**A Multi- Year Thematic Evaluation of DFID’s Multi- Year Humanitarian Funding Approach in Ethiopia**

**Summative Evaluation Report, March 2018**

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Acknowledgements

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Disclaimer

The contents and conclusions of this evaluation report reflect strictly the opinion of the authors and in no way those of DFID or its partners.

**Executive summary**

**Introduction**

In early 2014 DFID commissioned Valid Evaluations to carry out a thematic evaluation of their Multi-Year Humanitarian Funding (MYHF) approach in Ethiopia, the Democratic Republic of Congo (DRC), Sudan and Pakistan. This forms part of the Humanitarian Innovation and Evidence Programme (HIEP) and is one of a number of studies into new or emerging humanitarian approaches.

This report summarises the findings for Ethiopia and is one of four summative country reports. A final synthesis report will draw together the overall findings of the evaluation.

DFID’s multi-year humanitarian portfolio for Ethiopia at the outset of the evaluation consisted of three connected grants to WFP, UNHCR and the Ethiopia Humanitarian Fund, managed by OCHA.

This thematic study, with substantive research taking place from 2015-2017, aimed to generate learning on how far a MYHF approach has enabled DFID programmes to ensure a timely and effective humanitarian response; build disaster resilience; and achieve better value for money.

**Methodology**

The evaluation used exploratory research techniques, allowing an understanding of the factors which shaped how different people coped with shocks and stresses. This was then compared with the DFID and partner interventions in the same areas.

Primary research took place in three geographical locations receiving DFID MY funding; a highland agricultural zone, a pastoralist lowland zone and two refugee camps on the Somali border. Qualitative interviews were conducted with a panel of around 200 individuals and 16 focus groups in nine *kebelles* in each geographical area.[[1]](#footnote-1) There were also extensive key informant interviews with DFID partners and others involved in humanitarian work in Ethiopia.

The el Niño-induced drought cut across the 4-year evaluation. Affecting the NE Highlands, Afar, NE Somali and the SE Highlands, it embraced both the geographical study areas, and, indirectly, the refugee population. In 2016, when the scale of the emergency had become evident, the evaluation was asked to examine in more detail how far suffering and economic losses from the drought had been mitigated as a result of prior investments in resilience and in earlier, livelihood protection response, including from flexibility in longer term programming.[[2]](#footnote-2)

**The research questions**

Research question one: Resilience

*Are vulnerable individuals and households more resilient to shocks and stresses as a result of the work of DFID-funded (and other) interventions? How do investments in resilience contribute to or compromise delivery of humanitarian relief and eventual outcomes for people affected by crisis? What lessons can be learned about how to best enhance resilience in protracted crisis?*

The evaluation recorded a wide range of shocks and stresses affecting the studied households and areas during the study period. Chief amongst these was the long drought referred to in the introduction, although there were also floods in parts of Somali National Regional State (SNRS). There were also smaller generalised shocks such as crop pests, and at an individual and household level stresses such as illness, divorce and unemployment also had their impacts.

The drought caused widespread asset and income loss. In Sitti zone of Somali National Regional State (SNRS), research for this evaluation estimated $275m of losses, approximately $4,000 for every household. A small number of people died from malnutrition and measles,[[3]](#footnote-3) and there was significant distress migration. Livestock losses in this area numbered in the hundreds of thousands, with approximately half the herd being lost over the two-year period, averaged across wealth groups.

Neither DFID-funded nor other interventions bolstered households’ resilience ahead of this major shock, the main reason being the scale of the investments in relation to the intensity of the shock. This was also the case in other studied areas where the impact of the drought was less, but arguably chronic poverty (and therefore vulnerability) is even more pronounced.

However, the drought came very early in the lifetimes the MYHF and resilience-building approaches. What resilience investments there were tended to be quite tentative in their reach and ambition – this seems natural given that this is a very new policy area. In practice however, it meant they were simply not sufficiently large, joined-up or focused to make a difference when faced with a major shock.

In contrast however, the major aid instrument present across all study areas – the Productive Safety Net Programme (PSNP) – played a major role in keeping people alive, according to their own testimony. Whilst it has not been enough to reduce people’s exposure to shocks, the predictability of the transfer in the face of dwindling income sources was of major value to those affected. This showed in interviews over and over again, with the transfer being seen as a budgeted item in the household economy. If this reliability is seen as part of the resilience approach in the broadest sense, then it is clear such investments contribute to the delivery of humanitarian relief.

The major relief operation in response to the drought was not triggered until at least six months after the crisis had hit those followed in this study. In the time before this relief got to them it was primarily the safety net transfers and other ‘predictable’ relief efforts that made the difference. Neither did such investments compromise the delivery of humanitarian relief. When the relief operation was launched in mid-2016, it was at a significant scale; previous investments in either resilience or safety nets had not diminished the resources available. The response attracted significant additional resources, including from the Government of Ethiopia.

This study also sought to learn lessons about how resilience might be enhanced in protracted crises.

A narrow focus on household level assets was found to be ineffective as a means to understand most people’s resilience. Thorough analysis of the interviews carried out between 2015 and 2017 identified five factors as being critically important in reaching that understanding:

* The meso-economy
* Social capital
* Adaptive capacity
* Secure access to land
* Education (particularly for future resilience)

These areas are explored in depth in the body of the report.

Research question two: Contingency

*Has the availability of contingency funding enabled DFID and its partners to respond more quickly and effectively when conditions deteriorate?*

DFID and its partners deployed multiple forms of contingency in Ethiopia. These included contingency funding within each of the three partners’ multi-year business cases; internal sources of contingency funds that partners had independent of DFID; and central emergency funds that were used to respond to the El Niño drought.

All forms of contingency were used over the lifetime of the evaluation, principally to address two separate crises. In 2014, about 200,000 South Sudanese fled into south-western Ethiopia seeking refuge from the civil war. UNHCR requested and used DFID contingency funds for this response (£1m), as did WFP (£15m) and UN OCHA, via the EHF (£6m). An evaluation of the UNHCR response found that “on the whole the response was timely and effective in saving lives,”[[4]](#footnote-4) although it also noted that the availability of contingency had not led to better planning.

DFID also provided an additional £33.5m of contingency funds to scale up the food, WASH, nutrition and non-food responses to the el Niño drought, using innovative internal procedures to facilitate the early dispensation of those funds.

This evaluation has found that the contingency mechanisms allowed DFID to deploy funds faster than they might otherwise have done if such modalities had not existed. This is a positive finding. Nevertheless, the evaluation has also carefully documented the trajectory of the crisis as people experienced it and found that the earliest point at which contingency funded assistance might have reached them was some time after the peak of the crisis.

Contingency funds therefore were *early* in the sense that they might have been *later* without such a mechanism; but they were not early in terms of the crisis. This is not necessarily as bad as it sounds. In a crisis of the depth and duration of the El Niño drought, earlier interventions might not have prevented distress and loss. To do so they would have had to continue for almost two years, meaning that not only would such funds have had to come earlier, they would have had to be significantly bigger.[[5]](#footnote-5) Moreover, there was relief available through the ‘regular’ distributions and the PSNP, meaning that people were able to survive, by and large, until the contingency funds kicked in.

The evaluation also found that this early deployment of funds could have delivered significant savings compared to a genuinely later response. In a scenario where procurement was left to the last minute, this could have cost the overall response as much as $100-200m extra[[6]](#footnote-6).

This suggests that contingency is a great tool for mobilising a response, once it is clear that one is needed, and may well save money. Small, pre-approved contingency reserves placed with agencies and crisis modifiers written into project agreements are appropriate for smaller scale emergencies. But for national scale emergencies there will probably always be a need for sizeable pre-agreed contingency finance. And for ‘getting ahead’ of crises there is a level of analysis and action that goes beyond simple financing mechanisms; rather, what is needed is significant and long-term investment in reducing extreme, chronic poverty.

