards sustainable financing of the program.

1. Background

1.1 Introduction

26. Ethiopia's economy registered strong, broad-based growth averaging about 10% a year from 2007/08 to 2017/18, compared to a regional average of 5.4%[2]. Higher economic growth brought with it positive trends in poverty reduction. However, sustaining positive economic growth in an equitable manner and accelerating poverty reduction remains a challenge. According to a UNDP report, in 2017, over 22 million people are living below the national poverty line[3]. Poverty is a predominantly rural phenomenon in Ethiopia; in 2016, an estimated 26 percent of people in rural Ethiopia are below the poverty line[4], which necessitates a program like PSNP to help build their resilience to shocks.

27. Prior to 2005, the needs of both acute and chronically food insecure people were met through emergency appeals, even though the shortfalls faced by the latter group are structural in nature and not necessarily related to short-term events such as drought. While the emergency assistance succeeded in saving many lives by meeting the short-term food consumption needs of the chronically food insecure, it was unpredictable for both planners and households, often arriving late relative to the need. The delayed and uncertain aid did little to address the underlying causes of food insecurity, had minimal impact on protecting livelihoods, preventing environmental degradation, generating community assets, or preserving household assets (physical or human capital). As a result, household-level food insecurity remained both widespread and chronic in Ethiopia[5].

28. In 2003, the Government of Ethiopia, with the support from Development Partners, designed and commenced implementation of a Food Security Program, which included a Productive Safety Net Program (PSNP) as well as complementary programming to strengthen local livelihoods.

29. The launch of the PSNP in 2005 represented a pivotal departure from the cycle of annual emergency food aid appeals. The PSNP provided food and/or cash transfers to food insecure households in chronically food insecure woredas in exchange for labour-intensive public works, while labour-poor households received unconditional "direct support" transfers. The public works component, which covered approximately 80% of program participants, focused on the implementation of soil and water conservation measures and the development of community assets such as roads, water infrastructure,

[2] Ethiopia Overview https://www.worldbank.org/en/country/ethiopia/overview. Accessed on 22/05/2020

[3] UNDP Ethiopia (2018) 'Ethiopia's Progress Towards Eradicating Poverty' Paper presented on the Inter-Agency Group Meeting On the "Implementation of the Third United Nations Decade for the Eradication of Poverty (2018 – 2027)". Available at https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2018/04/Ethiopia%E2%80%99s -Progress-Towards-Eradicating-Poverty.pdf. Accessed on 22/05/2020

[4] World Bank Group (2020) Ethiopia Poverty Country Assessment: Harnessing Continued Growth for Accelerated Poverty Reduction. Available at http://documents1.worldbank.org/curated/en/992661585805283077/pdf/Ethiopia-Poverty-Assessment-Harnessing-Continued-Growth-for-Accelerated-Poverty-Reduction.pdf. Accessed on 31/08/2020

[5] World Bank (2006) 'Project Appraisal Document PSNP APL II.

schools, and clinics. The livelihoods[6] component provided productive asset packages on credit in order to build household assets and enable graduation from food insecurity and poverty.

30. PSNP has evolved through several phases, and the program has witnessed significant expansion and some important improvements in its design and implementation over the years. Building on the lessons learned from PSNP4 (2015–2020) and the historical evolution of the program, PSNP5 will continue to focus on building resilience of the extreme poor and vulnerable. The cornerstone of PSNP5's strategy is a strong emphasis on system building, modernization, and transparent accountable structures with key outputs of 1) Timely and adequate transfers received by eligible core caseload of clients; 2) Shock-responsive transfers received by eligible clients when needed; 3) Public Works respond to community livelihoods needs and contribute to disaster risk reduction, climate change adaptation and mitigation; 4) Linkages to available social services facilitated for core PSNP clients with emphasis on PDS and TDS; 5) Tailored livelihood services accessed by eligible PSNP clients; and 6) PSNP management and capacity enhanced.

31. Ministry of Agriculture (MoA) has been the responsible government organ to lead the PSNP. As per the proclamation[7] that defines the duties of the Executive Organs of the FDRE, the following are MoA's mandates having direct relevance to PSNP:

- coordinate activities relating to food security and job creation schemes;
- coordinate, in collaboration with concerned organs, activities that enable mitigation of vulnerability to drought;
- follow up the expansion of basin developments, infrastructure and fodder banks necessary for livestock development;
- promote the expansion of effective technologies, agricultural extension, training, and capacity building services that help to improve production and productivity and quality of crops, livestock and fishery, and reduce wastage;
- establish a mechanism for the implementation of soil erosion prevention strategies by identifying its causes; design mechanisms for the improvement of soil fertility, protection of soil health, and for establishing national soil database;
- Cause the expansion of integrated farming to ensure sustainable development and maintenance of natural resources.

32. As the lead agency, while the Ministry is principally responsible for the implementation of most aspects of the program, MoA also coordinates relevant government agencies, whose specific roles for the program are outlined in the institutional arrangement sub section of each Output and the Governance Arrangements section of this design document. This PSNP5 design document provides an overview of the program in chapter 2; a description of the Outputs and Activities in chapter 3; a discussion on program governance, and roles and responsibilities of implementing sectors in chapter 4; the budget and financing in chapter 5; and the program monitoring, evaluation and learning (MEL) in chapter 6.

[6] Livelihoods support was mainstreamed in PSNP in 2015. Prior to this, it was addressed through complementary programs.

[7] Federal Democratic Republic of Ethiopia (2018), Proclamation No. 1097/2018 Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation, Addis Ababa

1.2 PSNP5 Design Process

33. PSNP5 design document is the result of a highly participatory government-led design process stretching over more than a year during 2019-20, and involving substantive input and discussion between governments at all levels and stakeholders from DPs and civil society. Regional governments have been deeply involved at every stage of the design, contributing ideas and reviewing proposals through multiple rounds of consultation and versions of the current document.

34. A multi-stakeholder Executive Committee (Ex-com) chaired by the Federal Food Security Coordination Directorate (FSCD) and co-chaired by Donor Chair has managed this process throughout. The Ex-com played critical role in addressing issues requiring decision at every stage of the design process.

35. Technical Working Groups (TWGs), which were established and assigned roles by the Ex-com, have led the technical discussion underlying the design. In addition, relevant GOE and DP resource persons were consulted to obtain information related to their area of expertise.

36. Relevant GOE policies and strategies (see 1.3 below) and mandates of implementing agencies as stipulated in Proclamation 1097/2018, which defines the powers and duties of the Executive Organs of the Federal Democratic Republic of Ethiopia, have been carefully reviewed to ensure program alignment with GOE priorities and assignment of proper institutional roles and responsibilities.

1.3 Policy framework

37. With about 109 million people (2018), Ethiopia is the second most populous nation in Africa, and the fastest growing economy in the region. However, with a per capita annual income of $790, Ethiopia is also one of the poorest countries, yet it aims to reach lower-middle-income status by 2025. The country's economy experienced strong, broad-based growth averaging 9.9% a year from 2007/08 to 2017/18, compared to a regional average of 5.4%. However, the current COVID-19 pandemic will have a severe impact on the economy. It is estimated that the pandemic will cost sub-Saharan Africa between $37 billion and $79 billion in output losses due to disruption to trade and value chains, reduced foreign investment and aid. As one of sub-Saharan Africa's most populous countries, Ethiopia will be severely affected by the pandemic. The country's Growth and Transformation Plan (GTPII), the second five-year national development plan, is ending in the current year, 2019/20. The government is currently developing a new plan, the 'Ten-Year Strategic Development Plan'.[8] [9]

38. The PSNP5 aligns with the 10-year strategic development plan and directly contributes to the realization of three of the strategic directions: ensuring quality economic growth, ensuring that women and youth are properly benefited, and building a climate change resilient green economy.

[8] ኢትዮጵያ 2022፣ ፍኖተ ብልጽግና፤ የአሥር ዓመት መሪ የልማት ዕቅድ (2013 – 2022) (Translation: Ethiopia 2030: Road Map to Prosperity: Ten-Year Strategic Development Plan) DRAFT

[9] Note: Official translation of the document is not available yet; therefore, author of the PSNP5 design document takes responsibility for translations used in the document.

39. The Sustainable Development Goals (SDGs), a collection of 17 global goals designed to be a "blueprint to achieve a better and more sustainable future for all"[10], were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030. The 2030 SDG agenda aims at alleviating poverty and hunger from all people, taking urgent action to combat climate change and its impact, fostering all-inclusive peace and freedom, and ensuring well-being and prosperity for all humanity[11]. It is 'well in harmony with the development needs of the people of Ethiopia,' according to the National Planning Commission[12]. It accelerates the broad-based, all-inclusive and rapid economic growth, social and economic development, environmental development and building of a democratic system.

40. PSNP5 contributes towards the realization of most of the 17 SDGs. It has direct relevance to at least 12 of the 17 SDGs, namely: no poverty; zero hunger; good health and well-being; quality of education; gender equality; clean water and sanitation; decent work and economic growth; industry, innovation and infrastructure; reduced inequality; climate action; life on land; and partnerships[13].

Key GOE policies informing PSNP5

41. Five complementary policies provide a more specific framework for PSNP5. In particular, the Disaster Risk Management Policy (DRMP) and the Social Protection Policy provide the majority of the foundational framework for the PSNP5. These are complemented by the National Food and Nutrition Policy (NFNP) and the Climate Resilient Green Economy (CRGE). The Green Legacy Initiative launched by the Prime Minister's office in 2019 further complements the CRGE. The Pastoral Development Policy[14] endorsed in 2019 informs PSNP5's design and implementation in the lowland regions. Addressing the challenges of growing youth unemployment has led to the establishment of the Job Creation Commission as per proclamation 1097/2018. The regulation 435/2018 promulgated by the council of ministers mandated the commission with the authority to lead the job creation agenda, coordinate stakeholders, and monitor and evaluate performance. The strategies outlined by the Commission[15] inform the livelihoods (employment pathway) aspect of PSNP5. More specifically, the Rural Job Opportunity Creation strategy[16], whose objective is to ensure creation of 'job opportunity alternatives for the rural job seekers/ unemployed and underemployed citizens', informs the wage employment pathway of the livelihoods component of PSNP5.

42. PSNP5 supports the Social Protection Policy by reducing institutional budgetary fragmentation among services supporting the same client (such as the safety net, livelihoods support, and nutrition and health services). Specifically, PSNP5 pursues the harmonization activities referenced above and serves as a platform to facilitate linkages to social services to its clients. Through the Public Works (PW) subprojects

[10] About the Sustainable Development Goals. United Nations Sustainable Development. Retrieved 05 May 2020.
[11] ibid
[12] National Planning Commission (2018). Accelerating the Implementation of the 2030 Agenda in Ethiopia.
[13] Refer to Annex 2 for description of these SDGs and how PSNP5 contributes to them.
[14] ሰላም ሚኒስቴር (2011 እ.ኤ.አ.) የኢፌዴሪ የአርብቶአደር ልማት ፖሊሲና ማስፈጸሚያ ስትራቴጂዎች (ለመንግስት ውሳኔ የቀረበ የመጨረሻ ረቂቅ) (Translation: Ministry of Peace (2019) FDRE Pastoral Development Policy and Implementation Strategies (Final Draft for government's decision)
[15] FDRE Job Creation Commission, Sustainable Jobs for All: Plan of Action for Job Creation 2020-2025
[16] Ministry of Agriculture (2018), Rural Job Opportunity Creation Strategy

(e.g. construction of social infrastructure), PSNP also contributes to further development of basic services for health and education for its clients. The program also supports livelihood and employment schemes.

43. PSNP5 is an important contributor to the Disaster Risk Management Policy, whose objective is 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. This will entail a shift from response and recovery to a multi-sectoral and comprehensive approach that focuses on disaster prevention, mitigation and preparation. PSNP5 contributes to disaster risk management by helping to improve national risk management. While transfers help poor households mitigate and cope with the impact of climate change induced shocks, PWs will aim at reducing the probability of a weather shock turning into a production shock, and/or reduce the severity of a shock when it occurs, thereby helping prepare households and communities against the impacts of disasters. Strengthening and adjusting the response instruments (PSNP contingency budgets, Disaster Risk Financing mechanisms and humanitarian resources) and putting in place a single delivery system aims to enable timely and adequate responses.

44. The National Food and Nutrition Policy was approved in 2018 in line with the Seqota Declaration, which was passed in 2015 articulating the nation's ambition to end malnutrition and stunting by 2030. PSNP5 will contribute to the NFNP through provision of timely, predictable, and adequate transfers to the extreme poor and vulnerable in rural Ethiopia. The program integrates nutrition sensitive approaches and facilitates specific linkages to ongoing health and nutrition interventions.

45. PSNP5 contributes to the Climate Resilient Green Economy. Launched in 2011, the CRGE aims to build 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. PSNP5 contributes to climate resilience, strengthening household resilience to shocks by increasing food security and livelihoods; and by reducing carbon emissions and increasing carbon sequestration through public works. Furthermore, PSNP5 contributes to the Green Legacy Initiative, which was launched in 2019 by the Prime Minister's Office. Green Legacy, for a greener and cleaner Ethiopia, is a national go green campaign to educate society on the importance of adopting green behavior. The goal is to become a green society by planting eco-friendly seedlings to combat environmental degradation.

46. Afar and Somali regions and parts of Oromia and SNNP regions form the lowland areas comprising most of the pastoralist community in the country. The Pastoral Development Policy[17] (PDP) endorsed in 2019 informs PSNP5's design and implementation in lowland areas. PSNP underscores the importance of context specificity whereby development programs are based on pastoral communities' natural resources and the natural resource management approaches applicable to their environment. PSNP recognizes that for pastoralists who are not successful in nomadic livestock herding, it is important to offer an alternative (e.g. engage them in sedentary farming and income generating activities (IGAs)); hence the inclusion of the livelihoods component in this phase of PSNP.

[17] ሰላም ሚኒስቴር (2011 እ.ኤ.አ.) የኢፌዴሪ የአርብቶአደር ልማት ፖሊሲና ማስፈጸሚያ ስትራቴጂዎች (ለመንግስት ውሳኔ የቀረበ የመጨረሻ ረቂቅ) (Translation: Ministry of Peace (2019) FDRE Pastoral Development Policy and Implementation Strategies (Final Draft for government's decision)

47. The National Community Based Participatory Watershed and Rangeland Development Guideline, which is currently being finalized, gives due attention, among other things, to the identification and implementation of PW projects that are relevant to lowland contexts. The livelihoods component, which will start to be implemented in lowland regions[18] in PSNP5, will contribute to the realization of the policy.

48. According to the FDRE 10-Year Strategic Development Plan (DRAFT)[19], the youth unemployment rate is estimated at 25.3% (18.6% among males and 30.9% among females). Estimated at 2%, rural unemployment seems much lower than urban unemployment. However, the document asserts that due to the declining smallholder farmers' land-holding size, there is high 'hidden rural unemployment'. In addition, the rural labor market is characterized by high levels of vulnerable employment, low levels of diversification, and high levels of under-employment (due to the cycle of farming). The FDRE Job Creation Commission (JCC) recognizes the need for improving the inclusiveness of the labor market: the Commission's proposed strategies to address this challenge involve promoting off-farm activities, promoting women's economic empowerment by implementing programs that reduce the level of unpaid employment in rural areas among women, and expanding village and community-based economic empowerment and livelihood programs for women.[20]

49. PSNP5 contributes to job creation for unemployed youth in rural Ethiopia. The livelihoods Output of the program promotes off-farm activities and wage employment, as well as on-farm activities. PSNP5 aims to enhance women's equal participation and increase their benefit including in the program's livelihood pathways. The program facilitates linkages to available employment opportunities. Furthermore, provision of numeracy, reading, and financial literacy skills is expected to increase program clients' employability and/or engagement in income generation activities.

1.4 Lessons learned and priorities for PSNP5

50. The government and its Development Partners (DPs) acknowledge that some areas of PSNP4 under-performed in achieving their objectives. Some of the key lessons learned are outlined below, alongside a summary of how they have been addressed in the planning for PSNP5 reported in this document.

51. **Lesson 1: Budget shortfalls and unpredictable financing delayed implementation of the program.** PSNP4 was designed with a significant financing gap, which was not bridged, and resulted in a redesign of the program to reduce the scope and fit with the available resources. In addition, the predictability of financing, particularly from the government, was ad hoc, which caused delays in implementation, particularly affecting the timeliness and predictability of transfers. This is an overarching lesson of the program and affects all aspects of the new design.

[18] A tailored and incremental approach will be adopted for livelihoods in lowland regions, beginning with 48 woredas with a livelihood grant. This will be assessed and verified before further expansion.

[19] ኢትዮጵያ 2022፣ ፍኖተ ብልጽግና፤ የአሥር ዓመት መሪ የልማት ዕቅድ (2013 – 2022) (Translation: Ethiopia 2030: Road Map to Prosperity: Ten-Year Strategic Development Plan) DRAFT

[20] Sustainable Jobs for All: Plan of Action for Job Creation, page 17

Text Box 1 Financing: Changes for PSNP5

PSNP5 is designed to fit within the available financial envelope and, for sustainability of the program, government and development partners need to commit to timely and predictable financial contributions. Use of the Medium-Term Expenditure Framework (MTEF) will assist financial planning by the GoE and better reflection of PSNP in GoE budgeting processes.

52. **Lesson 2: Accountability for effective program delivery and management was inadequate in PSNP4.** In PSNP4, there was weak program implementation in some key areas, lack of adherence to standards for program delivery such as timely and predictable transfers, and poorly-functioning structures. The ineffectiveness of a sound management structure compounded this, as implementing agencies were not held accountable for their PSNP responsibilities. Inter-ministerial horizontal coordination was also weak at all levels of government, as was the vertical coordination between line ministries.

Text Box 2 Governance: changes for PSNP5

PSNP5 governance systems are re-designed to ensure all parts of the system have clear responsibilities for delivering expected results, transparency of what is actually happening, and accountability where roles are not being executed effectively so that action can be taken before it is too late. This will include a combination of incentives and deterrents, with a strong focus on addressing capacity gaps in capabilities and systems. PSNP5 will also introduce performance-based conditions on financing, intra-governmental MOUs, and performance-based contracts with specific ministries/departments and between federal and regional levels.

53. **Lesson 3: Targeting the chronically food insecure for PSNP excluded some of the extremely poor rural population.** PSNP4 and previous phases used the criterion of chronic food insecurity as the basis to target PSNP clients. Analysis undertaken as part of the 2019 Poverty Assessment of Ethiopia[21] shows that while PSNP targeting is largely progressive, this is due to the quality of community-based household targeting. However, the geographic targeting and setting of woreda quotas contributes little to the program's targeting performance. Furthermore, the assessment drew attention to the decreasing relevance of food security as a defining characteristic of the poorest (only one in ten people in Ethiopia suffer from self-reported food shortages, but one in four remain below the poverty line). Improving how resources are allocated could significantly increase the program's effectiveness in reaching the extreme poor.

[21] World Bank (2019) "Ethiopia Poverty Assessment: Harnessing Continued Growth for Accelerated Poverty Reduction" Available at https://documents.worldbank.org/en/publication/documents-reports/documentdetail/992661585805283077/ethiopia-poverty-assessment-harnessing-continued-growth-for-accelerated-poverty-reduction

Text Box 3 Targeting: changes for PSNP5

Five areas of improvement are envisioned for PSNP5: (i) an adjustment to the program target group (extreme poor); (ii) expanded geographic coverage; (iii) a new methodology for geographic allocation of caseload; (iv) improved standards regarding the frequency and processes for retargeting and recertification; and (v) the introduction of a new methodology for beneficiaries' recertification and program exit.

54. **Lesson 4: There has been slow progress on harmonizing the PSNP and humanitarian food assistance systems, and effective program monitoring and reporting.** PSNP4 planned to develop key building blocks, tools and instruments for disaster risk management and response, and information management, to transition the government's various independent programs into a system of integrated and shock-responsive social protection and service delivery. While some progress was made, the pace was slower than anticipated.

55. The scale of food needs, the complexity of meeting these needs, and parallel institutional arrangements interrupted the accomplishment of an effective shock-responsive safety net. Operational constraints delayed the development of the management information system (MIS) and the household registry, resulting in the paper-based system continuing throughout PSNP4, along with its associated weaknesses and risks.

Text Box 4 Shock response: changes for PSNP5

PSNP5 will operationalize a single delivery system, which will allow for effective scaling up (and down) to respond to shocks, and enhance the effectiveness of the program through system building and modernization. This will encompass improved early warning systems, standard operating procedures for scale-up, and a drought response plan.

56. **Lesson 5: Delayed and inadequate transfers persisted and are caused by multiple factors.** Timeliness, predictability and adequacy of transfers, a key principle of PSNP, was not achieved in PSNP4 due to: unavailability of funds from government and development partners when needed, bank liquidity problems, delays in manual preparation of public work attendance sheets by development agents (DAs), lack of agents for e-payments and limited capacity of agents in some cases, insufficient adjustments to the wage rate, and importantly a lack of accountability of implementing agencies at all levels for their timeliness of transfers performance.

Text Box 5 Timeliness, predictability and adequacy of transfers: changes for PSNP5

PSNP5 will adopt a range of measures to ensure timely, predictable and adequate transfers. The most significant of these is the introduction of automatic payment of transfers in which payment is always made on time. Others include improvements and expansion of e-payments, and stronger accountability measures including performance-based conditions where by funding is contingent on achieving timely transfers. Adequacy of transfers will be addressed through annual adjustments to the wage rate in line with consumer price index (CPI) to protect its real value.

57. **Lesson 6: Public works placed insufficient emphasis on enabling rehabilitated watersheds to be used to improve livelihood productivity.** Little attention was paid to tracking the rehabilitation of watersheds, and the agreement on joint planning and implementation of the public works and livelihood components was not implemented. The priority was on increasing the number of public works sites rather than on improving pre-existing sites so that households around the watershed could benefit. While emphasizing the planning and implementation of rehabilitation activities, the watershed development guideline has insufficient focus on how to utilize the increased productivity of rehabilitated watersheds.

Text Box 6 Improving public works' contribution to livelihoods: changes in PSNP5

A focus on greater integration of work conducted by the PW and livelihood teams will be ensured to enhance the contribution of PW activities to building sustainable livelihoods PSNP5 will place greater emphasis on utilizing rehabilitated watersheds to enable livelihood enhancement for PSNP clients. It will also introduce improved analysis and planning of the integration between public works and livelihoods interventions, aiming to create more enabling conditions for program exit.

58. **Lesson 7: Linkages to social services were weak in PSNP4.** Extremely poor people invariably experience multiple overlapping deprivations, including weak access to services. Deliberate linkage of PSNP households to available social services is a critical element of raising the welfare of the poorest. In PSNP4, low capacity and resources, and lack of accountability, hindered the achievement of this element of the program.

Text Box 7 Improved linkages to available social services: changes in PSNP5

PSNP5 will allocate specific responsibility and emphasis to ensuring client linkages to social services receive adequate attention and are developed more effectively, especially for the poorest.

59. **Lesson 8: The livelihoods program was not implemented as designed and did not contribute to increased graduation from the program:** While the livelihoods program alone was not responsible for achieving graduation, the livelihoods design was inspired by the 'graduation' model, which requires substantial and high-quality client support from the extension service and intensive business support. However, in PSNP4, the proposed DA to client ratio of 1:50 households was not followed, and DAs were assigned unmanageable numbers of clients. Furthermore, training programs and tools to guide DAs were not standardized, and DAs lacked capacity and expertise to carry out their roles. In addition, the real value of the livelihoods grant diminished significantly over the last few years due to high inflation rates. This further limited the ability of clients to enhance their livelihoods. Other challenges included significant drop out rates of clients at different stages of the program, a lack of diversification of activities in all three livelihood pathways, and limited participation in off-farm and wage employment despite their importance for the diversification of livelihoods and resilience. The wage employment pathway (WEP) was not successful in linking clients to jobs, with poor institutional ownership being a contributory factor to this.

Text Box 8 Effectiveness of livelihoods support: changes in PSNP5

PSNP5 will adopt a 'big push' on livelihoods focusing on providing higher quality and value of support to fewer and better-targeted clients. Unlike in the previous phase, WEP will not be implemented across the board but in woredas/regions having the potential to provide wage employment.

60. **Lesson 9: Despite some achievements, the experience of nutrition in PSNP4 was unsatisfactory.** In PSNP4, the agreed nutrition provisions were either not rolled out (e.g. Behavior Change Communication (BCC) in Afar and Somali), not rolled out for long (e.g. BCC in many highland woredas), or experienced poor-quality rollout (e.g. Temporary Direct Support (TDS) provisions in many woredas). This was due to limited capacity and awareness of the implementers at all levels of the program, the lack of budget to provide the capacity development on this newly introduced area, and lack of accountability for inaction. There may also have been weaknesses with the strategy to achieve desired results.

Text Box 9 Effectiveness of nutrition support: changes in PSNP5

Nutrition will be mainstreamed in PSNP5 as in PSNP4, but the nutrition implementation strategy and resource allocation will be given greater attention to ensure increased nutrition results – including incorporating greater accountability measures; a mix of conditionality and incentive strategies; and earmarking of resources where appropriate..

61. **Lesson 10: Implementing agencies were not sufficiently responsive and accountable for GSD provisions.** While PSNP has made notable advances in addressing mainly women's practical gender needs, the specific vulnerability of female headed households (FHH) is not adequately addressed in terms of their ability to contribute labour to PWs or in the appropriateness of the livelihood support for women clients. In addition, the PW program sub projects have focused on the productive sphere of work with little attention paid to sub projects that provide social services or lighten women's unpaid care work burden.

Text Box 10 Improved management of gender and social development: changes in PSNP5

PSNP5 will promote women's meaningful participation in the program beyond a focus on numbers. It gives emphasis to women's participation in task forces and committees to enable greater priority of interventions that benefit women, and enhances accountability measures for implementation of GSD provisions. Work norm and the nutrition sensitive public works sub project (sub project 9) will be revised to ease the burden of labour constrained FHHs and include care services, respectively.

62. **Lesson 11: Performance of PSNP in the lowland regions continues to lag behind the highland regions.** While PSNP in the highlands has achieved significant gains, the impact of PSNP in the lowlands has been more modest. Capacity remains lower than in the highlands. In public works, the watershed-focused approach is only appropriate for parts of the lowland regions and the low population density means the impacts are less visible. Challenges in relation to targeting, the use of the grievance redress mechanism (GRM), and public works persist, and program governance remains relatively weaker.

Text Box 11 Lowland performance: changes in PSNP5

PSNP5 will enhance clarity on differences between what is done in the highlands and lowlands, with the specificities of plans in the lowlands. This includes a strategy for enhancing the appropriateness and effectiveness of public works in lowlands. Targeting will capture the poorest and caseloads will be adjusted accordingly. The livelihoods program will be rolled out on a phased basis.

63. **Lesson 12: PSNP4's monitoring system was output-based and did not generate timely evidence:** PSNP's monitoring system reports on 'how many' and 'how much', and functions mainly as a series of individual tools and not as an integrated system. It therefore does not report effectively on the performance of the program or generate timely evidence to enable decision-making.

Text Box 12 Monitoring, evaluation and learning: changes in PSNP5

PSNP5 will shift to a performance-based monitoring and evidence generating system rooted in the Management Information System (MIS). It will enhance the integration of tools into a coherent system which is managed as a whole, and will enhance the use of monitoring and evaluation information for ongoing learning aimed at improving both accountability and program performance. PSNP5's monitoring, evaluation and learning (MEL) system includes a specific recognition that learning is an important function of M&E and a key enabler of adaptive management.

1.5 Responding to COVID-19 in PSNP5

64. Coronavirus disease 2019 (COVID-19), an infectious disease that was first identified in Wuhan, China in 2019, has since spread globally. While the rate of infection had been relatively slow in Ethiopia, it began accelerating in early June, and the true scale and timeline of the outbreak remains unclear. A nationwide State of Emergency was in place from April to end August, 2020 to curb the spread of the virus, limiting travel, public gatherings, meetings and closing or reducing activity in government offices.

65. A World Bank report predicts that 'sub-Saharan Africa will post its first recession in 25 years as the coronavirus pandemic brings economies to a halt and disrupts global trade' 22. As mentioned in section 1.2 above, the pandemic will cost sub-Saharan Africa between $37 billion and $79 billion in output losses due to disruption to trade and value chains, reduced foreign investment and aid. As one of sub-Saharan Africa's most populous countries, Ethiopia will be severely affected by the pandemic.

66. The impact of COVID-19 will be much worse among the extreme poor and vulnerable households that PSNP5 targets. They are vulnerable to both the direct health and indirect economic impacts. One possible scenario is that the pandemic persists through most of the first year of PSNP5 (or even longer), and the other scenario is that the pandemic subsides, but the economic effects on the extreme poor and vulnerable clients of PSNP continue especially during the first year of PSNP5.

[22] Bloomberg, 2020. Available at https://www.bloomberg.com/news/articles/2020-04-09/world-bank-sees-sub-saharan-africa-s-first-recession-in-25-years

67. In either scenario, it is important that the PSNP5 design recognizes the potential impact of the pandemic on the program and its clients, and identifies ways of mitigating the risks. Measures need to be taken to minimise the risks of program clients contracting the virus as they participate in PSNP activities, and the activities themselves need to be prioritised especially during the first year of PSNP5, in case restricted movement and social distancing measures persist.

68. If proper and timely measures are not taken, the following challenges are expected to exacerbate the vulnerability of the extreme poor and vulnerable people in PSNP woredas to the pandemic and its economic effects:

i. Lack of awareness coupled with lack of appropriate sanitary facilities/materials and personal protective equipment (PPE) make the extreme poor and vulnerable more susceptible to the spread of the pandemic.
ii. Decline in agricultural produce, high demand for food crops, and shortage of industrial food items like oil, may result in high inflation making it difficult for PSNP clients who receive cash transfers to access adequate food with the amount they receive.
iii. Lack of access to grains (both in the global and local market) and a food price crisis make both PSNP clients and non-PSNP households in PSNP woredas (and non-PSNP woredas) more vulnerable for an extended duration i.e. increased number of months with a food gap.
iv. Income from seasonal migration labor, on which some PSNP households rely, may be reduced due to travel restrictions.
v. The extreme poor may be forced to sell off their livelihood assets to survive the shock.
vi. Clients reducing/terminating regular saving affects Rural Savings and Credit Cooperatives (RuSACCOs) and Village Saving and Loan Association (VSLAs) as they fully depend on members saving.
vii. Microfinance institutions (MFIs) and RuSACCos may have budget shortfalls due to low repayment rates.
viii. There are financial constraints to scaling up transfers to core PSNP clients for an extended duration and to non-PSNP households within PSNP woredas.

69. PSNP5 will take appropriate measures to address the challenges outlined above. Among the decisions already made to respond to the COVID-19 pandemic include a waiver of PW responsibilities and permission to make lump sum payments to help clients cope with a possible food gap[23]. Additional financing is being pursued to support response measures (activities). The proposed response measures are:

i. Strengthen Behaviour Change Communication (BCC) through including the production of BCC materials to enhance awareness of program clients about the pandemic and safety measures
ii. Install hand-washing facilities and enhance availability of sanitary (e.g. soap) materials and personal protective equipment (PPE) for program clients and staff as appropriate
iii. Regularly adjust wage rate responding to expected regular price inflations

[23] Please refer to the Annex 3 and Annex 5 for Guidance Note on Sustaining the Implementation of PSNP and PSNP5 detailed response plan to the pandemic, respectively, for further detail.

iv. Determine the need for extending duration of months of transfer support to PSNP clients; identify the most vulnerable non-PSNP clients within PSNP (both current and new) woredas to extend shock-responsive transfers

v. Support MFIs and RuSaCCos (this may involve injecting some liquidity from the program) to enhance access to finance to the extreme poor and vulnerable.

2. Overview of the program

2.1. Introduction

70. The design of PSNP5 builds on the achievements from previous phases, and on the lessons from these experiences, and makes adjustments in the light of this experience, and to address the key priorities. Central to the design is its strategic framework, in the form of the PSNP5 log frame, which is presented in Annex 1. The log frame forms the structure around which the higher level of objectives and detail of implementation are arranged.

71. This chapter presents an overview of the whole program, including explanation of the program strategic framework and the reasons why it has been designed in the way it has. First, it explains the wider program Goal to which PSNP5 contributes and the expected Outcome of the program. Then it explains which Outputs are required to achieve the Outcome. Finally, it presents a number of principles.

2.2 Program Goal

72. PSNP5 has the following Goal statement which it cannot achieve on its own but to which the program is expected to meaningfully contribute alongside a raft of other efforts:

"*Extreme poverty reduced in PSNP woredas"*

73. PSNP5 is a part of the national effort to reduce poverty from its current rate of 26%[24], and the Goal statement links the program to that wider effort. This linkage in PSNP5 is sharpened by the shift in focus from chronic food insecurity to extreme poverty as the overarching targeting criterion. There are several expected transmission channels between PSNP5 efforts and poverty reduction in PSNP woredas:

1. **Direct transfer effect**. Depending on the level of support provided and the extent to which it tops up existing resources, some households will move above the poverty line as a direct result of PSNP transfers received supporting their incomes and consumption. It is estimated that PSNP transfers cover up to 25%[25] of the total annual consumption needs of extremely poor households.
2. **Livelihood transformation and graduation**. The livelihood support provided by PSNP is likely to enable some participants in PSNP to move out of poverty based on the more successful livelihood strategies they adopt.
3. **Resilience to shock**. Further households in receipt of PSNP transitory support are likely to remain above the poverty line in the event of any shocks, where they might otherwise have fallen below it without PSNP support.

[24] World Bank Group (2020) Ethiopia Poverty Country Assessment: Harnessing Continued Growth for Accelerated Poverty Reduction.

[25] Ethiopia Poverty Assessment, 2020

4. **Indirect impacts**. Some non-participant poor households in PSNP woredas may benefit from the multiplier effects of PSNP benefits – since the local growth multiplier ratio from PSNP transfers is estimated at 1.72[26] - and use the opportunity to move above the poverty line.

74. Expected levels of direct poverty reduction from PSNP5 itself have not been calculated, and will depend on the effectiveness of support, and on the wider context for poverty reduction. Recent modeling[27] suggests that the direct effect of provision of PSNP transfers as described under point 1) above, when added to recipients' existing resources, will be sufficient to lift 700,000 people above the poverty line for as long as transfers persist, everything else being equal.

75. A key issue is the sustainability of any poverty reduction to which PSNP contributes. The direct and temporary reduction from transfers is not sustainable poverty reduction and only persists as long as transfers are received. Analysis testifies to the dynamic nature of poverty in Ethiopia, in which 'churning' of household status into and out of poverty results in 50% of all households in Ethiopia falling below the poverty line for at least some of the time over a five-year period[28] so temporary movement out of poverty by any of the four channels does not necessarily mean a sustainable enhancement in status. This suggests the need for firm measures under PSNP5 to enhance the likelihood of poverty reduction being sustainable, and effective monitoring of PSNP graduates. This is also why poverty reduction is at Goal level in the PSNP5 log frame, and therefore it requires other complementary efforts beyond the PSNP to enable its sustainability.

76. Measurement of poverty reduction involves a wide range of income and non-income indicators of welfare. The PSNP5's contribution to achieving the program Goal will be regularly measured through program impact assessments, and through use of national poverty data and surveys.

77. Achievement of the PSNP5 Outcome and contribution towards the PSNP5 Goal will ensure that PSNP5 will contribute to national developmental objectives through the wider national policy framework described above in section 1.2.1.

2.3 Program Outcome

78. The PSNP5 Outcome statement is the overall program objective, which all PSNP interventions are collectively designed to achieve. It is stated as:

"Enhanced resilience to shocks of extreme poor and vulnerable rural households in PSNP woredas"

79. **Resilience**. The focus of PSNP efforts is therefore centered around the concept of resilience to shocks of participating clients. Resilience is understood in PSNP5 as 'the ability of households and communities to absorb and recover from shocks, whilst positively adapting and transforming their structures and means for living in the face of long-term stresses, change and uncertainty'[29]. If PSNP5 is

[26] Filipski et al (2017)
[27] White (2020). Analysis conducted for DFID SEASN appraisal
[28] World Bank (2020). Ethiopia Poverty Assessment
[29] OECD (2020)). https://www.oecd.org/development/conflict-fragility-resilience/risk-resilience/

able to support its clients to be resilient to shocks, they will be able to protect consumption and assets in the face of shocks and so will be better placed to continue or enhance their livelihood trajectories thereafter. This is a fundamental requirement for addressing extreme poverty and vulnerability in the longer-term, both for individuals and communities.

80. **Shocks.** The shocks referred to in the Outcome statement are primarily drought shocks, as the PSNP5 is designed to mitigate the impacts of drought: the core caseload will be focused on drought-prone woredas; the public works are designed to reduce drought risks; and the shock-responsive safety net component (Output 2) is focused on drought. Other small-scale shocks, such as localized flooding, and idiosyncratic shocks (such as the illness or death of a family member), which risk households temporarily falling into poverty, can be addressed through the woreda contingency[30] budget. Furthermore, the systems and procedures developed to address shocks can also be used to deliver support for other economic shocks, such as the economic consequences of COVID-19, finance permitting.