Research question three: value for money

## *To what extent does DFID MY and contingency funding provide better VFM than annual funding for DFID and its partners.*

The theory of change underpinning the overall VFM analysis for this evaluation was that MYHF and contingency funding could lead to early (or earlier) response.[[7]](#footnote-7) Early response in turn could leads to a) lower costs; b) better programming; which in turn leads to c) improved impact.

For this to happen, multi-year funding would have to operate as such and lead to different ways of working within agencies.

The extent to which MY funding was genuinely used differently was questionable, however. Principally this was because DFID partners did not pass on the gains of MYHF to their downstream partners. There were varying administrative reasons for this – a mix of internal and external pressure, but the net result was that at the point of delivery MYH funds were little different to annualised funding.

Nevertheless, the predictability of the funds and the reduced burden of bureaucracy led to some modest, quantifiable gains. These were mostly administration- and purchase- related, where in-kind assistance was being used. WFP in particular made savings on staff time from a reduced proposal and reporting regime. Much more significantly, WFP recorded cost savings from local grain purchase at an optimal time of year. Whilst mechanisms were being developed internally for WFP to do this during the lifetime of the evaluation, it is nevertheless the case that greater predictability can support better planning, which in turn can lead to significant cost savings.

Partners also reported ‘qualitative’ gains, or areas where they felt their programmes had improved because of the greater predictability and flexibility. These included better analysis, better relationships and better learning. The evaluation was not able to quantify these gains, however.

The VFM gains were, on one level, rather disappointing given the promise of MYHF. As with other areas outlined in this summative report, however, it is early days. The insights gained on the potential for better value – particularly in terms of better-informed and therefore better-targeted aid – hold great promise for the future.

**Conclusions**

The complex humanitarian system in Ethiopia has evolved over several decades and as such will take time to transform. Multi-year humanitarian financing is a relatively new instrument in Ethiopia and constitutes only a small proportion of the total at present (no more than about 2% a year).

The evaluation found that MYHF has not yet altered the way that DFID’s partners work, although there are encouraging signs that it will. Multi-year financing enables agencies to *save money* and provide *better quality* aid by taking a longer-term view. Even in its first iteration in Ethiopia, its predictability allowed agencies to respond faster than might otherwise have been the case and led to modest value for money gains. Importantly, the multi-year ‘wrapper’ within DFID allowed for money to be quickly secured in 2016 making significant purchasing savings compared to a situation where there was a late release of money. Better VFM is critical given increasing global humanitarian needs and increasing pressures on scarce aid resources.

Resilience investments did not prevent people losing assets on a large scale during the El Nino drought of 2015, although the PSNP and predictable relief played a major part in limiting loss of life. This is mostly because there were very few programmes aimed at resilience building, and they were neither at a scale, nor joined up enough, to have an impact. The scale and duration of the crisis was also a major challenge to preserving assets.

The full promise of multi-year approaches has, as would be expected after a first iteration, yet to be realised. However, DFID’s willingness to experiment with new aid models is to be congratulated, and its influence is seen in how far multi-year humanitarian approaches in protracted or recurrent crises have been adopted by others since the outset of this study.

There are signs that future business cases for the use of MYHF can, and will, be used by DFID to orient partners towards different ways of working, specifically on food security and livelihoods issues in crises. Much has been learned by DFID during the course of this evaluation, some of it through the accompanying approach Valid has adopted. The next challenge is to turn MYHF’s promise into tangible, large scale benefits.

This evaluation has found that resilience is rooted in the options available to a person, household or family. Highland agriculturalists have few options to diversify and little opportunity to expand production; lowland populations, in general, have more assets and options rooted in their extended families and mobility. When things do go wrong, however, they have more to lose and without a basic pastoral economic infrastructure crisis can quickly become catastrophe.

Economic and institutional policy interventions and investments at the meso-level therefore, are likely to have the greatest impact on resilience.Helping people build social capital and adaptive capacity in the sense of the individual’s willingness, aspiration and ability to take risks and grasp opportunities is also important.

Resilience-building projects need to be at a sufficient geographic spread and scale to address what are in essence structural problems. Several of the issues highlighted in this report require concerted policy action and longer term, larger scale financing. Multi-year humanitarian financing is part of this new thinking, especially where it is strategic and at sufficient scale. The next iteration of this important new instrument needs to help partners change both business processes and approaches. It also needs to integrate, where principles and ethics allow, better with development and policy initiatives to expand the opportunities available to the marginal and chronically poor communities studied for this evaluation.

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**Abbreviations**

ARRA The Administration for Refugee and Returnee Affairs

DFID Department for International Development

ECHO Directorate-General for European Civil Protection and Humanitarian Aid Operations

EHF Ethiopia Humanitarian Fund (managed by UN OCHA)

ETB Ethiopian Birr

FGD Focus Group Discussion

GTP II Growth and Transformation Plan II

HEA Household Economy Analysis

HRD Humanitarian Requirements Document

JEOP Joint Emergency Operation Programme

MAM Moderate Acute Malnutrition

MFI Micro-Finance Institutions

MYHF (or MY) Multi-Year Humanitarian Financing

NGO Non-Governmental Organisation

PPP Purchasing Power Parity

PRIME Pastoralist Areas Resilience Improvement through Market Expansion (USAID funded programme)

PRRO Protracted Relief and Recovery Operation (of WFP)

PSNP Productive Safety Net Programme

SAM Severe Acute Malnutrition

SNRS Somali National Regional State

TLU Tropical Livestock Unit

UNHCR United Nations High Commission for Refugees

UN OCHA United Nations Office for the Coordination of Humanitarian Affairs

USAID United States Agency for International Development

VE Valid Evaluations

VFM Value for Money

VSLA Village Savings and Loans Associations

WASH Water, Sanitation and Hygiene

WH West Hararghe

WFP UN World Food Programme

1. **Introduction**

## Background to the evaluation

The multi-year thematic evaluation of DFID’s MYHF approach in Ethiopia, the Democratic Republic of Congo (DRC), Sudan and Pakistan was commissioned in early 2014. It is part of the Humanitarian Innovation and Evidence Programme (HIEP), seeking to broaden the evidence base and improve practice in humanitarian action.

The study has taken place over nearly four years, with a forecast completion date of August 2018. The purpose of the study is to generate learning and evidence on whether, and how, a MYHF approach has enabled DFID programmes in each country to:

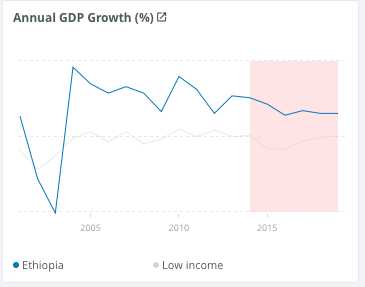
* ensure a timely and effective humanitarian response
* build disaster resilience and
* achieve better VFM.

The evaluation will provide evidence to contribute to the management of these programmes at country level, as well as informing DFID’s humanitarian policy more broadly. The evaluation findings are also expected to: contribute to the global evidence base on good humanitarian practices; suggest how to build resilience in the most fragile and conflict-affected states; and make a positive contribution to the realisation of the resolutions made at the World Humanitarian Summit in 2016.

## 

## Ethiopia context

For the past fifty years, and especially since 1984, Ethiopia has borne the perception of a famine-struck, grindingly poor country with both forbearance and frustration. The legacy of the great famine of 1984 endured in the public consciousness, while the EPRDF government that replaced the Derg regime in 1991 instituted a number of policies and economic and social interventions designed to free the country of its burden of poverty and raise it to middle income status.