81. Extreme poor and vulnerable rural households. In all phases to date, location of the PSNP in regions and woredas, and targeting criteria for individuals and households, has been based on chronic food insecurity. But recent analysis[31] finds that food insecurity has fallen rapidly in Ethiopia between 2005 and 2016, notably in Afar and Somali, while extreme poverty for the poorest 10% has deepened – with the highest levels in SNNPR and Amhara. Woreda selection based on food insecurity does not now add to targeting performance in identifying the poorest, indicating the need for a change in approach. As indicated in the lessons and priority section above, PSNP5 will therefore for the first time focus it's geographic and household targeting on extreme poverty and vulnerability to extreme poverty through shocks, rather than chronic food insecurity.

82. Further dimensions of vulnerability are also recognized within this statement. The specific vulnerability of women[32] in married households and of female headed households is considered, given that women's voices and opinions are often ignored or considered secondary within households and within communities, and female headed households tend to lack adequate labor to develop their livelihoods. This can result in women being excluded from initiatives to enhance their livelihoods, including access to credit, or their priorities for community assets are considered secondary to those of men. Similarly, rural youth are challenged by lack of access to land and financing to improve their livelihoods and people with disabilities struggle to actively participate in decision making and community life. PSNP5 remains cognizant of the risks of exclusion of women, youth and other minorities and has safeguards in place to deal with exclusion and grievances, as well as clear guidelines for their active and inclusive participation in community decision making, and targets for women and youth in the livelihoods program.

[30] Note: woreda contingency budget is excluded from the current budget due to the financing shortfall. That is, this is applicable only after additional financing is mobilized to allocate woreda contingency budget.
[31] World Bank (2019) and World Bank (2020)
[32] World Bank (2019) Ethiopia Gender Diagnostic Report

83. **PSNP woredas.** The ambition of the fifth phase of PSNP will be for the shock-responsive (SR) transfers to be for both PSNP and non-PSNP households in PSNP and non-PSNP woredas of PSNP regions. In PSNP woredas PSNP systems will be used to deliver SR transfers to households selected for SR transfers. It is recognized that rolling out core PSNP systems in non-PSNP woredas to enable effective shock-response will require additional resources and time. Hence, the priority focus of the shock-response system building component, using the PSNP program budget, will be to strengthen the SRSN elements in existing PSNP woredas and the additional 74 woredas that will be added to the PSNP program in EFY 2014. In non-PSNP woredas where PSNP systems are not in place due to financial constraints, GoE seeks to explore ways for adapting aspects of PSNP system critically relevant for timely, efficient, and effective distribution of SR transfers in non-PSNP woredas using its own structure and resources. The exact scope of using PSNP program resources in non-PSNP woredas to respond to shocks will be determined following the midterm review of PSNP5 which will provide an opportunity to assess the progress on SRSN roll out and implementation as well as the resource and capacity of the program.

84. The dimensions of resilience will be unpacked in the MEL framework so that different aspects of resilience can be assessed, and progress towards Outcome can be tracked. These will include as key elements: enhanced food security; enhanced stability of assets; enhanced nutrition security; more secure livelihood assets and strategies; and climate change adaptation and mitigation.

2.4 Program Outputs

85. The PSNP5 expected Outcome will be achieved through the combined effect of six Outputs through which PSNP5 will focus its efforts. These are as follows:

Output 1. Timely and adequate transfers received by eligible core caseload of PSNP clients. This Output ensures the most in need people receive PSNP regular cash or food transfers as either direct support or in return for labor, enabling them to smooth consumption and prevent asset depletion. It focuses on ensuring these transfers are of sufficient value, are in the most appropriate form, can be received with low transaction costs, and arrive predictably on time.

Output 2. Shock-responsive transfers received by eligible clients when needed. In times of shock, people in the PSNP core caseload may need additional support to protect consumption and assets, and others beyond the caseload may also be at risk. This Output allows the PSNP to scale up temporarily to provide this support, with systems in place to ensure an early response which provides effective protection to recipients.

Output 3. Public Works respond to community livelihood needs and contribute to disaster risk reduction, climate change adaptation and mitigation. Under this Output, PSNP labor-intensive public works, including social infrastructure, are planned and delivered in ways which maximize the benefits to PSNP clients and their wider communities and support their wider livelihood needs.

Output 4. Linkages to available social services facilitated for core PSNP clients with emphasis on PDS and TDS. This Output supports the poorest and most vulnerable PSNP clients, who are often socially marginalized, to access available services beyond the PSNP, such as for health, education, and nutrition.

Output 5. Tailored livelihood options accessed by eligible PSNP clients. This Output supports selected households to improve their livelihoods through a combination of time-bound and appropriate strategies and investments and provision of loans, cash grants and technical support.

Output 6. PSNP management and capacity enhanced. This Output ensures that all the other five PSNP Outputs are managed and delivered with appropriate, accountable and efficient management and delivery systems. Sufficient and appropriate staffing and physical capacities will be maintained, and the governance, accountability, monitoring and reporting responsibilities under each Output will be supported by appropriate tools and applications that enable the achievement of the program Outcome.

86. Together these Outputs deliver the following[33]:

- Well-targeted cash and food support to the most in need, to enhance consumption-smoothing and avoidance of negative coping strategies;
- The ability to protect households in PSNP woredas from shocks so they are able to retain their assets;
- Appropriate community infrastructure which sustainably builds environmental resilience and enables climate change mitigation and adaptation;
- Access to a wider set of social services which help build human capital for the most vulnerable and counteract inter-generational transmission of poverty;
- New opportunities for appropriate and sustainable livelihood enhancement, providing the chance to graduate beyond the need for PSNP support for those who are successful;
- All of which is well-managed, delivered effectively and maximizes potential impacts

87. These expected results provide the elements for building resilience among PSNP clients and communities, and for successful achievement of the PSNP5 Outcome, as long as key Assumptions hold true in the program log frame in annex 1. Each of the program Outputs are described in more detail in chapter 3.

2.5 PSNP principles

88. Principles represent fundamental ideas that guide action, and are mandatory and not optional. The PSNP principles complement the program strategy by providing additional guidance on program design, program implementation and informing ongoing decisions to ensure that adherence to the principles is always ensured. The following principles are adopted in PSNP5.

1. Focus on extreme poverty and the most vulnerable. PSNP5 support will address the needs of the extreme poor (for core caseload), the most vulnerable (for the transitory caseload), and the nutritionally vulnerable within these cohorts.

2. 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

[33] Note: Nutrition being mainstreamed as one of the most important cross-cutting issues, each of the five outputs is expected to contribute towards enhanced nutrition results in PSNP5

verified through public meetings during which it is read aloud and discussed. The final client list is also posted in public locations.

3. Timely, predictable and appropriate transfers. To create an effective safety net, clients must be sure that they will receive PSNP transfers when expected. Transfers can be considered predictable if PSNP clients have timely knowledge of their eligibility for the program, 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, food prices are extremely high, or clients indicate a strong preference for food over cash. An appropriate transfer also has the same value whether it is provided in cash or food.

4. 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.

5. Cash first principle. When possible, cash should be the primary form of transfer. This assists with the stimulation of markets and local economies – since people spend their cash in local markets – and the move away from food aid. The wage rate needs to reflect the real value of the transfers, through annual adjustments for inflation, to retain the effectiveness of this element of the program. 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.

5. 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 extreme poverty and transitory vulnerability, and to contribute to economic growth in its own right. The productive element comes from infrastructure and the improved natural resources base created through PSNP public works and from the multiplier effects of cash transfers on the local economy.

6. Tailored livelihood solutions. The PSNP provides livelihoods support that is tailored to 1) households and individuals according to their capacity and the context in which they live, and 2) institutional capacity for each of three livelihoods pathways (crop and livestock, off-farm income generation, and wage employment). This support is available to clients who are targeted based on their motivation and potential to create productive activities or to find jobs.

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

8. 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.

10. Gender equity and social inclusion. The PSNP is designed to respond to the unique needs, interests and capabilities of men and women and persons with disabilities (PWDs) to ensure that they benefit equally from the program. This is done by promoting the participation of both men and women and PWDs in PSNP decision-making structures and responding to women's responsibility for both productive and reproductive work and the differential access of male and female including FHHs and women in married HHs to productive resources.

11. Nutrition sensitivity. PSNP contributes toward addressing the underlying determinants of child nutrition, and aims to contribute to the country's overall effort of achieving zero stunting by 2030 by mainstreaming relevant nutrition issues across the program outputs

12. Good governance. PSNP management arrangements adhere to the principles of good governance, namely transparency, accountability, respecting mandates, subsidiarity, and effectiveness and efficiency.

3. Program Outputs and Activities

89. Implementation of the Activities necessary to deliver each of the six Outputs will collectively enable PSNP5 to achieve its Outcome, if critical Assumptions are correct. These Outputs and their key activity areas are summarized in the table below and will be described in more detail in the following sections.

Table 1 PSNP5 Outputs and respective key activity areas

Output	Key Activities
1: Timely and adequate transfers received by eligible core caseload of PSNP clients	• Target clients for PSNP caseload • Manage cash and food resources • Develop capacity to deliver Output 1 • Address gender, nutrition and social development issues related to Output 1
2: Shock-Responsive transfers received by eligible clients when needed	• Strengthen the national government-led early warning system to monitor and predict drought shocks • Establish pre-agreed rules on how to scale up responses • Develop annual drought response plans • Expand geographic footprint of PSNP to cover additional drought-prone woredas • Put in place a single delivery system and make timely shock-responsive payments in line with Drought Response and Assistance Plans • Develop capacity to deliver Output 2 • Address gender, nutrition and social development issues related to Output 2
3: Public Works respond to community livelihoods needs and contribute to disaster risk reduction, climate change adaptation and mitigation	• Develop integrated, climate-smart, gender and nutrition sensitive annual public works plans that contribute to livelihood productivity • Implement public work plans • Monitor the implementation and impact of public works • Address gender, nutrition and social development issues related to Output 3 • Develop capacity to deliver Output 3
4: Linkages to available social services facilitated for core PSNP clients with emphasis on PDS and TDS	• Establish institutional arrangements to implement the component • Identify available services and clients' needs • Roll out linkages to social services • Monitor linkages to social services • Develop capacity to deliver Output 4 • Address gender, nutrition and social development issues related to Output 4
5: Tailored livelihood options accessed by eligible PSNP clients	• Prepare and plan for livelihoods interventions • Implement livelihoods interventions

	• Monitor and evaluate livelihoods interventions • Develop capacity to deliver Output 5 • Address gender, nutrition and social development issues related to Output 5
6: PSNP management and capacity enhanced	• Ensure effective financial management • Ensure effective commodity management • Ensure effective procurement that meets PSNP and DP needs and standards • Ensure effective physical resource management that meets PSNP performance standards • Ensure effective human resource management • Ensure effective management information systems • Ensure effective PSNP planning and reporting • Ensure effective program monitoring, evaluation and learning • Ensure effective program governance • Ensure PSNP capacity is adequate to implement the program effectively • Ensure effective strategic management of the PSNP • Ensure effective mainstreaming of cross-cutting issues

90. The sections below describe key elements of the approach to delivering the Outputs.

3.1 Output 1: Timely and adequate transfers received by eligible core caseload of PSNPclients

3.1.1 Overview of the Output

91. The focus of this Output is to put in place an effective payment mechanism that delivers timely and adequate transfers in a way that is accessible to the core PSNP public works (PW), permanent direct support (PDS) and temporary direct support (TDS) program clients. Evaluations of PSNP to date and extensive experience of cash transfers elsewhere demonstrate that timeliness, predictability and adequacy are essential requirements of any effective social cash/food transfer program, since they are all required if transfer recipients are to manage their household economy effectively, avoid asset loss, and avoid resorting to negative coping mechanisms, and maintain consumption levels. Text Box 13 below elaborates on each of these ideas.

92. Under this output, households will receive either six or twelve months of support depending on how they are categorized. PW clients (households with adult labor available to work on community-based public works) and TDS clients

Text Box 13 TDS Clients' Eligibility

Pregnant and lactating women (PLW) are assigned to TDS from confirmation of pregnancy until a child is two years old (i.e. 30-32 months) depending on availability of pregnancy test services. Caretakers of sick or malnourished children are also entitled to shift to TDS until HEWs determines the child no longer requires intensive levels of care.

(adults who generally engaged in PW but are exempted temporarily) receive six months support per year. PDS clients (households who do not have adult labor available for PW) receive twelve months support. Transfers for PW and TDS clients are scheduled so that households receive the support during the months where the need is greatest. This can vary from region to region. Transfers are provided in the form of cash (either manually or electronically) or food, and are equivalent to 15 kg of wheat per month in GoE woredas or a 16.95kg food basket in NGO woredas. The core caseload will remain as it was in PSNP4 i.e. 7,997,218, across implementation regions.

Text Box 14: Key principles of Transfers:

i. ***Primacy of transfers:*** The provision of transfers takes priority over all other considerations, including those related to the implementation of public works or application of other conditionalities.
ii. ***Timeliness of transfers:*** Transfers must be received according to the planned transfer schedule, and this must correspond to the time prior to or during households' greatest need.
iii. ***Predictability of transfers:*** Clients must know what they will receive (in terms of food commodities and/or cash values) and when they will receive it, and they must have the confidence that the transfer will arrive on time.
iv. ***Appropriateness of transfers:*** Transfer modalities must meet the needs of households according to market realities: cash in settings where markets function well, food in areas where there is no food to purchase or food prices are extremely high. Similarly, the payment method should be appropriate in using e-payments where feasible and manual cash payments where e-payment is not appropriate. To be considered appropriate, transfers must have the same value whether they are provided in cash or food.
v. ***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.
vi. ***Adequacy of transfers*****:** Transfers must be adjusted annually to reflect changes in inflation to ensure their adequacy. The wage rate will be revised annually based on the consumer price index (CPI) to ensure its equivalency to 15kg of wheat per month in GoE woredas and 16.95kg per month of cereal, pulses and oil (or cash equivalent) in NGO woredas.

3.1.2 Key Activity Areas

Key Activity Area 1: Target Clients for PSNP Caseload

93. "Targeting" in PSNP is taken to mean the process of defining, identifying and reaching the intended clients of the program, in order to ensure that the neediest receive adequate assistance, that program objectives are met, and that limited resources are used as effectively as possible. Targeting involves a range of decisions at various stages of design and implementation, including *who* should receive the program's benefits, *where*; *when* and *for how long*; *what,* and *how much* they should receive; and *how* the targeted clients will be identified. In PSNP, the targeting process may assume the following forms: full targeting; annual retargeting; or recertification process.

94. Full targeting will take place once every four years and will happen during the first year of PSNP5 using the community-based targeting system. A Geographic Expansion and Caseload Allocation Plan will identify which woredas the PSNP will expand into and how the caseload will be reallocated across existing and new woredas in line with the available poverty data. New woredas will be selected using a combination of: (i) remote sensing satellite data showing frequency of drought shocks; (ii) prevalence of extreme poverty, and (iii) recent history of receipt of drought related emergency food assistance.

95. In line with available resources, the current caseload of 7.9 million beneficiaries will be allocated across new and existing program woredas. Thus, woreda level quotas will be revised and defined prior to the full targeting on the basis of the latest available data on extreme poverty. The revision will also take into consideration the high rates of vulnerability in lowland regions (pastoral areas typically have lower rates of extreme poverty but higher vulnerability to poverty.

96. The first full targeting under PSNP5 may be delayed as a result of the need to reduce travel and mass gatherings during the current COVID-19 pandemic. In the meantime, the PSNP4 caseload will be utilized for payments for the first year of PSNP5. The new caseload will be uploaded to the household registry database of the MIS as soon as targeting is completed. Client cards will be issued to all PSNP clients to enable them to receive their transfers. Steps to improve the authentication of payment recipients will also be rolled out based on the lessons learned from the PSNP4 biometric pilot.

Text Box 15 Displacements/IDP

In PSNP woredas affected by unrest, beneficiaries who become internally displaced people will remain on payrolls for at least one year after displacement. Exiting or replacing displaced beneficiaries will not be permitted during that period. Displaced beneficiaries that return to the PSNP woreda within one-year will be entitled to receive all benefits from the absence period.

Temporarily displaced people that are hosted in PSNP woredas may be assisted if/when additional financing is mobilized for woreda contingency budget based on the community assessment of their eligibility. In situations of protracted displacement within PSNP host communities for at least two years, woredas will be allowed to relax the "3-year community membership" rule to include displaced families into the program if they comply with the poverty/vulnerability eligibility criteria. The program will develop and implement a screening tool to assess and address risks related to displacement.

Displaced beneficiaries that return to the project woreda within one-year will be entitled to receive all benefits for the absence period; however, this may not be applicable if there is evidence that they were benefiting from humanitarian emergency response while they were displaced. There should be clear and robust operational procedures at the woredas and kebeles to maintain evidence about when beneficiaries were displaced and then returned. If the returnee beneficiaries collect their entitlements at irregular timing making payroll preparation not feasible, payment slips should be prepared in addition to all the necessary supporting documents (evidence) to be presented during payment. Further details will be included in the FM manual.

97. An annual retargeting exercise will be undertaken as in PSNP4 to confirm the caseload and adjust for demographic changes, for example clients who are no longer living in the area or are deceased. These clients can be replaced each year through a community-led process.

98. A new process of "recertification" will take place at least every two years and will replace the previous exercise of graduation of clients. Under recertification, client households that are no longer the poorest are identified and exited from the program if a careful and multi-stage assessment of their livelihood status demonstrates that they no longer need program support. Three types of households are identified for this detailed assessment for recertification:

- Households that have been clients of PSNP for **at least three years**;
- Households that have received livelihood support for at least two years;
- Households that are above the Proxy Means Test (PMT) threshold following the household registry data collection.

99. Being identified for recertification does not mean automatic exit from the program. Households within the livelihoods program will continue to receive non-financial support until they officially exit the program. The recertification process consists of assessing the welfare of a client household and involves three steps: i) communities or development agents (DAs) identify households that should be recertified, i.e. those meeting the above criteria, during annual retargeting; ii) the welfare status of the households is validated through application of Proxy Means Test (PMT); iii) communities conduct a post-recertification validation, which involves referring the cases that are determined to still be among the poorest back to the community for inclusion in the program, or cases that are no longer among the poorest exit the program. This careful and multi-stage process provides checks and balances to ensure that mistakes are not made during recertification, and to ensure that people are not incorrectly exited from the program.

Text Box 16 Proxy Mean Test (PMT)

Proxy Means Test (PMT) is a tool used to identify household characteristics correlated with welfare or poverty, and to calculate scores for those characteristics with the objective of assessing the household welfare, without the need for collecting welfare or consumption data.

Note:

- PMT will not be used for targeting, but for recertification and exit
- Additional parameters should be included in the current client household survey questionnaires to collect data relevant to the PMT

100. Specific attention will be paid to the GSD provisions relevant to targeting to avoid the potential of exclusion of minority groups, including FHHs and PWDs, during the targeting of transitory assistance; and to address any risks of potential abuses of power, including gender-based violence (GBV), which may occur.

101. Full family targeting i.e. including more household members as recipients of transfers beyond the previous limit of five, can be applied at the region's discretion. However, the core caseload number will be unchanged, thus fewer households will be eligible to participate in the program if full family targeting is applied in any region.

102. The Grievance Redress Mechanism (GRM), operationalized via the kebele appeals committees (KACs), will be the primary mechanism for communities to raise complaints or objections regarding all PSNP activities, including those in this Output. This cross-cutting issue is described in text box 17 below for Output 1 but it will be applied under all Outputs and its management and effectiveness will be assured by FSCD under its obligations for Output 6.

Text Box 17 The Grievance Redress Mechanism (GRM)

The GRM will continue in PSNP5 with adjustments to strengthen its effectiveness following recent review and design improvements[34]. These include a renewed focus on ensuring the GRM review recommendations are implemented, the PSNP GRM manual is used, and GRM Focal Persons are appointed. They will be integrated into the annual plans and reported against these plans in the quarterly and annual reports. KAC members' awareness of their role and responsibilities is critical for the GRM to function, and this will also be strengthened in PSNP5. Ethiopia's Social Accountability Program (ESAP 3) has included PSNP as a standalone sector, and expanded the number of PSNP woredas it covers. This is a great opportunity for PSNP to establish concrete linkages with ESAP and strengthen the overall accountability system. A revised GRM manual will provide details on how to implement this linkage.

Key activity areas include:

- Prepare and circulate a guideline on the administration and management budget utilization.
- Ensure grievance redress mechanism process is functioning effectively as per PIM
- Ensure clients and their communities have all the information they need to hold service delivery to account
- Ensure all accountability processes are in place and functioning effectively
- Ensure monitoring data is maintained to provide necessary evidence of all claims
- Facilitate regular review of GRM effectiveness
- Report to clients and communities transparent information on GRM issues and ensure feedback received is fed back appropriately in the system

Key Activity Area 2: Manage cash and food resources

(i) Determine transfer values, payment modalities and disbursement schedules

103. Wage rate reviews, conducted before June each year, will act as a predictive inflation-buffer for cash transfers. The annual wage rate review will be based on the consumer price index (CPI). The wage rate will be equivalent to the market price of food transfers of 15kg of wheat per month and 16.95kg food basket in NGO woredas.

104. The cash first principle remains in PSNP5, which states "Cash should be regarded as the primary form of transfer, unless market conditions significantly reduce the value that the clients receive".[35] Thus,

[34] FSCD (2020). Grievance redress mechanisms for strengthen Ethiopia's adaptive safety net (SEASN), PSNP5

[35] Memorandum of Understanding Between the Federal Democratic Republic of Ethiopia and Funding Partners Supporting the Productive Safety Nets Program, 2005

food transfers will be limited to areas where markets are not functioning well and food is not readily available for purchase.

105. Timeliness and predictability of transfers is a high priority for PSNP5. Regions will set 2-3 transfer schedules, as needed, so that transfer's take place at the most needed time of the year. Public works schedules will be linked with the transfer schedules. A transfer schedule for each kebele, which indicates which dates payments will be made to clients, will be established and shared with program clients by posting the information on the kebele notice board. This schedule should be in accordance with program standards i.e. within 30 days of the end of the previous month (using the Ethiopian calendar) and will be the basis for monitoring the timeliness of transfers.

Text Box 18 Performance Standards for Cash and Food

Disbursement schedules for cash and food will be included in annual plans and payments will be made within 30 days of the end of the previous month upon receipt of cash or food by the woreda. The establishment of a disbursement schedule will indicate the dates by which financing for cash transfers will flow from MOF to BOF, and from BOF to WOF.

106. The expansion of e-payments will continue in PSNP5 with the aim of reaching all cash woredas using this modality by the end of the program.

Text Box 19 E-Payments

E-payments are currently implemented in 146 PSNP woredas covering more than 2.77 million clients. Recently initiated government reforms in the telecommunications and financial sectors are expected to facilitate the expansion of e-payments. The liberalization of the telecom sector will potentially enable the expansion of telecom infrastructure and services in rural areas where PSNP clients reside. The reform is anticipated to enable choice, affordability and accessibility of telecom services in rural areas.

In PSNP5, new financial service providers, other than banks and MFIs, will be allowed to provide financial services. The directive will potentially translate into new, affordable, convenient and tailored services that are literacy and context specific.

The PSNP itself has undergone its own set of reforms to address some of the challenges in e-payments. The program recently endorsed a competitive procurement procedure for e-payment service delivery, which aims to allow more players and new types of e-payments services (bank accounts, prepaid cards, debit cards, and others) to be used in the delivery of cash resources to clients. The e-payment management roles have already shifted from MoF to FSCD. Accordingly, in PSNP5, FSCD will be the chair for the E-payment task force.

The proportion of e-payment account holders that are female members of client households will be increased as the result of awareness raising and other mechanisms. Joint spouse bank account will be enforced for households that are paid through E-payment.

107. Commodity and financial management systems will be applied in accordance with program regulations. These are addressed under Output 6 - program management and capacity development, as they cross-cut Outputs 1 and 2.

ii. Carry out cash and food payments

108. The primary driver for payments for PW clients is the PW payroll, which is prepared by the WoA for each month PWs are performed following submission of PW attendance form by kebeles. The payroll will be generated using the MIS and the payroll reconciliation file will be entered into the MIS, which will replace the current RPASS system. However, given the primacy of transfer principle, delays in completion of the payroll will not delay the transfer schedule. An automated payroll generation system will be established in PSNP5 to ensure clients receive their transfers on time, within thirty days of the preceding month.

109. It is recommended that in PSNP5 the time taken to travel to and from cash/food collection points should be within 2-3 hours (for both ways).

Text Box 20 Piloting direct transfer to the woman (in a married household)

An approach whereby the woman (in a married household) is the main recipient of transfers will be piloted in selected woredas. However, this will only be applied on households that are voluntary to participate in the pilot following the awareness raising and behavioral changes communications to be carried out in the woredas selected for the pilot.

110. TDS and PDS clients' payments are also triggered and managed by MoA. At regional and woreda levels, Food Security, in collaboration with BoLSA/WoLSA, triggers and manages TDS and PDS clients' payments. Otherwise, regional and woreda Food Security is responsible for triggering and managing the payment for the TDS clients, who are basically PW clients.

Text Box 21 Automatic Payments

A 2018 assessment of the timeliness of transfers indicated excessive delays were due to the late preparation and submission of attendance sheets by woredas in all regions. To address this, a system of automatic payment will be introduced whereby if the attendance sheet has not been submitted by the deadline, the payroll will be automatically generated and payment will be made on the assumption that the full number of days has been worked. Any adjustments will be automatically reconciled in the following month's transfer, once the payroll has been submitted. In addition, DAs will be provided tablets to speed up the entry and submission of attendance sheets

iii. Monitor and report on transfer performance

111. The program management information system (MIS) planned in PSNP4 will be operationalized in PSNP5. For Output 1, it will improve data management by centralizing and further standardizing the data collected through regular program operational processes, including retargeting and payments. The MIS will provide operational data that is useful for monitoring key performance indicators in the logframe (e.g.

timeliness of payments, total payments by gender/region/woreda), and supporting higher value-added analysis with the data in support of PSNP MEL described in chapter 6. Furthermore, the MIS will also improve transparency of the program performance and enable risks and bottlenecks to be identified in a timely manner, and therefore enable more informed and timely decisions to improve processes and performance. It will incorporate a payroll system, and household registry that records the client caseload. It will also alleviate some of the paper and phone-based data collection currently undertaken by the Federal/Regional Information Centers (FIC/RICs) to monitor transfers, and enable them to focus on coordination, follow up and report generation.

Text Box 22 PSNP Management Information System (MIS) and Client Household CHH) Registry

MIS development: The PSNP MIS development will be carried out in a phased approach. Due to Covid and the Change Request process which resulted in the MIS firm contract extension being signed in late October, the first phase includes modules for Retargeting, TDS, PW Attendance Monitoring, Payment and Reconciliation, and Livelihoods. The second phase will be completed through a separate procurement and will include the remaining modules (including GRM).

Client household (CHH) registry: The CHH registry aims at creating a clean and compatible database of PSNP client households. The database contains key demographic composition and specific socio-economic information of households and their members. It involves door-to-door data collection covering 100% of target households. If the State of Emergency (SoE) and the restrictions imposed due to the COVID-19 pandemic are lifted by September, the client household registry survey will resume in October 2020 to carry out the actual data collection. The CHH registry, which focuses on registering existing (PSNP4) clients, is expected to complete within 1 year. The CHH registry will be updated annually to align with the recertification. In the worst-case scenario of COVID-19 pandemic and the SoE persisting indefinitely and therefore making the CHH registry data collection impossible, the program continues with PSNP4 clients making retargeting based on admin data and current MIS/RPASS data will be used to track inputs provided to help determine program exit.
Note: PSNP5 targeting is shifting from chronic food insecurity to extreme poverty resulting in expansion to non-PSNP households within current PSNP woredas and non-PSNP woredas in PSNP regions. Once full targeting is finalized (using community targeting), the CHH registry will be expanded to the new households.

Key Activity Area 3: Develop capacity to deliver PSNP Output 1

112. PSNP5 will establish and fill minimum staffing requirements for transfers. Training materials and guidelines related to the transfers Output will be developed and targeted to the appropriate stakeholders. Annual capacity assessments will be conducted to identify areas that require strengthening, which will inform the annual capacity development plans. Training, development of processes and systems, and other capacity development support will be implemented based on the plans.

Key Activity Area 4: Address gender, nutrition and social development issues related to transfers

113. An annual review of the functionality and gender sensitivity of the Community Food Security Task Force (CFSTF) will be conducted and recommendations of the review will be incorporated into the annual program plan.

114. A light nutrition behavioral nudge strategy that consists of positive reinforcement and indirect suggestions on the use of the transfer will be adopted and will be linked with payment sites to be delivered right before the clients receive the payments.

3.1.3 Institutional Arrangements for the Output

115. FSCD (MoA) has overall responsibility for ensuring the transfers Output achieves its objectives, and is responsible for all transfers (PW and PDS). The Social Welfare Development Directorate of MoLSA and corresponding Woreda Offices of Labor and Social Affairs (WoLSA) will be responsible for monitoring and supervising PDS transfers. MoF is responsible for actual delivery of the cash transfers. The Commodity Management and Coordination Unit (CMCO), which will move to MoA, will be responsible for delivery of food transfers.

116. The Transfers Technical Committee (TR TC)[36] at federal, regional and woreda levels will support implementation of the Output regarding cash and food transfers. An E-Payments Task Force (will operate in the short-to-medium term to provide technical support to the roll-out of the new e-payments contracts and the expansion of e-payment systems.

3.2 Output 2: Shock-responsive transfers received by eligible clients when needed

3.2.1 Overview of the Output

117. Ethiopia operates one of the world's largest 'scalable' safety nets, providing core transfers to 7.9 million people and scaling up food and cash assistance to an average of 3.8 million Ethiopians annually. This scalable system means the country is adept at operationalizing large-scale response in the face of severe drought (and other) crises. However, until now, this scalable safety net has been delivered through two systems, the PSNP and humanitarian food assistance. While the current combination of humanitarian food assistance and the PSNP has acted as a scalable system, weaknesses in early warning (EW) systems, decision making and response processes have hampered its effectiveness as a shock-responsive system. A shock responsive system is one that takes a pro-active approach rather than a reactive approach.[37] It uses early warning to inform and mobilize a response to drought and other shocks so that assistance arrives at the time required to maximize welfare impact. The current scalable safety net has several major weaknesses which need to be addressed if the PSNP is to become a shock-responsive safety net system, in particular:

1. Scalable assistance is inefficiently provided via multiple delivery mechanisms which increase financial and transaction costs
2. The calculation of those in need of assistance is not based on timely or transparent EW systems
3. The current system provides chronically late transitory assistance
4. The timing, duration and quantity of assistance are unpredictable.

[36] Details of the TC's membership composition, accountability, etc. are further discussed in chapter 5

[37] A reactive approach would wait for post-shock assessments that confirm negative impacts have already been experienced before planning and trying to fundraise for a response.

118. The Government of Ethiopia's National Disaster Risk Management (DRM) Policy[38] envisions the establishment of a scalable safety net system that would respond to transitory food insecurity. This component will invest in such a system and enable a response through scaling up benefits to existing clients (vertical expansion) or increasing the number of clients (horizontal expansion). PSNP5 will operationalize a single delivery system for assistance, particularly in response to droughts. The program will transition from the vision of a scalable safety net in response to shocks to a more pre-emptive approach that will address the needs of the extreme poor and vulnerable people in drought prone woredas.

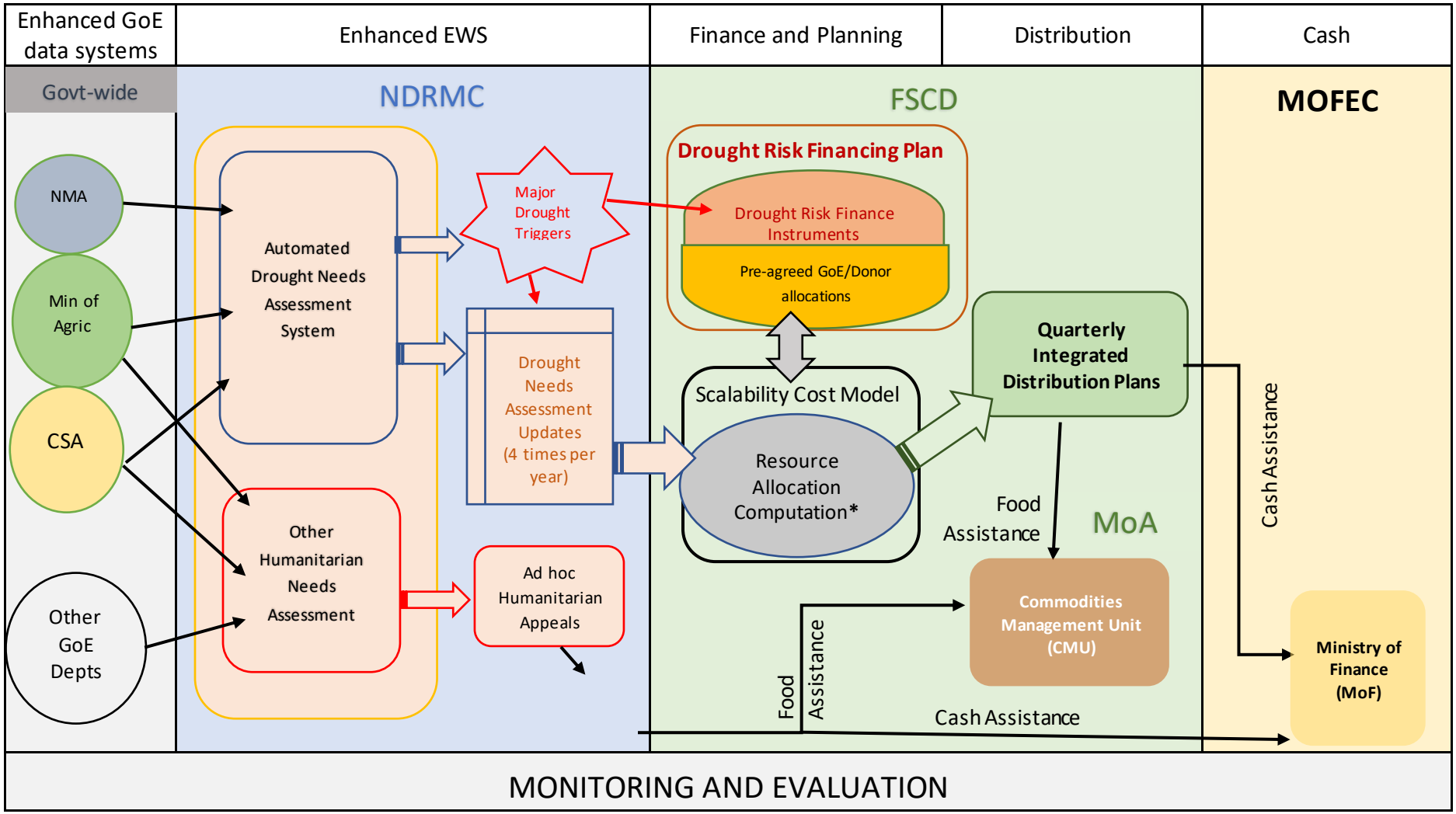
119. Droughts are historically responsible for the greatest poverty shocks in Ethiopia and can be well accommodated within an existing safety net and are therefore the focus of the investments under this component. Other, more rapid-onset, shocks such as conflict often involve the displacement of people and are more challenging to address - requiring the creation of additional delivery mechanisms. However, the systems and procedures developed through this component can be used to deliver support for other economic shocks, such as the economic consequences of COVID-19, finance permitting. Small-scale shocks (such as localized flooding) and idiosyncratic shocks (such as the illness or death of a family member), which result in households temporarily falling into poverty, can be addressed through the woreda contingency budget. The woreda contingency budget will also be used to address exclusion errors stemming from the targeting system, and to support households with acutely malnourished children.

120. Under PSNP a number of activities will be implemented to enhance the ability of the government to respond to shocks. Early warning systems will be strengthened, including an automated drought needs assessment system, which will update drought needs regularly (four[39] times per year to coincide with the four peak hungry seasons in the PSNP regions). Standard operating procedures for scale-up will be established. Annual drought risk financing plans, which will be updated regularly according to the drought needs assessment, will be developed. These will include drought risk financing instruments that will identify all pre-allocated or immediately available food and cash resources, and allocate them against the drought needs assessment figures for all woredas. Where there is a shortfall, the system will generate an automatic re-allocation/reduction, based on pre-agreed prioritization criteria, drawing on relevant EW sub-system data, for example poverty and nutrition statistics. This will allow for cash and food transfers to be made in a more timely manner to clients who are experiencing a drought shock.

[38] 2013: https://www.refworld.org/pdfid/5a2689ea4.pdf

[39] There are four peak hungry seasons across the highlands and lowlands in Ethiopia. In the highlands, they are the Belg (Mar-May) and Meher (Sep-Nov). In Somali, it is the Jilal (Dec-Feb), and in Afar, the Hagai (May-Jul).

Figure 1 Visioning a Shock-Responsive PSNP



3.2.2 Key Activity Areas

Key Activity Area 1: Strengthen the national government-led early warning system to monitor and predict drought shocks

- *Project cash and food needs for transitory clients quarterly, using the automated drought needs assessment system*

121. Under PSNP5, quarterly estimation of needs will be introduced in the first year of the program. A dashboard will be developed (also in year one) on which to publish quarterly need projections and other core early warning data. The estimation of needs will become automated and transparent to reduce reliance on expensive, time-consuming multiagency needs assessments. An automated drought needs assessment system will provide official[40] updates on estimated transitory needs based on early warning data on a quarterly basis.

122. The needs estimation model will assess the volume and timing of food/consumption gaps (across population types and locations). The resulting data will include information on the number of people needing assistance, the duration of support required and the months of support that is needed (for each woreda) and will thereby inform the drought assistance plans that will operationalize scaled up PSNP food and cash distributions across the country. Until this new system is developed and operational, the current needs projection systems will be used.

- *Develop an automated, objective, data-based needs projection model.*

123. Under PSNP5, the Government's Early Warning system will be strengthened to incrementally enhance its approach to estimating needs over time. Investments will be made to improve on the quality of source data including data and indicators produced by the National Meteorological Agency (NMA), the Central Statistics Agency (CSA), and the Ministry of Agriculture (MoA) and sentinel data collection will be introduced. This data will be combined with remote sensing data to compute key early warning indicators, updated quarterly, which will be published on the dashboard and will include: agrometeorological indicators, crop and livestock production, food prices, poverty and food security indices, and needs estimates.

Key Activity Area 2: Establish pre-agreed rules on how to scale up responses

124. Clear rules on the provision of transitory (i.e. scaled-up) food and cash assistance via the PSNP will be agreed and become operational. These rules will form the standard operating procedures (and will be documented in a PSNP Scalability Manual) for the shock-responsive element of PSNP and will ultimately become part of the PSNP PIM. The rules will define when the system scales-up, how it will scale-up, to which populations, for how long and how much assistance will be received. While the system is expected to be functional by year two of the program (EFY 2014), it will continue to evolve as consensus is reached on emerging issues and lessons are learned. Key areas that will need to be re-examined include the timing and the duration of response so that they better reflect the variations in the timing and depth of 'lean'

[40] The use of the word official here denotes that the information released in these updates will be actionable.

seasons around the country, the benefit levels, and the best approach for targeting and registering transitory clients.

125. The Government will test the possibility of pre-registering potential clients of transitory support. This pilot will explore the potential to identify potential clients during routine PSNP retargeting and record this data in the new PSNP household registry. Depending on the scale of the shock, a larger or smaller number of re-registered households will be targeted for transitory assistance.

Key Activity Area 3: Develop Annual Drought Response and Assistance Plans

126. Annual Drought Response and Assistance Plans (DRAP) will be developed each year. Data from the automated drought needs estimation system will inform the plan. These plans will be updated regularly (at least three times per year), based on (i) updates from the drought needs estimates and (ii) confirmed financing to implement any scale-up. Each quarterly update will be sufficiently accurate (and based on actual resource availability) to directly inform operations for the 3-4 months immediately following release of the plan.[41]

127. FSCD, in collaboration with the Ministry of Finance and Development Partners, will work to identify how existing and new sources of drought response financing can be used to support the scalable safety net through the development of a drought Risk Financing Strategy. The DRF Strategy will map out the full range of possible sources of financing for scalability. The process of developing this strategy will identify steps to be taken to make more of this financing ex-ante and/or (more) predictable.

Key Activity Area 4: Expand geographic footprint of PSNP to cover additional drought prone woredas

128. PSNP5 will ensure the expansion of PSNP systems (and their use for payments to core PSNP clients) into additional drought prone woredas. Woredas prone to recurrent drought will be identified based on historical data. Expansion will be budget neutral, and made possible through a reallocation of existing resources. This reallocation will both facilitate the geographic expansion and efforts will be made in all new and existing woredas to target based on extreme poverty. The Government will develop a Geographic Expansion and Caseload allocation Plan which will define the new woredas and the woreda-by-woreda caseloads for existing and new woredas. PSNP systems and functionality will be expanded into those additional woredas that are not currently covered by the PSNP and a full targeting exercise (described in paragraph 94) will ensure the implementation of the caseload re-allocation.

Key Activity Area 5: Put in place a single delivery system and make timely shock-responsive payments in line with Drought Response and Assistance Plans

129. Cash and food transfers and management systems in response to shocks will be delivered using the same system as the core cash and food transfers. Targeting will be undertaken by the CFSTFs and KFSTFs and data will be entered into the relevant module of the MIS. Payrolls will be managed through PASS or the new PSNP MIS. Payments will be disbursed and distributed using PSNP mechanisms (MOF for

[41] Data for subsequent quarters will include a best estimate of both needs and the potential resources that will become available.

cash, MoA/ CMCU for food), and transfer values will be the same as for the core caseload. However, it is acknowledged that delivering transfers within 30 days may be more challenging for shock-responsive transfers, and therefore, while every effort should be made to make transfers as close to the stated time period as possible, the performance standard for transitory payments will allow payments to be made within a 60 day timeline i.e. 60 days from the day the emergency is triggered for the first round of payment, and a 30 day timeline for the second and third rounds of payment. This would still represent a significant improvement on the current transfers delivered in response to shocks. Achievement of this timeline is dependent on the ability to make more disaster risk financing ex-ante as well as improved planning informed by timely, actionable, early warning data. Monitoring and reporting on transfer performance will be undertaken using the same systems as for regular transfers.

130. An Integrated Cash-Food Response Plan Implementation Guideline was developed jointly by FSCD and NDRMC in 2019. The procedures outlined will form the basis of the PSNP Scalability Manual and will be the basis of implementation under the single delivery system.

131. Key program information on transfers for shock response clients will be delivered in the same manner as for core caseload clients. Rights and responsibilities of clients, communities, implementing agencies and service providers will be the same as for the core caseload clients. The same gender provisions, grievance redress mechanism, and accountability mechanisms will apply.

132. Regular monitoring will be conducted to assess the quality and implementation of the shock responsive element of the single delivery system, which will enable prompt corrective action to be taken based on monitoring data.

Key Activity Area 6: Develop capacity to deliver Output 2

133. PSNP5 will establish and fill minimum staffing requirements for a shock-responsive safety net. Training materials and guidelines related to the output will be developed and targeted to the appropriate stakeholders. Annual capacity assessments will be conducted to identify areas that require strengthening, which will inform the annual capacity development plans. Training, development of processes and systems, and other capacity development support will be implemented based on the plans. Areas already identified where capacity support is required are: capacity for early warning, capacity to establish scalability guidelines and systems; establishment of PSNP systems in new woredas, roll out of new systems and procedures to woreda level.

Key Activity Area 7: Address gender, nutrition and social development issues related to Output 2

134. The gender and social development provisions related to core program processes will apply to the shock responsive component. Targeting and grievance committees used for all elements of the program will have appropriate gender representation, performance standards related to the distance clients need to travel to collect transfers will apply to transitory transfers and social safeguards in place for the core program will also apply to this component. Specific attention will be paid during targeting to avoid the potential of exclusion of minority groups during the targeting of transitory assistance; and to address any

additional risks of potential abuses of power (including GBV) that may be heightened as a result of increased vulnerability following shocks.

135. Current provisions regarding the linkages between core-PSNP activities, humanitarian food assistance and emergency nutrition interventions will remain. These are as follows:

a. Households with a child who has been screened (through a nutrition program and not by the PSNP) as moderately or severely malnourished will be asked if they are receiving a PSNP transfer and their response noted in their nutrition program file
b. For those who are PSNP clients, the primary care-giver for that child will be transitioned to temporary direct support
c. If they are not already a PSNP client they will be prioritized for any horizontal expansion by the PSNP (whether through woreda or federal contingency). To ensure the implementation of this at any time, a portion of CB (which will be detailed out in the PIM) will be earmarked for this purpose.

3.2.3 Institutional Arrangements

136. FSCD will take over all responsibilities for planning, financing and implementing the cash and food assistance to households in response to drought and other economic shocks to households (for example, economic impacts of natural disasters including pandemics).

137. The National Disaster Risk Management Commission (NDRMC), currently within the Ministry of Peace, will continue to be responsible for coordinating the early warning system and to play an overall oversight role for multi-sectoral disaster preparedness and response.

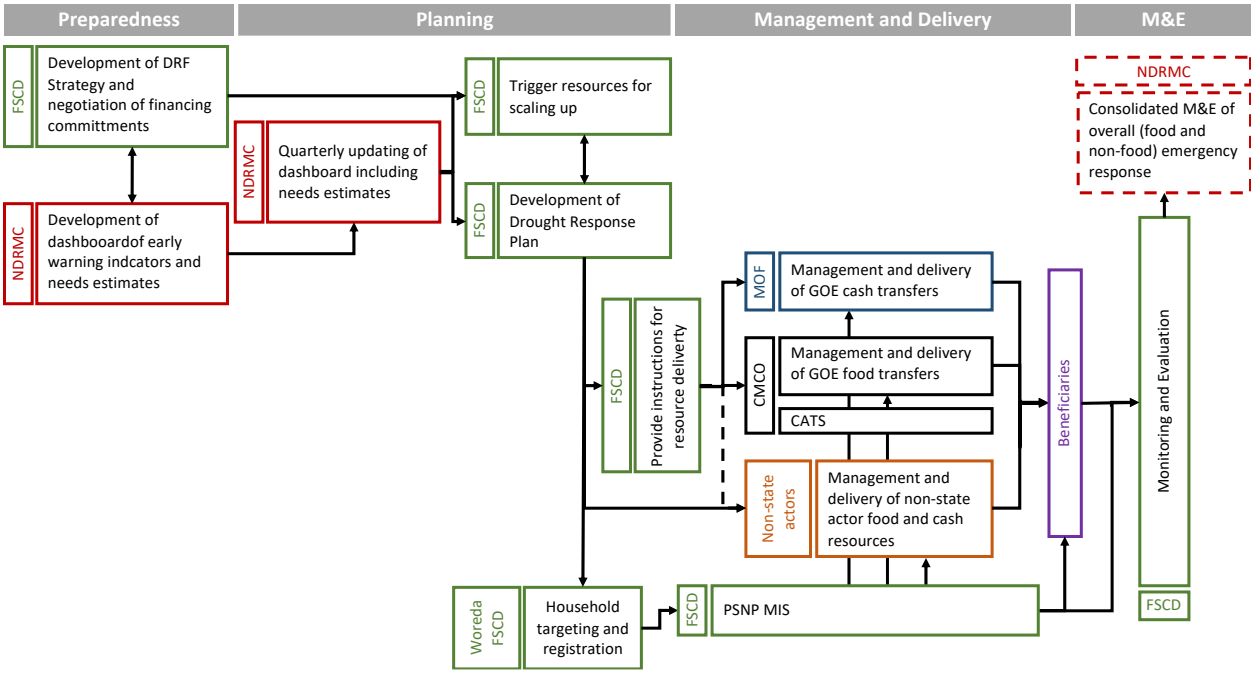
138. The strategic Food and Non-Food Logistics Operations Sector[42], which will be housed in MoA[43], will be responsible for food and non-food items[44] management of PSNP and HFA.

139. As is the case for regular transfers, MoF plays a key role in the disbursement of shock-responsive cash transfers.

140. A consolidated management structure for HFA and PSNP will be effective in PSNP5 as illustrated in figure 2 below.

[42] Note: the Commodity Management Coordination Directorate (CMCO) is under this sector
[43] The Sector used to be housed in NDRMC
[44] 'Non-food items' refers to household utensils and other materials provided to the transitory food insecure beneficiaries

Figure 2 Consolidated management structure for HFA and PSNP



141. Respective Transfers Technical Committees (TR TC) will be responsible for supporting implementation of Output 2 at federal and regional levels.

142. At regional level, the Food Security Office will be responsible for support to and management of implementation of the DRAPs and the relevant Disaster Risk Management Office for collation and analysis of early warning information. In addition, the Food Security Office will provide regular updates on plans and implementation of any shock response to the DRM Office and relevant Regional Authorities.

143. At woreda level, the FSD will have overall responsibility for managing the delivery of transfers with support from the WFSTF. Sub-woreda geographic allocations will be informed by early warning data consolidated by the Early Warning Desk with support from an Early Warning Committee. As with core transfers, payments to recipients will be the responsibility of WOF for cash (or delegated to an electronic payment provider) and WOF and storekeepers for food.

3.3 Output 3: Public Works respond to community livelihood needs and contribute to disaster risk reduction, climate change adaptation and mitigation

3.3.1 Overview of the Output

144. The primary purpose of public works is the creation of community assets through the development of watersheds and the provision of social infrastructures in PSNP areas, thereby contributing to increasing resilience, climate change adaptation and mitigation, as well as improved nutrition of children. Public works on common land is often the primary conditionality attached to receipt of transfers by PSNP able-bodied clients. Given PSNP has been operational since 2005, many PSNP watersheds have reached a stage of maturity where the focus can mostly now shift from rehabilitation to increasing the productivity of rehabilitated lands. This will enhance the conditions for program exit for more PSNP clients and improve the livelihoods of other non-PSNP community members over time. At the same time, PSNP5 gives due emphasis to rehabilitation works on new watersheds.

Text Box 23 Gender and Nutrition

PSNP5 will place greater emphasis on implementing subprojects that reduce women's regular work burden and enhance community nutrition (see table 2 below for eligible subprojects). Central to this is the need to strengthen women's active participation in community and kebele food security task forces and community watershed teams so that their priorities receive greater attention in the planning process. As part of the effort to increase nutrition results, 3% of the public works capital budget will be earmarked for gender and nutrition-sensitive activities, such as purchasing materials for cooking demonstrations for nutrient-rich foods. In addition, 3-5 people per kebele will be selected from model PSNP clients to work as nutrition champions. This work will be included as part of their labor requirement for public works. In addition to the newly introduced provisions, all GSD and nutrition provisions under the PW Output of PSNP4 will be maintained in PSNP5.

145. A pre-requisite for public works subprojects is that they are labor-intensive i.e. they enable PSNP PW clients to contribute their labor in line with the requirements of the program. This is a key factor in ensuring value for money of PSNP in general. The nature of labor-intensive PWs is that they require a large expenditure of labor but not much capital budget. However, all subprojects have capital budgets, which are used for renting small machines, purchasing tools and required inputs (cement, iron bar, gabion boxes), as well are hiring foremen or semi-skilled labor.

Text Box 24 Dams up to 15m

The government wishes to allow the public works component under PSNP5 to develop and finance dams up to 15metres high, which would typically be contractor-built masonry dams utilizing machinery for the civil works. Such dams do not fall into the category of micro or small, labor-intensive subprojects for which the present technical and safeguards procedures are designed. It has been agreed that this may go ahead once documents related to the environmental and social standards/environmental and social framework (ESS/ESF), including provisions regarding involuntary resettlement and safety of dams, are prepared and all requirements are met. These dams represent an exception to the labor-intensity rule of PSNP, and would need federal level exceptional approval, as well as government financing for the bulk of the construction costs.

146. Public works on private land can be undertaken in two circumstances within PSNP5: i) as a continuum for watershed treatments for the common good, for example completing the terracing of slopes on private land; and ii) the application of PW on private land for the benefit of the private individual in certain circumstances. The former is carried out under the PW component, while the latter is carried out under the livelihoods component. The livelihoods component provides details on how the integration and linkage between PW and livelihoods will be coordinated. There will be close technical support and coordination during planning, implementation and monitoring from all relevant stakeholders, such as the livelihoods implementation and coordination unit and the public works focal unit (PWFU) at all levels.

147. The public works conditionality is 5 days per person per month for a maximum of 15 days per month for all households except for households targeted for the livelihoods intervention, who will start working 4 days per month per person, beginning in the second year of the program. This reduction will continue until they officially exit the PSNP. This will not lead to a reduction in entitlement of transfers. PW participants will also substitute some public works to attend social behavior change communication (SBCC) sessions that focus on health, nutrition, gender and gender-based violence (GBV) messages.

Text Box 25 Public Works in Lowlands

Planning and implementation of public works in the lowlands are tailored to the types of livelihoods in pastoral areas, which includes Afar and Somali regions which are fully lowland regions, and also lowland woredas in Oromia and SNNPR. The timing of public works should correspond to the timing of the hunger season as well as labor availability. Subprojects in lowlands areas are also different from those in the highlands and are tailored to livelihood types (see table 2 below). PSNP5 will develop a strategy for enhancing the appropriateness and effectiveness of PWs in the lowlands. In PSNP5, the clustering of woredas approach (bordering highland areas, riverine areas, and dryland areas), which was initiated during PSNP4 will be thoroughly scaled up. In addition, due to observed capacity limitations in the lowland areas, a mobile support team will be established to support the planning, implementation and MEL of PW. This can be done through reorganizing and reorienting the existing PWFUs staffing at both federal and regional level.

148. The overall planning and implementation of PWs in both highland (non-pastoral) and lowlands (pastoral areas) will follow the revised Community Based Participatory Watershed and Rangeland Development Guideline (CBPWRDG). The major differences in the revised version are the planning steps

and technologies for pure pastorals. The planning and implementation of the PWs must follow the updated watershed guideline.

149. A new development in PSNP5 is the ability to enable young members of PSNP PW households who have some level of education to act as PSNP community facilitators (CFs) in lieu of participating in the more traditional public works and additional compensation for extra number of days of engagement as community facilitators. These young and educated people who are without jobs can serve as community facilitators supporting a range of activities including PW[45]. Examples include ensuring women's active participation in PW subproject planning and supporting SBCC delivery on nutrition. This will enhance the skillsets of unemployed and educated youth in PSNP woredas, while also benefitting the program.

3.3.2 Key Activity Areas

Key Activity Area 1: Develop integrated, climate-smart, gender and nutrition-sensitive annual public works plans that contribute to livelihood productivity

i. Revise guidelines and tools to reflect changes in PSNP5

150. The national CBPWRD guideline has been developed and will be used by all programs and projects working in both pastoral and non-pastoral areas. The guideline incorporates a wide range of issues in the planning and info-tech parts, with separate sections for the two livelihood areas. A guideline for non-natural resource PWs will be developed as standalone guideline.

Text Box 26 Youth engagement

Existing or newly established user groups (watershed/rangeland users association and asset user groups), comprising mainly the youth, will be supported to make use of previously degraded land to improve their livelihoods.

151. Other guidelines, job aids, guidance notes, videos, and pamphlets will be developed and/or revised. Topics may include occupational health and safety (OH&S), child-labor, and gender and nutrition provisions.

ii. Ensure adequate inclusion of women's and persons with disabilities' priorities, nutrition-sensitive subprojects, and livelihood enhancing subprojects in public works plans

152. PSNP5 will strengthen women's active engagement in the planning process by assigning the responsibility of mobilizing women and women's structures during the planning process to properly reflect women's needs in the PW plans. This will be included in their ToR. Gender and nutrition provisions will be clearly communicated prior to the commencement of planning. Equally, the engagement of

[45] Note: the community facilitators' role will not be limited to providing support on public works. They are also required to support activities related to livelihoods, linkages to available social services, gender empowerment, and grievance re-dress mechanisms.

persons with disabilities (PWDs) in planning processes, and the inclusion of public works that reflect their needs is given a high priority.

153. In areas where watersheds have reached a level of maturity in terms of their rehabilitation, a greater emphasis will be placed on prioritizing public work plans that contribute to livelihood enhancement. PW plans will be developed collaboratively with livelihoods plans to include, as much as feasible, PW that support livelihood enhancement.

154. Where watersheds are not adequately rehabilitated, the emphasis will be on public work plans that contribute to increasing resilience, and climate change mitigation and adaptation, while also including gender and nutrition sensitive subprojects. During the PW planning process, the facilitating DAs will point out to the community the benefits of a participatory planning process and the planning process will be bottom up.

iii. Apply environmental and social impact screening and mitigation measures

155. All public works subprojects must be screened for their potential environmental and social impacts using the environmental and social measurement framework (ESMF). Mitigation measures to address the negative impacts on the environment and society will be incorporated into the plans. In addition, the new environmental and social standards will be incorporated into the existing ESMF framework. Infrastructure facilities must be accessible for all including people with disability.

Text Box 27 Social risk management procedures

As highlighted in various parts of this document, PSNP5 puts in place social risk management procedures many of which apply to public works. These include

- ✓ Using Proxy Means Testing as a means of strengthening targeting
- ✓ Annual GRM review and integrating the recommendations of the review in annual program plans to improve the functionality and impartiality of the kebele appeal committees and its linkage to the wider government grievance system
- ✓ Considering the engagement of most-educated youth from PSNP PW households as community facilitators
- ✓ Assessing potential program implementation-related GBV risk and developing an action plan to respond to the identified risks
- ✓ Revision of key GSD provisions such as participation of women in PW planning process as well as reducing women's burden
- ✓ Piloting and gradual expansion of early childhood services
- ✓ Extension of lactating women's PW exemption for two years after giving birth i.e. up to 30 months
- ✓ Ensuring linkages to available social services including GBV responses
- ✓ Implementation of the livelihood strengthening component in selected woredas of pastoral

156. Eligible PW are micro- and small-scale community-driven subprojects that contribute to watershed development, climate-change adaptation and mitigation and social infrastructure, including community roads, health and primary education facilities.

157. Labor-intensive works that develop community and household assets, as well as a few capital-intensive projects, will contribute to watershed rehabilitation, climate change adaptation and mitigation, disaster risk management, and improved nutrition. The table below indicates some of the main public works that tend to be implemented in PSNP.

Table 2 Public Works classification and respective supervision and coordination roles

Public Works Classification	**Supervision and coordination**
Climate resilience/DRM/crop & livestock livelihoods (a) Biophysical soil and water conservation: Degraded land rehabilitation through area enclosure Soil bund construction Stone bund construction Bench and hillside terracing (b) Forestry and agro forestry Nursery site establishment and management Introduction of forage/fodder species Fodder bank establishment Seedling planting and re greening through natural regeneration	Supervision by: Woreda Natural and NRM DAs. Coordination is the responsibility of woreda NRM desk
Climate resilience/DRM/crop & livestock livelihoods (c) Water and SSI development projects Pond construction or rehabilitation Spring development Hand-dug well construction Improvement of traditional wells *(ellas)* Cistern (birka) construction Small-scale irrigation canal construction or rehabilitation Construction of water harvesting and storage structures	Supervision by: Woreda Water Resources and Irrigation Experts (Federal and Regional Experts if dam is involved) Coordination with Woreda Office of Water and Energy
Social infrastructure projects Construction of farmer training centers and pastoral training centers Construction of animal health posts Construction of school class rooms Projects that meet needs of persons with disabilities (PWD)	Supervision by: Woreda Agriculture Office
Rural roads construction and rehabilitation that contribute to on-farm livelihoods Road construction Road rehabilitation Market centers/infrastructure construction	Supervision by: Woreda Roads Authority and Sector Offices (for roads up to RR5); Coordination with: REMSEDA Cooperative Promotion Office
Nutrition and other social services Pit Latrine construction Human health post construction Childcare center establishment Garden development, including school gardens and fruit tree plantations Participation in BCC sessions (see below for further details)	Supervision by: Woreda Sector Experts Coordination with: Office of Health and Office of Education
Lowland specific	Supervision by: Woreda Sector Experts

Pastoral livelihoods: • Rangeland management (including water and grazing land rehabilitation, clearing of Prosopis • Social services Drinking water projects • Birka, Community ponds Agro-pastoral livelihoods: • Rangeland and integrated water and soil management Riverine agriculture livelihoods: • Irrigation • Bush control • Flood control (through dyke construction), water spreading weir	

Key Activity Area 2: Implement public work plans

ii. Conduct community-based, labor-intensive public works

158. Public works will be implemented in accordance with the approved plan. Public works will be scheduled to avoid undermining normal agricultural activity and the majority of public works will take place during the dry season, the timing of which varies in pastoral and non-pastoral areas. Public works participants will be organized 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. Subproject construction should follow the agreed design prepared during program planning and the relevant specifications included in the community based participatory watershed and rangeland planning guideline.

159. Inputs for public works subprojects will be purchased in a timely manner so that they are in place for the start of the public works season. These include materials to improve nutrition. Public works will be carried out according to the plans, using expertise from woreda sector offices for technical advice and supervision. SBCC activities will be carried out and documented as contributed labor from households.

ii. Ensure full compliance with public works norms and provisions

160. To ensure work norms and standards for public works implementation, foremen, DAs, community facilitators and woreda experts will provide timely and periodic technical support to the public works activities. Payrolls for public works will be developed in accordance with the PIM, but the automatic payment system will be implemented to ensure timeliness of transfers when a delay is experienced. In addition, PSNP5 will enable unemployed community-based youth to act as community facilitators to support the gender and nutrition provisions of PSNP5.

iii. Strengthen/establish sustainable operation and maintenance mechanisms for all public works

161. Ensuring the sustainability of public-works subprojects requires the development of innovative mechanisms whereby the users of the assets assume responsibility to manage, utilize, maintain and

protect them with the sense of ownership. The establishment of Watershed User's Associations and other user groups are among the tools for ensuring the sustainability of watershed development. Associations or user groups will be formed based on the volition and full consent of the members. These groups will be built into PSNP plans and supported to agree their own rules and regulations.

Key Activity Area 3: Address gender, nutrition and social development issues related to Output 3

i. Implement gender provisions for PSNP5

162. Text box 28 summarizes the gender provisions for PSNP5. These will be widely publicized and included in all public works capacity development activities. The PSNP-SBCC job aid will be revised to include gender equality issues.

Text Box 28 PSNP5 Gender Provisions

- ✓ **NEW** – Pregnant and lactating women (PLW) will be exempt from public works and join TDS for the duration of their pregnancy and for **two** years after the birth of a child i.e. 30-32 months.
- ✓ **NEW** - FHHs without able-bodied labor in their house (i.e. have young children) will require the woman to only provide her share of the household labor. A soft conditionality of working the additional one person's share on HH based nutrition sensitive activities, which will be defined in the PIM, will be included.
- ✓ Women will work 50% fewer hours on public works than men. This can be applied by late arrival and early departure, or by working fewer days; whichever is more convenient for the female clients.
- ✓ Women will be assigned to light works. The types of light work will be defined in the PIM.
- ✓ Construction of day care centers constitutes creation of community assets. Work at a day care center, including participating in pre- and in-service training, is a public work activity for clients who are trained in childcare provision.

ii. Implement nutrition provisions for PSNP5

163. Text box 29 below summarizes the nutrition provisions for PSNP5. These will be widely publicized and included in all public works capacity development activities. Social and Behavioral Change Communication (SBCC) sessions will be used to raise awareness and foster behavior change among PSNP clients in relation to diversification of diet. Many of the gender provisions also support nutrition related results as women tend to be the key decision-makers regarding food consumption.

Text Box 29 PSNP5 nutrition provisions

NEW – TDS households that have able-bodied family members will use 50% of their person days on household-level assets creation
NEW – The primary caretaker (male or female) of a malnourished child (0-5 years) and sick individuals also shift to TDS and will remain in TDS until the Kebele Food Security Task Force (KFSTF)/HEWs determines that a return to PW will not be harmful to the child
NEW – 3% of the public works capital budget will be earmarked for nutrition-sensitive activities, such as purchasing materials for cooking demonstrations for nutrient-rich foods
NEW – 3-5 people per kebele will be selected from model PSNP clients to work as nutrition champions. This work will be included as part of their labor requirement for public works
NEW – A portion of the woreda contingency budget will be used for the temporary inclusion of non-PSNP households that have children with acute malnutrition (Note: PSNP5 design has not allocated woreda contingency budget due to financing gap. Such activities will be implemented only when/if additional funding is secured in the course of the program implementation.)

iii. Implement social development activities for PSNP5

164. Children (under 18) are strictly forbidden from providing labor on behalf of a household for PSNP public works activities. This will be included as a key message in all public works communications. While PW site foremen have responsibility for ensuring this, it will be monitored and reported by Women, Children and Youth Affairs directorate of MoA in collaboration with MoLSA[46] through inspections on public works sites, and through spot checks. Incidents of child labor must be raised through the grievance redress mechanism (GRM). This has been described in box 4 under Output 1.

Key Activity Area 4: Monitor the implementation and impact of public works

165. PSNP5 will proceed with developing a mapped public works database system to track and monitor all PSNP public works. The database will link public work planning, reporting, watershed development and program exit, and will provide accessible monitoring data at all levels. The database will eventually be integrated into the MIS. In addition to this system, other PW MEL mechanisms will be put in place to support the system.

166. All subprojects will be monitored to ensure their adherence to the agreed public works norms. The implementation of the environment and social mitigation measures will be monitored and reported.

167. Implementation of GSD and nutrition provisions, such as adherence to light works and flexible work standards for women will be tracked and reported through the MIS.

[46] Details of respective roles of WCYAD of MoA and MoLSA to be outlined in the tripartite MoU to be signed among MoA, MoLSA, and MoH to lead the LASS component of the program

168. An important part of planning, implementation and monitoring will relate to the social safeguards put in place to ensure PSNP5 is implemented safely and fairly, as described in box 18.

Text Box 30 Safeguards in PSNP5

Gender-Based Violence (GBV) – A GBV risk assessment has been carried out for the first time for the program and an action plan developed. The program GRM system will be supported to have the system and skill to accept appeals related to GBV and refer to locally available GBV response services.
Child labor – The Women, Children and Youth Affairs Directorate of MoA and MoLSA will take the monitoring role of child labor restrictions' enforcement.
Occupational and Health Safety (OHS) – The Occupational and Community Health and Safety Guideline guides the program to put in place all the necessary measures to ensure that workplaces are safe, healthy and free of any danger to the wellbeing of workers. The guideline includes workplace processes to report potential work risks and to respond to emergencies. The design and implementation of PW subprojects will primarily focus on prevention from endangering the health and safety of the community, and mitigation of any impacts based on the provisions in the ESMF and local laws and regulations. The roles and responsibilities of MoA and MoLSA in implementation and monitoring the guideline are clearly stipulated.
The program's GRM mechanism functionality and effectiveness will be monitored and included in the program regular reporting system.
The program will maintain safeguard instruments of PSNP 4 such as posting of client names, charter of rights, joint client card, and expansion of Social Accountability woredas to more than 100 woredas.

Key Activity Area 5: Develop capacity for Output 3

169. PSNP5 will establish and fill minimum staffing requirements for public works. Training materials and guidelines related to the public works Output will be developed and targeted to the appropriate stakeholders. Annual capacity assessments will be conducted to identify areas that require strengthening, which will inform the annual capacity development plans. Training, development of processes and systems, and other capacity development support will be implemented based on the plans. Specific capacity development already identified includes:

- Annual training (before planning) for community and kebele food security task forces (CFSTF and KFSTF) and watershed TFs on the updated community based participatory watershed development guideline, and on the need for and how to address women's issues in the planning process.
- Technical training on public works design and construction to ensure standard and quality of implemented public works
- Annual training on ESMF for frontline workers, including occupational health and safety, labor standards and inspection for child labor
- SBCC and BCC sessions related to gender, nutrition and other social issues, such as child labor, and child marriage
- Inspection for child labor cases.

3.3.3 Institutional Arrangements

170. The Natural Resource Management Directorate (NRMD) of Ministry of Agriculture (MoA), regional BoA and zonal and woreda office of agriculture through the PW Coordination Unit, will oversee Output 3 and ensure its effective implementation and successful delivery, including:

- Public works design and technical oversight
- Ensuring compliance with the environmental standards
- Public works monitoring and evaluation
- Coordination with providers of BCC and literacy/financial literacy training to ensure that public works clients' participation in these activities is counted toward their public works requirement
- Ensuring climate change activities related to carbon sequestration and climate resilience building are incorporated
- Ensuring enhanced linkages between PW and Livelihoods components
- Ensuring the proper implementation and reporting of public work-related GSD and nutrition provisions
- Developing capacity of staff at all levels to implement the PW component

171. The Small-Scale Irrigation Directorate (SSID) of MoA, regional Bureau of Water Resource Development (BOWRD) and the woreda office of water resource development will play a key role in the implementation of activities related to irrigation construction/ rehabilitation supporting in PSNP5. Their role will be to provide technical input into construction and supervision for all dams. Specifically, they will:

- Provide technical support to the PWCU and regions on SSI and dam design, construction and operation
- Conduct regular monitoring and evaluation of SSI infrastructures,
- Actively engage in annual and quarterly planning and reporting
- Ensure the SSI subprojects are screened for their environmental and social impacts using the ESMF, mitigation measures are planned and implemented, and conduct ESIA, dam safety, and other requirements as necessary
- Ensure completed subprojects are transferred in a timely manner to the regular extension system, user groups/associations are established and the SSI are operational with the required irrigation agronomy and operations and management (O&M) mechanisms
- Develop capacity of technical staff on SSI and dam design, construction and O&M

172. Women, Children, and Youth Affairs Directorate of MoA will be involved in monitoring the GBV and child labor issues.

173. MoLSA will be involved in the development/revisions of Occupational Health and Safety (OHS) standards and supervision of its implementation in collaboration with NRM.

174. The Public Works Technical Committee at all levels (PWTC), which will be chaired by NRMD Director or delegate and co-chaired by FSCD or DPs, will support implementation of the PW Output, including a close linkage with the Linkages to Social Services and Livelihoods Outputs. The PWTC also engages relevant stakeholders from other GOE flagship programs (SLMP, CALM, AGP) to help minimize duplication of efforts. The federal PWTC will also be vertically linked with regional and woreda level parallel structures ensuring proper flow of information following up progresses and addressing challenges.

3.4 Output 4: Linkages to available social services facilitated for core PSNP clients with emphasis on PDS and TDS

3.4.1 Overview of the Output

175. PSNP5 will facilitate a referral mechanism to link PDS and TDS clients to a specific set of social services, which are considered critical to reducing clients' vulnerabilities. This is consistent with the notion that poor people invariably experience multiple overlapping deprivations and the wider the range of services available to them, the better their chances are to be resilient.

176. In Ethiopia, there is a strong correlation between income poverty and poor performance in wellbeing outcomes for children. Health outcomes are poor for poorer households with only 25% of children in the lowest wealth quintile receiving all basic vaccinations compared to 65% of children in the highest wealth quintile. Similarly, stunting is much higher at 42% among children in the lowest wealth quintile compared to 24% among those in highest quintile.[47] According to a study which analyzed four rounds of Ethiopian Demographic Health Survey data (EDHS 2000-2016), women from households of the highest wealth quintile were three times more likely to use ante-natal clinic (ANC) services compared to the lowest ones in all of the four survey datasets.

177. Education outcomes are no different. A recent World Bank analysis exploring demand-side interventions to enhance education concluded that children from poorer households start school late (enrolled average), are less likely to progress in school, and are highly likely to dropout at upper primary due to the need to work, have lower attendance rates and lag behind in their performance. This demonstrates that poverty is a key driver for poor education outcomes both in highlands where education supply is stronger as well as in lowlands where supply is weaker[48].

178. The supply side of the social service delivery in rural parts of Ethiopia in general and in lowland areas in particular is characterized by low coverage, weak institutions, low levels of capacity, and poor-quality services. On the demand side, service seeking behavior, notably in the areas of health, health insurance and education is also low. All of these challenges work together to constrain vulnerable households such as PSNP clients' access to social services.

[47] Ethiopia Mini Demographic Health Survey, 2019

[48] Options for Demand-side Interventions to Enhance Education Outcomes in Ethiopia – A concept paper, Christophe Ribes Ros & Mesay Kebede Duguma, 2019

179. While improving the supply side of these services is outside of the scope of PSNP, the program can play key role in improving PSNP5 clients' access to locally available social services through (i) strengthening relevant, existing social service delivery as part of its PW subprojects, such as construction and maintenance of school class rooms, health posts, and childcare centers; and (ii) facilitating linkages to available services for its clients.

180. Linkages to services will be facilitated for all PSNP core clients. Emphasis will be given to ensuring that PDS and TDS clients are prioritized for linkages to relevant and available social services. The need to access services is usually greater for these cohorts, not only because of their limited access, but also they have particular needs, and addressing these needs contributes towards the human capital development effort of the country.

181. PSNP has used a strategy to boost demand for social services by introducing some co-responsibilities specific to the different groups of TDS clients. These are indicated in table 3 below. Thus by facilitating access to services, clients are able to meet their soft conditionalities as well as to gain assistance for other issues they may face through establishing a family focused functional case management system.

Table 3 Category of TDS Clients and respective co-responsibilities

Category of Temporary Direct Support Client	Co-Responsibilities
Pregnant women	• Attendance of four ante-natal consultations • To participate in BCC sessions as informed by the HEW
Mothers on the first year as TDS	• Attendance of one post-partum health facility visit • Attendance of 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
Mothers on the second year as TDS	• Attendance of one post-partum health facility visit • Attendance of 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 • Attend coaching and training on the basics of early childhood development • Work as care-takers in child care centers
Primary care-giver of a malnourished child under five years old during treatment	• Monthly check up of the child at the closest health facility • Attendance of 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 by the HEW

182. In line with the core policy and program objectives of PSNP5 (food and nutrition security, strengthened livelihoods) and drawing on examples from pilot cash plus programs in-country and elsewhere, the focus of this component will be on linkages to social services related to health and nutrition services, including community based health insurance (CBHI), as well as to education, and legal services.

This will require follow-ups, most importantly home visits via a referral and monitoring mechanism as well as leveraging PSNP SBCC platforms to boost demand.

183. There is a strong need to engage with the lead agencies of each of these sectors to understand the scope and availability of services and plans to expand the services, particularly in lowland areas given the low coverage of these services.

184. Similar to other components, a greater emphasis will be placed on measuring performance and delivery of the Output, as described in chapter 6 on MEL. This will be through the introduction of performance-based indicators amongst other measures.