****However, despite remarkable, but fluctuating, economic growth since the start of the millennium, between 80% and 85% of the population remains dependent on agriculture for a livelihood, and suffers regular climate shocks of varying intensity.

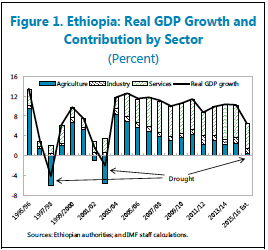
**Economy**

Starting from a very low base, the Ethiopian economy has grown steadily since the turn of the century. “Modern” agriculture, large-scale infrastructure projects, and urban construction funded from both private and public sources, have contributed to growth rates averaging 10.8% between 2003 and 2015. The government set an ambitious target of 20% annual industrial growth from 2015-2020, and middle-income status by 2025.

**Figure 1: Annual Economic Growth rate (%) 2005-2013 (Source World Bank 2017)**

**Agricultural economy**

Agriculture occupies, in one way or another, at least 80% of the population and makes a significant, if declining, contribution to annual GDP.



Ethiopia has widely varying climatic and geographical zones ranging from highland alpine in the North East to desert in the east, and tropical and semi-tropical in the central belt, the west and south west. The NE and SE Highlands carry disproportionate population densities of subsistence farmers heavily dependent upon rain-fed agriculture and, in the case of East and West Haraghe, the two main cash-crops, coffee and *khat*. The highly fertile territories of the west and south west produce surpluses of staples, in particular maize, and Ethiopia’s major export cash-crop, coffee. Estate agriculture on riverine plains provides off-farm labour whilst putting a strain on fragile soils and drought-threatened watercourses. Resettlement is increasingly embraced despite the legacy of the Derg regime.

**Figure 2: Source: IMF Annual Report 2016**

**Population**

Ethiopia’s population in 2017 is estimated at 99.4 million[[8]](#footnote-8) and population density 102/km2,[[9]](#footnote-9) the large proportion living on agricultural holdings of less than 1 hectare. The World Bank, 2017, estimates that 36% of the population lives on less than $1.90/day[[10]](#footnote-10) and about 23% on $1.29/day. Off-farm employment opportunities are limited, but migration to urban areas continues apace.[[11]](#footnote-11) The actively employable number approximately 30 million. This is projected to rise to 37.5 million by 2025, a huge employment challenge.

**Climate**

Drought is a perennial threat, with major events having been recorded in Ethiopia for more than 2,000 years.[[12]](#footnote-12),[[13]](#footnote-13) Since the turn of the century, the Somali region alone has experienced major drought catastrophes on at least 5 occasions, culminating in the major el Niño/la Niña events of 2014-2017. Anecdotal and statistical evidence suggests that the belg (short rain)-dependent areas of the highlands are at particular risk of climate change.

**Vulnerability in Ethiopia**

For many years, *vulnerability* and *food insecurity* were crudely measured in terms of perceived food need and upon late indicators of impending hardship such as regular nutrition surveys. The “biblical” famine of 1984, and smaller drought events in following years, prompted intensive research into the constituents of vulnerability that continues to this day.

A growing demand from food aid donors to provide evidence of need prompted the understanding that the determinants of vulnerability, and resilience, in the face of shocks were far wider than simply a household’s ability or otherwise to survive at, or above, the subsistence level, and food aid’s efficacy in assisting this process.

Helicopter surveys of the Ogaden (1991) [[14]](#footnote-14), Somaliland (1991)[[15]](#footnote-15) and the NE Highlands (1992)[[16]](#footnote-16) carried out by Save the Children UK, highlighted the complex livelihoods strategies of the pastoralist and highland agricultural populations and, indirectly, led to the development of the Household Economy Assessment (HEA) methodology.

The IDS study of Destitution in the North East Highlands of Ethiopia, 2002,[[17]](#footnote-17) showed that the legacy of the 1984 drought and a long civil war meant that a whole stratum (14%) of Wollo’s rural population would never reach subsistence level, and their support network was also suffering a decline in income. This implied that destitution was likely to increase.[[18]](#footnote-18) A similar study was carried out in Somali Regional State in 2006[[19]](#footnote-19)

The GFDRE adopted HEA as the standard livelihood assessment tool in 2004. Livelihood zones were described across the country (completed in 2008 and revised in 2015) to assist in the targeting of livelihoods interventions.

**Safety nets and social protection**

The Productive Safety Nets Programme (PSNP) funded by the World Bank and group of 10 donors commenced in 2004 and is now in its fourth round, in which GFDRE funding is also included. Targeting initially about 5 million “chronically food insecure” households in 262 woredas, it now caters for nearly 10 million (approximately 8 million “chronic” and 1.7 million “transitory” food insecure households), for up to twelve months a year and deploying a cash-first payment principle.[[20]](#footnote-20) There is a provision for food transfers in areas where markets are non-functional or food prices damagingly high. [[21]](#footnote-21),[[22]](#footnote-22) This is in return for participation in public works programmes to benefit the wider community.

The PSNP is a bridge between development (social protection) and humanitarian assistance, the latter funded through the Federal Government’s newly-established and multi-year Humanitarian and Disaster Resilience Plan, which, in March 2018 estimated 7.88 million people in need of food assistance and 8.49 million needing non-food aid in the calendar year.[[23]](#footnote-23) The PSNP’s expansion to embrace targeted urban populations (still technically at the appraisal stage) emphasises its function as an almost universal social safety net.

All these approaches have edged towards an understanding of what is now termed household (income) resilience and how best to support that resilience in times of acute need (which, for some, is a permanent state).

The growing population has resulted in reductions in average household land holdings, especially in the highlands. This is coupled with very limited alternative livelihood options, especially in the highlands, and limited migration from the land, especially the remote highland areas. The GFDRE is naturally reticent to recognize the full scale of need in the population. Limited uptake of resettlement opportunities, often because of poor implementation, leading to allegations by some of the breaching of human rights, begs the question whether the safety net can realistically support the vulnerable population in the future.

### Risk

In 2008 the GoE established a woreda-level disaster risk-profiling approach to disaster risk management, using the HEA methodology.[[24]](#footnote-24) This supports the PSNP contingency planning process that triggers woreda, regional and federal level responses to emerging shocks.

**Social infrastructure, services and employment**

Ethiopia has historically under-invested in social services and infrastructure. While higher since the fall of the Derg regime, funds remain woefully inadequate. Health commanded 4.9% of GDP in 2014,[[25]](#footnote-25) and education 4.4%,[[26]](#footnote-26) but many schools and health facilities in rural areas are still subject to extreme underinvestment. Adult literacy stood at only 39% across the country in 2012.[[27]](#footnote-27) The increase in the availability of tertiary and vocational education in the past 20 years has not been matched by a rise in off-farm employment opportunities.[[28]](#footnote-28)

Nonetheless, the infant mortality rate fell from 122/1000 to 41/1000 between 1990 and 2015. The under-five mortality rate has fallen from 205/1000 to 59/1000 over the same period, and, by 2014, 76% of the child population was vaccinated against the major childhood diseases. However, 25% of infants are born underweight and 40% of the population suffers from moderate or severe stunting.[[29]](#footnote-29)

The government and service sectors employ only 10% of the working-age population, with industry accounting for a maximum of 5% more. Women constitute 52% of the youth workforce and 64% of unemployed youth.[[30]](#footnote-30)

The approval of $860 million in loans from various sources to finance infrastructure projects and industrial parks takes on increasing importance as Ethiopia attempts to escape its reliance on agriculture. But the challenge of population growth and urban migration threatens to swamp these initiatives.

Bordered on three sides by countries undergoing internal conflict, and hosting a conflict-affected refugee population of over 900,000, whilst also combatting an insurgency in Somali region, Ethiopia remains remarkably secure and, potentially, a magnet for external investment, with China, Turkey and India leading the way.