3.4.2 Key Activity Areas

Key Activity Area 1: Establish institutional arrangements and guidelines to implement the Output

185. A tripartite MOU will be developed and signed by the three ministries involved in delivering this Output, namely MoA, MoLSA and MoH. The MOU will document the roles and responsibilities, institutional arrangements and governance for all actors at various levels of government.

186. Key Activity Area 2: Identify available services and clients' needs

187. A guideline describing how to establish and run case management for TDS and PDS PSNP clients will be developed for woreda and kebele level service providers. The guideline will include relevant formats to facilitate linkages to services as well as monitor uptake of services.

188. Using the guideline, the available and relevant social services, including those offered by government and NGOs, will be identified and documented for each woreda/kebele. This mapping exercise will include a brief assessment of the services' capacity and limitations. The list of services will be updated annually, or more frequently if changes in services occur.

189. Simultaneously, household profiling will be undertaken to identify clients' needs for specific social services, with priority given to PDS and TDS clients and the most vulnerable. Clients will then be matched with the available service that meets their needs. This will be conducted by kebele-level social workers, where available.

Key Activity Area 3: Roll out linkages to social services

190. Identified clients will be linked with appropriate social services using the different formats included in the guideline. PSNP can use its multiple information sharing and communication mechanisms, including BCC sessions, as a platform for raising awareness to improve social service seeking behavior. Services may include:

1. Health and nutrition, including water, sanitation and hygiene (WASH) services, ante- and post-natal checkups, nutrition counseling, GMP and child immunization, sexual and reproductive health, community-based health insurance (CBHI), HIV counseling
2. Early childhood development (ECD) and education, including literacy and basic adult education

3. Justice or legal services (e.g. for cases of child marriage and GBV) and can include psychosocial support counseling services.

191. Social workers will be responsible for case management – a process whereby, for example, an individual child is followed along a chain of interventions to ensure their follow up until the well-being of the child is confirmed. This process contains a series of well-defined steps: identification, intake screening, assessment, care planning, implementation, case review and case closure.

Text Box 31 Early Childhood Development (ECD) Pilot in PSNP5

PSNP5 will put in place a pilot to provide additional support to mothers and young children. Community-based Child Care Centers will be developed as part of the public works program. During the public work season, selected PSNP clients, who are considered responsible, active and have a child under 5 years, will serve as caregivers at the childcare centers. This work will be considered as their contribution to public works. The number of caregivers will be based on recommended child: adult ratios for childcare centers.

The pilot will be rolled out to all 33 Seqota Declaration woredas covered by PSNP in Tigray and Amhara regions and will target children between one and five years of age.

A non-governmental organization (NGO) will provide technical support to public works clients to set up and operate the community-based childcare centers. Activities in the center will support the age-appropriate development of early literacy and numeracy, and socio-emotional, fine motor and gross motor skills. The role of the NGO includes the following:

(a) Assisting in developing the childcare package including a curriculum and materials (e.g. for play, and utensils);
(b) Helping identify the location for the childcare centers, preparing the space in collaboration with public works activities and setting it up, guided by the minimum requirements (shed of appropriate size, ventilation and building material, space for outdoor activities and WaSH facilities);
(c) Providing implementation support including awareness creation at the community level, recruiting and training caregivers from amongst PW/TDS clients to support early stimulation, child health and nutrition, health monitoring and safety;
(d) Supervising the operation of child care centers;
(d) Monitoring implementation of the childcare package in the PSNP childcare centers.

Key Activity Area 4: Monitor linkages to social services

192. The PSNP household registry database will be used to facilitate the implementation of the activities under this Output. Linkages facilitated between clients and appropriate social services will be documented and followed up to assess clients' uptake of and satisfaction with the services. Findings from this monitoring process will link with the program GRM structure and engage in the program GRM process to address any complaints or grievances of clients. This is described in box 17 under Output 1.

193. Major monitoring indicators of social services will be identified and linked with that of PSNP MIS and the health sector reporting system.

Key Activity Area 5: Develop capacity to deliver Output 4

194. MoA and MoLSA will set and fill minimum staffing requirements for linkages to available social services (LASS) under their respective roles. Training materials and guidelines related to the LASS Output will be developed and targeted to the appropriate stakeholders. Annual capacity assessments will be conducted to identify areas that require strengthening, which will inform the annual capacity development plans. Training, development of processes and systems, and other capacity development support will be implemented based on the plans. Specific capacity development already identified includes training for frontline staff (DAs, HEWs, education workers, and social workers) on linkages to social services.

Key Activity Area 6: Address gender, nutrition and social development issues related to Output 4

195. The co-responsibilities for pregnant women, mothers on the first and second years as TDS clients, and primary care-givers of a malnourished child under five (Table 3) will be implemented, and monitored to assess uptake of services by these cohorts of clients. Health and nutrition services, including community-based health insurance, will be a key focus of the linkages established for PSNP clients.

3.4.3 Institutional Arrangements

196. This Output requires a multi-sectoral approach. MoA, MoLSA, and MoH will have a joint responsibility for coordinating and delivering with strong participation of MoWC and MoE.

197. A tripartite MOU will be developed and signed by the three ministries involved in coordinating and delivering this Output, namely MoA, MoLSA and MoH. The MOU will document and describe the roles and responsibilities and institutional arrangements for all actors at various levels of government. MoA-FSCD as the program coordinator will facilitate the process of jointly developing and signing of the MoU.

198. PSNP platforms such as the kebele and woreda level Food Security Taskforce should serve as a platform to promote links to social services, address bottlenecks through information sharing, and monitor and improve the effectiveness of the referral mechanism. This requires revision of the ToRs of the PSNP coordination mechanisms to clarify roles and responsibilities of each institution represented and those involved in the referral mechanism.

199. Relevant community-based organizations (CBOs) and NGOs that provide social services at grassroots level will be engaged.

200. A new Linkages to available Social Services (LASS) TC will be established at the federal level to support the implementation of this component and the implementation of the gender, nutrition and social development activities of the program. If the TC finds it necessary, working groups may be established for nutrition, for example. The chair and co-chair of LASS TC will be a member of all other TCs.

3.5 Output 5: Tailored livelihood options accessed by eligible PSNP clients

3.5.1 Overview of the Output

201. The livelihoods Output aims to go beyond consumption smoothing to enhance livelihoods of targeted PSNP households and contribute to building sustainable livelihoods and resilient rural PSNP households. It also seeks to contribute to the nutrition outcome of households. This will be achieved through the provision of a bundled and time bound package of support to address key barriers that prevent households from developing productive activities, and to find jobs and contribute to sustained increases in income and assets for the targeted PSNP households. The livelihoods package is designed to support clients, improve access to developed watershed resources, and enhance households' capabilities to increase their respective productive activities and diversify their income sources. It also seeks to contribute to the nutrition outcome of HHs. In order to achieve its objectives, the livelihood output includes technical training and complementary livelihoods interventions in three pathways: 1. Crop and livestock, 2. Off-farm, and 3. Wage employment. These are tailored to the available resources and capabilities of clients. It also includes the provision of US$300 grant to 167,000 livelihood clients who are from the poorest quintile to engage in the off-farm and on-farm pathways. This is in recognition of the fact that the poorest are risk averse and would likely have difficulties accessing credit. The figures do not include the big push plus pilot which will take place in 17 selected PSNP woredas (Annex 3).

202. In addition to continuing delivery of livelihoods support in the highlands, PSNP5 will roll out the livelihoods program to the lowland regions. This will be done on a phased basis, with 40 woredas participating in the first phase. Lessons and results will be documented and assessed, and adjustments made to the program to ensure it better meets the clients' needs.

203. PSNP5 aims to increase participation in off-farm activities to approximately 25 percent, having reached only 12% in PSNP4. For those who choose the on-farm or off-farm option, the sequenced and tailored package of services include: group formation; financial literacy training; promotion of savings and selection of income generating activities; technical and market skill training; assistance to prepare a business plan; livelihood transfer for those in the livelihood transfer track and referral to a private or parastatal microfinance institution, RUSACCO or Unions for households not eligible for the livelihood transfer; and follow up mentoring and coaching.

204. PSNP5 will continue to support households' access to livelihood services, drawing on lessons learned from PSNP4 and international experience to adjust the design. Hence, the focus will be on maximizing the impact of livelihood support intervention through a "big push" for livelihoods, focusing on providing relevant, intense and high-quality support to targeted clients with the potential to develop productive activities or find jobs. To achieve this, a standard training curriculum will be developed for trainees and trainers to provide training of trainers to the frontline implementers, including woreda experts and development agents. Additional assistance in the form of community facilitators and training/coaching of trainers by a training firm will be provided. The livelihood component will aim to push

for more diversification of livelihoods by increasing participation and quality of support in the off-farm pathway and by reshaping the wage employment pathway to achieve better results.

205. The concept of 'big-push' is characterized by manageable client size, intensive technical support, and increased inputs, to enable improvements in livelihoods and exit from the program. It is proposed to support a total of 550,000 households for the big push livelihoods intervention - 167,000 in the livelihoods grant transfer track, and[49] 383,000 households[50] in the credit track out of which 303,000 households will be supported through GOE and 80,000 through USAID funded NGOs. However, it should be noted that the objective of the LH grant is to bring the bottom quantile to the level where they are credit worthy. Therefore, effort will be made to avail credit to LH grant beneficiaries as well.

206. In the on-farm and off-farm pathways, the focus will be on improving the quality, relevance, and intensity of the training. An assessment by a training firm or NGO with local and international experience will guide the revision of the package of support and curriculum for trainees and trainers. The revision will include sequencing of activities, modules and content to reinforce business skills, life skills, women's empowerment, nutrition and market linkages. Diversification of income sources will be fostered through the introduction of client coaching to identify and choose livelihood options using the available menu. In addition, the curriculum for trainers will also be revised, and the capacity of trainers to deliver the curriculum will be enhanced through training and coaching by an experienced firm. Finally, digitally enabled training will be rolled out if the results from the currently on-going impact evaluation[51] are positive. Youth, gender, nutrition, and diversification of income sources will be given special attention when revising the curricula.

207. The intensity of support will be enhanced in the on-farm and off-farm pathways. First, the cost of the training per client will be increased, to implement the revised curriculum for trainees and trainers. Second, local youth from PSNP households with some level of education will be assigned to act as community facilitators to assist development agents and support various elements of PSNP, including the livelihoods component. Third, households who are in the on-farm pathway will be supported with various technical support and access to credit to increase production and productivity of their individual land. Fourth, as households are targeted for livelihoods big push engagement, the public works days will be reduced by a day and the intensity of sequenced and planned training increased. Fifth, the amount of the livelihood grant will be increased to $300 based on a study by FAO. Sixth, quotas for youth and women will be introduced. And seventh, the upgraded MEL system will provide far better analysis on what works, and why, to enable continual improvement and increased effectiveness of all support provided. The birr value of the $300 will be determined at the beginning of each fiscal year and will be based on the exchange rate. The targeting for the livelihood grant (a subset of those in the livelihood program) will be done after development of business plans to maximize its impact and ensure that households in the livelihood grant track develop business plans and think through what they will do with the grant. A mobile extension

[49] Out of these 147,000 will be in GOE woredas and the remaining 20,000 will be in NGO woredas.

[50] GOE will avail credit for 383,000 households

[51] Under PSNP 4 livelihoods transfer impact evaluation has been underway since 2018 and the final report is expected

service (for pastoralist clients) during mobility seasons will be considered to enable the 'big-push' for increased livelihood results in lowland regions.

208. The Wage Employment Pathway (WEP) will be reshaped and a new approach piloted to link clients to seasonal jobs in nearby small and secondary cities. The WEP will tackle the main challenges of migrating to nearby cities, by providing access to information, training schemes, and subsidies to cover migration costs as determined by the design of the pilot. The focus will be on youth and on high potential areas for wage employment in nearby small and secondary cities. Implementation will be done by the Rural Jobs Opportunities Creation directorate (RJOC)[52], with policy/strategy level support from the Jobs Creation Commission (JCC) at federal level and relevant technical support from the Employment Promotion Directorate of MoLSA. The approach will be phased, starting by i) a diagnostic and design phase, ii) a pilot phase, and iii) a scale-up phase to ensure the effectiveness of the services provided and their alignment with rural labor market realities.

209. Improved targeting for all pathways is the final core element of the 'big push' in order to maximize the impact of livelihoods support. To achieve that, a methodology based on household profiling will be introduced to guide DAs in the selection of potential households and individuals at different stages and improve the matching with the different pathways. Targets for youth and women in the on-farm, off-farm and wage employment pathways will be established.

Text Box 32 Household Profiling

The objective of improved targeting for livelihood pathways is to focus interventions on those with motivation and potential to develop productive activities or to find employment, and improve the matching between clients and the available pathways. One methodology currently being considered is household profiling. This involves using a selection of variables from the HICES 2016 data to profile households and individuals with potential to maximize the impact of the interventions on consumption expenditures and households' self-sufficiency

210. Livelihoods support will be time-bound in PSNP5 i.e. clients will receive the big push package with one round of the livelihood grant or one round of credit, in addition to non-financial support for both on- and off-farm pathways. One round of support is expected to be carried out within one financial year. After the end of the second year, every livelihood supported household that has received a grant or credit will be assessed during the recertification process. If the household is determined to be sufficiently well-off,

[52] RJOC is establishing a structure at lower levels (i.e. RJOC experts are being deployed at every kebele and One Stop Services (OSSs), which facilitate employment creation, will be established for every three to five kebeles).

it will leave the program. Should an external shock occur, households that have exited may re-enter the program as additional clients under Output 2 in order to maintain the investment gain of the program and assets of the clients. This will be determined during the annual recertification process (see Output 1).

211. As the majority of the PSNP clients are expected to engage in on-farm pathways, PSNP5 acknowledges the importance of individual land management and household level water harvesting structures or technologies, including hand dug wells and ponds that would help enhance land productivity and management. Livelihoods clients in all three pathways will receive a reduction of one day per person[53] in their public works requirements to develop and improve their private land productivity, participate in various trainings, and engage in their off-farm enterprises. This will not reduce their total PSNP transfers. The Livelihood's Unit will work in collaboration with the Public Works unit at all levels to coordinate and implement the technical support, and monitor activities that take place on private land. Details on the linkage, coordination and implementation, including budget and activities will be identified and included in the PIM. In addition, distribution of high value fruit seedlings and vegetable seed to promote home gardening, which will ultimately contribute in increasing household income and improve nutrition, will be considered.

212. The design also recognizes the need to increase the intensity of coaching, mentoring and follow-up for households targeted for livelihoods. The identification of households to strengthen their livelihoods through the one-day public works provision will start in the second year of the program and identified households will be required to allocate one PW person day to their livelihood trainings and work. Hence, as households targeted for livelihoods intervention, their PW person days will reduce from 5 days per person to 4 days per person. The Livelihood Unit will develop a detailed guideline on how the one-person day for the livelihoods big push intervention will be planned, implemented and monitored, and will include mandatory attendance in the livelihood training activities.

213. PSNP5 will also place greater emphasis on monitoring and evaluating the livelihoods component in order to better understand and rigorously identify the impact of the interventions on key outcomes, to create the evidence base necessary to improve the design over time, and to identify the most cost-effective elements of the package for scale up. This will be based on new approaches described in chapter 6 on monitoring, evaluation and learning.

214. PSNP5 will increase focus on improving women's economic opportunities through participation in livelihoods support. During the first 6 months of PSNP5, the assessment and revision of the curriculum for trainers and trainees will propose adjustments to better address the constraints to productive inclusion that different groups of women face (married women, FHHs, female youth, and women in polygamous HHs). In addition, the coaching to identify livelihood options will help women clients identify options that are well suited for them. Women's participation as community facilitators will also be encouraged.

[53] For example, if a household has three members who participate in PSNP PW, that household would spend 3 x 5 = 15 days per month on PWs. Thus, this provision would reduce the PW days by 1 per person, and the household would then contribute 12 PW days instead of 15.

215. The PSNP5 design recognizes the work burden of the Development Agents (DAs) who are responsible for the implementation of PSNP public works, livelihood interventions (including training and business plan development), in addition to multiple other tasks. However, a sizable number of youth who have completed high school are available to engage productively and support the implementation of the PSNP as community facilitators. A curriculum will be developed for community facilitators and they will receive appropriate training and guidance to equip them to work with households and provide close mentoring and coaching and follow up of households targeted for the livelihoods big push. The community facilitators will work very closely with DAs and woreda experts and maintain constant contact with households and livelihoods economic and social groups. This model intends to use rural youth and intends to fill the capacity gap at the kebele level and deliver the highly needed support to households for transforming their livelihoods and preparing them to exit from the PSNP.

Text Box 33 What's new for the complementary livelihood services?

The following are some of the new activities proposed based on the learning of the previous program

- Big push to increase intensity, quality and relevance of training and follow on support, increased investment per client, increased capacity of trainers
- Engagement of youth as community facilitators
- Methodology for targeting based on household profiling
- Use of Digital green video-based learning to complement DAs, community facilitators and households training
- Focus of wage employment in high potential areas and pilot new approaches
- New institutional arrangement for the wage employment
- Rollout of livelihoods to lowlands regions.

216. As discussed earlier (see paragraph 88, 4), primacy of transfers remains one of the core principles of the program. Predictable and timely safety net helps to address food/ income gap and protect/ stabilize consumption, and PSNP5 recognizes that livelihood intervention results will be compromised in the absence of predictable and timely transfers. Provision of the grant/ credit, for example, may not deliver the result expected as people are likely to compensate for the lack of safety net using the grant/ credit money. Therefore, due emphasis should be given to ensuring that minimum standards for transfers are met for increased results in the livelihood interventions.

3.5.2 Key Activity Areas

Key Activity Area 1: Prepare and plan livelihoods Implementation

iii. Develop materials to explain how livelihoods will work in PSNP5

217. A standard livelihood guideline explaining how the different types of livelihoods support can enhance livelihoods, both directly and indirectly, in PSNP5 will be developed. The guideline will explain how livelihoods support will be delivered and the analytical and planning processes involved for each

pathway. Guidance on livelihood packages specific to women, and Muslim-friendly loan products, will also be included.

218. An assessment of the package of support and curricula for trainees and trainers will be carried out and revisions to the curricula and training materials will be made based on the recommendations from the assessment. Specific livelihood support materials will be developed for lowland areas. The sequence, modules, content and timing of the package of support will be revised and standardized. The role and training requirements for community facilitators will also be detailed.

ii. Identify PSNP clients and livelihood interventions for livelihood support

219. A methodology will be developed based on household profiling to guide the selection of households and individuals with different socio-economic characteristics. The objective will be to focus interventions on those with motivation and potential to develop productive activities or to find employment opportunities, and improve the matching between clients and the available pathways. Strategies to help different groups of women to equally benefit from the program will be developed as part of the selection methodology. The livelihoods grant support will target the ultra-poor PSNP clients. Likewise, priority will be given to households with pregnant or lactating women (PLW) and children under 2 to receive the grant as long as they fall within the poorest bottom 20% category of the of PSNP clients. Specific attention will be paid to address any additional risks of potential abuses of power (including GBV) that may be heightened as a result of selection for either grants or credit. The GRM, described under Output 1, will be utilized to address any grievances under this Output.

220. The menu of options of potential livelihood activities will be revised at agro-ecological level and will be used as a basis to coach clients to choose appropriate livelihood options. This revision will strive to make linkages with existing value-chains, to identify options that are profitable, well suited to women's needs, and to identify off-farm and nutrition-enhancing options. Community consultations to create demand for livelihood activities will be carried out.

iii. Develop livelihood *support plan*

221. Sequenced and tailored activities along with the specific timelines will be developed based on the earlier preparation activities. The plan will be integrated with the public works component, and access to community property, such as mature watersheds, water harvesting and small-scale irrigation schemes will be made available for livelihoods activities as appropriate. The livelihoods plan will also include monitoring tools to track livelihood performance at the household and delivery system levels.

222. All livelihood interventions will be screened using the ESMF, and mitigation plans developed as required. ESMF for the livelihoods will be mainstreamed with climate change induced risks analysis and planning for adaptation and resilience building.

Key Activity Area 2: Implement livelihoods interventions

iv. Develop capacity of clients to succeed in their selected livelihood interventions

223. Frontline workers, including community facilitators, will be trained and coached on the revised and improved curricula and training material.

224. Standard and tailored trainings using the revised and improved products will be provided to livelihood clients. The exact content will be based on the results of the assessment, but may include business planning, marketing, group governance, financial literacy etc. Clear nutrition messages to PSNP livelihoods client households will be promoted, integrated and disseminated.

225. PSNP5 will also allow flexibility where some clients could access financial services and livelihoods grant with less technical support if it is deemed unnecessary. As stated earlier, technical support will be tailored to the needs and capabilities of the clients. This will be determined based on household profiling, which will also consider intra-household gender dynamics.

v. Facilitate group formation, financial literacy, saving promotions and IGA selection, technical and market skill training, business plan development, and linkages to financial services

226. PSNP livelihoods clients will form a group and receive financial literacy training. These activities will be sequentially delivered as per the guideline.

227. Livelihoods clients will be encouraged to save on a regular basis, either as individuals or in groups, in order to establish relationships with financial institutions and be considered eligible to receive loans. It will, however, be compulsory for clients who receive the livelihood grant to engage in savings.

228. PSNP livelihoods clients will be supported to choose a livelihood pathway, identify livelihood income generating activities, and develop business plans. PSNP clients receiving the livelihood grant will also be supported to develop business plans. The DAs will take a lead role in the on-farm pathway with follow up support from the community facilitators as necessary based on the revised package of support. An off-farm expert at woreda level will support social workers and DAs with the off-farm pathway.

229. Linkages to financial service providers will be facilitated through referrals. It is expected that in addition to MFIs and RuSACCOs, additional financial service providers will be available under PSNP5 to promote diversification of financial service providers. Thus, the product range, suitability and proximity of financial service providers should improve. A key reason for differences in performance between regions has been availability of financial services. Some regions did not follow through their commitments to provide capital to MFIs affecting availability of loanable fund to PSNP clients. In PSNP5, implementing key conditionalities for livelihoods capacity building budget transfer (see Text Box 34 below) is expected to improve the situation.

Text Box 34 Conditionalities for livelihoods capacity building budget

Conditionalities for livelihoods capacity building budget transfer is agreed to enhance accountability and thereby livelihood results. Some of the conditionalities proposed include:

- Regions confirming availing required loanable fund,

- Regions signing MoU with loan providing MFIs clearly outlining roles and obligations,
- Regions implementing compulsory saving by livelihood transfer clients; and
- Woredas and kebeles planning and implementing jointly with MFIs and RuSACCOs on loan provision and repayment

230. Groups will be established, where appropriate, based on clients' value chain engagement or settlement (geography) and by-law development. Groups will be used as entry points for clear messaging and training around using increased income for improving nutrition (e.g. dietary diversity etc.).

vi. Facilitate linkages to markets and employers

231. High potential areas for seasonal employment will be identified and a plan to pilot new approaches to link young clients to jobs will be developed. New approaches will include job matching through job centers (or One Stop Services[54]) established by RJOC specifically for rural areas, and transport subsidies for seasonal migration, complemented by training.

232. PSNP-private sector platforms will be established for the wage employment pathway in areas with potential for seasonal wage employment on farms or in nearby cities. Employers will be consulted and encouraged to hire PSNP livelihoods clients, particularly youth.

233. Clients engaged in the on- and off-farm pathways will be linked to input-output markets to facilitate their ability to acquire appropriate inputs and to sell their products at the right times.

Key Activity Area 3: Monitor and evaluate livelihoods interventions

234. Monitoring and evaluation for the livelihoods component will be more intensive and deliberate in PSNP5. Data will be gathered using the government's monitoring system (MIS) and used for adaptive management to improve the program, in line with the approach to MEL for PSNP5 described in chapter 6. Other more in-depth studies will complement this and monitor the application of livelihood support protocols and standards, measure impacts on different types of clients, and inform lessons for future improvement.

235. A set of performance standards will be designed to monitor the results of the livelihood component at the delivery system and household levels. Based on the data collected through the MIS, various reporting tools will be developed including dashboard and maps using a traffic light system. Households that receive livelihoods support will continue to be tracked and coached even after the intensive support has ended. The PMT will be used to assess any changes in their livelihoods and this will be used as a tool to inform readiness to exit the overall PSNP as described under Output 1.

Key Activity area 4: Roll out livelihood component in lowland areas

[54] Rural job opportunity creation experts are either already placed or being hired in each kebele of PSNP regions except Afar; roll out of One Stop Services (OSS) that facilitate rural job creation will be finalized in EFY 2013. There will be one OSS for every three or five kebeles.

236. The roll out of the livelihood component will be informed by existing experiences of the GOE, NGOs and UN agencies implementing appropriate household livelihood interventions in the lowlands. Appropriate pathways and interventions packages of support for lowland areas will be developed and documented in appropriate guidance and livelihood support materials (curriculum for trainers, curriculum for trainees, implementation manual and guidelines). Finally, the roll out will be carried out on a phased basis using training and associated capacity development.

Key Activity Area 5: Develop capacity to deliver Output 5

237. Capacity development of selected PSNP clients forms a significant element of the livelihoods output. However, capacity development of the government to deliver this output is also required. PSNP5 will establish and fill minimum staffing requirements for livelihoods. Training materials and guidelines related to the livelihoods Output will be developed and targeted to the appropriate stakeholders. Annual capacity assessments will be conducted to identify areas that require strengthening, which will inform the annual capacity development plans. Training, development of processes and systems, and other capacity development support will be implemented based on the plans, with an emphasis on improving the quality, relevance and intensity. Specific capacity development already identified includes:

- Updating training materials for all livelihood pathways
- Specific livelihood materials for lowlands
- Training of trainers and coaching skills for community facilitators, DAs and woreda experts to support clients

Key Activity Area 6: Address gender, nutrition and social development issues related to Output 5

238. Quotas for youth and women will be established for all three livelihoods streams, and strategies will be developed to enable women to benefit equally from the livelihood options and enhance their economic opportunities. The livelihood grants will target the poorest 20% of LH clients, with priority given to PLW and women with children under two who are within this cohort of clients. Any risks associated with selection and receipt of either grants or credit, for example gender-based violence or other abuses of power, will be mitigated where possible. The GRM will be used to address any grievances that occur.

239. DAs and CFs will be trained to support women to identify livelihood options to suit them. Women will also be encouraged to be CFs.

240. Income sources that enhance nutrition will be given special attention when revising the on- and off-farm curricula, for example high value fruit seedlings, vegetables and development of home gardens.

3.5.3 Institutional Arrangements

241. FSCD has overall responsibility for delivering the livelihoods Output. It is responsible for the overall program oversight, coordination and quality assurance (program management, resource allocation, harmonized program planning, establishing performance standards, and monitoring).

242. The Agricultural Extension Directorate (AED) of MoA at all levels will play a more prominent role in PSNP5 by providing the technical support for the on-farm livelihood pathways. The Nutrition Coordination Office will provide technical support in developing and implementing a nutrition sensitive livelihood menu.

243. The Rural Job Opportunity Creation (RJOC) Directorate of MoA will be responsible for the WEP with technical support from the Employment Promotion Directorate of MoLSA and with policy/strategy support from the Jobs Creation Commission (JCC) at federal level. RJOC also supports the other pathways of the LH component on entrepreneurship and Business Development Services (BDS) training.

244. The Federal Cooperative Agency will be responsible for financial literacy training, saving, and developing Muslim friendly financial products. They will also be responsible for developing the capacity of RuSSACOs which are the most important grass root institutions in delivering saving mobilization and credit to the PSNP clients.

245. The off-farm pathway will be led by the contract staff expert at woreda level. A decision on where he/she will be housed is expected and will be articulated in the PIM.

246. The Livelihoods Implementation and Coordination Unit (LICU) under the FSCD in collaboration with NRMD, AED and SSID will provide technical support for public works on private land. In terms of mandate FSCD/LICU is responsible for the delivery of this task.

247. Existing contract staff working on livelihoods at federal, regional and woreda levels will be re-assigned to best meet the needs of the component. For instance, at woreda level, the agri–business expert may be shifted to focus on the off-farm pathway in collaboration with TVET, one stop centers and MSE offices.

248. Regional and woreda technical offices (agricultural extension, crop, livestock, and cooperative) are responsible to provide proper technical support, ensure directives and guidelines are properly implemented, and ensure complementary livelihoods interventions are integrated with the regular extension system. They are also responsible for checking that PSNP clients are not excluded and are benefiting from the extension system, and for ensuring that off-farm and wage employment pathways tasks are linked to the appropriate implementing agency.

249. The engagement of Micro and Small Enterprises (MSEs) and Technical and Vocational Education Training (TVETs) will be accessed as needed to support implementation.

250. The Livelihoods TC will support the implementation of this Output, in line with its revised TOR and the various new governance arrangements introduced in chapter 4. This will involve taking responsibility for ensuring that the Output is effectively implemented and achieves its objectives in full, and playing a role in enabling transparency, accountability, analysis, identification of issues and lessons, and ensuring application of solutions which ensure the Output remains on track throughout PSNP5.

3.6 Output 6: PSNP management and capacity enhanced

3.6.1 Overview of the Output

251. Output 6 focuses on strengthening the key management systems and core management functions of the PSNP to enable effective and accountable implementation of all the other Outputs. All parts of the PSNP delivery system, which includes multiple implementing agencies at different levels of government, need to deliver the six PSNP logframe Outputs in order for PSNP5 to achieve its intended Outcome. The revised governance arrangements of PSNP5 will hold the implementing agencies to account for their results. Output 6 provides the framework through which the quality of planning, delivery, monitoring and management for the whole program will be overseen so this will happen. The objective is high quality implementation according to responsibilities and program performance standards at all levels.

252. Program management is a complex matter in PSNP, due to its size, scope, spread and diversity. It is important that PSNP is implemented in a very structured way, with clear roles, responsibilities, systems and accountabilities, and this is why a specific Output 6 has been defined in the program strategy.

253. The overall approach to the design of PSNP is to allocate delivery responsibility, accountability and achievement of expected results to each of the Output teams. This is a new innovation in PSNP5 to address some of the issues with performance in previous phases. A further linked innovation in PSNP5 is the mainstreaming of key elements of program management into each of the other five Outputs, including systems development, capacity development, and cross-cutting issues such as gender and nutrition so that each Output team has the means to achieve its expected results. Each of the other five Outputs in the PSNP5 logframe therefore have direct management roles.

254. It is important to ensure how these roles fit together with Output 6, to avoid gaps in implementation, duplication and confusion, which will risk program success. To ensure an effective overall system of management for PSNP5, the role of Output 6 in program delivery is two-fold:

- To **oversee and contribute** to work done under Outputs 1 to 5 in the PSNP logframe, and to ensure that it is performed in line with program standards and expectations; and
- To **conduct** management roles that are needed across the program, in addition to work done at Output level

255. These two elements of Output 6 combine so that the delivery team for Output 6 has overall visibility and responsibility for management of all elements of PSNP, to ensure that all Outputs are delivered as expected, and that the program Outcome is achieved. The two elements make clear that even though Output 6 is responsible for ensuring all management functions are effective across the

program, it is not required itself to perform all those functions; the key oversight role allocated to Output 6 ensures that the program is managed well.

256. This will mean that the Output 6 delivery team will need to work closely with the other 5 Output teams. In these teams the role of the Output 6 team will be to:

a) Contribute as required to Output planning and delivery
b) Ensure effective monitoring of progress with Output delivery and achievement of results
c) Identify issues which constrain potential success of Output delivery, together with the Output delivery team, and
d) Ensure actions are taken to address the identified issues

257. Effective monitoring, evaluation and learning is therefore a pre-requisite for effective delivery of Output 6, and indeed the whole program, and so is a key tool for the Output 6 team. The operationalization of the MIS is expected to significantly strengthen monitoring in PSNP5 by providing accurate information of frontline activities that will facilitate learning and adaptive management by PSNP implementers.

258. The scope of Output 6 is therefore broad, since it covers management of all aspects of the program. The key Activity areas which fall under Output 6 are described in the following section and are as follows:

- Financial management
- Commodity management
- Procurement
- Physical resource management
- Human resource management
- Management information systems
- Planning and budgeting
- Monitoring, evaluation and learning
- Program governance
- Capacity development
- Strategic management, and
- Effective mainstreaming of cross-cutting issues

259. PSNP5 in general and Output 6, in particular, recognizes Sidama being a separate region from SNNPR as of July 2020 and the need for tailored capacity building for the region. In addition, given the challenges pertinent to lowland regions and the plan to rollout the livelihood component in lowland regions for the first time in PSNP5, a more strengthened capacity development and implementation support should be provided to pastoral areas.

3.6.2 Key Activity Areas

260. Activities are grouped according to the sub-elements that constitute program management and capacity development, as defined above

Key Activity Area 1: Ensure effective financial management

261. PSNP5 is designed with clear sources of finance in order to avoid a significant financing gap similar to that faced by PSNP4. The financial management system has shown sustained improvement over the years and this will be further improved in PSNP5, particularly around strengthening internal control mechanisms.

262. PSNP5 adds a specific focus on financial planning as a supplement to the previous focus on financial management and control. The trajectory of government financial contribution to PSNP has risen in recent years and is planned to continue. However, despite annual commitments the inclusion of PSNP in the national budget at the start of the financial year has frequently been problematic, and PSNP has instead been financed through supplementary budgets. Discussion to address this challenge has led to agreement to enhance financial planning through use of a Medium-term Expenditure Framework (MTEF) and other measures.

263. Ministry of Finance, Channel One Programs Coordination Directorate (COPCD) will ensure that recording and reporting systems are in place and are accurate, timely and complete using the appropriate systems (IBEX/IFMIS and MIS). In addition, FSCD and COPCD will coordinate annually to develop a realistic budget in a way that there will not be need for multiple budget revisions during the fiscal year except a onetime mid-year revision. Furthermore, to ensure that all resources are allocated to the program, the functionality of the internal control system should be reviewed through the existing review mechanisms which includes internal and external audit.

264. Feedback from all audits, verifications and supervisions will be used to further strengthen the internal control systems and take timely corrective actions for specific weaknesses. MoF should close all audit findings within one year from the completion of the audit report.

265. The tracking of the funds for shock-responsive scaling up will also be strengthened, by revising the Federal Contingency Budget Financial Management Guideline that supports this. Ongoing capacity development of financial management staff will take place, including the development of a self-learning training program.

266. There are opportunities to automate three key areas of the PSNP financial management: budgeting, reporting, and tracking audit observations. A Comprehensive Action Plan (CAP) is developed and under discussion to integrate it with the MIS in phases.

267. To ensure that the financial performance reflects the physical performance of the program, and vice-versa, the second and the fourth quarter program produced by FSCD will be aligned with the financial report of the same quarters produced by COPCD.

268. Key activities under this activity area include:

- Ensure effective inclusion of government contributions to PSNP in the national budget, through use of an MTEF and other measures
- Maintain effective FM arrangements (accounting, reporting, budgeting, internal control and audit, fund flows)
- Align technical and financial performance reports (at least every six months)
- Facilitate and oversee external audits and address audit findings
- Revise, publish and disseminate self-learning pocket-size/e-learning resource on FM
- Ensure alignment between Technical Committee and Task Force work on financial management with planning and implementation
- Ensure all systems and processes to support effective financial management are in place

Key Activity Area 2: Ensure effective commodity management

269. Commodity management plays a key role in addressing the PSNP clients' needs in a timely manner. Although there are improvements in commodity management, it requires a strong and accountable system to manage commodities from their procurement to the final destiny of food distribution.

270. Commodity management remains a key area requiring improvement in PSNP5, as it did in PSNP4. Renewed efforts to institutionalize CATS (Commodity and Allocation Tracking System) and CMPM (Commodity Management Procedures Manual) systems will be undertaken. This will involve more intense capacity development support. The expansion of internet connectivity should facilitate the adoption of these tools more broadly.

271. Commodity Action Plans, developed to address key weaknesses and bottlenecks, will act as an accountability and performance measurement mechanism, and capacity development will be used to bolster the system's capability to implement the action plans.

272. The program will also systematically address the transportation challenges related to food distribution, which has been an ongoing problem contributing to delays in delivering food on time to food distribution points (FDPs).

273. Local procurement of food will also be considered under PSNP5 but will require preconditions to be in place for this to be carried out. For example, a strong market analysis will be required and an assessment conducted of the food stock/supplies in the country.

274. The institutional arrangements for commodity management have recently been reviewed. The Commodity Management and Coordination Unit (CMCU) in MoA will be responsible for all food transfers in PSNP operational areas – whether for core PSNP or transitory clients. Management of the CMCU will move to the Ministry of Agriculture (but not to FSCD). This arrangement is expected to contribute to more effective implementation of commodity management and stronger accountability for performance.

275. Key activities include:

- Prepare Commodity Flow and Utilization reports using CMPM template
- Prepare Commodity Flow and Utilization reports using CATs
- Ensure systems and structures for effective commodity management are built and strengthened to acceptable levels
- Facilitate and oversee external commodity audits and address audit findings
- Establish new Food Distribution Points for remote kebeles and strengthen existing ones
- Ensure all food management is well-planned, well-implemented, and well-reported
- Ensure adequate food of acceptable quality is required where and when needed to support program activities

Key Activity Area 3: Ensure effective procurement that meets PSNP and development partner needs and standards

276. PSNP follows the World Bank Investment Project Financing (IPF) protocol and procurement activities are carried out in accordance with the World Bank's procurement regulations for IPF borrowers.

277. All project implementing agencies will submit their annual procurement plans through STEP (Systematic Tracking of Exchanges in Procurement System) and plan approval will be obtained from the World Bank prior to implementation. Processed documents will also be uploaded to STEP. The expansion of internet connectivity will facilitate this at woreda level. Procurement staff will be trained to ensure adherence to these regulations at all levels of government. Procurement data management will also be strengthened through the preparation and dissemination of procurement data from woreda up to the federal level through STEP.

278. Cooperation between the Federal Public Procurement and Property Disposal Service (PPPDS) and the procurement experts at FSCD will be improved to facilitate more timely food grain procurement, usually undertaken twice per year through international bidding.

279. Woreda procurement officers will remain in PSNP5 and will also take on the role of managing the physical resources of PSNP5. Capacity development of these procurement officers will continue in PSNP5 in order to mitigate staff turnover, and a self-learning training program will be developed. Regional procurement coordinators will support the woreda procurement officers and tender committee members in order to strengthen the overall procurement and contract management implementation.

280. IPAs will continue in PSNP5 and efforts to improve the timeliness of mitigation plans and corrective measures in response to these audits will also be introduced.

281. Key activities related to procurement include:

- Formulate, publish and disseminate a self-learning/e-learning resources in procurement and asset management
- Consolidate annual procurement plans for the program
- Conduct procurement processes and manage signed procurement contracts

- Prepare periodic procurement status reports
- Facilitate Independent Procurement Audits and address audit findings
- Ensure program procurement needs are met, with the right quality and quantity delivered on time

Key Activity area 4: Ensure effective physical resource management that meets PSNP performance standards

282. Physical resource management will also be strengthened in PSNP5 with the introduction of the physical resource database that will provide information on key physical resources acquired through the program. A physical resource management manual, to support the maintenance and tracking of assets, will be finalized.

283. A guideline on the use of regional and management budgets will be developed, provided to all regional managers and woreda administrators/managers, and these budget lines will be investigated as part of procurement and financial audits. PSNP5 will also introduce a requirement to include maintenance plans as part of annual plans, which will then be reported against in quarterly and annual reports.

284. Key activities for PR management include:

- Develop and implement a program-specific physical resource management manual
- Develop a physical resource management database that integrates a physical asset inventory to manage, track and inform annual planning of physical resource needs
- Develop and implement preventive asset maintenance plans as part of the annual plan
- Integrate the physical resource management responsibilities into the job description of procurement coordinators/officers
- Ensure that all measures are taken to ensure effective physical resource management

Key Activity area 5: Ensure effective human resource management

285. A HR database will be developed and rolled out, which will enable quick and easy access to information on PSNP's staffing, informing planners and decision-makers about staffing levels, vacancies, new staff requiring induction and/or training. More complete minimum staffing standards for each output will be developed using HR data collected by the Technical Assistance to Strengthen Capacity (TASC) project. PSNP5 will introduce a requirement to include staffing plans as part of annual plans, which will then be reported against in quarterly and annual reports.

286. A guideline on the management of contract staff will be finalized and distributed. It will include the minimum staffing and ToRs/job descriptions for key staff. PSNP5 is also committed to ensuring that all PSNP contract staff salaries are harmonized and all contract staff are treated equally in terms of salary increments regardless of where they are placed.

287. Key activities for HR management include:

- Set minimum staffing requirements and standards for PSNP5 implementation at all levels
- Develop and implement PSNP HRM guideline (includes minimum staffing with standardized job descriptions, performance evaluation and motivation, sensitivity to gender parity, etc.)
- Develop and implement a HRM database to track, plan and manage human resources, including staff turnover, and link to the MEL system so data is readily reported
- Develop an annual human resource plan, based on data from the HR database, as part of the annual plan, and report on and fill vacant positions
- Harmonize contract staff salaries within PSNP, and where feasible harmonize with other comparable programs
- Ensure that all measures are taken to ensure effective human resource management across the program

Key Activity area 6: Ensure effective management information systems (MIS)

288. The PSNP is increasingly reliant on information technology for its information management, and this is increasingly the case under the new MEL system introduced in PSNP5. An effective management information system is required to provide accurate and timely information to support implementation of all Outputs, and Output 6 in particular.

289. Specific Activities include the following:

- Ensure the overall program management information system is well-designed, fully functional and implemented effectively
- Develop and implement the household registry
- Ensure the public works database is well-designed, fully-functional and linked to the MIS and the MEL system
- Ensure the commodity and allocation tracking software (CATS) is fully-functional and implemented effectively
- Ensure all types of MIS are fully integrated into the new MEL system
- Lead troubleshooting for all MIS issues and other information technology issues as required

Key Activity area 7: Ensure effective PSNP planning and reporting

290. The PSNP planning process will continue to be strengthened by focusing on greater timeliness, and coordination among implementing agencies in order to align plans to PSNP5 priorities.

291. Specific Activities include the following:

- Develop a coherent planning guideline for the program with updated and uniform planning and reporting templates
- Ensure alignment of all planning processes and plans at different levels into the PSNP Annual Work Plan
- Conduct joint and timely annual planning and budgeting in accordance with the PSNP planning guideline

- Ensure full alignment and harmonization according to the fixed timetable in the planning guideline for formal government planning processes at all levels and specific PSNP planning processes such as JRIS, JSOC and other committee meetings
- Ensure program reporting requirements are clearly understood by all reporting bodies and guidance is provided
- Ensure all program reporting adheres to a fixed timetable, uses approved templates, and meets PSNP performance standards
- Ensure planning systems effectively respond to information from the MEL system to allow adaptive management

Key Activity Area 8: Ensure effective program monitoring, evaluation and learning

292. The program monitoring, evaluation and learning (MEL) system is described in chapter 6. Key changes from PSNP4 include the roll out of the MIS system and a renewed emphasis on learning and adaptive management that will be facilitated by the MIS data.

293. Effective program MEL is essential for the effective functioning of the PSNP governance system and for wider strategic management in which the program Outputs are delivered and the program Outcome is achieved.

294. Key activities for MEL include:

- Develop a coherent MEL guideline for the program which consolidates fragmented elements of MEL into a coherent and strategic system
- Ensure the MIS is operationalized in a timely manner
- Ensure timely and quality reporting on all indicators in the PSNP logframe
- Ensure MEL requirements of the PSNP governance system are provided as required
- Ensure MEL requirements to support delivery of PSNP Output 6 are provided as required
- Troubleshoot issues within the MEL system and ensure overall system coherence and effectiveness

Key Activity area 9: Ensure effective program governance

295. In response to lessons from PSNP4, the program governance system has been amended to ensure it contributes more effectively to the success of PSNP5, mainly by enhancing transparency, accountability and effectiveness throughout – as described in chapter 4.

296. A number of internal governance measures have been proposed aimed at ensuring enhanced performance of the governance system. These include MOUs between implementing partners that include performance-based incentives, revised TORs for all bodies, codes of conduct signed by all participants, greater responsibility on committee chairs for effective meetings to be held when required, and strengthened upward accountability of all processes within the system, amongst others.

297. A key ingredient in determining the success of PSNP5 governance will be the management under Output 6. Despite all these internal checks and balances, the system will still need overall monitoring, reporting, oversight and management. This is essential to quickly identify issues that may reduce effectiveness and to ensure that remedial measures are taken rapidly to maintain the integrity of the system.

298. Key Activities include the following:

- Ensure all elements of the revised governance system, such as MOUs, TORs, codes of conduct, roles and responsibilities are prepared
- Ensure information flows and reporting necessary to monitor effectiveness of the governance system are put in place
- Ensure all participants in PSNP implementation fully understand their roles, responsibilities, and accountabilities
- Monitor effectiveness of PSNP governance arrangements and identify any issues encountered
- Ensure measures to address issues with governance system effectiveness are implemented
- Ensure agreements made by PSNP committees are internalized in plans and are implemented as required
- Ensure PSNP governance processes result in effective coordination across the program

Key Activity Area 10: Ensure PSNP5 capacity is adequate to implement the program effectively

299. A Capacity Development (CD) Evaluation is currently underway, which will assess the implementation of PSNP4's CD Strategy and identify what worked well, what did not work well, and why. It will further provide recommendations on a CD approach for PSNP5. PSNP4 CD was supported by a DP-funded CD support facility that provided technical assistance in CD as well as in key technical areas where government personnel were lacking. It is recognized that further TA will be required in PSNP5. The CD Evaluation will advise on the type of support best suited to the PSNP's needs.

300. Key activities include:

- Develop and implement a CD Strategy for PSNP5;
- Contract a CD support facility to provide capacity support in PSNP5;
- Update/develop training programs, guidelines and manuals to reflect new elements in PSNP5;
- Identify and develop CD programs that are suited to self-learning, particularly for front-line staff;
- Prepare and implement integrated annual CD plans (and budgets), based on capacity assessments, and prepare progress (and expense) reports on the CD plan implementation.
- Develop capacity of PSNP implementing agencies to implement and manage the program as per the PIM
- Train regional, woreda and kebele management on their program responsibilities, accountability arrangements designed to ensure effective performance, and leadership and management skills

- Train frontline implementers including community facilitators to deliver their responsibilities under PSNP5, including translated guidance notes and other support materials, based on annual needs assessment
- Train federal, regional and woreda technical experts to deliver their responsibilities under PSNP5, based on annual needs assessment.
- Monitor the effectiveness of CD efforts and their influence on program performance and troubleshoot as required

Key Activity area 11: Ensure effective strategic management of the PSNP

301. A strategic approach is central to the PSNP5 through its logframe, with a clear objective stated at Outcome level, key deliverables required to achieve the Outcome stated as Outputs, and Activities which are necessary and sufficient to deliver the Outputs.

302. The strategic approach is increasingly internalized in the design of PSNP5 through the design document being structured around the logframe; through the use for the first time of Output-based delivery teams which then translate to all levels of program oversight and governance; and through a monitoring, evaluation and learning system which is structured to deliver information which helps implement and achieve results in line with the logframe.

303. But this process needs to be managed, and that responsibility falls within Output 6.

304. In delivering the logframe and achieving the PSNP objective, a number of specific considerations also need to be taken into account:

- The quality of systems development within each of the other five Outputs
- Adherence to PSNP performance standards
- Adherence to program agreements

305. Key Activities include the following:

- Ensure planning is aligned at all times with the PSNP logframe and results framework requirements
- Ensure the MEL system is aligned with the PSNP logframe and ensure reporting is sufficient
- Ensure each Output has appropriate systems and delivery structures in place to deliver their key activities
- Maintain active oversight over Output delivery teams through the Management Technical Committee and ensure Activities are implemented as required and progress is as expected
- Ensure actions are taken as required to ensure achievement of the PSNP Outcome
- Ensure an updated set of program performance standards and that they are used at all times to shape program delivery
- Ensure all program agreements, MoUs, codes and guidelines are complied with in full
- Troubleshoot strategic management as required

Key Activity area 12: Ensure effective mainstreaming of cross-cutting issues

306. The design of PSNP adopts a strategy of mainstreaming certain issues across Outputs, to avoid marginalization and weak implementation as has been observed previously. These issues fall into two categories:

- Issues necessary for Output teams to be able to deliver expected results, including systems development, capacity development, good governance, grievance mechanisms, performance standards, communication, and information technology
- Cross-cutting issues which the program requires to be internalized in all implementation efforts such as gender and social development, nutrition, and environmental protection

307. While the responsibility for addressing these issues is given to Output teams, and is also internalized in TOR for elements of the governance structure, Output 6 provides oversight and management to ensure all issues are effectively mainstreamed across the program.

308. Key Activities include the following:

- Monitor effectiveness of Output teams at mainstreaming issues as required
- Identify challenges swiftly and ensure remedial actions are taken

3.6.3 Institutional arrangements

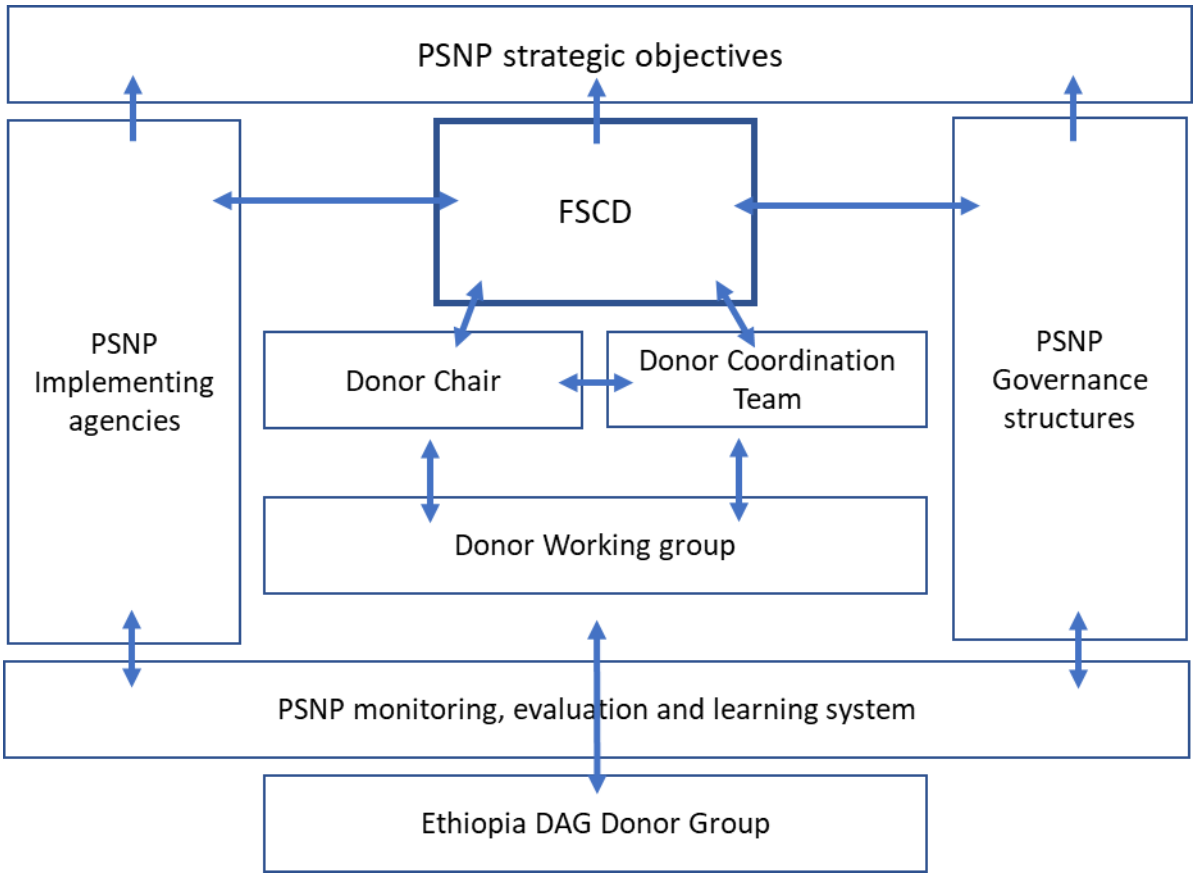
309. FSCD has overall responsibility for Output 6. The Output will be overseen by a Program Management Technical Committee (PMTC) which is composed of chairs and co-chairs of the other TCs and additional resource persons as necessary. The PMTC is chaired by the FSCD Director or her delegate. The program governance arrangements are described in chapter 4, and institutional arrangements for delivery by implementing agencies are described for each Output in this chapter. There is no need to duplicate those here. Instead, this section focuses on ensuring that all Outputs and program processes, including management functions, have effective institutional arrangements which enable the actions that need to be taken, as described in this section on Output 6.

310. As defined in program agreements and by government structures, and summarized in chapter 4, overall responsibility for effective program delivery and achievement at Outcome level lies with FSCD. FSCD is also the nominated lead agency for Output 6. Responsibility for effective delivery of Output 6 therefore lies with FSCD, and it is the role of FSCD to put in place all structures, processes and capacities to ensure this is achieved. Visibility of progress and accountability for success is achieved through the many program MEL and governance structures.

311. FSCD will develop an Output 6 action plan which will demonstrate in more detail how it will deliver on these responsibilities. As described above, ensuring that key things are done is not the same as responsibility for actually doing it, and there are many mechanisms by which FSCD can ensure progress without adopting activities which are beyond its mandate.

312. The tools at the disposal of FSCD to deliver on these responsibilities lie in its own staffing and capacity, the wider Output delivery teams, program governance structures, and any additional capacities made available through the DCT. Figure 3 below represents the expected linkages and support mechanisms to allow FSCD to fulfill its management mandate.

Figure 3 Institutional arrangements for Output 6



4. Governance arrangements

4.1 Lessons on Governance from PSNP4

313. PSNP is a complex program that spans multiple implementing agencies, including ministries of Agriculture, Labor and Social Affairs, Peace, Finance, and Health, and multiple directorates within ministries, particularly in the MoA, MoLSA, and the Ministry of Peace. In addition, while PSNP is a national program, the federal nature of the Ethiopian state means that it is decentralized and implemented at the kebele and woreda level by institutions that are accountable to regional governments, as opposed to the federal government. As a result, a robust program governance framework needs to be in place and functional to ensure adequate accountability, management and coordination between the various implementing agencies both vertically between levels of government and horizontally across implementing agencies.

314. Governance arrangements in PSNP comprise two key elements: the institutional roles and responsibilities, and mandates, for conducting PSNP work within each of the PSNP implementing ministries and across them – which arise through existing government rules and regulations; and the system of committees and other arrangements which are created specifically for PSNP purposes and

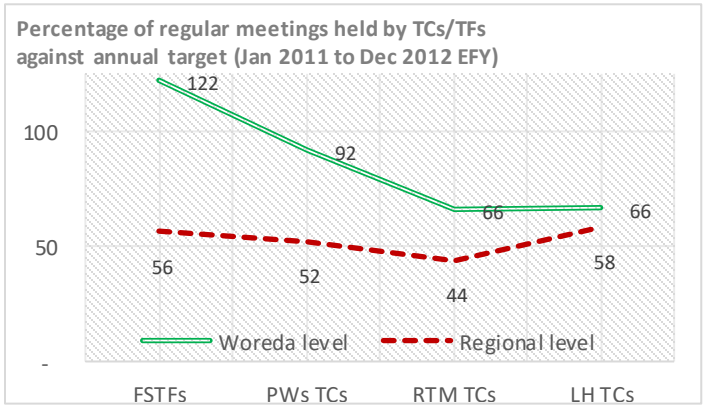
which are not dependent on normal government structures and rules. Together these two elements work as a system. A systems approach means that we do not focus only on individual pieces of the governance picture, but on the effectiveness of the governance system as a whole. This is an important perspective which has been introduced for PSNP5.

315. To manage the complicated multi-institutional and multi-level nature of PSNP, the PSNP needs a governance system which allocates roles and responsibilities clearly and within mandates across implementing agencies, and provides processes which ensure that implementation proceeds as expected and is able to introduce measures which identify and remedy any lapses that arise. The requirement of the PSNP governance system is therefore for a dynamic system which adopts a strategic approach to ensuring effective governance and achievement of PSNP objectives, rather than a static system limited simply to defining who should do what.

316. The governance arrangements for PSNP have evolved considerably since the beginning of the program in 2005, based on experience and learning, and are defined in the program documents for each phase of PSNP and also in the PSNP PIM which clearly sets out structures, functions and processes to be followed. The functioning of the governance arrangements did not however work well under PSNP4, with key challenges including the following:

317. **Key committees not meeting**. At the federal level, there were four Technical Committees (TCs) in PSNP4, but only two (Public Works (PW) and Livelihoods (LH)) were somewhat functional. Of the ten Task Forces (TFs) listed in the PSNP4 PIM, most were non-functional with the exception of the Financial Management and the Social Development TF. The Coordination and Management Committee (CMC) was not functional and the Joint Strategic Oversight Committee (JSOC) did not function as envisaged.

318. At the regional and woreda levels, the functionality of the three TCs and the Food Security (FS) TF over a two-year period (Jan EFY 2011-Dec 2012) is summarized in the graph below. The average meeting performance of the three TCs is 51% at regional and 75% at woreda levels. The PW TC at woreda level and the LH TC at regional level were the most active, with the Transfers & Resource Management (TRM) TC being the least functional, in spite of the ongoing challenge with timely transfer deliveries throughout PSNP4. The FS TF at woreda level actually met more frequently than the minimum outlined in the PIM but only half as frequently as required at regional level. In addition, Program Steering Committees (PSCs) on average conducted two meetings annually at regional level and four meetings at woreda level.



319. **Oversight and accountability responsibilities did not materialize**. While the institutional structures and roles and responsibilities of the various actors and committees were described in program

documentation, this did not result in definitive management action when the system failed to work as expected.

320. Unresolved tension between government mandates and committee authority. PSNP is a government program and it is predominantly government agencies which are responsible for ensuring it is effectively implemented and successful. But the governance system for PSNP that was overlaid on this system was unclear and inconsistent on how these two key elements of the system should work together. This included specification of where government had authority and where the committee had authority; lack of clarity on the process of decision-making and transmission channels between committee 'decisions' and implementation; and the value added by committees to government structures.

321. Inconsistent system design. There was a profusion of committees and task forces which did not come together into a coherent system with consistent reporting lines and lines of accountability linked to the logframe. Relationships and decision-making channels between committees and government implementing agencies were blurred; memberships included those with core responsibility and those with more limited interest and so were excessively time-consuming for many and led to poor levels of participation; the expected responsibility upon committee chairs for effectiveness was evidently not embraced in most cases.

322. **Lack of information-sharing**. In the absence of the higher-level committees to oversee implementation, lower level Technical Committees and Task Forces were left to their own devices to organize themselves. As stated above, meetings frequently did not happen, with a likely contributor being the lack of demand for their product; if meetings took place, minutes were either not recorded or not routinely shared beyond the group itself, reducing the opportunity for lateral linkages and complementary actions which may have helped program implementation, as well as reducing both transparency and accountability.

323. The main consequence of these challenges was a widespread lack of accountability across the program, for both organizations and individuals. Committees were not incentivized or motivated to meet, and implementation bodies were not held accountable for delivering on their PSNP responsibilities. It is likely that this had a major detrimental impact on program delivery and performance. The system for managing PSNP was clearly inadequately effective for PSNP4, and a stronger and better-performing governance system is needed for PSNP5 so that these challenges will be avoided.

4.2. Governance System Changes in PSNP5

324. The new governance system for PSNP builds in a reinvigorated and explicit set of checks and balances to help ensure that the system will work as designed. The ingredients for success are that a) all are clear what is meant to happen; b) that if there is a departure that will be identified by a named body; and c) that there will be remedial actions, which are predefined, again by a named body. Many of these

details will be defined in specific terms of reference for different bodies and actors, but some over-arching issues are also described here.

325. **Role of government systems in accountability**. A key approach to governance in PSNP5 is that this is a government program, in which government takes decisions, and is responsible for its success. Government does this with help from other non-government actors and the multi-actor PSNP governance system described in this chapter.

326. Accountability therefore begins in government systems. Central to success is that PSNP roles and responsibilities are **institutionalized** in the mandates of all agencies, in MoUs for all responsible agencies that include performance based conditionalities, in the job descriptions of all implicated bodies and staff, in the government's performance management structures for all bodies and staff, and in all plans and budgets for all implementation agencies.

327. Core elements of government of Ethiopia's accountability arrangements include the following:

2. **Accountability for mandates**. The roles, responsibilities and authorities of all organizations and individuals in the Ethiopian civil service are defined and limited by their formal mandates. These are provided for under the Constitution of Ethiopia by specific government proclamations, which establish powers and duties for each ministry. For each ministry, the minister is accountable for ministry performance, and is accountable to the Prime Minister and Council of Ministers

3. **Accountability to parliament**. Public bodies implementing the PSNP integrate a limited set of performance indicators in their organizational and departmental plans, and report to higher level authorities, including parliaments. The Ethiopian Parliament Agriculture Standing Committee oversees agriculture and food security issues and program implementation. Similarly, regional administrations also have a regional parliament which also has a standing committee committed to overseeing the implementation of agriculture and food security program implementation.

4. **Vertical accountability to line managers**. In common with all bureaucratic systems, managers are responsible for the effectiveness of the individuals and teams below them

5. **Balanced score card**. Civil service performance management is supported by a Balanced Score Card (BSC), which reflects organizational and individual strategy and plans

328. PSNP5 will clearly state expectations of each of the main bodies with responsibilities in PSNP through MoUs that include performance based conditionalities. This will be complemented by individual job descriptions, as well as codes of conduct and terms of reference for committees, which constitutes a network of checks and balances aimed at enabling effective performance management.

329. FSCD as the lead agency responsible for PSNP will ensure under its responsibilities for Output 6 that all the documentation is updated for PSNP5 so all expectations are institutionalized, and so all nominated actors have legitimate roles and clear expectations against which the delivery of their responsibilities in PSNP may be assessed. This will include ensuring that PSNP5 has clear institutional arrangements and responsibilities for all actors, avoiding duplication, uncertainty of mandates, and gaps.

330. Based on these clear roles and responsibilities, institutional arrangements and clear expectations, it is the role of government internal planning, performance management and accountability systems to play the initial role in ensuring accountability of government actors for delivering as required. Layered on top of those, the PSNP-specific governance arrangements play a supporting role where needed.

331. **Role of PSNP-specific structures and processes in accountability**. This chapter goes some way to introducing a clear set of relationships between different levels of the governance system and with the wider set of implementation agencies. It is again incumbent upon FSCD, through its mandate for Output 6, to ensure this system is properly designed and all institutional arrangements, responsibilities and mandates are clear.

332. Beyond the good design of institutional arrangements, this system will also require active and ongoing management, and this is also the role of FSCD under its mandate for leading Output 6. The PSNP5 governance system has built-in checks and balances to enable the system to function effectively, but FSCD will provide oversight and take action as required.

333. Core elements of PSNP-specific accountability arrangements include the following:

1. **Program management structure**. PSNP is delivered through a prescribed management structure, in which FSCD is defined as the lead accountable organization
2. **The hierarchy of committees**. As described in this chapter these complement the government system, providing additional accountabilities and multi-actor engagement to enable effective decision-making
3. **Specific MoUs, performance contracts and codes of conduct.** Program-specific MoUs are agreed for all implementing bodies establishing roles, expectations and accountabilities, and these are supported by performance contracts to enhance management of these accountabilities
4. **Social accountability.** Downward accountability for PSNP implementing bodies and managers is encouraged by a number of specific tools such as the grievance redress mechanism, PSNP client cards which state clients' rights, transparency requirements for communication of key facts about PSNP, and others.
5. **Adaptive management and learning.** The PSNP5 MEL system (see chapter 6) is designed to deliver timely news on what is and is not working and why, and to provide forums for ongoing review which allow adjustments to implementation plans to enhance performance. The components of this system are described in chapter 6, but key elements include the JRIS, the MIS, routine reporting, periodic reporting and evaluation studies. The governance system and MEL system are closely linked since the MEL system provides timely information to the hierarchy of committees to assist with their oversight and management of the program.

334. Two key requirements are a) that committees meet and are effective, and b) that they report as required – as described below.

335. **Ensuring committees meet**. If committees do not meet as planned, or if their meetings do not have sufficient participation, then the management arrangements for PSNP5 will not work well. The following measures will be built into committee TOR:

- All members of committees will be required to sign a code of conduct indicating understanding and agreement to key terms, and these will be enforced by the committee Chair and noted in minutes
- Meetings are scheduled as planned, and represented in MoUs, annual plans, TOR, job descriptions and performance management processes of all participants.
- Chairs have the responsibility to call and arrange meetings, and are accountable if they do not take place to the higher-level body to which that committee reports.
- Chairs have the responsibility to ensure that high quality minutes, based on a defined template, will be prepared and circulated to pre-defined recipients – to allow horizontal linkages and vertical accountability
- Issues which any committee cannot resolve are formally escalated to the next level up, first using informal mechanisms or the support mechanisms provided by fortnightly and monthly management meetings, and second formally using program governance structures
- Formal channels of performance management are used to address lack of adherence to expectations, in which responsible officers in under-performing agencies are required to take remedial action

336. **Ensuring committees report**. Transparency of communication is a critical element in any system of accountability, and for PSNP committees this occurs through preparation and circulation of minutes and any other supporting documentation. The key flow of information for accountability purposes is from lower to higher meetings, with the following measures to be built into the new and revised committee TOR:

- Chairs have the responsibility to ensure high quality minutes, with a defined template, will be prepared, and circulated to pre-defined recipients – to allow horizontal linkages and vertical accountability
- Chairs of the higher-level committee are responsible for ensuring that a proper review of lower-level minutes and issues is given adequate time in meeting agendas, and that their accountability function is taken seriously in line with TOR and codes of conduct. This will require preparation work prior to meetings to assemble facts and produce brief summary reports and recommendations so performance can be readily reviewed.
- Managers of the PSNP Monitoring, Evaluation and Learning system will be responsible for ensuring that all minutes are received and analyzed and reported upon – under the mandate of Output 6 – so that the effectiveness of the governance system can be tracked over time.

337. These arrangements should together ensure a greater oversight on implementation at all levels, greater accountability for all, and translate to enhanced program performance through the transmission channels described above.

338. In line with this analysis, the following changes are new for this phase:

- Root and branch review of all program bodies to ensure they contribute clearly and effectively to the functioning of the overall system
- Simplified arrangements for high-level oversight, with amendments to both JSOC and CMC

- Clarity on decision-making responsibility between government implementation agencies and committees, captured in revised terms of reference
- Clear statement of the expected role and added value of each element of the structure
- Rationalized Technical Committees and working groups, aligning Technical Committees with logframe Outputs, and vertical alignment of all working groups to report to the relevant Output TC
- Updated TOR of all bodies to reflect the new design
- Implementation Agency accountability for Outputs
- Clear responsibility for ensuring an effective governance system given to FSCD under Output 6
- Introduction of performance based conditionalities to incentivize desired behaviors and performance levels
- Integration of responsibilities for PSNP into specific organizational mandates, MoUs, codes of conduct, individual job descriptions, performance management frameworks and performance contracts, annual plans and progress reports
- Rationalized membership and participation in all committees. Membership of all committees will be reviewed, using a responsibility assignment framework known as RACI[55], to inform the membership of committees and to bring clarity on roles, responsibility and ultimately accountability.
- Measures to enhance effectiveness of individual committees, including establishing the correct membership, correct frequency, clear meeting rules, incentives to meet
- Introduce greater transparency into meeting schedules, agendas and minutes sharing for complementary lateral linkages and program performance, with access made more readily available by use of new electronic reporting tools such as KPIs, dashboards and maps.

339. The expectation is that introduction of these changes will lead to a better designed and more effective system, with: more effective meetings taking place more often, in line with need; greater transparency of what is happening both with program implementation and within the program governance structure; greater incentives across program actors to fulfil their expected roles to a high level of quality; greater visibility and consequences for actors not meeting expectations; greater connections and complementarity between implementing agencies and the governance structures – all leading to better decision-making and higher levels of performance of PSNP as a whole

340. The next section shows how all of these changes are reflected in the overall governance system.

4.3 The PSNP5 Governance System

4.3.1 Overview of the System

[55] RACI (Responsible, Accountable, Consulted, Informed) will categorize potential members into those **responsible** (those who do the work to complete the task), **accountable** (the individual who is answerable for the correct and thorough completion of a deliverable/task, and delegates the work to those responsible), **consulted** (those whose opinions are sought), and **informed** (those who are kept up to date usually after completion of a task)

341. This section provides an overview of the governance system in PSNP5. The benefit of a governance lens is that it emphasizes that PSNP management needs to work as a system and not just as a number of connected pieces; and that it forces a dynamic approach which identifies issues as they arise and is designed so that remedial measures will be taken in time to allow course-correction. It defines what is meant to happen but, unlike the management arrangements in PSNP4, it also defines what happens if the system is not working as planned.

342. The objective of the overall governance system for PSNP5 is to ensure an effective, transparent and accountable system for program management, which enables achievement of program objectives.

343. The PSNP is a national program and the governance of the program needs to recognize that:

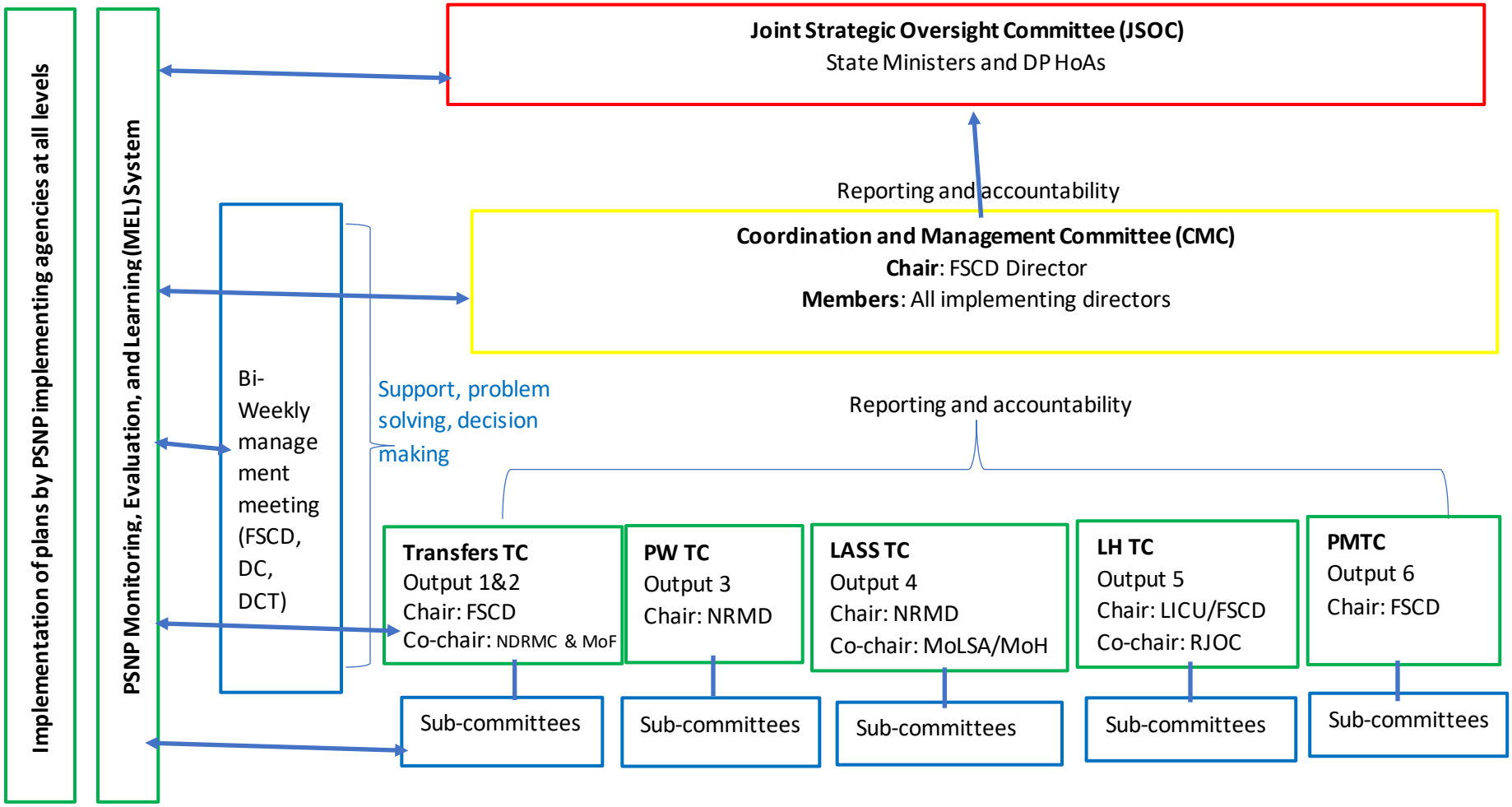
- If committees don't meet then the system fails, so we introduce measures which ensure they do and if they don't there are consequences and remedial actions
- If meetings are ineffective then the system fails, so we introduce various measures to ensure effectiveness
- Decisions are made by government implementation agencies and that PSNP-specific committees are there to help improve decision-making
- Committees must align with and build on formal government mandates and not contradict them
- Governance processes should ensure effectiveness at all levels of the program, and not just the federal level

344. Building on the lessons from PSNP4, the specific measures introduced into the governance system for PSNP5 adopt the following **design principles:**

- Focus on effectiveness of the governance system at enabling program objectives to be achieved.
- Systems approach, considering the whole system function and not just individual elements of that system.
- Simplification of the system, learning from what worked and didn't in previous designs and removing complexity, ambiguity and administrative load where possible
- Formal and informal, recognizing that the government and PSNP formal institutional arrangements exist alongside informal measures by which business is conducted and progress accelerated within the civil service, and encouraging these informal measures to complement the work of the formal system.

345. The governance system for PSNP5 is represented in figure 4, and key elements are described in subsequent sub-sections.

Figure 4 PSNP5 governance arrangements



4.3.2 Levels of Responsibility

346. **Overall responsibility for the effective implementation of the PSNP and achievement of the expected PSNP Outcome** resides with the PSNP Program Director, who is the Director of FSCD. While the FSCD Director does not have direct control of, and authority over, all the PSNP actions and actors, it is the role of this position to monitor effectiveness of the program and to put in place measures as required to ensure success is achieved. This starts with supporting the application of government accountability systems and includes mobilization of the program-specific governance structures as required.