1. **DFID portfolio and partners**

The original terms of reference for this evaluation stated that £142m would be distributed across the three partners during the study period (2014-2017). During the period the multi-year grants for both WFP and UNHCR were completed. Both have received additional funding in the form of new multi-year grants. The original overall funding package was augmented by an additional emergency business case for the 2015 El Niño drought that added a further £60m of humanitarian resources, albeit for a single year. Table 2 shows how these break down:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| WFP | Food | £95m | £20m annual contributions; £15m contingency and a further £20m to cover recovery from the 2011 drought.  Set mostly against PRRO 200290, but including PRRO 200365. | 2012-2015 |
| OCHA | Ethiopia Humanitarian Fund | £25m | £18 million for grants, £1 million for coordination and £6 million as a contingency. | 2014-2016 |
| UNHCR | Refugees | £22m | £15 million for distribution as grants predominantly to NGO implementing partners, and UNHCR staff capacity support; £6 million additional programme funds; £1 million contingency. | 2012-2015 |
| El Nino | Emergency | £60m | * £30 million to WFP. * £25.5 million to the OCHA managed Ethiopia Humanitarian Fund (EHF). * £ 1 million for surge personnel. * £3.5 million for rapid in-kind items for flood response. | 2015-2016 |

A fuller outline of the portfolio can be found at ***Annex 1***.

1. **Methodology**

As outlined in the introduction, the purpose of the evaluation was to generate evidence and learning on the use of MYHF in fragile and conflict-affected states. The evaluation aimed to answer three main questions:

1. Are vulnerable individuals and households more resilient to shocks and stresses as a result of the work of DFID-funded (and other) interventions? What lessons can be learned about how to best enhance resilience in protracted crisis? How do investments in resilience contribute to or compromise delivery of humanitarian outcomes?
2. Has the availability of contingency funding enabled DFID and its partners to respond more quickly and effectively when conditions deteriorate?
3. To what extent does DFID MY and contingency funding provide better VFM than annual funding for DFID and partners?

To answer these questions the evaluation employed a range of methods, including a qualitative panel survey, a quantitative survey looking at asset loss following the El Niño drought of 2015-16, and extensive review of DFID partner data accompanied by regular key informant interviews.

The method has combined inductive and deductive approaches. Primarily – to answer the resilience question in particular - the evaluation has been inductive and iterative in nature. This was felt necessary because of the contested and formative nature of resilience theories at the outset of the evaluation, as well as the newness of multi-year humanitarian financing. However, there has also been a deductive element, considering the VFM aspects. This drew on earlier work around the potential benefits of VFM in multi-year programming, providing a framework that could be tested.

A full outline of the method used, and the conceptual frameworks deployed for each question can be found at ***Annex 2***.

The evaluation conducted over 800 individual household interviews for the panel survey, which comprised some 400 households interviewed a number of times (roughly 100 in each place, and 200 in the refugee camps). The refugee caseload was far easier to access, and the evaluation went for higher numbers because of an assumed higher drop-out rate (this turned out not to be the case).

The geographical areas selected for the MY panel research cover a wide range of altitude,[[31]](#footnote-31) climate and livelihood zones. These covered selected woredas and kebelles in Siti, Korahe and Shabelle zones in Somali National Regional State (SNRS) and West Haraghe zone in Oromia region. A fuller overview of the geography and economy of these areas can be found at ***Annex 3***.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Location** | **R1** | **R2** | **R3** | **Total** |
| Somali | 81 | 67 | 54 | 202 |
| West Haraghe | 104 | 97 |  | 201 |
| Dolo Ado Refugees[[32]](#footnote-32) | 220 | 184 |  | 404 |
| TOTAL |  |  |  | **807** |

**Table 6: interviews for the panel survey by location and round**

The third round in West Haraghe was disrupted due to political protests in Oromia, making it impossible to deploy research teams. The third round in Somali region was partially interrupted by flooding affecting both the population and the survey team. The floods prompted significant distress migration rendering it inappropriate to try to track down and interview households. The second round of interviews was also somewhat affected by the drought, as people had already started moving around in search of pasture or other job opportunities.

A third round in the refugee camps was judged to be of marginal gain in view of limited available resources.

As already noted, when the scale of the drought became clear, the evaluation used quantitative enquiry to enhance knowledge of the impact on assets and income. This was complemented by focus groups discussions (FGDs) to provide a rounded picture of resilience, given the factors relating to its definition outlined above. The Avoided Losses (AL) study was published as a separate report.[[33]](#footnote-33) Household questionnaires were undertaken in some of the same villages and households as the panel, but targeting Shinille and Hadigalla, the most severely affected districts in Sitti zone, and Tulo and Anchar districts in West Haraghe. A greater explanation of the method is set out in the separate report of that study. Table 8 below shows the number of household questionnaires and focus groups by zone.

**Table 7 and figure 8 show the gender and age breakdown of the interviewees.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Variables** | **W Hararghe** | **Somali** | **Dolo Ado** |
| No. of men | 52% | 68% | 39% |
| No. of women | 48% | 32% | 61% |
|  |  |  |  |
| Age range |  |  |  |
| 17-24 | 13% | 1% | 16% |
| 25-34 | 51% | 16% | 27% |
| 35-44 | 28% | 21% | 27% |
| 45-54 | 19% | 32% | 17% |
| 55-64 | 16% | 15% | 11% |
| 64+ | 6% | 16% | 3% |
|  |  |  |  |
| Household size |  |  |  |
| 1 to 3 | 16% | 5% | 9% |
| 4 to 5 | 18% | 11% | 18% |
| 6 to 7 | 28% | 25% | 21% |
| 8 to 9 | 26% | 20% | 32% |
| 10 + | 12% | 38% | 21% |

**Table 8: focus groups and survey numbers in the ‘avoided losses’ study.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Sitti | West Haraghe | Total |
| FGDs | 16 | 16 | 32 |
| Survey hh | 480 | 480 | 960 |

A short summary of the evidence from these various sources follows. It is structured first around the three main panel survey questions of shocks, coping and assistance and secondly around areas most frequently touched on in the interviews and questionnaires.

1. **The Findings**

This section summarises the evidence gathered on multi-year humanitarian financing and the three research questions on resilience, contingency and value for money. The conclusions section then examines the interaction between the two and seeks to answer the question as to whether MYHF can enhance these various areas.

The method section in annex 2 sets out the various strands of enquiry that contributed to this report. The main part of the research was a panel survey in which interviews were recorded, transcribed and coded. Figure 8 shows the major groups of coding. As these were iterative and inductive, this in effect shows the most significant issues that emerged in response to questions about shocks, coping and assistance. These formed the basis of the the analysis. Later quantitative work on losses as a result of the El Nino drought added significantly to the detailed final analysis.

As the evidence is primarily qualitative, much of the detailed analysis is informed by these patterns but is based on the content of the interviews. So while “family” emerges as a major code, its significance as a constituent of household resilience depends on the detail of respondents’ answers.

## Research Question one: Resilience

*Are vulnerable individuals and households more resilient to shocks and stresses as a result of the work of DFID-funded (and other) interventions? How do investments in resilience contribute to or compromise delivery of humanitarian relief and eventual outcomes for people affected by crisis? What lessons can be learned about how to best enhance resilience in protracted crisis?*

The evaluation gathered large amounts of data on income, assets and livelihoods, and, through the panel, tracked the changes in people’s fortunes over time. Whilst it is beyond the scope of this report to give a detailed description of livelihoods in the study areas (and these can be found elsewhere), this paper focuses instead on the economic outcomes and resilience produced by the livelihood patterns described in those studies.