347. **Effectiveness of the program governance structures and processes** is also the responsibility of the Director FSCD. Again, this position does not control the different elements of program implementation or governance structures, other than those that are mandated through government rules. But the Director FSCD is responsible for identifying any issues and ensuring that required actions are taken to address them. This responsibility is provided for under the management arrangements for Output 6.

348. **Output-based responsibility**. Ministry of Agriculture (MoA) being the lead agency for the program, each Output is led by FSCD or another directorate from the Ministry for delivery of that Output as required. Other Ministries assume co-chair role where necessary. The detail of these arrangements is described for each Output under chapter 3 of this document, and the lead agency for each Output is as follows:

- Output 1: FSCD (MoA)
- Output 2: FSCD (MoA)[56]
- Output 3: NRMD (MoA)
- Output 4: NRMD (MoA)[57]
- Output 5: FSCD (MoA)
- Output 6: FSCD (MoA)

4.3.3 PSNP Committees and Structures

349. Implementation responsibility for PSNP follows government rules, in line with established mandates, and it is the first responsibility of government to follow those rules and discharge their program responsibilities as planned. Additional program structures are also required, to provide additional help to government systems and to make available the necessary capacity to ensure effective management and delivery of PSNP. These structures are similar to those in PSNP4, but with some important differences as described in earlier sections of this chapter.

350. Committees have different roles depending on their role within the overall governance structure, but they all play one or more of the following functions:

[56] NDRMC assumes the co-chair role
[57] MoLSA assumes the co-chair role

- **Support and problem-solving for responsible implementing agencies**. Committees allow access to a broader range of expertise, capacities, perspectives and resources than are available in government alone. These are mobilized through the committee structure to support government to make good decisions by providing analysis and debate to assist government to resolve bottlenecks.
- **Intra- and inter-ministerial coordination**. The multi-stakeholder nature of the PSNP means that inter- and intra-ministerial coordination can be challenging. Coordination issues that cannot be resolved through application of government rules on authority and mandate are addressed through the committee structure, where all relevant stakeholders are represented.
- **Engagement between government and development partners, including wider humanitarian actors**. PSNP is a government program, which is financed and implemented in collaboration with development partners. Government systems do not routinely allow space for development partner engagement, and yet development partners have their own accountabilities that they must represent as partners in the PSNP. The committee structure is the mechanism by which this is achieved.
- **Transparency and accountability**. An effective governance system ensures accountability of all actors for their actions. With the adjustments in PSNP5, and provided with adequate information by the MEL system, the committee structure ensures transparency of implementation progress and issues and allows scrutiny of program performance and the behaviors of program actors.

351. **PSNP committees do not make decisions, but they do reach binding agreements.** The PSNP is a government program for which government is both responsible and accountable, and it is government officials through government systems that make decisions. However, the PSNP is also a collaboration between government and development partners, and development partners also have their own accountability rules which must be complied with and perspectives which must be taken into account. The way this potential tension is resolved in PSNP is that agreements reached by committees are considered as binding to government decision-makers responsible for the areas discussed. Where disagreements arise between committee agreements and government decisions, informal mechanisms are first used to resolve the matter. If this is not successful, the matter is escalated to the higher-level committee, which oversees the lower one, for resolution.

352. The PSNP5-specific structures are as follows:

- **Joint Strategic Oversight Committee**. The JSOC is the highest-level oversight committee and is responsible for ensuring smooth and successful implementation of PSNP, holding all program actors to account, and resolving bottlenecks that cannot be resolved at lower levels. It meets every six months after the JRIS and is comprised of State Ministers from all implementing ministries and heads of development partners. Agreements reached in this meeting are binding.
- **Coordination and Management Committee (CMC)**. Every quarter a fully-inclusive meeting of all the Directors responsible for PSNP from all implementing agencies meet under the Chair of Director FSCD to review progress and resolve bottlenecks, to address any inter-agency coordination and accountability issues, and to discuss issues relevant to this sole opportunity for all agencies to meet together. A key function is to review progress with Output delivery,

and to hold Technical Committees accountable for effective performance. Agreements reached in this meeting are binding.

- **Fortnightly management meeting.** Every two weeks, or as needed according to the Director FSCD, the Director FSCD meets with the Donor Chair and the Donor Coordinator to share perspectives, plan, and resolve bottlenecks. Following this meeting the Director FSCD and the DPs implement the agreements made. This meeting is also informed by informal arrangements in which consultations and agreements may be made in support of the meeting's agenda.
- **Technical Committees.** Technical Committees are responsible for ensuring PSNP5 logframe Outputs are delivered as intended, and are accountable for their performance to the CMC. One Technical Committee is allocated per Output, with the exception of the Transfers Technical Committee which is responsible for Outputs 1 and 2. The Program Management Technical Committee (PMTC) crosscuts other TCs in line with its responsibilities for Output 6, which is responsible for whole-program management, and has a broader membership than other TCs which may reach across Outputs. However, it is hierarchically at the same level as other TCs, and is accountable for effective performance to the CMC. At regional level, program management will be handled by the Food Security Task Force (FSTF). At woreda level, it will be handled by the Woreda FSTF.

Text Box 35: Quota for women representation in TCs

> Minimum quota will be set for women representation in the program governing structures (i.e. TCs both at federal level and regional levels).

- **Sub-committees.** Whenever necessary, Technical Committees at the federal level may establish permanent or temporary sub-committees (SCs) as they see it fit. The SCs are working groups which are established either to address specific issues that arise, or to focus on a specific aspect of an Output that requires the participation of a sub-set of the TC members. Under PSNP5 all SCs are aligned, and accountable, to a specific TC at federal level.

353. Further detail on each of the main structures is provided in annex 4, and also in the revised terms of reference for each structure which set out the comprehensive details of the role each committee plays, how each committee functions, and the way in which it fits into the wider governance system.

4.4 Institutional Arrangements for Implementation

4.4.1 Federal Level

354. The two following tables summarize the roles and responsibilities of each institutional partner at federal level for PSNP implementation, separated into those with primary and secondary agencies. All partners will be subject to the rules governing the PSNP management and oversight arrangements and will ensure their institutional MoUs for PSNP reflect this.

Table 4 Primary responsible partners for PSNP5 and Key Responsibilities

Main Institutional Partners for PSNP5	Key Responsibilities[58]
1. Ministry of Finance (MoF)	
	MoF is accountable for the overall financial management (accounting, reporting, budgeting, internal control & audit, and fund flows) of the PSNP5, including: • Manage the special and pooled Birr accounts and financial reporting. • Disburse financing to stakeholders and transfer cash payments to clients at woreda level where there are manual cash payments. • Oversee external audits and following up on findings. • Develop capacity of staff at all levels to implement PSNP5 responsibilities.
2. Ministry of Agriculture (MoA)	
	MoA is responsible for the overall management and coordination of PSNP5. Its roles include: • Provide technical support for planning and implementation • Assist in setting policy direction • Coordinate and create linkages between ministries
2.1 Natural Resource and Food Security Sector (NRFSS)	
Food Security Coordination Directorate	Responsible for the effective delivery of PSNP to outcome level, FSCD, in collaboration with relevant bodies as appropriate, is responsible for each output of the program. FSCD is directly responsible for the PW transfers of output 1, shock responsive transfer (output 2), the on and off-farm pathways of output 5, and all of Output 6 (PM and capacity). FSCD is co-responsible for output 4. Responsibilities include: • Oversee the implementation of all program components • Lead implementation of the regular transfers component for non-PDS clients as well as shock-responsive transfers • Co-lead with MoLSA and MoH on the linkages to social services output • Lead implementation of the livelihoods component through the Livelihood Coordination Unit and in collaboration with RJOC with support from AED and support from MoLSA and JCC on the wage employment pathway of the livelihoods component • Procure and manage commodities for the PSNP5 • Ensure PSNP governance structures are followed, including chairing the PMTC and CMC by Director • Oversee capacity development of staff at all levels • Coordinate with other IAs to ensure all elements of the program are being delivered as designed
Rural Job Opportunity Creation Directorate	Responsible for the implementation of the wage employment pathway of output 5 with technical support from the Employment Promotion Directorate of MoLSA and

[58] All IAs have responsibilities for gender and implementation of the gender action plan.

Main Institutional Partners for PSNP5	Key Responsibilities[58]
	with policy/strategy support from the Jobs Creation Commission (JCC) at federal level. RJOCC also supports the other two livelihoods pathways including • Support the crops and livestock and off-farm pathways of the livelihoods component • Participate in PSNP's governance structures

Natural Resource Management Directorate	Responsible for output 3.
	• Through the PW Coordination Unit, lead the Public Works component of the PSNP5, including:
	  ○ Public works design and technical oversight
	  ○ Ensuring compliance with the environmental standards for the program
	  ○ Public works monitoring and evaluation
	• Coordinate with providers of BCC and literacy/financial literacy training to ensure that public works clients' participation in these activities is counted toward their public works requirement
	• Ensure climate change activities related to carbon sequestration and climate resilience building are incorporated
	• Enhance linkages between PW and Livelihoods components
	• Develop capacity of staff at all levels to implement the PW component
	• Participate in PSNP's governance structures

Small Scale Irrigation Directorate	• implements activities related to irrigation construction/ rehabilitation
2.2 Agriculture Development Sector	
Agricultural Extension Directorate	Responsible for technical input in output 5 • Support FSCD in oversight for the on-farm of the LH component, Provide technical expertise in the development of CD programs for the on-farm and off-farm elements • Ensure PSNP livelihood activities are integrated into performance management of extension staff at woreda and kebele levels • Participate in PSNP's governance structures
Technical & Vocational Education & Training (TVET)	• Coordinate its lower structures to provide appropriate technical and vocational training to clients who have chosen off-farm or employment livelihoods pathways • Support FSCD in oversight for the off-farm of the LH component
Federal Cooperatives Agency (FCA)	• Provide financial literacy training to safety net clients (in conjunction with MFI agents depending on the area) • Provide technical support and training for off-farm livelihood pathways • Provide business skills and marketing training to clients • Provide technical support to RuSACCOs to enable them to serve safety net clients

Main Institutional Partners for PSNP5	Key Responsibilities[58]
Women, Children, and Youth Affairs Directorate of MoA	• Oversee and coordinate implementation of PIM gender provisions • Participate in PSNP's governance structures • Monitor and report on the implementation of the GBV action plan • Monitor and report prevalence of child labor in program activities
Food and Nutrition Coordination Office (FaNCO) of MoA	• Ensure agriculture sector nutrition mainstreaming in the program design • Oversee nutrition mainstreaming in the program • Monitor and report on the implementation of nutrition mainstreaming in the program
3. Ministry of Labor and Social Affairs (MoLSA)	
Social Welfare Development Directorate	Co-responsible for linkages to social services and support for PDS clients Co-Lead with MoA and MoH the implementation of the linkage to available social services component of the program (PDS and TDS case management) • Develop CD programs for PDS and TDS case management and for linkages to available social services for MoLSA staff at regional and woreda levels • Develop Occupational Health & Safety and Labor standards in consultation with NRMD • Supervise the implementation of Occupational Health & Safety standards in collaboration with concerned sectors (NRM, MoH, WCYA) • Monitor child labor issues in collaboration with MCYA of MoA • Identify and document any child labor cases, perform case management of families with children at risk of child labor, encourage and assist these children to enroll in school • Create awareness to the implementers, stakeholders and clients on Labor standards, occupational health and safety, and linkage to social services • Participate in PSNP's governance structures
Employment Promotion Directorate	• Support RJOC on the wage employment livelihoods pathway
4. Ministry of Peace	
National Disaster and Risk Management Commission (NDRMC)	• Coordinate the early warning system • Provide accurate and timely early warning information • Strengthen community early warning systems • Oversight the multi-sectoral disaster preparedness and response. • Participate in PSNP's governance structures

Table 5 Secondary responsible partners for PSNP5 and Key Responsibilities

Ministry of Health	
Maternal and Child Health and Nutrition	Responsible for Nutrition and Supporting the linkages to social services under output4 • Integrate the "Links to Social Services" activities into the National Nutrition Program and the Health Extension Program

Directorate (MCHND) Health Extension and Primary Health Service Directorate (HEPHSD) Policy & Planning Directorate (PPD)	• Implement, coordinate & integrate PSNP's nutrition interventions into existing structures of MoH at all levels • Review health sector M&E and reporting to better capture PSNP information • Mainstream linkage to health services in the HEWs training and performance management • Develop SBCC materials on nutrition and roll out to frontline
Ministry of Women and Children Affairs	
	• Provide technical assistance to ensure activities targeting women, children and youth are technically sound • Help ensure PSNP5 clients have access to existing services targeting women, children and youth in a coordinated manner • Help ensure gender issues are adequately addressed, monitored, and adjusted accordingly
Job Creation Commission	
	• Provide policy/strategy support to RJOCD on the wage employment livelihoods pathway
Public Procurement and Property Disposal Services (PPPDS)	
	• Advertise Specific Procurement Notice (SPN) on local Newspaper • Manage bid evaluation • Issue contract award after obtaining World Bank's no objection. • Manage complaints in line with the World Bank's Procurement Regulations for Investment Project Financing (IPF) Borrowers[59]

355. NGOs will continue to play a role in PSNP5 implementation. In addition to being members of the various TFs and TCs of PSNP at different levels, they may also, with additional financing, contribute their capacity and expertise to the program. In doing so, they will work with government structures and abide by the Program Implementation Manual and program governance structures. Box 36 describes the role in PSNP implementation of the NGO forum, an important platform for engagement between PSNP and civil society.

Text Box 36 Role of the NGO-GOE forum in PSNP

The NGO forum comprises PSNP development partners funded Non-governmental Organizations (NGOs) that implement PSNP-5 and related resilience building activities, livelihoods / agriculture,

[59] Procurement in Investment Project Financing, Goods, Works, Non-Consulting, and Consulting Services', dated July 1, 2016 revised November 2017 and August 2018.

natural resources management, food security, water, health and nutrition, rural micro finance, and, gender, nutrition, social accountability, climate change, capacity building programs in PSNP woredas. The forum also comprises relevant GOE stakeholders; namely, FSCD and Livelihoods Coordination Unit (LICU), Natural Resource Management Directorate (NRMD)/Public Work Focal Unit (PWFU), Commodity Management, Logistics and Finance Directorate, Rural Job Opportunity Creation Directorate (RJOC), Federal Cooperative Agency (FCA), Employment Promotion Directorate of MoLSA, MoH (Nutrition and Health), Ministry of Finance and Economic Cooperation, National Disaster Risk Management Commission, and Regional Food Security offices. Representatives from DPs too may participate on the forum. The platform aims at minimizing duplication of efforts and enhancing complementarity. In doing so, the platform facilitates information sharing, capture best practices, promote knowledge sharing and scaling up of tested innovations, and address implementation challenges. The findings of the platform will be communicated to regions, woredas and kebeles.

4.4.2 Regional level

356. Federal-level governance arrangements by-and-large apply at regional level and below. However, PSNP5 governance arrangements acknowledge the need for appropriate flexibility. For example, E-payment will be merged with Transfer and Resource Management TC at regional level as opposed to federal level structure where we have TR TC to which a temporary E-payment sub-committee will report. PSNP5 will continue to utilize the existing regional level structures, which are embedded in the government system. The primary regional implementing institutions and their key responsibilities are outlined in the table below:

Table 6 Main Regional Partners and Key Responsibilities

Main Institutional Partners for PSNP5	Key Responsibilities[60]
1. Regional FS Coordination Office	
	• Coordinate day-to-day activities of the program, including timely delivery of resources to clients • Coordinating and initiating livelihood technical committee meetings
2. Early Warning & Response Department	
	• Collect and analyze early warning data
3. Bureau of Finance	
	• Manage financial resources at regional level, and channel cash transfers to woredas
4. NRMD	
	• Manage PW component through PW Implementation Unit
5. Women, Children, and youth affairs desk in BoA and Woreda WCYA office	

[60] All IAs have responsibilities for gender and implementation of the gender action plan.

Main Institutional Partners for PSNP5	Key Responsibilities[60]
	• Oversee and report on implementation of GBV action plan • Collaborate with MoLSA on monitoring of child labor issues at PW sites • Collaborate with woreda food security desk and other sectors on the implementation of gender, child, and overall social development and linkage issues
6. Extension Directorate	
	• Oversee crop and livestock pathways • Responsible to provide proper technical support to the PSNP5 complementary livelihoods interventions • Develop directives and guidelines to help ensure livelihoods interventions are well integrated with regular extension system • Provide technical support and check that PSNP clients are not excluded and are benefiting from the extension system • Actively engage in the livelihoods technical committees • Prepare periodic reports and annual plan
7. Rural Job Opportunity Creation	
	• Implement the wage employment pathway of the LH component • Provide support in the crop and livestock and off-farm pathways of LH component on entrepreneurship and BDS training
8. Bureau of Labor and Social Affairs	
	• Implement linkage to social services jointly with Food security and health bureau. • Jointly with the NRM/PWFU, develop Occupational Health and Safety standards and supervise its implementations in collaboration with NRMD • Initiate the PDS transfer /payment for food security coordination office
9. Bureau of Health	
	• Implement nutrition interventions and supports linkages to health services
10. Cooperative Promotion Agency	
	• Support RuSACCOs. • Develop financial products to livelihood clients • Provide training and technical support on rural finance related areas to PSNP clients • Actively engage in the livelihoods technical committees • Prepare periodic reports and annual plan • Market promotion
11. Bureau of TVET/SME	
	• Provide technical support on off farm • Actively engage in the livelihoods technical committees • Prepare periodic reports and annual plan

Main Institutional Partners for PSNP5	Key Responsibilities[60]
	• Provide technical support for livelihood component
12. MFI	
	• Allocate credit fund for livelihood component • Actively engage in the livelihoods technical committees • Prepare periodic reports and annual plan • Provide technical support for livelihood component

357. The Regional Council will be responsible for overall oversight of the program implementation, and it holds PSNP5 implementers to account for the quality of implementation. The Regional Cabinet will make decisions arising from the recommendations of the Food Security Steering Committee, will review and approve PSNP's annual plans and budgets, and review and act on annual and biannual progress reports on implementation and budget utilization.

358. The Food Security Steering Committee will give strategic direction to ensure the proper implementation of PSNP5 strategies and plans based on the recommendations of the FS Task Force. However, in the lowland regions, the Food Security Task Force will be responsible for ensuring proper implementation of the program.

359. The Food Security Task Force will oversee and coordinate program implementation among all implementing institutions and advise the FSSC. Tasks include reviewing annual plans and budgets for approval, ensuring all offices integrate activities into their work plans, overseeing reporting and ensuring adequate information is given to Cabinet, participating in M&E, providing technical assistance to the lower levels, and reviewing progress reports.

360. Technical Committees at regional level will comprise the Resource Management and Transfers TC, PW TC, Livelihoods TC, and Linkage to Social Services TC. The Task Force, which oversees each of these TCs, will also be responsible for overall program management and capacity building concerns of the program.

4.4.3 Woreda Level

361. PSNP5 will continue to utilize the existing regional level structures, which are embedded in the government system. The primary regional implementing institutions and their key responsibilities are outlined in the table below:

Table 7 Main Woreda Partners and Key Responsibilities

Main Institutional Partners for PSNP5	Key Responsibilities[61]
1. Woreda Office of Agriculture (WoA)	
	• Responsible for the overall management of PSNP.
2. Woreda Food Security Desk	
	• Coordinate all PSNP activities including on implementation of social development commitment plans including gender, SEP, GBV, GRM, linkage, and ESAC/SD plans. • Ensure the preparation of a pipeline of projects for PSNP in consultation with the kebele FS TF; • Mobilize technical assistance as needed; • Ensure PSNP risk financing plans are developed and implemented as needed; • Submit progress reports in accordance with the PSNP format; • Maintain accurate records of kebele PSNP activities and list of clients; and • Provide information on target areas and selected clients to sectoral offices and other agencies.
3. Natural Resource Desk	
	• Responsible for managing the public works • Consolidate public works plans and budgets developed in the kebeles; • Ensure integration of community watershed plans into woreda plans and more broadly, integration of the PSNP public works in the overall woreda plan; • Provide assistance to DAs and communities in the planning process; • Implementing the ESMF; • Supervise public works and providing technical backstopping with FS; • Support the M&E system especially on the Public Works Review; • Foster linkages between public works and livelihoods; and • Facilitate experience sharing among kebeles.

[61] All IAs have responsibilities for gender and implementation of the gender action plan.

Main Institutional Partners for PSNP5	Key Responsibilities[61]
4. Agricultural Extension Desk	
	• Responsible for managing crop and livestock pathways • Provide assistance to Das and communicate in the planning process • Consolidate livelihood plans, report and budget • Implement livelihood ESMF • Supervise livelihood activities and providing technical backstopping • Support the livelihood M&E system • Foster linkages between public works and livelihoods; and • Facilitate experience sharing among kebeles
5. Livestock Desk	
	• Provide technical training and support on livestock pathway • Implement livelihood ESMF • Support the livelihood M&E system • Supervise livelihood activities and providing technical backstopping • Prepare livelihood plans and report
6. Woreda Office of Labor and Social Affairs	
	• Engage on targeting of PDS clients • Identify available social services and connect PDS clients with these services. • Initiate the PDS transfer /payment for food security desk • Jointly with the Public work focal unit, implement Occupational Health and Safety standards and supervise its implementations in collaboration with NRMD
7. TVET/SME	
	• Provide technical training and support on off farm pathway • Implement livelihood ESMF • Support the livelihood M&E system • Supervise livelihood activities and providing technical backstopping • Prepare livelihood plans and report
8. MFIs	
	• Allocate credit fund and provide loan to livelihood clients • Supervise livelihoods activities and providing technical backstopping • Prepare livelihood plans and report
9. RJOC	
	• Implement employment pathway with technical support from the Employment Promotion Directorate of MoLSA and with policy/strategy support from the JCC
10. Woreda Women, Children, and Youth Affairs (WCYA) Office	
	• Oversee the implementation of GBV action plan • Collaborate with WoLSA on monitoring of child labor issues at PW sites

Main Institutional Partners for PSNP5	Key Responsibilities[61]
	• Collaborate with woreda food security desk and other sectors on the implementation of gender, child, and overall social development and linkage issues
11. Woreda Office of Finance	
	• Ensure transfers to clients are undertaken on a timely basis according to the minimum performance standards. • Prepare quarterly financial reports.
12. Cooperative Promotions Office	
	• Develop capacity of RUSSACCOs • Prepare livelihood plans and report • Support the livelihood M&E system • Provide training and support on financial products tailored to livelihood clients
13. Woreda Health Office	
	• As part of the tripartite agreement, implement and monitor nutrition interventions and linkages to health services
14. Woreda Sector Offices	
	• Consolidate proposals of the Kebele Food Security Task Force for incorporation in the woreda PSNP plans; • Incorporate PSNP activities in their yearly program/action-plans, based on the woreda integrated plan which includes the PSNP plans; • Prepare activity implementation plans and request budget for implementation; • Implement PSNP activities at kebele and community levels; • Provide technical assistance and training to technical personnel and kebele staff; • Undertake project screening in accordance with the ESMF; • Conduct monitoring and evaluation of activities; and • Prepare quarterly progress and financial reports

362. At woreda, level, the woreda Cabinet will prepare, and woreda Council approve, the PSNP annual plan. The Council will assist in resolving unresolved appeals, and the Cabinet will ensure that program plans, budgets, listing of appeals and appeals resolutions are posted in public locations.

363. The Woreda FS Task Force (WFSTF), with WoA as chair, will review kebele annual PSNP plans and budgets, oversee the expansion of PSNP to drought-prone woredas, participate in M&E activities and provide support to kebeles.

364. Three TCs (Resource Management & Transfers, Public Works, and Livelihoods) will report to the WFSTF.

4.4.4. Kebele/community Level

365. At kebele level, the kebele cabinet will approve the client list for the PSNP and related plans for the program. It will also assist in establishing and ensuring effective operation of the Kebele Appeals Committee (KAC), which is tasked with hearing and resolving appeals regarding PSNP in a timely manner. The council/cabinet will post the list of clients, appeals heard and resolved, and program plans and budgets in public locations. The Kebele Food Security Task Force (KFSTF) will oversee all planning and implementation of PSNP activities.

366. At community level, the Community Food Security Task Force (CFSTF) will be responsible for identifying clients of the program. It will also participate in mobilizing the communities for participatory planning for public works and livelihoods activities. They will target core caseload (every four years with annual updates), and transitory caseload (at least once a year following key production seasons and/or when client numbers change). The DAs will play a facilitating role in PSNP implementation and be members of the CFSTF and KFSTF. They will support communities in the preparation of annual plans, oversee implementation of public works, prepare PSNP payment lists for submission to the WFSD and WOF, provide training to households on investment opportunities, and assist households to prepare business plans. Health Extension Workers (HEWs) will support SBCC activities and provide nutrition advice to PSNP clients.

367. At client level, client and non-client households will participate in public meetings on PSNP that target clients and determine multi-year annual plans. Community members will work with DAs on an annual basis to determine priority public works and participate in the consultative meetings to identify viable household-level investment opportunities. PSNP clients will participate in public works or direct support, and those engaged in livelihood activities will devise business plans, seek support from local financial service providers, and carry out these activities. Clients and non-clients alike also play a key role in holding implementers to account through the KAC and public forums.

5. Program budget and sustainable financing

368. PSNP5 will be financed through a combination of Government of Ethiopia (GoE) and development partners' financing. Prior to PSNP 4, the GoE financing was limited to staffing and management costs. However, the GoE also started to cover program costs during PSNP4. The contribution of the government finance has gradually increased up 14% of the core program. For PSNP5, the GoE has agreed to increase its share of the contribution to 25% to ensure the sustainability of the program. The table below presents an indicative budget framework for PSNP5:

PSNP 5/SEASN

Projected Resource Requirements in USD

2020/21- 2024/25

Budget Heading	EFY 2013	EFY 2014	EFY 2015	EFY 2016	EFY 2017	
	2020/2021	**2021/2022**	**2022/2023**	**2023/2024**	**2024/2025**	**Total**
Output 1: Transfers						
Permanent Direct Support Transfers	105,255,216.00	103,708,812.35	96,647,786.83	90,011,028.94	83,824,703.92	**479,447,548.04**
Public Works and Temporary Direct Support Transfers	249,533,240.00	245,867,111.83	229,127,223.36	213,393,165.11	198,726,968.19	**1,136,647,708.49**
Cost of IN-KIND transfer	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	***250,000,000.00***
Contingency Budgets (Woreda)	-	-	-	-	-	**-**
Outputs 2: Shock Responsiveness						
Systems	-	10,625,000.00	10,625,000.00	10,625,000.00	10,625,000.00	**42,500,000.00**
Contingency Budgets (Federal)	-	-	-	-	-	**-**
Outputs 3 : Public Work Capital Budget						
Capital Budget for PW -including IN-KIND (USAID)	32,048,715.75	31,577,857.84	29,427,876.03	27,407,077.67	25,523,429.72	**145,984,957.01**
	-	-	-	-	-	**-**

Output 5: Livelihood						
Big Push Plus	6,912,000.00	6,810,449.29	6,346,759.12	-	-	**20,069,208.41**
Livelihood capacity building	8,956,884.16	8,825,290.13	8,224,419.31	7,659,652.32	7,133,215.73	**40,799,461.65**
Livelihoods Transfer/Grant	10,020,000.00	10,020,000.00	10,020,000.00	10,020,000.00	10,020,000.00	**50,100,000.00**
Output 4 & 6: Program management and Linkages						
Key Instruments		3,000,000.00	4,000,000.00	10,000,000.00	3,000,000.00	**20,000,000.00**
Linkage activities (in-kind)	5,000,000.00	4,926,540.28	4,591,116.26	4,275,846.48	3,981,973.87	**22,775,476.90**
Capacity Building (Woreda)	3,600,240.03	3,547,345.51	3,305,824.11	3,078,814.73	2,867,212.34	**16,399,436.73**
Capacity Building (Physical)	2,570,166.75	2,532,406.00	2,359,986.87	2,197,927.69	2,046,867.37	**11,707,354.68**
Woreda Admin Budget	20,843,634.61	20,537,401.12	19,139,109.98	17,824,836.33	16,599,761.67	**94,944,743.71**
						0.00
Regional Management Budgets	3,952,758.28	3,894,684.58	3,629,514.57	3,380,277.52	3,147,956.04	**18,005,190.99**
Regional LH	1,296,749.55	1,277,697.78	1,190,705.59	1,108,940.40	1,032,724.56	**5,906,817.88**
E-Payment Service fees	2,234,166.37	2,223,577.91	2,270,888.08	2,339,112.18	2,411,455.86	**11,479,200.39**
Federal Management Budgets	3,131,710.57	3,085,699.66	2,875,609.47	2,678,142.72	2,494,077.93	**14,265,240.34**
Grand total	**505,355,000.00**	**512,460,000.00**	**483,782,000.00**	**456,000,000.00**	**423,435,000.00**	**2,381,032,000.00**

DPs Indicative Commitment (Cash)	397,165,000.00	373,165,000.00	290,647,740.04	256,165,000.00	226,165,000.00	**1,543,307,740.04**
GoE Indicative (Based on Scenarios)	101,071,000.00	102,492,000.00	125,783,320.00	136,800,000.00	135,499,200.00	601,645,520.00
DPs (%)	79%	73%	60%	56%	53%	65%
GoE (%)	20%	20%	26%	30%	32%	25%
GAP (%)	1%	7%	14%	14%	15%	10%
Total	**498,236,000.00**	**475,657,000.00**	**416,431,060.04**	**392,965,000.00**	**361,664,200.00**	**2,144,953,260.04**
Financing Gap (Surplus)	**7,119,000.00**	**36,803,000.00**	**67,350,939.96**	**63,035,000.00**	**61,770,800.00**	**236,078,739.96**
Total Program Costs (rounded)	**505,000,000.00**	**512,000,000.00**	**484,000,000.00**	**456,000,000.00**	**423,000,000.00**	**2,381,000,000.00**

369. The overall budget for the PSNP 5 is made up of six components (Outputs). Further details on the costs that can be incurred against these components can be found in the sections below:

370. **Output 1: Transfers** – This budget includes core transfers for Permanent Direct Support clients, Temporary Direct Support Clients and Public Works clients. Transfers can be provided in cash or food and this budget line covers both the cash transfers and the costs of procuring and transporting food items. The transfer will be made to 7.9 million beneficiaries each year (12 months for PDS and 6 months for PW). The transfer amount is based on a daily wage rate which is to be adjusted based on the CPI each year.

371. **Outputs 2: Shock Responsiveness** – This budget is allocated to strengthen the shock responsive systems and to finance transfers that can be provided in cash or food. Therefore, this budget line covers both the cash and food transfers. This budget will be used to improve the overall shock responsiveness of the PSNP in relation to drought. Although systems development activities will focus on addressing drought shocks, the resulting enhanced delivery channels can be used to provide assistance in response to other economic shocks (such as the economic consequences of the current COVID-19 pandemic). Safety net transfers will be provided to affected households in response to shocks, financed through a combination of sources including the Government of Ethiopia and DPs humanitarian financing.

372. **Outputs 3: Public Work Capital Budget –** The quality of public works requires financing for important non-transfer costs including: skilled and semi-skilled workers necessary for the completion of a specific public works project, hand-tools, equipment and materials, amenities at work sites and the costs of transporting tools and materials.

373. Output 4: Linkages – There is no specific budget allocated to this output. Costs incurred are covered under the Output 6 (Program Management and Capacity) budget line.

374. **Output 5: Livelihood –** There are three subcomponents under the livelihood output: (i) *Livelihoods Transfer:* The livelihoods transfer budget will cover livelihoods transfer/grant of equivalent to $300/household for the 20% of the livelihood beneficiaries; : ii) *Livelihood Capacity Building* – This budget is allocated to meet the requirement of the $70 unit cost per livelihood beneficiary to enhance the investment on the component. Iii) *Big Push Plus* – in addition to the Big Push to be rolled out in regular PSNP woredas, a pilot Big Push Plus (BPP), which involves increased investment and intensity of support, will be piloted in 17 woredas benefiting an estimated 36,000 households at a unit cost of $600 per beneficiary over 3 years. The cost includes: 340 Community Facilitators' salary; 7,200 people from group business investment intervention; $20/beneficiary additional livelihood capacity building; Construction of hand dug well and community pond cost share for 70% of the target beneficiary households (see Annex 3 for further detail of BPP pilot);

375. **Output 6: Program management –** This budget component includes:

- Key Instruments/Systems Development: This will advance previous initiatives to build technology-based systems and modernize PSNP from its reliance on paper-based data and procedures, supporting improvements in targeting as well as other aspects of service delivery. A

new program management information system (MIS) will be rolled out for PSNP operations including beneficiary registration, public works attendance, payroll generation, beneficiaries' recertification/reassessments, appeals and grievances, delivery of livelihood services, and overall program monitoring.

- Capacity Development: The budget includes both woreda capacity budget and physical capacity budget. The budget will cover training in key technical and managerial areas and the provision of necessary equipment and services and the development of systems and manuals, amongst other expenses.
- Management Budget – this budget includes: i) Woreda Administrative Budget- costs of supporting transfers and public works; ii) Regional and Federal Management Budgets – support the management and supervision of the outputs. This budget can be used to cover the following costs: human resources, coordination, equipment and materials, travel and transport, training, M&E, electronic payment, audit and evaluation.

6. Program monitoring, evaluation and learning

6.1 Objective of the MEL system

376. The objective of monitoring, evaluation and learning in PSNP5 is two-fold:

- **To allow accountability**. The program is accountable for achieving what it has agreed to do at the outset. The monitoring system allows reporting on what has been done, and the evaluation system allows reporting on what has been achieved.
- **To enable ongoing learning and proactive adaptive management**. Program processesare designed to continually review what is working and achieving results, and what is not, on an ongoing basis and before the end of the program. This allows changes to be made in implementation in response to timely evidence to ensure that achievements are maximized, in a process of adaptive management. The learning elements of the MEL system enable this process. This function is a learning process and is why PSNP5 has broadened the previous M&E label to become MEL.

377. Achievement of these dual objectives requires that the PSNP5 MEL system is an integral part of the PSNP management system, and so is inseparable from the wider strategic framework for PSNP5, as defined in the program logframe. The logframe drives what is to be achieved and defines what success looks like; the results framework is nested within the logframe and elaborates on specific indicators that will be reported upon at all levels; and the MEL system combines those two elements with the processes that are required to achieve the MEL system objectives. The PSNP5 logframe and results framework are presented in annex 1. The MEL guideline will elaborate on the indicators provide guidance to ensure the MEL system works as a system, records the required data, and reports it effectively so that it turns data into information that allows for better decision-making.

6.2 MEL Changes for PSNP5

378. Many elements of the PSNP4 M&E system are retained in PSNP5, including the majority of the tools and processes. Key changes introduced to the MEL system in PSNP5, which are aimed at enhancing its effectiveness and contribution to PSNP objectives, include the following:

- The introduction of the MIS system to rationalize, harmonize and smooth transparency of information and its availability and move towards an increasingly electronic system, including presentation of readily-available information
- The more explicit recognition that learning is an important function of M&E and the key enabler of adaptive management

379. A significant improvement in the MEL arrangements for PSNP5 will be the introduction of the MIS, which will include an updated, consolidated client registry, and will also be linked to the PW Mapped Database. The MIS will improve data accessibility and management by centralizing and further standardizing the data collected through regular program operational processes like retargeting, payment, etc. In addition, as woreda connectivity rolls out across PSNP woredas, the MIS will be able to more rapidly consolidate data coming from decentralized levels to federal level, to provide a better overview on program implementation.

380. A centralized MIS will also improve transparency of program performance and allow the federal level to identify risks and bottlenecks in a timely manner, make more informed decisions, and to make appropriate improvements to the program design and processes. By linking the MIS to the Public Works Mapped Database, the program can have more consolidated information on the types of public works being implemented across regions, their quality, and client participation.

381. An operational MIS creates new opportunities for more readily-available electronic data reporting systems that can provide well-presented and analyzed information. PSNP5 will invest in reporting software which is able to combine and analyze data, and present it in both tabular and graphic form, producing reports, dashboards and maps. This will mark a major enhancement in program data transparency and usefulness which will benefit implementation, review, and results.

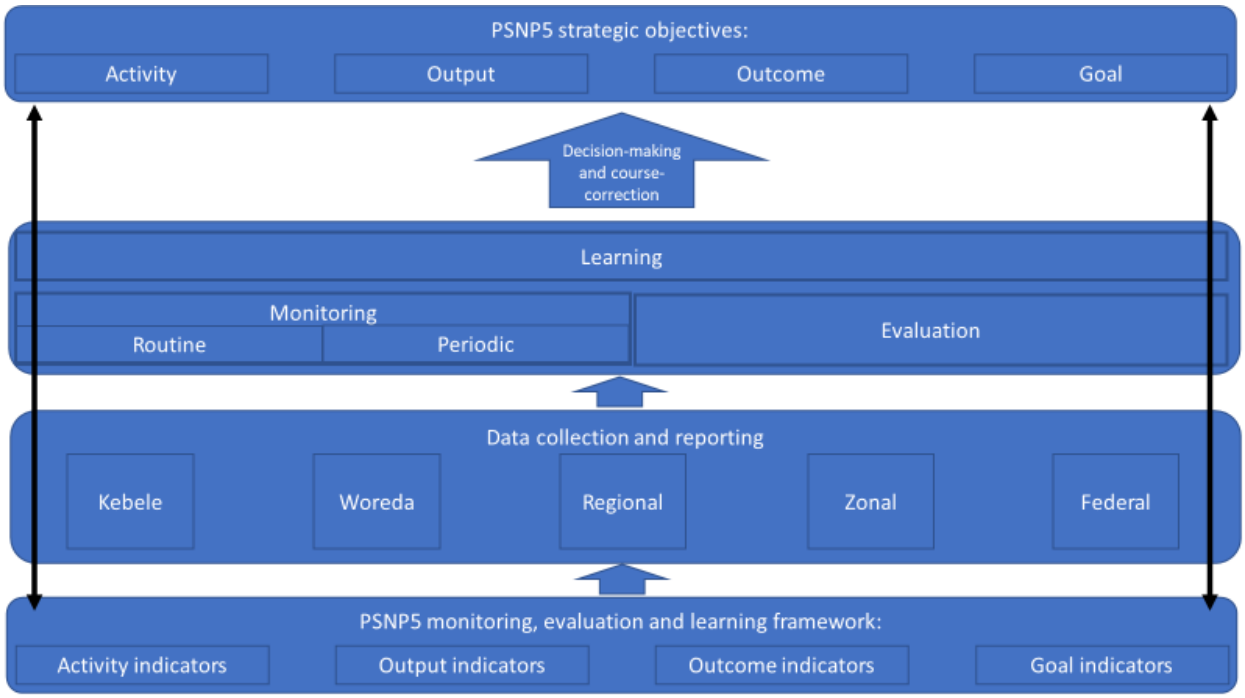
6.3 The PSNP5 MEL system

382. In order to deliver on its objectives, PSNP5 MEL is seen as a holistic system rather than focusing on its component parts.

383. The PSNP5 MEL system has the following elements, as presented in figure 5:

1. **The PSNP5 logframe**, which defines the expected achievements of PSNP5 and provides the basis for assessment of success
2. **The PSNP5 results framework**, which deepens the logframe to define in detail data needs for proper program assessment and management at all levels, from Activity and task level right up to Goal level
3. **The routine monitoring system**, which reports at Activity and Output level, and includes the MIS
4. **The periodic monitoring system**, which conducts regular time-bound assessment on progress that is not well-captured by the routine monitoring system, and which reports at Activity and Output level
5. **The evaluation system**, which conducts specific assessments on a regular schedule aimed at reporting at Output and Outcome level
6. **The decision-making system**, which links learning to management and enables adaptive management

Figure 5 The PSNP5 monitoring, evaluation and learning system



384. The PSNP5 MEL system is built upon a number of specific tools, each of which play a specific role within the system, and all of which combine to achieve the objectives of the system. The various tools for MEL in PSNP5 are described in table 8 below.

Table 8 Specific tools comprising the MEL system

Tools	Description of tool	Frequency
1. Routine monitoring		
Monitoring reports	• Regular collection of information at the Activity and Output levels, providing quality and learning information as well as quantification of work done – and aligned with the MIS	Monthly from woreda to Regional level; Quarterly to Federal level
IFRs	• Quarterly and annual financial reports provide information on budget expended according to agreed line items	Monthly at woreda level and from woreda to region Quarterly at regional level, from regional to federal, and at federal level.
Information center reports	• Information collection from a sample of woredas largely focused on timeliness of transfers, but also includes price data. • This will be phased out as the MIS comes on-stream.	Every two weeks
Tracking of client participation	• Technical monitoring of the full suite of services from a household perspective • Facilitated by the client card	
2. Periodic monitoring		
Spot Checks	• Extent to which actual implementation of PSNP complies with program guidelines • Program data verification; • Implementation progress on strategic program decisions	Every six months, in time to inform the JRIS
Joint Review & Implementation Support (JRIS)	• Assessment of implementation at kebele, woreda and regional levels • Progress towards achievement of outputs & outcome • Examination of assumptions holding true and remedial measures • Progress towards achievement of annual plans • Planning actions to enhance performance	Every six months, timed to inform government planning cycles
Mid-Term Review	• Progress towards achievement of outcome and PSNP5 design	After 2.5 years of implementation of new phase

Tools	Description of tool	Frequency
Annual Assessments	• *Wage rate tracer study* to set an appropriate wage rate for the PSNP • *PW Review* (planning) to assess the adequacy of PSNP public works plans • *PW Review* (technical) to review the quality and sustainability of PSNP PW • *Risk Financing (RF) Review* to determine the effectiveness of the RF response, if triggered • *Grievance Redress Mechanism Review* to assess the functioning of the appeals and complaints system • *Independent Procurement Assessment* to review procurement practices at woreda level • *Livelihoods review* Planning review to assess the adequacy of livelihoods plans, Technical review to review the quality of livelihoods implementation • *Annual Independent Procurement Assessment to review procurement processes at woreda level*	• Annual • Annual • Annual • As needed • Annual • Annual • Annual • Annual
Audits	• The *Financial Audit* includes an audit of accounts; systems audit; and review of transactions to clients to ensure that funds were used for purposes intended. • The *Commodity Audit* review to ensure in-kind resources are used for the purpose intended	• Quarterly rolling, annual • Annual
Ad hoc studies	• Ad hoc studies provide decision makers with detailed information on specific areas of concern.	• As needed
3. Evaluation		
Evaluations	• *Social Assessment* to confirm the effectiveness of program targeting and assess relevant social issues • *Public Works and Livelihoods Impact Assessment* to determine if the objective of the PSNP PW and LH were met • *Biannual Impact Evaluation*, a regionally representative household survey, to assess outcomes and impacts of all program outputs • *Risk Financing impact assessment* to determine if the objectives of RF were met	• Once • Every two years • Every two years • As needed

385. Together, these MEL tools will provide useful information to PSNP implementers, planners, decision-makers, oversight bodies, clients and funders. It will capture the information necessary to ensure feedback on program performance will enable stakeholders to adjust program implementation, or even design, when required. Furthermore, the MEL elements provide evidence that enables the accountability mechanisms of the program to operate.

386. Table 9 summarizes which elements of the MEL system will provide reporting against different levels of the PSNP5 logframe, as well as responsibilities and accountabilities.

Table 9 Reporting on logframe levels

Element of logframe	Process	Responsible	Accountable
Goal	Government data	FSCD	FSCD
Outcome	Impact evaluations Periodic assessments JRIS	FSCD FSCD FSCD	FSCD FSCD FSCD
Outputs	Routine monitoring Periodic assessments JRIS	DAs, Kebele, Woreda	Regional FS FSCD FSCD
Activities	Routine monitoring Spot checks Specific studies	DAs, Kebele, Woreda FSCD FSCD	Regional FS FSCD FSCD
Assumptions	Program risk management processes JRIS	FSCD, CMC FSCD	FSCD FSCD

6.4 Management Arrangements for MEL

387. Management of the MEL system is therefore the critical link between MEL and enhanced performance of PSNP5: a well-managed system will deliver useful information that allows key decisions to be made where needed.

388. Overall responsibility for the effective functioning of the MEL system will be by FSCD, under plans for delivery of PSNP Output 6. This leadership role will itself be overseen by the program governance arrangements described in Chapter 4.

389. The regular monitoring system, which includes kebele and woreda monthly and quarterly monitoring reports, regional and federal quarterly reports, and interim financial reports, is aligned with the institutional implementation responsibility for the PSNP.

390. Table 11 lays out the roles and responsibilities for MEL tools, all of which fall under the overall lead of FSCD under its mandates outlined for Output 6.

Table 10 Roles and responsibilities for MEL tools

Types of reports	Responsible Parties
Monitoring Reports	• DAs collect and compile activity information and client tracking information at kebele level • Health Extension Workers monitor client participation in soft conditionalities and other nutrition BCC. • FSCD or WOF monitors food transfer • WOF monitors cash transfer • WOLSA, where present, monitors assistance provided to permanent direct support clients. • The NR Desk compiles public works-related information from various line agencies (water, education, roads, health, etc.) • The Extension Desk/Process consolidates monitoring reports on livelihoods activities from MSE and Labor and Social Affairs. • Food Security analyses and consolidates reports
IFRs	**Woreda level** • WOF submits the interim financial report to the Woreda Food Security Desk and to BOF on a monthly basis. • The Woreda Food Security Desk shares relevant line item information with Technical Committee chairs for Livelihoods, Public Works and Transfers & Resource Management. **Regional level** • BOF consolidates woreda reports and provides the regional interim financial report to the Food Security Core Process and to MOF on a quarterly basis. • The Food Security Core Process shares relevant line item information with Technical Committee chairs for Systems Building, Livelihoods, Public Works and Transfers & Resource Management. **Federal level** • MOF consolidates reports from regions and submits the federal interim financial report to the Donor Chair and FSCD. • FSCD shares relevant line item information with the four Technical Committee chairs.
Information Center Reports	• Woreda Food Security Desk collects information on timeliness of transfers and consolidates existing information on market prices for key commodities, then submits information to the Regional Information Center (RIC) on a biweekly basis.

Types of reports	Responsible Parties
	• The RIC, within the Food Security Core Process, collects information from all PSNP woredas and submits it to the Federal Information Center (FIC) on a biweekly basis. • The FIC, within the FSCD, collects RIC data and supplements it with bi-weekly collection of similar data from 81 woredas to provide rapid real-time information at a federal level and to verify accuracy of RIC reporting.
Agreed Actions Aid Memoire	• FSCD with support from DCT documents agreed actions Joint Review and Implementation Support (JRIS)
Annual Assessments	PW Reviews – NRMD takes the lead in coordination with SSID, Regional PWFU to organize these twice-yearly reviews (first on planning, second on subproject implementation). FSCD, donors and NGOs participate.
	GRM Review – The FSCD commissions this independent review, which looks at whether proper procedures are followed and records kept in the appeal system.
	LH Review – The FSCD takes the lead in coordinating with AED, RJCFSA, MOLSA, TVET and Cooperative Promotion in these twice-yearly reviews (first on planning, second on implementation). FSCD, donors and NGOs participate.
	Procurement Review: FSCD selects and appoints a procurement auditor, acceptable to the World Bank, to carry out an annual independent procurement audit of the project. The Government submits the report to World Bank annually sixty days after the end of the fiscal year.
Audits	MOF commissions the general audit and the roving audit to ensure the completeness and veracity of financial information included in the above financial report. The audit must be compliant with World Bank audit requirements.
	Commodity Audit – FSCD commissions this audit, which must be compliant with World Bank audit requirements.
Evaluations	Bi-annual Impact and process Evaluation – Conducted by CSA with technical support and analysis by an internationally recognized institution, the household survey assesses outcomes and impacts of the PSNP. It includes both quantitative and qualitative information.
	PW and LH Impact and process Assessment – NRMD commissions this assessment of the impact of PSNP public works in a sample of watershed. It looks at both discernible and potential impacts of public works.
	Social Assessment – FSCD is responsible for commissioning this assessment.
	Risk Financing Impact Assessment – FSCD commissions this impact assessment.
Ad hoc studies	FSCD and other implementers commission studies as needed with inputs from donors

391. **Adaptive management** is the process by which monitoring data on progress to date is used to identify areas where improvements to implementation can be made to enhance performance in line with program objectives as defined in the PSNP logframe, leading to timely action being taken. Adaptive

management requires useful evidence to be considered by decision-making bodies at the right time. It also requires a strategic approach based on clarity on what is expected to achieve overall program objectives. The MIS will greatly enhance and facilitate the use of adaptive management at all levels by providing accurate, timely and appropriate information that will allow managers to learn and understand the changes required to improve program performance.

392. Adaptive management is practiced at woreda, regional and federal levels, with the nature of decision-making defined by institutional mandates within the program:

- At woreda level decisions will be made based on routine monitoring. These decisions will relate to adjustments of woreda level implementation.
- At regional level decisions will be made based on routine monitoring, specific regional-level events and studies, and also based on information provided by federal studies and information provided by federal level. These decisions will relate to adjustments of regional level implementation.
- At federal level decisions will be based on all elements of the MEL system and on federal level exchange of ideas. Federal level decisions relate to the whole program, and will be mediated through the wider program planning and governance systems

Annexes

Annex 1: PSNP5 Logframe and associated Results Framework

Level	Expected Result	Key Activities	Indicators	Assumptions
Goal	Extreme poverty reduced in PSNP woredas		• Percentage of people living below the poverty line in PSNP woredas • Total poverty-oriented expenditure of PSNP households as a percentage of GDP • Percentage of GoE contribution to core PSNP financing	• Assuming constant elasticity between poverty reduction and growth. • Growth elasticity of poverty in new PSNP woredas will be the same as rural areas. • Assuming there will be 8.5% annual growth of per capita income nationally (this is based on the 10 years prospective development plan of GoE). • Assuming income distribution among PSNP and non-PSNP Woredas is the same, i.e. neglect group-specific fixed effects. Hence, we assume there will be 8.5% annual growth of per capita income in PSNP Woredas.

Level	Expected Result	Key Activities	Indicators	Assumptions
Outcome	Enhanced resilience to shocks of extreme poor and vulnerable rural households in PSNP woredas		• Number of new woredas in which PSNP systems have been established and are being used for core PSNP payments • Average number of months that PSNP households report experiencing food shortages in the past 12 months (disaggregated by male and female headed households) • Percentage of client households reporting use of harmful coping strategies (disaggregated by male and female headed households) • Percentage Impact on clients' per capita monthly total consumption expenditure • Percentage of children 6-23 months of age in PSNP HH who receive a minimum acceptable diet • Percentage of mothers in PSNP client HHs who practice proper IYCF disaggregated by Early initiation of breast feeding and Introduction of semi-solid food at 6 months	**Outcome to Goal** • Enhanced resilience to shocks enables improvements in livelihood status for clients which are extremely poor • Improvements for extreme poor are sufficient to move above extreme poverty line • People moving above extreme poverty line are able to retain the gains and not fall back down again • Reductions in extreme poverty are sufficiently long-term to be captured in poverty statistics • Other efforts to reduce extreme poverty complement those of PSNP • Wider events in the economy and society do not prevent reductions in extreme poverty
Output 1	Timely and adequate transfers	• Target clients for PSNP caseload	• Number of core rural PSNP program clients (disaggregated by male (M) and female (F))	**Output to Outcome**

Level	Expected Result	Key Activities	Indicators	Assumptions
	received by eligible core caseload of PSNP clients	• Manage cash and food resources • Develop capacity to deliver Output 1 • Address gender, nutrition and social development issues related to Output 1	• Percentage of payments made to core clients according to the program's performance standards for timeliness (disaggregated by PDS and TDS) • Number of core client households receiving their transfers in electronic accounts • Percentage increase in average wage rate relative to the annual food CPI increase, for cash transfers clients	• Eligible core caseload comprises the extreme poor and vulnerable • Receipt of transfers enhances resilience to shocks • Other non-transfer factors do not prevent enhanced resilience to shocks **Activity to Output** • Targeting is effective and results accurately identify eligibility • Eligibility is clearly stated • Gender is managed effectively in targeting process • Constraints to timely cash transfers are overcome • Issues with food management are successfully resolved • Cash and food for transfers are available when needed • Transfers are delivered to the intended recipients • Transfers delivered to clients are readily accessed

Level	Expected Result	Key Activities	Indicators	Assumptions
				• Transfer values reflect need • Index-linked annual increments are implemented • Capacity allows Output 1 to be implemented as designed • Gender, nutrition and social development issues are effectively addressed by Output 1 team
Output 2	Shock-responsive transfers received by eligible clients when needed	• Strengthen the national government-led early warning system to monitor and predict drought shocks • Establish pre-agreed rules on how to scale up responses • Develop annual drought response plans • Expand geographic footprint of PSNP to cover additional drought-prone woredas • Put in place a single delivery system • Make timely shock-responsive payments in line with Drought Response and Assistance Plans • Develop capacity to deliver Output 2	• Number of person months of assistance provided • Preparation and adoption of a geographic expansion and caseload allocation plan • Key shock responsive systems established and operational	**Output to Outcome** • Eligible clients are the extreme poor and vulnerable • Transfers received are appropriate and adequate to enhance resilience to shocks • Other non-transfer factors do not prevent enhanced resilience to shocks **Activity to Output** • Improvements to EWS are sufficient to be effective as designed • Rules established are sufficient to enable an effective response

Level	Expected Result	Key Activities	Indicators	Assumptions
		• Address gender, nutrition and social development issues related to Output 2		• Drought response plans are developed in time and are of adequate quality • Drought response plans anticipate actual challenges accurately • Reallocation of resources to drought-prone woredas is effective • Single delivery system is effective • Sufficient pre-financing for shock responsive safety net against DRF plan is available • Timing of transfers needed by extreme poor and vulnerable is known • Transfers are well-targeted and readily received • Capacity allows Output 2 to be implemented as designed • Gender, nutrition and social development issues are effectively addressed by Output 2 team
Output 3	Public Works respond to community	• Develop integrated, climate-smart, gender and nutrition sensitive annual public works	• Total area of land (hectares) treated through area enclosures, rangeland management, soil and water	**Output to Outcome**

Level	Expected Result	Key Activities	Indicators	Assumptions
	livelihood needs and contribute to disaster risk reduction, climate change adaptation and mitigation	plans that contribute to livelihood productivity • Implement public work plans • Address gender, nutrition and social development issues related to Output 3 • Monitor the implementation and impact of public works • Develop capacity to deliver Output 3	conservation, forage and forestry activities • Percentage of public works planned following the GoE's national watershed/rangeland guideline (disaggregated by highlands (HL) and lowlands (LL)) • Percentage of public works projects constructed according to the PSNP agreed technical standards (disaggregated by highlands (HL) and lowlands (LL)) • Percentage of public works screened in accordance with ESMF (disaggregated by highlands (HL) and lowlands (LL)) • Percentage of public works subprojects for which arrangements for operations and maintenance are established (disaggregated by highlands (HL) and lowlands (LL)) • Percentage of pregnant women participating in PW transitioning to temporary direct support before or at 4 months • Percentage of labour constrained female headed households (FHHs) and 1000 day households supported by PWs labour disaggregated by type of HHs	• Responding to livelihood needs contributes to resilience to shocks • Community members whose needs are responded to are the extreme poor and vulnerable • Contribution of PW to DRR, CCA, and CC mitigation enhances resilience to shocks **Activity to Output** • PW planners are clear on how to ensure public works plans are integrated, climate smart, gender and nutrition sensitive • Planning processes result in plans of adequate quality, including on all criteria specified in Output statement • Livelihoods needs of different groups are clearly stated and influence public works plans in practice

Level	Expected Result	Key Activities	Indicators	Assumptions
				• Voice of marginal groups influences PW planning sufficiently in practice • Plans are implemented with adequate technical support, attention to detail and care for specified criteria • PW teams choose, and are able, to address gender, nutrition and social development as per program design • PW monitoring includes all design aspects and criteria necessary to deliver specified Output • PW monitoring data informs action in practice • Public works plans capture all necessary content with adequate quality • Capacity development efforts result in adequate levels of capacity to deliver the Output as designed • Public works contribute meaningfully to livelihood productivity of PSNP clients

Level	Expected Result	Key Activities	Indicators	Assumptions
				• Public works contribute meaningfully to disaster risk reduction • Public works meaningfully enable climate change adaptation and mitigation • Public works contribute meaningfully to disaster risk reduction
Output 4	Linkages to available social services facilitated for core PSNP clients with emphasis on PDS and TDS	• Establish institutional arrangements and guidelines to implement the Output • Identify available services and clients' needs • Roll out linkages to social services • Monitor linkages to social services • Develop capacity to deliver Output 4 • Address gender and nutrition issues related to Output 4	• Percentage of TDS and PDS HHs who have accessed social services available locally disaggregated by Received 4 ANC by TDS Received Social Services by PDS • Percentage of PDS households that have been visited at least once by a social worker • Number of Seqota declaration PSNP woredas with a minimum of 8 child-care centers established • Number of children aged 1-5 years enrolled in child-care centers	**Output to Outcome** • Facilitation of linkages results in actual linkages in practice • Linked services exist and are available to PSNP clients • Linked services are appropriate and effective • Emphasis on PDS and TDS results in linkages for extreme poor and vulnerable PSNP clients • Service linkages address constraints which reduce resilience • Other factors do not prevent linked clients from enhancing resilience **Activity to Output**

Level	Expected Result	Key Activities	Indicators	Assumptions
				• Key actors commit to institutional arrangements and guidelines • Needs of different clients are disaggregated and adequately identified • Roll out of linkages is effective • Monitoring informs implementation in practice • Capacity reaches sufficient levels to implement Output 4 as designed • Emphasis of linkage efforts is focused on priority groups in practice • Required social services are available and accessible for priority groups • Service providers of linked services are cooperative and respond to linkage efforts
Output 5	Tailored livelihood options accessed by eligible PSNP clients	• Prepare and plan for livelihoods interventions • Implement livelihoods interventions • Monitor and evaluate livelihoods interventions	• Number of clients with a business plan financed through transfer/credit (total (T), off-farm (OF), female (F)) • Number of eligible clients who received the livelihood grant (total (T), off-farm (OF), female (F), youth (Y))	**Output to Outcome** • Access to tailored livelihood options enables livelihood enhancements • PSNP livelihood activities enhance resilience

Level	Expected Result	Key Activities	Indicators	Assumptions
		• Roll out livelihood component in lowland areas • Develop capacity to deliver Output 5 • Address gender, nutrition and social development issues related to Output 5	• Number of youth clients with business plans financed or enrolled in wage employment pathway	• Extreme poor and vulnerable rural households benefit from PSNP livelihood activities • Gains from livelihood activities are not affected by shocks • Other factors do not constrain benefits from livelihood activities **Activity to Output** • Institutional arrangements for Output 5 are clear • Capacity to implement all elements of Output 5 is sufficient • Planners analyse livelihood needs, context and potential adequately • Planners understand which measures are appropriate to enhance livelihoods of disaggregated PSNP clients • Voice of disaggregated livelihood clients affects planning in practice • Targeting process is effective

Level	Expected Result	Key Activities	Indicators	Assumptions
				• Measures to enhance livelihoods are identified for all eligible clients • Sufficient budget is available to reach eligible clients • Support is available and accessible for eligible clients • Monitoring informs implementation in practice
Output 6	PSNP management and capacity enhanced	• Ensure effective financial management • Ensure effective commodity management • Ensure effective procurement that meets PSNP and development partner needs and standards • Ensure effective physical resource management that meets PSNP performance standards • Ensure effective human resource management • Ensure effective management information systems • Ensure effective PSNP planning and reporting	• Number of woredas using MIS for key program functions • Number of woredas with phase 2 of MIS rolled out (which reflects PSNP5 design changes) • Number of client households that have been tested using a PMT for program exit • Number of client households with complete information in the registry • Number of GRM reviews undertaken and agreed recommendations included in the annual plans • Number of payment recipients for whom a client cards has been issued • Number of financial and commodity audit findings closed within 12 months of the audit report distribution • Percentage of woredas that use approved procurement plan through STEP	**Output to Outcome** • Enhancements to program management and capacity are sufficient to improve program implementation • Program management and capacity are important elements of program implementation • Program design is sufficient to enhance client resilience when implemented effectively **Activity to Output** • Efforts to ensure effective management are successful

Level	Expected Result	Key Activities	Indicators	Assumptions
		• Ensure effective program monitoring, evaluation and learning • Ensure effective program governance • Ensure PSNP capacity is adequate to implement the program effectively • Ensure effective strategic management of the PSNP • Ensure effective mainstreaming of cross-cutting issues	• Percentage of the minimum staffing positions filled for the program at all levels (disaggregated by administrative level, output) • Percentage of woredas submitting monthly commodity flow and utilization reports to regions and federal using the CMPM templates	• Actors involved in implementation of PSNP Outputs and core systems are cooperative and responsive • Wider government decisions do not prevent effective management of core elements of PSNP • PSNP systems are fully operational • PSNP standards and DP requirements are consistent and reasonable • Capacity to deliver Output 6 effectively is sufficient • Access to senior government members of PSNP governance bodies is sufficient for their effective function • Governance arrangements of the program are adhered to at all levels • Commodity management tools are utilized across all woredas • PSNP remuneration is competitive with other flagship programs

Level	Expected Result	Key Activities	Indicators	Assumptions
				• CD programs are designed and delivered according to the agreed CD standards • Kebele Appeals Committees (KACs) are functional • PSNP-NGO collaborative guidance note is followed

#	Indicator	Baseline	Targets					Means of Verification	
			21	22	23	24	25	Frequency	Data Source
Goal: Extreme poverty reduced in rural Ethiopia									
1	Percentage of people living below the poverty line in PSNP woredas	23	22.34	21.75	21.18	20.62	20.07		
2	Total poverty-oriented expenditure of PSNP households as a percentage of GDP								
3	Percentage of GoE contribution to core PSNP financing	15	20	20	26	30	32	Annually	Annual Reports/MoF
Outcome: Enhanced resilience to shocks of extreme poor and vulnerable rural households in PSNP woredas									
1	Number of new woredas in which PSNP systems have been established and are being used for core PSNP payments	0		70			70	Annually	MIS, Quarterly and Annual Progress Reports
2	Average number of months that PSNP households	1.8	1.6	1.6	1.4	1.4	1.3	Every 2 years	Impact Evaluation

#	Indicator	Baseline	Targets					Means of Verification	
			21	22	23	24	25	Frequency	Data Source
	report experiencing food shortages in the past 12 months (disaggregated by male and female headed households)								
3	Percentage of client households reporting use of harmful coping strategies (disaggregated by male and female headed households)	16	15	15	13	13	12	Every 2 years	Impact Evaluation
4	Percentage Impact on clients' per capita monthly total consumption expenditure	5.6	7	7	9	9	10	Every 2 years	Impact Evaluation
5	Percentage of children 6-23 months of age in PSNP HH who receive a minimum acceptable diet	4.4	4.6	4.9	5.5	6	7	Every 2 years	Impact Evaluation
6	Percentage of mothers in PSNP client HHs who practice proper IYCF disaggregated by Early initiation of breast feeding and Introduction of semi-solid food at 6 months	Early Initiation: 75 Introduction of CF: 63.7	77 65	79 67	83 69	85 71	86 72	Every 2 years	Impact Evaluation
7	Percentage of PSNP clients reporting improvements in their resilience to climate change								

#	Indicator	Baseline	Targets					Means of Verification	
			21	22	23	24	25	Frequency	Data Source
8	Amount of carbon sequestrated in PSNP area closures								
Output 1: Timely and adequate transfers received by eligible core caseload of PSNP clients									
1.1	Number of core rural PSNP program clients (disaggregated by male (M) and female (F))	M: 3.768m F: 4,132m	M: 3.768 m F: 4,132 m	M: 3.768m F: 4,132m	M: 3.768m F: 4,132m	M: 3.768m F: 4,132m	M: 3.768m F: 4,132m	Annually	Annual Report/MIS
1.2	Percentage of payments made to core clients according to the program's performance standards for timeliness (disaggregated by PDS and TDS)	T: 55 PDS: 55 TDS: 0	T: 55 PDS: 60 TDS: 55	T: 60 PDS: 65 TDS: 55	T: 65 PDS: 70 TDS: 60	T: 70 PDS: 80 TDS: 70	T: 80 PDS: TDS:	Quarterly	MIS
1.3	Number of core client households receiving their transfers in electronic accounts	1.037m	1.1m	1.2m	1.5m	1.5m	1.5m	Annually	MIS
1.4	Percentage increase in average wage rate relative to the annual general CPI increase, for cash transfers clients	0	100	100	100	100	100	Annually	Annual Report
1.5	Percentage of female who own and operate electronic accounts (Percentage)	46	46	47	48	49	50	Annually	MIS
1.6	Percentage of core married, e-payment using households who opened	0	100	100	100	100	100	Annually	Annual Report

#	Indicator	Baseline	Targets					Means of Verification	
			21	22	23	24	25	Frequency	Data Source
	and managed joint bank account								
Output 2: Shock-responsive transfers received by eligible clients when needed									
2.1	Number of person months of assistance provided	5.7mil	No target	No target	No target	No target	No target	Annually	MIS
2.2	Preparation and adoption of a geographic expansion and caseload allocation plan	No plan	Plan prepared & adopted	Periodically updated plan in place	Periodically updated plan in place	Periodically updated plan in place	Periodically updated plan in place		
2.3	Key shock responsive systems established and operational	No	Scalability manual prepared and adopted.	Early Warning dashboard published and Drought Response and Assistance Plan prepared quarterly	Early Warning dashboard published and Drought Response and Assistance Plan prepared quarterly	Early Warning dashboard published and Drought Response and Assistance Plan prepared quarterly	Early Warning dashboard published and Drought Response and Assistance Plan prepared quarterly	Quarterly	Quarterly and annual reports
Output 3: Public Works respond to community livelihoods needs and contribute to disaster risk reduction, climate change adaptation and mitigation									
3.1	Total area of land (hectares) treated through area enclosures, rangeland management, soil and	0	400,000	800,000	1,200,000	1,600,000	2,000,000	Annually	Annual Plan

#	Indicator	Baseline	Targets					Means of Verification	
			21	22	23	24	25	Frequency	Data Source
	water conservation, forage and forestry activities								
3.2	Percentage of public works planned following the GoE's national watershed/rangeland guideline (disaggregated by highlands (HL) and lowlands (LL))	T: 82 HL: 92 LL: 62	T: 85 HL: 90 LL: 80	T: 90 HL: 90 LL: 90	T:92 HL: 92 LL: 92	T: 95 HL: 95 LL: 95	T:95 HL: 95 LL: 95	Annually	PW Reviews
3.3	Percentage of public works projects constructed according to the PSNP agreed technical standards (disaggregated by highlands (HL) and lowlands (LL))	T: 86.2 HL: 91 LL: 75	T: 87 HL: 91 LL: 84	T: 90 HL: 92 LL: 90	T: 93 HL: 93 LL: 93	T: 95 HL: 95 LL: 95	T: 95 HL: 95 LL: 95	Annually	PW Reviews
3.4	Percentage of public works screened in accordance with ESMF (disaggregated by highlands (HL) and lowlands (LL))	T: 76 HL: 91 LL: 61	T: 82 HL: 95 LL: 68	T: 86 HL: 97 LL: 75	T: 95 HL: 100 LL: 90	T:100 HL: 100 LL: 100	T: 100 HL: 100 LL: 100	Annually	PW Reviews &/or Annual plan
3.5	Percentage of public works subprojects for which arrangements for operations and maintenance are established (disaggregated by highlands (HL) and lowlands (LL))	T: 64 HL: 72 LL: 46	T: 65 HL: 72 LL: 50	T: 66 HL: 75 LL: 60	T:75 HL: 75 LL: 75	T: 80 HL: 80 LL: 80	T:75 HL: 80 LL: 80	Annually	PW Reviews &/or Annual plan
3.6	Percentage of pregnant women participating in PW transitioning to temporary	35	35	40	50	60	75	Annually	SD & nutrition review/PW review

#	Indicator	Baseline	Targets					Means of Verification	
			21	22	23	24	25	Frequency	Data Source
	direct support before or at 4 months								
3.7	Percentage of labour constrained female headed households (FHHs) and 1000 day households supported by PWs labour disaggregated by type of HHs	FHHs: 50 HHs with 1000 day: 0	60 10	70 20	80 35	90 50	95 60	Annually Annually	PW review SD and nutrition review/PW review
Output 4: Linkages to available social services facilitated for core PSNP clients with emphasis on PDS and TDS									
4.1	Percentage of TDS and PDS HHs who have accessed social services available locally for TDS disaggregated by Received 4 ANC for TDS Social Service for PDS	TDS: 35 PDS: 42	TDS: 37 PDS: 50	TDS: 40 PDS: 55	TDS: 45 PDS: 60	TDS: 50 PDS: 70	TDS: 55 PDS: 80	Annually	SD and nutrition review
4.2	Percentage of PDS households that have been visited at least once by a social worker	11	15	25	35	50	70	Annually	Annual report
4.3	Number of Seqota declaration PSNP woredas with a minimum of 8 child-care centers established	0	6	12	18	24	30		
4.4	Number of children aged 1-5 years enrolled in child-care centers	0	900	1800	2700	3600	4500		
Output 5: Tailored livelihood options accessed by eligible PSNP clients									
5.1	Number of clients with a business plan financed through transfer/credit	T: 0 OF: 0		T: 121,000 OF: 30,250	T: 253,000 OF: 63,250	T: 429,000	T: 550,000	Annually	Annual report

#	Indicator	Baseline	Targets					Means of Verification	
			21	22	23	24	25	Frequency	Data Source
	(total (T), off-farm (OF), female (F))	F: 0		F: 60,500	F: 126,500	OF: 107,250 F: 214,500	OF: 137,500 F: 275,000		
5.2	Number of eligible clients who received the livelihood grant (total (T), off-farm (OF), female (F), youth (Y))	T: 0 OF: 0 F: 0 Y: 0		T: 36,740 OF: 18,370 F: 18,370 Y: 15,431	T: 76,820 OF: 38,410 F: 38,410 Y: 32,264	T: 130,260 OF: 65,130 F: 65,130 Y: 54,709	T: 167,000 OF: 83,500 F: 83,500 Y: 70,140	Annually	Annual report
5.3	Number of youth clients with business plans financed or enrolled in wage employment pathway	0		50,820	106,260	180,180	231,000		
Output 6: PSNP management and capacity enhanced									
6.1	Number of woredas using MIS for key program functions	0	250	340	340	455	455	Annually	Annual Reports
6.2	Number of woredas with phase 2 of MIS rolled out (which reflects PSNP5 design changes)	0	0	0	340	455	455	Annually	Annual Reports
6.3	Number of client households that have been tested using a PMT for program exit	0					275,000		MIS
6.4	Number of client households with complete information in the registry	0	0	1,350,000	2,200,000	2,200,000	2,200,000		MIS

#	Indicator	Baseline	Targets					Means of Verification	
			21	22	23	24	25	Frequency	Data Source
6.5	Number of GRM reviews undertaken and agreed recommendations included in the annual plans	0	0	1	1	1			Review reports
6.6	Number of SD, Nutrition and linkage to social services reviews undertaken and agreed recommendations included in the annual plans	0	0	1	1	1		Annually	Review reports
6.7	Percentage of payment recipients for whom a client cards has been issued	0	0	1,900,000	2,100,000	2,200,000	2,200,000	Annually	Bank reports/MIS
6.8	% of woredas taking rectification measures within six months after comments are received on the annual Independent Procurement Audit (IPA) findings by DPs.	0	55	75	85	100	120	Annually	Annual Reports
6.9	Percentage of woredas that use approved procurement plan through STEP	**0**	5	45	75	100	200	Quarterly	Quarterly and Annual Reports/ WB STEP System
6.10	Percentage of the minimum staffing positions filled for the program at all levels [disaggregated by administrative level, output]	**75**	75	85	90	90	90	Annually	HR Database
6.11	Percentage of woredas submitting monthly commodity flow and	**92**	92	121	140	150	150	Quarterly	Quarterly and Annual Reports

#	Indicator	Baseline	Targets					Means of Verification	
			21	22	23	24	25	Frequency	Data Source
	utilization reports to regions and federal using the CMPM templates								

Annex 2: Summary of federal governance structures[62]

Federal Management Structure with Key Responsibilities
Joint Strategic Oversight Committee (JSOC) **Chair:** State Minister of Agriculture (RJOCFSS) **Members:** Relevant state ministers, selected members of the Coordination and Management Committee and Heads of Agencies of Development Partners **Frequency:** The JSOC will meet bi-annually one week after the closing of the JRIS Missions (or more frequently if required).
• The JSOC is the highest oversight body of the PSNP • It holds the individual members of the CMC, who are responsible for PSNP delivery, accountable for PSNP implementation • It makes decisions on strategic issues concerning PSNP that cannot be resolved at CMC level • The CMC meetings, minutes, key decisions and attendees/absentees are reported to the JSOC. • If the JSOC does not meet, the JRIS Aide Memoires cannot be finalized.
Essential Membership GoE - MoA (State Ministers and Directors responsible for FSCD, NRMD, AED, WCAD) - MoLSA (State Ministers and Directors responsible for SWD) - MoP (State Minister and Directors responsible for NDRMC) - MoF (State Minister and Directors responsible for COPCD) - MoH (State Ministers and Directors responsible for MCHND, HEPHSD, PPD) Auxiliary Members - MoWCA State Minister and Director - JCC - FCA Essential Membership DP - DPs who regularly attend DWG meetings - DCT Coordinator
Coordination and Management Committee (CMC) **Chair:** Director of the FSCD **Co-chair:** Donor Chair of the Donor Working Group **Frequency:** The CMC will meet quarterly (or more frequently if required). Once will be to finalize the annual plan, two meetings will be prior to the JRIS, and a fourth meeting at the discretion of the Chair/Co-Chair or based on requests from members.

[62] Full details may be found in the terms of reference for each of these structures, which will be included in the PIM

Federal Management Structure with Key Responsibilities

- The CMC is the central high-level operational support committee for PSNP delivery
- It is responsible for supporting effective delivery of program objectives to Outcome level
- The CMC will make decisions on PSNP5 implementation issues, particularly those involving more than one implementing agency, based on the analysis and recommendations of the Technical Management Committee (TMC)
- The CMC will review progress on PSNP implementation
- The CMC meetings, minutes, key decisions and attendees/absentees are reported to the JSOC
- The TMC meetings' minutes, key recommendations/decisions and attendees/absentees are reported to the CMC.