The obvious starting place for a livelihood analysis of West Haraghe is to describe the depth and prevalence of extreme poverty. People have few options besides crop farming and livestock keeping, both of which are severely limited, and land holdings across the Zone are very small.

It is useful to put these figures into a livelihood perspective in two ways: to understand current income and poverty levels; and to assess the likelihood of development initiatives and policy enabling them to escape poverty. The second question is dealt with below, after a presentation of the current economic situation of households.

The simple fact is that farmers are unable to meet their basic needs from the land available to them. It is common to use the term ‘subsistence farmers’ for poor farming households whose holdings are too small to generate surpluses for the market, and who live simply off their own production. Although the term is actually never correctly used (since all famers in Ethiopia live to some degree from the market), it fails to apply in West Haraghe for a frightening reason: many farmers are actually *too poor* to grow food on their land.

I rarely harvest any [sorghum] grain, I harvest it almost always as fodder [i.e. before the grain matures]. Only rich people can wait for the crop to mature. If you grow grain rather *than cutting it as fodder, you have to pay for someone to guard the crop day and night against wild animals, and you have to pay to irrigate for another couple of months. And anyway, it’s very difficult for poor families to wait more than two months when they need immediate cash to live off. Male farmer, West Hararghe*

Income from crops was supplemented for most people with sales of livestock. Most did not own more than a couple of cattle and a few goats. As an *average* calculation in a normal year a household could expect to sell one head of cattle or around 6 sheep/goats. Averaged out over the year, animal sales could bring in around 500 birr/month.

Interviewees were consistent about their level of income, whatever individual sets of activities different households engaged in. In West Haraghe, most households needed 1,000-1,500 birr/month to feel that they were coping. (In SNRS, the level was higher at about 2,500-3,000, partly reflecting the higher cost of living, with food staples approximately double the price. See further, below.) Daily labour paid around 35 birr/day; income from petty trade in khat or from a whole day’s firewood collecting would fetch something similar. To this cash income must be added the value of the food that they produce for their own consumption, which would rarely be worth more than 200 birr/month, even for those who drink milk from their cattle.

In Tulo District, there is a small milk market where almost a quarter of interviewed households sold milk, although in very small quantities. Very few people processed the milk in any way (e.g. to make butter or yoghurt). Although there were reports that a milk market had opened three years ago in Anchar district, none of our interviewees reported selling it in either Anchar or Me’isso districts.

The options for people to diversify were minimal: even the daily labour was predominantly agricultural. Otherwise, the range of opportunities for farmers is very limited. Due to the clamp- down on tree cutting, many people (in Tulo district, for example) have been forced to leave the charcoal-making business, which had been a significant source of income for many and a main coping strategy when crops fail. In Me’isso district, conflict with the Issa over forest lands between Oromia and Somali regions has had the same impact.

Other options beyond sales of livestock, food crops and daily labour are rare. Youth unemployment is high, and the uptake of employment generation schemes such as quarrying is limited. In order to reach the 1,500 birr/month figure – and not all households managed this – income from the PSNP was essential. Averaged over the year, households typically received around 400 birr/month from PSNP: most households, in other words relied even in non-drought years on social protection for around a third to quarter of their monthly necessary income.[[34]](#footnote-34)

This lack of diversification, and the limited economic linkages with urban areas, should be surprising, given the high pressure to adapt from several years of poor rains in the more immediate past, and years of dwindling land holdings from mounting population pressure. However, aside from the main tarmac route, the all-weather road to Gelemso and the under-construction road to Anchar, the rural road infrastructure is still poor, although improving.

In SNRS, people had a very different asset base and more diversified opportunities. Although most did not own land,[[35]](#footnote-35) their herds had considerable cash value. The poorest had herds valued at around $800-1,000, whilst the herds of the top quartile of the population were worth over $15,000. Although excess sales of livestock is considered a sign of crisis, regular sales over the year are a main source of income, allowing prospective migrants to town to at least raise a small amount of investment capital to take with them if they liquidate their herd.

This option is not so readily available in West Hararghe, where, for many, the value of livestock owned would not exceed $200. Perhaps for this reason, the growth of small urban centres has been much more noticeable in SNRS than in West Hararghe.

There is no doubt, either, that the people of SNRS, in particular the northern woredas, enjoy a more open economy, with greater links to people, markets and opportunities beyond their immediate community. This is presumably related to a historic culture of mobility, bringing with it both a shared ownership of resources (creating a strong clan organisation), and a long tradition of trade. The role played by clan and family ties across several economic areas (villages, small town, urban centre, Djibouti or Somaliland) is discussed further in section 5 below.

The panel interviews in Somali were forced to focus disproportionately on peri-urban *kebelles* and *kebelles* within the sphere of influence of urban economies.[[36]](#footnote-36) A far greater range of activities was seen. Many people had started small businesses with a little capital, e.g. tea shops, petty trade, or simply owning a solar charger to charge people’s mobile phones. Such businesses would typically generate around 50-100 birr/day. Livestock sales in Sitti *in a normal year* were about three times greater than in West Hararghe at around 2-2.5 TLU (equivalent to 20-25 sheep/goats or 3 head of cattle), which could bring in 1,500 birr/month.

The greater sales are not, of course, in proportion to the greater size of the herds, since in the extensive, pastoral production system, livestock herds have to be built up in good times in order to survive the bad years. Cash income is best considered only as a measure of consumption, whereas real income should include the increase in herd size that occurs in normal years – income saved or invested.

*The importance of urban centres* for growth in the *rural* economy has long been understood.[[37]](#footnote-37) Two examples can be given of the impact of urbanisation on rural-urban economic ties. Many urban residents owned livestock, using a twin-production strategy. Some animals were kept in the home for fattening for market, with a short business turn-over, whilst other animals (which might be considered their “real” herd) were looked after by relatives in extensive grazing systems.

Milk markets have grown up around towns, with many livestock-owning families engaged in informal mini-cooperatives. In order to make it worthwhile to take small quantities to market (less than 10 litres/day), people would typically form small groups of 3-4 people with similar levels of milk production and take it in turns to take the combined production to market in larger towns such as Gode. In this way, a household can earn around 1,000 birr/month if production is good, on top of the milk which they drink themselves.

*The new social arrangements* to take advantage of new economic opportunities are built on long-standing practices of sharing and mutual support. Formal employment was less common, and rarely long-term – several people had jobs as guards while the railway was being built, for example, or for foreign companies or INGOs. If they could earn 1,500 birr per month, this was a sizeable contribution to the 2,500-3,000 birr per month that households consistently felt that they needed in order to cope with life. If they could save a little capital, they could move on to open a small business.

Very few people were able to progress beyond 3,000 birr/month income resulting from livestock rearing and the proceeds of small business. Cases of incremental savings, increased investment in the business and business growth were rare (see below, the story of A—for an example.)

*Financial services* were extremely limited across the study areas. In West Hararghe, several agencies had promoted village savings cooperatives, but whilst they were important for small savings and investments, people did not have the ability to use them to accumulate significant sums, and their terms and conditions (especially repayment periods) did not make them favourable for serious investment, even if people had felt able to take risks with loans for this.

Pastoralists and agro-pastoralists had even less formal financial arrangements, but their savings were embodied in their herds. Borrowing thus played a normal role in people’s economic lives, as seen by people’s sources of credit in non-crisis times. In Sitti, most borrowing takes the form of buying on credit from traders, with just 30% from family and clan, and much less again from any form of MFI.[[38]](#footnote-38)

In West Haraghe, over half of borrowing was from friends and family, and borrowing from VSLAs was also as common (except for ‘better-off’ households), following a number of initiatives by several NGOs over recent years to create various associations. Normal (i.e. pre-crisis) levels of borrowing were $135/$90 (average/median) in Sitti Zone and $90/$45 in West Haraghe.[[39]](#footnote-39)

Livelihoods in Anchar and Tulo woredas

It is useful to put landholdings into a livelihood perspective in order to analyse the policies or investments needed to help subsistence farmers to escape from crushing poverty. Currently, the dominant model for rural development rests on improved agricultural productivity through soil and water conservation packages (often through a compulsory labour requirement); increased fertiliser use (also often compulsory, with automatic deductions from social protection transfers, see below); extension packages offering improved seeds; and, with more limited coverage, investment in irrigation.

Income from cultivation

The *theoretical* maximum income that a West Hararghe farmer could earn can be estimated, if all such measures were achieved, and if the climate were to be permanently favourable. Assuming that farmers have two good harvests in a year, and that all grain yields are 2mt/ha (i.e. significantly above the national average yields), then the median household would harvest between 800kg and 1.6mt in a year in Tulo and Anchar woredas respectively. If the entire harvest were to be sold at the season of *high* prices (e.g. 5 ETB/kg, a typical *retail*, not farm-gate price), this would result in a total household revenue from crops (excluding drug production) of around 300-600 ETB/month, *without* deducting the costs of production. This equates to income of around $0.20-$0.40 per person per day (at PPP[[40]](#footnote-40)). *On the unrealistic assumption of two very good yields in a year, crop farming would contribute only 20% of the income required to reach the international poverty line for the median household in Anchar (where the expectation of optimal yields is even less realistic) and just 10% in Tulo.*

Income from livestock

Livestock is an important secondary income for most people in West Hararghe. Most households owned a few sheep or goats (1-9[[41]](#footnote-41)) and a few head of cattle (2-5), with an average holding of 3.2 TLU[[42]](#footnote-42). The average holding included 3-4 breeding female shoats, which would typically be expected to give birth once a year, and 1-2 breeding cows, which would give birth once every two years. Putting this in livelihood terms, if we ignore mortality or the need to retain some kids/calves to replace the breeding stock, the maximum annual livestock sales would be 3-4 sheep/goats and 0-1 head of cattle.

Allowing for the need to retain animals to replace ageing females, the maximum average annual income from livestock sales, assuming perfect animal health, and ignoring any costs of production or costs of sale, is around 5,000 ETB/year. The combination of crops (excluding drugs) and livestock, *assuming constantly good prices, consistently high productivity and no shocks, and ignoring costs of production*, reaches around 10-12,000 ETB p.a. or 25% of the income required to rise above the international poverty line.[[43]](#footnote-43)

Introducing improved techniques

Even irrigation for higher value crops, such as horticulture, offers limited hope. The small minority who have irrigated land rarely have more than 0.125 ha. A recent study in West Hararghe[[44]](#footnote-44) found that if a household allocated this area for horticultural crops “it would increase the value of horticultural output sold by about ETB 2,533”. Over two seasons in the year, even those who owned such land and who had a market for horticultural produce would only earn an additional 400 ETB/month ($0.20 per person per day), without considering the opportunity cost of the labour involved.

Given the income from livestock, our research suggests that farming households would all need to be able to farm almost 1 ha of irrigated horticulture in order to reach the poverty line – which, even if infrastructure were paid for and could be maintained, and sufficient water were to be available, would still be unfeasible from a labour point of view.

Auto-adoption

It is not surprising, then, that farmers are increasingly turning to drug production, as *khat* is the only crop which can offer an income on which they can meet their minimum needs. Calculations for this evaluation suggest the median income from a timad (0.125HA) of land is 5-8,000 Birr per annum, equating to 1-2 tonnes of sorghum, or at least five times the yield had they just planted grains.

Farmers across West Haraghe in particular have found a new, higher-yielding and drought resistant variety of *khat*, which they are obtaining and planting at their own initiative and expense.[[45]](#footnote-45) Over 20% of farmers, across all wealth groups, had already invested their own resources to introduce its production, and private investment in irrigation is increasingly being geared towards *khat* production.

This was the only economic success story uncovered by the research study in West Haraghe. The fact that the rural poor had made major investments, including of time, in their own adaptation and innovation without any assistance or extension refutes the criticism made by extension workers in many places that poor farmers are too conservative to follow their advice.

**Shocks**

It is now common in resilience analysis to distinguish between *covariate* shocks which affect large populations and *idiosyncratic* difficulties or shocks which affect individuals or families. In practice, although the two types of shock present different challenges for the Governments (or aid agencies) which are trying to look after their citizens, this study found that the difference between the two was less important for a discussion of resilience than had been expected. This is for two reasons:

First, people respond to the impacts of shocks, rather than to the shock itself, since for many, the shocks themselves were inevitable and unpreventable.[[46]](#footnote-46). Different kinds of shock had fairly similar impacts (e.g. people may have lost their harvest because of drought, because of illness or because they lost their land to prosopis), and people’s ability to cope may have had little to do with the cause of the problem.

Secondly, people were not responding to shocks in isolation. Problems overlapped, both in time and in symptom, and, in trying to cope, people do not have time to quantify how far, for example, their hunger could be attributed to the rains and how far to their husbands having abandoned them. Most shocks affected people in several different ways through different causal pathways, and, inevitably, not everyone was affected in the same way or to the same degree.

**The interconnecting shocks and their different impacts**

Across the areas studied, people reported the same wide range of shocks. Floods and economic problems caused by changing laws (or bye-laws) or their enforcement were confined to specific geographical areas. These included

* Drought
* Floods
* Closure of borders to trade (SNRS)
* Closure of forests to charcoal production (West Hararghe)
* Insecurity
* Death of a household member
* Ill-health
* Divorce/separation
* Invasion of prosopis
* Market problems (price rise of necessities, price fall for produce)
* Crop pests and wild animals
* Striga (parasitic plant affecting sorghum)

Each of these could have a series of effects, not always obvious. For example, the problems caused by drought or rain failure included:

* Loss of rain fed crop harvest
* Insufficient irrigation
* Lack of pasture and water for livestock

(also causing livestock epidemics where livestock were concentrated)

* Lack of potable water
* Increase in predators (as other prey dwindles)
* Increase in crop pests in irrigated areas (as other vegetation dries)
* Decrease in demand/price for khat
* Loss of revenue for small businesses in pastoral areas (migration of clients)
* Excessive sales on credit, causing businesses to close
* Fall in price of firewood, charcoal, etc

Other shocks had multiple impacts too. For example, prosopis invasions variously caused: the loss of agricultural land; the loss of irrigated land (a more particular problem, given the investment and infrastructure); restrictions on the movement for people; restrictions on the movement for livestock (making pasture and water sources inaccessible); livestock death (from injury, from eating prosopis seed pods); personal injury. Divorce or separation mainly affected women, variously causing: loss of assets, home, etc.; (usually) the responsibility to bring up children alone and with no financial support; fear of losing children to fathers later in life; an economic burden on the family of the mother, often taking responsibility for their grandchildren.

### Drought

This study is based largely on real-time testimonies of difficulties encountered and coping with them. The main shock suffered in the communities subject of the research was obviously drought, which was most severe in the belt of east Oromia and the very north of SNRS, both in our study areas.

West Hararghe suffered poor rains from 2012-2016. Sitti zone in 2014-2016 suffered one of the worst droughts in Ethiopia in the past three decades. Eastern SNRS (Korahey and Shabelle) suffered less, but the rains were still poor in 2015. The duration and intensity of the drought exposed almost every aspect of people’s vulnerability, and indeed the vulnerability of every institution which has a responsibility to prevent crises at every level.

Those heavily dependent on livestock suffered the most, followed by those predominantly dependent on subsistence agriculture. The least affected were those with the most urban livelihoods, involved in trading or in full time employment.