Essential Membership GoE– Must attend entire meetings

- MoA (FSCD, NRMD, AED, RJOC, WC&YAD)
- MoLSA (SWD)
- MoP (NDRMC)
- MoF (COPCD)
- MoH (MCHND)

Essential Membership DP – Must attend entire meetings

- Donor Chair
- DCT Coordinator
- Two other DPs, nominated by the DWG

Auxiliary Membership – Requested by Chair to attend portions of meetings as per the agenda

- MoH – [HEPHSD, PPD]
- MoWCA
- JCC
- FCA

Invited Guests

- Sector experts requested to attend by Chair to provide technical information, presentations on research, studies etc

RACI Framework

Who is Responsible

- The Essential Membership from GoE & DPs is responsible for attending the entire meetings.
- The Auxiliary Membership is responsible for attending portions or all of meetings as requested by the Chair

Who is Accountable

The FSCD Director, with support from the DC, is accountable for calling CMC meetings, setting agendas, circulating minutes, chairing the meetings and reporting on CMC work to the JSOC

Who needs to be Consulted

- The Auxiliary Membership may be consulted prior to or after CMC meetings for input/opinions
- Sector experts may be consulted prior to, during or after CMC meetings for advice/information

Who needs to be Informed

- The JSOC State Ministers need to be informed of the meetings, minutes, key decisions and attendees/absentees.

Federal Management Structure with Key Responsibilities
Transfers Technical Committees (TRTC) **Chair:** FSCD Director or Senior Expert within FSCD with responsibility for Transfers & Resource Management **Co-chair:** NDRMC **Frequency:** The TC will meet monthly (or more frequently as needed) prior to CMC meetings.
• The TR TC supports FSCD to implement timely cash transfers to PW and PDS clients and shock responsive safety net clients • The TC meetings, minutes, key recommendations/decisions and attendees/absentees are reported to the CMC.
Essential Membership GoE– Must attend entire meetings - Key technical staff from MoA, MoF, MoLSA & NDRMC involved in transfers, food management, procurement, physical resource management, human resource management, e-payments, and selected DPs Auxiliary Membership - GoE Directors may attend TCs but TCs should not be delayed due to unavailability of Directors Invited Guests • Sector experts requested to attend by Chair to provide technical information, presentations on research, studies etc.
RACI Framework <u>Who is Responsible</u> - The Essential Membership from GoE & DPs is responsible for attending the entire meetings. - The Auxiliary Membership is responsible for attending portions or all of meetings. <u>Who is Accountable</u> The Chair, with support from the NDRMC Co-Chair, is accountable for calling TR TC meetings, setting agendas, circulating minutes, chairing the meetings and reporting on TC work to the CMC <u>Who needs to be Consulted</u> - The Auxiliary Membership may be consulted prior to or after CMC meetings for input/opinions - Sector experts may be consulted prior to, during or after CMC meetings for advice/information <u>Who needs to be Informed</u> • The JSOC State Ministers need to be informed of the meetings, minutes, key decisions and attendees/absentees.
Public Works TC **Chair:** NRMD Director or delegate Secretary: DP nominee **Members:** Key technical staff from MoA (NRMD), MoLSA, MoH involved PW and selected DPs **Frequency:** The TC will meet monthly prior to CMC meetings.
- Support implementation of PW output, including closer linkage with Linkages to SS and Livelihoods outputs

Federal Management Structure with Key Responsibilities
Linkages to available Social Services (LASS) TC **Chair:** FSCD **Co-chair:** MoLSA SW Director or delegate **Secretary:** DP nominee **Members:** Key technical staff from MoA (FSCD, WCY Affairs, NRMD), MoLSA (SWDD), MoH (MCHND & other directorates) involved in gender, social development, nutrition and linkages to social services, and selected DPs **Frequency:** The TC will meet monthly prior to CMC meetings.
• Support implementation of output 4 • Support implementation of gender provisions, including GBV action plan • Support implementation of nutrition elements (through Nutrition Task Team), a subset of the TC • Support monitoring and prevention of child labor in PSNP5
Livelihoods TC **Chair:** FSCD Director or delegate **Co-chair:** RJOC Director or delegate **Secretary:** DP nominee **Members:** Key technical staff from MoA (FSCD, AED, and selected DPs) **Frequency:** The TCs will meet monthly prior to CMC meetings.
• Support implementation of LH output 5
Program Management Technical Committee (PMTC) **Chair:** Director of the FSCD (or delegate) **Co-chair:** DP nominee **Frequency:** The PMTC will meet monthly following the meetings of the TCs.
• The PMTC is responsible for resolving bottlenecks faced by TCs. • The PMTC is also responsible for Output 6 or overall program management and capacity development aspects of the program
Essential Membership GoE– Must attend entire meetings - The PMTC is composed of chairs and co-chairs of the other four TCs (i.e. Transfers, PW, LASS, and LH TCs) and other resource persons as determined by the chair. Auxiliary Membership - GoE Directors may attend PMTC but meetings should not be delayed due to unavailability of Directors Invited Guests - Sector experts requested to attend by Chair to provide technical information, presentations on research, studies etc.

Federal Management Structure with Key Responsibilities
RACI Framework Who is Responsible - The Essential Membership from GoE & DPs is responsible for attending the entire meetings. - The Auxiliary Membership is responsible for attending portions or all of meetings. Who is Accountable The Chair, FSCD Director (or delegate), is accountable for calling TMC meetings, setting agendas, circulating minutes, chairing the meetings and reporting on the TMC work to the CMC Who needs to be Consulted - The Auxiliary Membership may be consulted prior to or after TMC meetings for input/opinions - Sector experts may be consulted prior to, during or after TMC meetings for advice/information Who needs to be Informed The CMC need to be informed of the meetings, minutes, key decisions and attendees/absentees.

Annex 3: Livelihoods 'Big-Push Plus' (BPP) Pilot in Selected Woredas of PSNP for Enhanced Graduation (Exit) of Households

1. Background

The livelihoods program of PSNP was not implemented as designed and did not contribute to increased graduation /exit/ from the program. Factors for the failure include:

- Ambitious plan to implement livelihoods in eight regions, in all PSNP woredas and all PSNP beneficiary households (except those in the two lowland regions) with very limited resources and implementation capacity. The support thinly spread.
- DAs having different priorities and investing less than 50% of their time on livelihoods.
- DAs assigned to more households than the proposed DA to client ratio of 1:50 households (HHs).
- Training programs and tools to guide DAs were not standardized, and DAs lacked capacity to provide technical support to households on the off- farm and wage employment activities.
- Shortage of loanable fund to finance business plans
- Loan size is very small (on the average not more that ETB 8,000) and short repayment periods (6 months).
- The loan terms and conditions for the off-farm pathway is not favourable.
- Limited post credit follow-up and support
- Lack of responsible body, which is accountable for graduation plan and its implementation, at regional and woreda levels
- The Wage employment pathway (WEP) was not successful in linking clients to jobs due to poor institutional ownership coupled with lack of opportunities
- No opportunity for a household to engage in more than one pathway (either on – farm or off-farm); in fact, within the on-farm pathway, around 80% of the business plan are livestock fattening and rearing. Households restricted to only one business plan regardless of the need hampering diversification of livelihoods and income sources.
- Diminished real value of livelihoods grant.
- Significant drop out rates of clients at different stages of the program due to the low level of technical support,

PSNP5 will adopt a 'big push' on livelihoods across its LH implementation woredas focusing on providing higher quality support to fewer and better targeted clients for better result.

In addition to the 'big push' on livelihoods, 'big-push-plus' (BPP) will be implemented in selected pilot woredas of PSNP5 to enable increased chance of graduation.

2. Targeting for 'Big-Push Plus' (BPP) and expected number of clients exiting (graduating) from the program

A total of 17 woredas are proposed to be targeted for the pilot BPP to enable enhanced program exit. The following criteria will be employed for the selection of the woredas for the BPP pilot in Afar, Amhara, Oromia, Sidama, SNNP, Somali, and Tigray regional states. The number of pilot woredas per

region will be proportional to regions' respective number of PSNP woredas. The following criteria will be applied to select the woredas having potential for the pilot:

i) accessibility and proximity to towns/markets;
ii) availability of financial service providers/ loanable fund;
iii) capacity to implement; and
iv) availability functioning institutions.

A total of 36,006 households or 165,628 beneficiaries are expected to be targeted in the 17 pilot woredas. Out of these, 32,405 households or 149,065 clients (that would be 90% of the target households/clients) are expected to exit from the program within three years of the program. The following table summarizes key numbers in relation with the BPP pilot woredas.

1.	# of BPP pilot woredas	17
2.	Estimated average number of LH beneficiary HHs per woreda	2,118
3.	Estimated total number of LH beneficiary HHs in the pilot woredas	36,006
4.	Average # of LH beneficiary HHs in the pilot woredas	32,405
5.	Estimated total # of LH beneficiary clients in pilot woredas	165,628
6.	Expected number of clients to graduating (exiting from program) in the pilot (BPP) woredas	149,065

3. 'Big-Push Plus' (BPP) Proposal in the pilot woredas: what do we do differently?

Access to credit

- ✓ Engage as many and **diversified financial service providers** as possible
- ✓ Identify and provide **incentives** (including loan guarantee where necessary) for financial service providers to avail loans to PSNP beneficiary households who are generally perceived as of higher risk of default
- ✓ Target livelihood beneficiary households in the pilot woredas will be supported to access **two or more credits**;
- ✓ **Remove cap on loan size** (to finance business proposals as adequately as possible)

Technical Support

- ✓ Maintain appropriate DA to BPP beneficiary households' ratio (no less than 1:43)
- ✓ DAs commit to dedicate significant portion of their time to livelihood support of beneficiary households
- ✓ Educated (10th grade to university degree holders) youth from PSNP households will be hired and trained to serve as Community Facilitators and provide the level of support and monitoring required for the livelihood beneficiary households

Increase livelihood capacity building budget unit cost to $90 per household. The additional $20 (as compared to the $70 in BP woredas) will be used to put in place community facilitators[63] and increase intensity of training.

It is critical to maintain the livelihood grant transfer provided to the bottom quantile of livelihood beneficiary households. Because of their poverty status, these households are deemed of too much risk that financial service providers are not interested to provide them loan. The livelihood grant transfer ($300) is aimed at lifting them up to the level of credit worthiness. In the BPP pilot woredas, it is proposed that the bottom 20% are provided with livelihood grant transfer. The LH grant transfer should be made for all livelihood beneficiary households at once to allow sufficient time for post-transfer follow up and support.

Group Investment: Another 20% of livelihood beneficiary households in each of the pilot woredas will be supported ($300 per person/household) to engage in group investments that enable rural-urban linkage, cluster farming and mechanization, and off-farm engagement. Beneficiary selection for the grant for group investment will be merit based. They will be selected against a set of criteria which may include:

- ✓ Landless youth and women or youth members of PSNP households in the pilot woredas
- ✓ Willingness and demonstrated motivation to organize and invest in a group business
- ✓ Willingness to bring in matching fund and/or involve in mandatory saving

Additional activities:

- ✓ Support livelihoods beneficiary households engaged in crop and livestock pathway to construct water harvesting structures, grow high value fruit trees, etc. and
- ✓ Establish youth groups from livelihood beneficiary households in the pilot woredas to operate as agro-dealers supplying animal feed, improved seeds, tools, pesticides, materials for construction of water harvesting structures, etc., provide service on post-harvest handling of perishable products, etc.

Approach/Methodology

- ✓ Introduce the use of digital extension service (i.e. video of best-performing LH beneficiary households will be used to inspire others)
- ✓ Introduce group mentoring to help LH beneficiary households become accountable to each other
- ✓ Introduce contractual agreement between the program and beneficiary households to encourage results and enhance accountability. Among other things, the agreement

[63] The Community Facilitators will be hired from educated youth of PSNP households. The CFs will be given customized training to support DAs and provide much needed assistance/follow up to the LH beneficiary households.

clearly indicates beneficiaries' commitment to exit the program within a given period of time on condition that they received what is promised by the program.

4. Piloting timeline

The proposed BPP pilot is expected to be completed within a period of three years. Mid-term review will be carried out during the second year of the program. The MTR will help to determine the scope and nature of the scale up. Depending on the outcome of the MTR, the possibility of earlier scale-up (i.e. at the end of the second year of PSNP) will be looked at.

5. Anticipated Resource Requirement for the BPP in pilot woredas

#	Activity	Unit of Measurement	Number	Unit cost	Total	New Funding	
1	Livelihood grant transfer	# of HHs	7,201	300	2,160,360.00	0	budgeted for in the regular BP
2	Group business investment	# of HHs/youth/women	7,201	300	2,160,360.00	2,160,300.00	
3	Livelihood capacity building budget	# of households	36,006	90	3,240,540.00	720,120.00	$70 budgeted for
4	Putting in place Community Facilitators	# of CFs	340	3,086.00	1,049,240.00	1,049,240.00	covered by LH capacity building budget
5	Construction of hand dug well and community pond		25,204	686	17,290,081.20	17,289,944.00	Regions commit to shift the balance from PW budget
					25,900,581.20	21,219,604	

In addition to financial requirement, the BPP pilot requires/assumes proper placement of staffing by concerned institutions at woreda and kebele levels

1. Office of Woreda Agriculture ensuring that a significant proportion of DAs' time is dedicated to support the livelihood component and that DA to households' ratio will be at least 1:43
2. One Rural Job Opportunity Creation expert will be put in place per kebele to support WEP
3. One community facilitator is placed per kebele to ensure intensive mentoring and coaching of clients
4. TVET/SME put in place 1 staff per woreda to support off-farm pathway

6. Required federal and regional level commitments

The proposed pilot for 'Big Push Plus' in selected woredas of PSNP entails additional financing than already committed by GOE and donor partners (DPs). Needless to say, the Federal government should mobilize the required additional funding to implement the pilot but also scale it up to more woredas. Details of number and scope of the scale up will be determined based on the mid-term review of the pilot.

Commitments expected from regions

- ✓ Regions are responsible for selection of pilot woredas that fulfil the criteria mentioned earlier
- ✓ Regions should commit to take necessary measures to address issues around access and quality of credit to LH clients in the pilot woredas
    - allocating budget from their block grant to ensure adequate loanable fund for BPP beneficiary households in the pilot woredas
    - availing loan guarantee to encourage MFIs to ensure that PSNP clients who are generally perceived to be credit unworthy have access to credits.
- ✓ Employ educated youth to serve as Community Facilitators to support livelihood beneficiary households

Note:

Integration: Beyond the BPP proposal, which is within the scope of PSNP, federal and regional governments should commit to facilitate a plan that enables integration of flagship programs in the pilot woredas to ensure enhanced transformation of the pilot woredas.

Annex 4: Guidance on Sustaining the Implementation of PSNP

Temporary Directives or Guidance on Sustaining the Implementation of Productive Safety Net Program: Transfer; Public Works and Livelihoods, Ministry of Agriculture, March 2020

1. Importance / Purpose

This temporary guidance is prepared to help PSNP implementers have better understanding and be informed about key activities needed to better coordinate program implementation in order to mitigate the impacts of the current COVID19 PANDEMIC on clients.

Thus, the primary purpose of this guidance is, to ensure that ongoing program activities (transfer, PW and livelihood) are implemented without compromising clients' safety as well as their ability to prevent transmission of the Coronavirus

Cognizant of this reality, the Ministry of Agriculture (MoA) has issued this directives / guidance to inform the program implementing regions and institutions as how the currently ongoing program activities such as transfers, public works and livelihoods interventions are aligned with the efforts that government is making to prevent and control Coronavirus transmission.

Based on the proposal from the State Minister for Natural Resources Management and Food Security, the Food Security Coordination and Natural Resources Management Directorates, in consultation with regions and also taking into account the EFY 2012 eight months program performance and the current COVID19 crisis in the country, have issued this directive to effectively guide and provide options as to how to meet the annual targets without compromising country's effort to prevent and control the effect of Coronavirus.

2. Temporary Options for Program Implementation:

2.1 Cash and Food Transfers:

It is noted that under the current Coronavirus invasion, calling and gathering program clients to make transfers will entails high risk in terms of exposing clients to the transmission of the virus. Hence the following options are found to be imperative for the common goods of the community at large:

- To complete the planned cash and food transfers and avoid crowd, it advised to divide clients into small manageable groups in separate places by different cashiers/food distributors at distinct dates and hours. This would require mobilizing more cahiers/food distributors.
- Explore mechanisms that would facilitate how both cash and food transfers may take place at a time.
- In a situation where the crisis is reported, explore better mechanisms in collaboration and discussion with regional and federal implementing agencies effect payment on time to avoid conditions that would create unnecessary exposure of clients to food gap.
- Make sure that at every distribution point, hand washing facilities and sanitizers are properly placed and utilized by all cashiers, food distributors and other MFI staff
- When clients are lined-up for payment, make sure that social distancing is fully adhered to i.e. a minimum of one-meter distance is maintained between everyone in the queue
- Provide personal protective equipment such as hand gloves and face masks for staffs when necessary
- All cash and food payments up to Megabit 2012 (March 2020) (i.e. for PDS 9 months and for PWs 3 months) should be completed in short period of time.

- It is recommended to use every possible mechanism to speed up the transfer process and accomplish on going payments.

2.2. Public Works

It is known that most of public work activities are implemented on communal land which include natural resource conservation, water harvesting and small-scale irrigation sub projects. These activities require public work participants to work in groups which could spread transmission of coronavirus. The below options are suggested to overcome the risk of Coronavirus transmission:

- From the PWs activities included in the annual work plan; (a) identify those activities that do not require large group / team size (b) find ways as to how the remaining activities can be completed using labor from individual public work participant or reduce team members to 2 - 5 participants and (c) develop workplan / calendar that would help complete the already started public works.
- In places / localities where the Coronavirus is reported or areas identified as high risk, and if the above options are not feasible; in order to avoid food gap, undertake the transfer on time and reach consensus with the clients such that they cover the public works when the situation improves.

Use of capital budget:

Though level of capita budget utilization varies from region to region, on the average 40% utilization is reported as of now. In addition, it is noted that most regions procured essential materials for the public works and the remaining activities can be covered by use of labor with close support from the frontline implementers or experts. In view of this, the following options are presented:

- In a place where procurement of essential materials or capital goods are completed and for the remaining activities or subprojects apply the above options including use of individual public work labor.
- In a situation where procurement performance of the essential martials or capital goods is below 50% and actual construction work of the sub projects work is not started, though it requires regional decision, the procured materials should be properly recorded and kept such that they will be used for the next year implementation

Even if the program considers various community behavioral change communication activities in relation to health, nutrition, and early child development and associated issues, it is noted that such activities require bringing many people together and this will create favourable environment for the transmission of the Coronavirus. In view of this, it is decided that any community awareness creation should be temporarily stopped or discontinued and find ways as to how PSNP clients utilize information / updates that the government provides through other alternative information sharing mechanisms including mass media and mobile phones.

It should be noted that such information sharing mechanisms should be complemented by house to house visits and awareness creation activities that health extension workers or community volunteers are doing such that clients would participate to make use of it.

2.3 Livelihoods Interventions

It is noted that livelihoods activities are implemented either on individual or group basis. And it is also observed that livelihoods implementation progress status varies from region to region. However, the eight months performance report indicates on the average 58% accomplishment not including performance of

the livelihoods transfer. Thus, the next implementation should primarily focus on key activities taking into consideration the below procedures or guideline.

- General community consultation and awareness creation, financial literacy, technical and skill trainings which require gathering people at one place should be avoided. To do that it is advised to (a) reduce development agents and livelihoods group size ration from 1: 15-20 to 1:5 (b) arrange livelihoods related trainings at the village or model farmers' plots or use open areas that would help minimize congestions and people contacts

- Regarding implementation of livelihoods transfer:
- In a place where household socio-economic data is available use these data for targeting but where such data is not available find way as how to collect household level data to target the bottom 10% of the poorest households.
- Based on the household socio-economic data or household level information prepare list of potential clients and develop wealth ranking where wealth ranked list shared to kebele administration and communities / village levels and where small number of community members would come together and facilitate the verification and validation processes in very short period.
- Considering the previous best practices and learning, it is better to put in place different mechanisms that will help enhance implementation of the actual livelihoods cash transfers. In view of this (i) considering the size or number of eligible livelihoods transfer clients per kebele better to divide them into groups and (ii) set clear payment schedule and effect payment in 2-4 days without creating large gathering
- In a situation where livelihoods transfer clients have passbook or account at RuSACCOs/ MFI inform these financial service providers to show up and ensure that the money is transferred to the respective clients' accounts such that they go back to their home with out delay.
- While the actual buying of productive assets takes place, it is necessary to support the livelihoods transfer clients in dividing or grouping them and identifying different markets / options in order to reduce possibility of market saturation or prices rise due to large gathering / demand.

2.4. Summary

- This proposal is designed and presented to address the current situation (COVID 19 crisis) and will be revised as things change.
- Please note that if some regions have better options that stated in this guidance, the MoA is ready to synthesize and widely share the experience with other regions.
- As much as possible complete ongoing payments in short period of time such that program clients will not be exposed to food gap
- If NGOs woredas have better payment strategies / options, local government officials may discuss with relevant government institutions and undertake the program implementation in much more focused and coordinated manner like that of government operations
- We encourage and advise all food security task forces discharge their responsibilities with strong commitment
- In addition, we strongly advise all implementing institutions play their role in an integrated manner as per the program implementation manual

Annex 5: PSNP5 contribution to SDGs

SDG	Description	How PSNP5 contributes to the SDG
#1: No poverty	Economic growth must be inclusive to provide sustainable jobs and promote equality	The PSNP5 contributes to inclusive economic growth by targeting the extreme poor and vulnerable (refer to further discussion under xxx, pp xx) segments of the rural population in eight regional states in Ethiopia. Output 5, for example, aims at enhancing livelihood options to the extreme poor and vulnerable through linkages to wage employment opportunities.
#2: Zero hunger	Food and agriculture sector offers key solutions for development and is central for hunger and poverty eradication	In addition to provision of transfers that helps narrow down the food-gap months to the extreme poor and vulnerable in its operational areas, PSNP5 aims to enhance productivity and production of smallholder farmers and pastoralists thereby contributing to sustainable improvement of food security.
# 3: Good health and wellbeing	Healthy lives and promoting the well-being for all at all ages is essential to sustainable development	The PSNP5 contributes to the realization of this goal through, for example, linking its most vulnerable clients including pregnant and lactating women (PLW) to available health services in their respective localities. In addition, Public Work (PW) subprojects contribute to access to health services through, for example, construction of health posts. The Behavior Change Communication (BCC) and other interventions offered as part of the package of co-responsibilities will not duplicate that which has already been prepared by and is provided by the health sector; instead it will promote utilization by Temporary Direct Support (TDS) clients services related to family health, disease prevention and control, and hygiene and environmental sanitation. That is, the combination of infrastructure and BCC is expected to lead to improved hygiene and sanitation. (see further discussion under Output 3 and Output 4 of this document.)
# 4: Quality of education	Obtaining a quality education is the foundation to improving people's lives and sustainable development	As part of its effort to facilitate linkage to social services, The PSNP5 works to ensure that its clients' children access available education service. The program not only provide clients relevant information using SBCC platforms, but also provides monitoring and follow up to ensure that as many children as possible are enrolled. Again, selected PW subprojects help strengthen quality of education in rural Ethiopia through, for example, construction and/or rehabilitation of classrooms. (see further discussion under Output 3 and Output 4 of this document.)
#5: Gender equality:	Gender equality is not only a fundamental	Gender equity is one of the principles that have guided PSNP implementation to date,[64] and will continue to be a principal principle in The PSNP5 (see further discussion under the

[64] PSNP Implementation Manual

	human right, but a necessary foundation for a peaceful, prosperous and sustainable world	section on 'Key principles of the PSNP5', pp. xx). tPSNP5 will more systematically address 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.
#6: Clean water and sanitation:	Clean, accessible water for all is an essential part of the world we want to live in	Water and sanitation remains one of the focus areas for the PSNP5 BCC. Although most PW water subprojects are related to construction of irrigation schemes to enhance clients' productivity, construction of ponds, shallow wells and water harvesting membranes contribute to enhancement of communities' access to clean water (see further discussion under Output 3 of this document)
#8: Decent work and economic growth	Sustainable economic growth requires societies to create the conditions that allow people to have quality jobs	As PSNP5 clients engage in public work activities, the program takes necessary precautions to ensure occupational and health safety and decent for its clients.
#9: Industry, innovation, and infrastructure	Investments in infrastructure are crucial to achieving sustainable development	The public works component, which covered approximately 80% of program participants, of the PSNP5 involves labor-intensive infrastructure development. In addition to implementation of soil and water conservation measures, this component focuses on the development of community assets such as roads, water infrastructure, schools, and clinics, which are essential infrastructure to achieve sustainable development in rural Ethiopia. (see further discussion under Output 3 of this document.)
#10: Reduced inequalities	Reduce inequalities, policies should be universal in principle, paying attention to the needs of disadvantaged and marginalized populations	By targeting the extreme poor and vulnerable segments of rural communities including women, the disabled, elderly, etc., the PSNP5 remains in congruence with this goal. (for further discussion, see section on Principles of PSNP5)
#13: Climate action	Climate change is a global challenge that affects everyone, everywhere	The PSNP5 can contribute to the Climate Resilient Green Economy (CRGE), which was launched in 2011.
#15: Life on land:	Sustainably managing forests,	The PSNP natural resource management interventions including land enclosures, soil and water conservation

	combatting desertification, halting and reversing land degradation, and halting biodiversity loss	measures improve soil fertility and land reclamation contributing to SDG15. (for further discussion, see Output 3 of this document)
#17: Partnerships	Revitalizing the global partnership for sustainable development	GOE's financial contribution, which has been growing over the years, is expected to account for xx% of the program's cost in the PSNP5. However, the PSNP5 continues to benefit from the contribution of donor partners, whose contribution accounts to the majority (xx%) of the program's cost. This demonstrates the commitment and partnership of the international community towards achieving the sustainable development goals.

Annex 6: PSNP5 Response to COVID-19

Introduction

Coronavirus disease 2019 (**COVID-19**), an infectious disease which was first identified in Wuhan, China, in 2019 has since spread globally. In Ethiopia, there were 70,000 confirmed cases by September 2020. The numbers show a huge spike as a result of the government's nationwide testing campaign in the month of August 2020. A nationwide State of Emergency was in place from April to August 2020 to curb the spread of the virus. During this period, schools closed, public gatherings were banned, and government Ministry offices were either closed or downsized. Following the announcement that led to the end of the state of emergency, the government has lifted restrictions including those around public gatherings and schools. However, compliance with the guidance and direction given by the Ethiopian Public Health Institute and the Ministry of Health is mandatory.

According to a report by the World Bank, 'sub-Saharan Africa will post its first recession in 25 years as the coronavirus pandemic brings economies to a halt and disrupts global trade[65].' It is estimated that the pandemic will cost sub-Saharan Africa between $37 billion and $79 billion in output losses due to disruption to trade and value chains, reduced foreign investment and aid. Ethiopia being the sub-Saharan Africa country will be one of the countries severely affected by the pandemic. The impact will be even much worse among the extreme poor and vulnerable, whom PSNP5 targets. They are vulnerable to both the direct economic impact and indirect economic effects. One possible scenario is that the pandemic persists through most of the first year of PSNP5, and the other scenario, if we are lucky, is that the pandemic will be over early enough but its economic effects on the extreme poor and vulnerable clients of PSNP continue during especially the first year of PSNP5. In any case, it is important that PSNP5 design recognizes the potential impact of the pandemic on the program and its clients and identify ways of mitigating the risks. Considering these two scenarios, this document attempts to outline initial thoughts on measures that need to be taken to minimize the risks of clients' contracting the virus as they participate in PSNP interventions and activities that need to be prioritized and focused on, especially during the first year of PSNP5, under each of the six outputs

#	Output	Anticipated challenges	Measures	Activities that need to be prioritized
	Core transfer	• Risks of spreading the virus during transfers • Full mass targeting being constrained by measures taken to curb the spread of the pandemic and/or election • MIS and single registry delayed	• PSNP-5 Design to consider a waiver to suspend the standard program implementation process. This includes: ○ Forgoing conditionality of public work participation to receive transfers	

[65] Bloomberg. Available at https://www.bloomberg.com/news/articles/2020-04-09/world-bank-sees-sub-saharan-africa-s-first-recession-in-25-years

		• Delay in new competitive E-payment strategy due to delays in full targeting and imposed restrictions • Decline in agricultural produce, high demand for food crops, shortage of industrial products food items like oil and others resulting in high inflation • TDS, PDS clients, women and other vulnerable social groups may find it difficult to access resources/transfer	○ Flexibility in payment schedule and possibility to pay multiple months in advance • Reconsider payment schedules, payment modalities, to minimize risks associated with payments arrangements that lead to crowd formation during transfers • Sensitize clients about safety measures at payment sites • Continue household registry as soon as situation returns to normalcy to enable timely mass retargeting • To respond to decline in purchasing power of the cash transfer due to higher inflation, adjust transfer value timely. • Shift to other food items which may be available at relatively cheaper price either from the international or local market • Frontline stakeholders must ensure that TDS, PDS clients, women and other vulnerable social groups in male headed households and other vulnerable social groups have special support to access to resources during the crisis	
•	**Shock-responsi**	• Lack of access to grains (both in the global and local market) and food	• Expand 'shocks' to also include disease/pandemic (in addition	

	ve transfers	price crisis making both PSNP clients and non-PSNP households in PSNP woredas (and non-PSNP woredas) becoming more vulnerable • Financial constraints to scale up transfers to core PSNP clients for extended duration, to non-PSNP households within PSNP woredas, and to clients in non-PSNP woredas • Limited scope of PSNP shock-response (i.e. climate-induced shocks/drought) vs. the need for responding to COVID-19 pandemic • Source of financing becomes a challenge as the pandemic is hitting before the Disaster Risk Financing (DRF) strategy/plan is put in place and rolled out • Rolling out the scale up before PSNP system (improved early warning system, pre-agreed rules for shock response, DRF strategy, effective single delivery system) is put in place will be a challenge • Risks of contracting the virus during shock-responsive transfers	to drought, frost, flood and pest) (?) • Activate Disaster Risk Financing (DRF) strategy/plan as quickly as possible to mobilize resource and scale-up transfers to existing clients and/or non-PSNP clients affected by the pandemic • Determine which group to focus on for the scale up • Measures to minimize the risk of clients contracting the virus during transfers (see above) • The PSNP4 shock responsive modality whereby PSNP contingency budget is used seems rather straightforward for a relatively swift response. Whereas, PSNP5 shock responsive safety net, which involves expanding to non-PSNP woredas, having a system in place, designing a Disaster Risk Financing (DRF) strategy/plan that works and mobilize resource, pre-registration etc. all at the same time makes the COVID-19 response difficult.	
	Public Works	• Large gathering for communal public work exposing clients for increased risk of contracting the virus	• In areas where the impact of the pandemic is high, no communal PWs planning and implementation (e.g	• Reduce team size from 12 clients to a maximum of 5 and plan projects accordingly

		• The state of emergency and accompanied mobility restrictions make PW difficult, if not impossible	watershed or range land development, rural roads construction, communal small-scale irrigation activities etc.) • In such areas, focus on planning and implementing selected PWs activities which will be implemented at client level which can be technically supported and monitored • In areas where the impact of the pandemic is relatively low, Communal PWs can be planned and implemented with all the necessary precautions by rearranging team formation (i.e. reducing the no of participants in every team) • Avoid the planning and implementation of Community based SBCC activities. Instead, plan and implement client or households based SBCC activities with the support of HEW • In areas where the state of emergency restricts mobility, plan and implement PWs projects which do not demand technical support from woreda level experts	• Initiate client-based awareness creation on the pandemic in collaboration HEWs • As we did for HIV/AIDS, use the PSNP platform for mainstreaming public health message related to this pandemic • Need to aware and capacitate front line workers such as DAs to plan and implement PWs which are within their capacity • Identify possible HH based tailored SBCC activities • Plan and implement PWs which can be implemented at client level or with minimum number of clients. • Mainstream the public health message related to the pandemic in the PWs planning and implementation

			• If the pandemic is over, implement PWs as usual but mainstream this community health issue as part of the SBCC.	
•	**Linkages to social services**	• Due to the national state of emergency, schools may remain closed • Support for Pregnant and lactating mother on health and nutrition aspects might be overlooked as the focus might be on general COVID 19 response by frontline implementers • The required institutional capacity and collaboration among key sectors may be weakened in early years of PSNP5 as the focus of federal and local government shift to COVID responses and election. • This output needs more work on human capacity development like series of training, this may not happen due to the state of emergency that restricts gathering of people even for trainings. • Health and social sectors, which are the primary stakeholders for this output, will be heavily engaged on COVID-19 response affecting their engagement on on linkages to social services	• Adjust plan to support linkage to school for school age children according to directions and procedures by the FDRE MoE and regional education bureaus • Collaborate with frontline stakeholders including NGOs with better experience on support for pregnant and lactating mother on health and nutrition aspects during emergency situations. • Discussion among key stakeholders for linkage to social services such as MoA, MoH, and MoLSA to ensure their commitment and strategize collaboration among frontline implementers to deliver most prioritized tasks for TDS clients. • Develop a tailored strategy like virtual, Video, Community of Practice (CoP), and modular approaches to support human capacity	• Profile program clients to identify which group need what service/s. (Note: The profiling exercise may take into account the effect or potential needs related to COVID19 and its aftermath) • Map available social services in respective woredas operating under the state of emergency. • Facilitate linkage to social services (focus on health and nutrition). ○ *It might be difficult to link with education, justice, and legal services under the state of emergency.* ○ *Consider linkage to social services that may be put in place by the government in response to COVID-19.* • Carryout visits to households referred to services *with due care for safety and preventive measure of COVID 19* • Instead of using PSNP PW SBCC platform, support the existing government one-to-one counseling by HEWs on health and nutrition services for TDS clients during the ANC and PNC services.

			development of regional and frontline implementers • Discussion with MoH and MoLSA to ensure their commitment to provide required services for TDS clients.	• Follow up clients on the delivery and uptake of the services *with due care for safety and preventive measure of COVID 19* • Jointly facilitate tailored capacity building message like virtual training for regional and woreda stakeholders and even for front-line staff • Develop a tailored strategy like virtual, Video, use woreda net system to reach woreda and kebele level stakeholders, set Community of practice group (CoP) by using telegram group or other means to disseminate key message, and use modular approaches to support human capacity development of regional and frontline implementers
	Livelihoods	• Inability to provide livelihood capacity building (e.g. financial literacy) training • financial institutions may be reluctant to provide loan to PSNP livelihood clients due concerns of default that increases portfolio at risk (PAR) due to lack of financial literacy training, for example. • Delay in EFY 2012 livelihood transfer grant disbursement to clients	• Awareness creation and sensitization: develop pocket size brief guidance note in local language on safety procedures from World Health Organization (WHO) and Ethiopian Ministry of Health • PSNP-5 design should take into consideration the carryover fund of livelihood transfer grant from EFY 2012 to be disbursed in EFY 2013. (??) • Emergency response plan should be prepared in	• As the livelihood activities are sequential, it would be difficult to prioritize.

		• Both NPSNP and PSNP clients might not be able to payback per the loan terms • MFIs and RuSaCCos having budget shortfall due to low loan return • Clients lacking interest to take loans due to fear recrudescence • Clients' reducing/terminating regular saving which in turn affects RuSACCOs and VSLAs as they fully depend on members saving • Most income generating activities (IGAs) (e.g. petty trading, cattle trading, graining trading, shoat trading, etc.) involve direct contact among sellers and buyers increasing clients' vulnerability for the pandemic	collaboration with financial institutions and respective regional and woreda implementing partners outlining required actions on how to deal with existing but not matured loans and new loans. These include loan term, repayment schedule, loan rescheduling, grace period, interest rate reduction/cancelation for some months, liquidity for viable rural FSPs, subsidized loan, and public guarantee • Allocation of livelihood emergency fund by DPs and the government for livelihood investment on top of the livelihood transfer. • Having resource either through government contribution or seed money from DPs to minimize the impact of the epidemic on livelihoods intervention outcome. • Revise the case load entitled to receive livelihood transfer from 10 to 15% and the amount of transfer from $200 to $350	
	Program Management,	• The election which was planned for August is now postponed indefinitely due to COVID-19	• Proactively engage stakeholders at all levels (federal, regional, and woreda)	

	Coordination and Capacity Development	pandemic. It is highly likely that the election will be held sometime during the first year of PSNP5. That is, most of the election preparation activities will occur in the 1st year of PSNP5 which consumes the time and energy of the leadership at all levels. It affects their level of engagement in key PSNP activities including full mass targeting in the first year. • Measures taken to curb the spread of the pandemic (including mobility restrictions) affect full mass targeting, affect MIS and single registry, and overall program implementation • Difficulty to complete PSNP5 design as scheduled • No training can be delivered to groups	to discuss the concerns and agree on an action plan. • Revise the timeline for the design process in a manner that reflects the changing circumstances • Introduce more e-learning resources where appropriate, and user-friendly guidance notes.	