Our big problem in the last eight months, especially up to March [2016?], has been the drought. We’ve lost many of our animals. It also hit our fields, and we harvested nothing. We were really short of food, and we are getting emergency food aid. West Hararghe, Me’isso R2 Octobe 2016

We had 10 cattle before the recent rain. But now, 5 have been taken by the recent flood. We had 70 small animals [i.e. sheep or goats], but most of them died because there was no pasture. Then, when the rains finally came, the last 11 died because of the rain. They were weak and skinny and couldn’t take the cold. I had one camel, but it died since we last talked [in R2] because it was overworked. Because of the drought, I had to share the animal with my son’s family, and we all needed to use it to take firewood to town to sell every day. The poor animal couldn’t take it. I used to be able to earn 100 Birr every two days, but now I can’t sell firewood anymore. All I have left is one donkey. Man, Sitti, R3 May 2016

The impact of the drought was felt differently in the cropping areas of West Hararghe and in the pastoral areas of SNRS.[[47]](#footnote-47)

In **West Hararghe**, the drought brought huge losses of cash and food income, because harvests failed. However, little else changed, presumably because people had few options for change. Malnutrition was already high because of the deep, chronic poverty described in section 4.2. There was some excess mortality, from measles, from cholera and generally from starvation, but on the whole, this was avoided by aid, chiefly PSNP rations. Livestock mortality was limited because, unlike for many in SNRS, they were able maintain their livestock on crop residues and through fodder purchases.

Households sold about twice as many livestock as usual to compensate for lost harvests. As a result, post-crisis herds were less than half their pre-drought size.[[48]](#footnote-48) This represents a reduction in household assets of 1.8 TLU (2 head of cattle and 4 goats, or one head of cattle and 11 goats). If this picture were to be replicated across the rural population in the Zone, this would represent a decapitalisation of the West Hararghe economy of over $200m.[[49]](#footnote-49) Future agricultural production was largely protected as most families were able to maintain their ploughing oxen.

In the pastoral areas of **Sitti Zone**, asset losses were much greater because the main asset, livestock, were so vulnerable to a drought of such intensity.[[50]](#footnote-50) The stories will be largely familiar. Because livestock prices fell rapidly, herders delayed the sale of their animals, hoping that the next rains would come, and that their animals would recover. Formal forecasts of likely failed rains appear not to have been available to the herders. Traditional forecasters seem not to have read the signs of an impending crisis. As a consequence the “sudden drought” mentioned in the panel interviews took people by surprise due to its rapid onset. By the time herders realised that the drought was intensifying, their animals were already weak, often too weak to survive a long trip to market, and with no possibility of finding or buying feed on the way.

People with smaller herds, for example those who kept just a few animals for fattening for urban markets, were better able to keep their animals alive, using purchased feed if necessary. Those with the largest herds, who are often thought to fare better in droughts, were forced to migrate further afield, many going to Somaliland where there were reports of available pasture and where the local population were their clan kin. However, the resulting huge concentration of weak livestock quickly finished any remaining pasture and epidemics swept through the herds. Many returned home with nothing.

Levine and Kusnierek (op cit) quantified asset losses for each wealth group, based on extremely conservative assumptions:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Wealth group | % of sample | Pre-crisis value of herd (US$) | % loss  (reported) | % losses  (best scenario) | Financial loss per hh  (best case) |
| Very poor | 18% | 800 | 64% | 40% | $320 |
| Poor | 36% | 2,500 | 74% | 40% | $1,000 |
| Middle | 23% | 5,500 | 82% | 60% | $3,300 |
| Better off | 23% | 14,000 | 85% | 60% | $8,400 |

**Table 11: Asset losses in Sitti Zone due to livestock deaths resulting from drought, 2014-16.**

Losses for the Zone as a whole were (conservatively) estimated at over $275m. Future income will also be depressed for several years to come because of lost herd reproduction and lost milk production. Taking into consideration the changing herd composition (i.e. an increase in the percentage of the herd made up of breeding females, the most valued animals), average lost income is estimated at 2,000 ETB/month per household, or over $1,200 p.a. – a drop in economic production of $80m a year for the Zone as a whole.

Although the pastoralists suffered most from the drought, the peri-urban economy was also badly hit.

I had to close our shop, because the total credit I had to give customers passed 15,000 ETB, and I’m still owed this money. Meanwhile, I have had to borrow 7,000 ETB that I can’t repay. This is how our lives are right now. Shop owner, Sitti

This was a typical story, affecting almost every kind of small business. Khat prices and trading volumes fell; markets for tea shops and other petty trade dried up or could only be kept going by offering unsustainable levels of credit.

**O---’s story. Changes in the herd are not only about drought.**

Herd sizes for many went up and down quickly. Drought was not the only reason for rapid changes in herd size. O--- had escaped the drought unscathed, but his herd size was only partly dependent on natural reproduction (and mortality). It went up because initially he had other income sources, and then up again – and quickly back down – for non-economic reasons.

**In Round One of the panel interviews he said**:

*When I first came here [in 2009], from Gode town to \*\* village, I planted half a hectare of sorghum near the valley. I harvested fodder, not grain. I got 23 cart loads of fodder, which I sold for 300 - 600 birr [then $25-50] per cart in Gode Town. With that money, I was able to buy 17 goats. …. Those 17 animals became 70, because I could get by without selling any animals - I was also selling firewood in my cart, and I had a few months’ work with \*\*\* [INGO].*

**In Round 2 he told us:**

*I had 80 animals, but now the herd is down to only 29 head. I didn’t lose any animals because of the drought. It’s because first my eldest son got married, and I had to pay 40 head as bride price. Then my wife died, and I spent 20 animals for her funeral and mourning.*

**By Round 3 the situation had changed again:**

*Last time we spoke I only had 29 animals, I remember, but now I have 60 goats. It’s because my son got divorced, and so I got back 30 goats from the daughter in-law’s family.*

Price inflation

One less usual feature of the long drought was that food prices were not as high as might have been expected. Most interviewees complained of rising food prices, but only by around 10% in West Hararghe and 15-25% in SNRS. This creates a serious economic difficulty for people already struggling to survive but it is relatively modest in terms of drought prices. Secondary data of wholesale grain prices show very little movement.

**Coping**

When shocks are repeated over time, or stress causes a long-term change in the economic context, people have to find a *new normal* rather than occasional ways of coping. As discussed above, adaptation to decreasing land holdings in West Hararghe has been limited to the move into *khat* production.[[51]](#footnote-51) In SNRS, adaptation tended to take the form of urban drift, as discussed above.

The period over which the panel interviews took place (March 2015-February 2017) was very difficult for all households in all the study areas. Overall, people survived the drought, by “getting by”. On top of the drought, people had to cope with their own shocks such as ill-health, divorce, theft and violence, unexpected demands for payment (from people smugglers, for clan blood money, to return bride price, etc.). Although they survived, this was at some cost in the form of asset loss, and it would not have happened without considerable aid (see below).

The most common forms of coping in West Hararghe and Sitti zones are:

1. *Seeking to maximise non-agricultural income.* Apart from people’s own meagre assets, the only other resources available to them are the natural– environmental- resources to which they have access for exploitation. Whilst charcoal production and firewood sales are routine for many, more people looked to these few options as the drought intensified, causing prices to drop.

In West Hararghe, charcoal production possibilities have been almost exhausted in places due to either complete deforestation or increasing government prohibition. Some farmers took up very small scale *khat* trading, typically women walking long distances to market to do so. With minimal reported profits (around 10 birr/day) this was an act of some desperation. Various other very small scale economic activities fell in this category, including water fetching, home baking, various forms of day labour and gathering wild bush products and offered similarly small returns to labour, *Livestock migration*. This is a normal practice for pastoral populations with larger herds, though the migration patterns in 2015 were somewhat abnormal, and less successful (see above).

1. *Livestock sales*. The sale of livestock took place everywhere, both to increase household income (the typical pattern in West Hararghe and in *kebelles* with a stronger urban influence, for example), and to liquidate animals that could not be kept alive. Prices received for weak animals in poor condition were less than half their normal value.
2. *Borrowing and debt*. Borrowing and debt increased during the crisis from normal levels (as described above). There is some discussion as to whether debt should be seen as an indicator of suffering from drought, or whether it is best understood as a positive sign of coping, representing people’s ability to smooth their consumption. Certainly, those who borrowed more were better able to maintain food consumption for their families. Very few interviewees expressed a fear that they would be unable to repay loans. 87% of respondents in West Hararghe asserted that they would repay the amount within one year; 75% of respondents in Sitti said they would repay within two years. For refugees, debt played a different role. It was much more common for refugees to have to buy food on credit every month to survive from one food aid ration to the next.
3. *Migration for work* was much less common in West Hararghe than might have been expected, presumably indicating the lack of opportunities available for people in that area and reflecting its economic marginalisation. Far more people migrated temporarily from SNRS, to both near and distant locations, including Djibouti, and for work as well as the protection of the extended family, reflecting much stronger economic and kinship ties outside their communities.
4. *Remittances.* More people received remittances from relatives outside their community during the drought than in normal years. Those reporting having received remittances rose from 18% to 27% in Sitti and from 10% to 13% in West Hararghe. In many cases the amounts received also rose, but this was impossible to quantify.[[52]](#footnote-52) Remittances to SNRS originated mainly in Djibouti and Dire Dawa, although the wider Somali diaspora, including in the Netherlands, Canada and the UK, played its part.

*Requesting help from relatives should be regarded as a coping strategy for those with relatives able to help them. However, only 3% of the population in West Hararghe received remittances who would not normally receive them*.

Having exhausted their coping mechanisms, people had to resort to more desperate measures. These included:

1. *Reduced daily food consumption or diversity*. Many interviewees reported reducing meals and quantities eaten because of a lack of food during the drought.
2. *Distress migration*. Unlike migration for work, which involved one (or occasionally two) household members moving to a town to find work, distress migration to more central locations in order to receive aid affected whole families and involved large parts of peripheral villages of a *kebelle.* This was usually because of a lack of potable water in their villages, although food aid may then have attracted more people to these sites.

There were fears (e.g. UNICEF 2015) that many children would be forced to abandon school as a result of the drought. This studyfound that there were relatively few withdrawals from school (4% in Sitti and 17% in West Hararghe),[[53]](#footnote-53) and the majority of these were related to schools closing rather than individual choice. Confusingly this was amongst the wealthier groups, making any link to economic stress tenuous. The low drop-out rates may have been in part due to school feeding interventions.

There was no school dropout in our Kebelle because of the drought. We were receiving relief food every month and there was no severe shortage of food. The government was also providing hot meal to school children once every day. It is provided in the school days only. Without the government assistance, it could have been impossible to keep the students at the school.   
 Shinille Baraaq 04 R3

We did not expect to see any households making a clear transition from vulnerability to resilience over the period of the study. However, we did find many households which had been doing reasonably well, and which might have even been considered resilient before the drought, which now had more precarious livelihoods. The implications for an understanding of resilience are explored below.

**Assistance**

People received five main kinds of livelihood assistance during the study period. These were:

1. Household transfers for consumption, mainly in-kind food aid.
2. School feeding programmes.
3. Emergency water interventions (in a few areas).
4. Some (limited) livestock protection, mainly fodder distribution and (some) veterinary care.
5. Development or resilience investments.

Aid came from four main sources:

1. Social protection (PSNP), i.e. regular and predictable transfers through state institutions.
2. Targeted emergency relief through the formal aid system (Government of Ethiopia, NGOs [including JEOP] UN organisations).
3. Community support, often mutual support from within the village, but notably including significant food distributions by the Issa business community and civil servants to their clan kin in Sitti Zone in early 2015.
4. From family members, in the form of remittances and housing of temporary migrants from rural areas to urban or peri-urban relatives

By far the largest source of assistance was the PSNP, received by the majority of households. Our study confirmed that the PSNP has become a budgeted household item. And, because it is programmed on a multi-year basis, it arrived when people were under stress or even in crisis, and long before relief aid began to appear.

Family assistance was mainly from close at hand and within local communities. A sister-in-law might help with charcoal production; nephews might work the fields for someone unable to farm; a neighbour might lend a pack-camel. Food was regularly shared.

A variety of NGO projects were recorded in interviews, most often involving some kind of loan arrangement – support for a VSLA, sharing a pump for irrigation or a variety of revolving loans. A number of water projects were also mentioned, such as borehole drilling, digging *burkas* or irrigation canals, nutrition projects and a few emergency relief projects (for example the Red Cross gave people shelter materials in Me’isso after they had been displaced as a result of clan fighting).

The results of the irrigation investments were mixed.

Last years I got a very small harvest. The water was diverted by [INGO] to the irrigable land… but the water was too strong and it soon destroyed the walls of the channels. Agro-pastoralist Gode

After that [NGO] gave a generator for 10 households with fuel and they helped prepared the irrigation canals. We benefited from this program for some time, but then it all stopped. Agro-pastoralist Gode

I planted maize with irrigation, but I didn’t get any yield, because the interval between the times I was allocated water were so long. Agro-pastoralist Baraq

All channels of the irrigation were supported by {NGO], [NGO], [NGO] and [NGO], and all are most useful. Agro-pastoralist Baraq

**What lessons can be learned about how to best enhance resilience in protracted crisis?**

In an economic environment of a narrow range of options and limited livelihoods opportunities, a few factors stood out strongly from our interviews and analysis that either could, or did, make a difference to how people coped and thus enhanced their resilience. These patterns emerged either as the subjects most frequently discussed by those interviewed, such as education, or as the factors that seemed to make the difference between people who were barely coping and those who were doing somewhat better. These were:

* The meso-economy
* Social capital and community resilience
* Adaptive capacity (especially at individual level)
* Secure access to land
* Education (particularly for future resilience)

The following section, addressing Research Question one (resilience), discusses each of these in turn. The second part of this report, outlining the detailed findings, treats the issues raised above and these factors in more depth.

**Meso-economy**

*The evidence for this set of findings derives largely from the set of codes in MaxQDA12 relating to income, assets, credit, investments and spending. Interviews show clearly how the restricted opportunities of the local or regional economy shape the options that people have. And even when they do take an initiative, their ability to market produce or secure additional opportunities depends on infrastructure and policy.*

One of the most important and far-reaching findings of the study was the extent to which resilience was shaped by the *meso-economy* or the economy with which people can, and do, engage.

The most significant changes in the economic lives of households are often directly related to changes occurring in the meso-economy, rather than the household. In the same way, differences between the resilience of different households depend not only on the assets and skills of the individual household members, but also on differences in the opportunities offered by the local economy. By this token, urban incomes may be unreliable, and small businesses are not immune to the impacts of drought.[[54]](#footnote-54) Nonetheless, they proved far more resilient in coping with the drought.

Mention has already been made of the support given by many urban households to their relatives in rural areas, either by sending them food or cash, or by taking in one or two relatives to reduce the number of mouths that needed feeding back in the village. Urban relatives are also enormously important in helping their kin to access education, especially secondary school.

Since households living closer to towns are able to take advantage of the opportunities that an urban and peri-urban economy provides, and given that households closer to town suffered markedly less in the drought, attitudes towards urban drift should perhaps be questioned. People who move to urban areas are seen, by many, to be failed pastoralists (“dropouts”). They even refer to themselves in this way, even when they, themselves, were born in town.

They are a drop-out household who migrated from Gode town 2 years after her husband died. ..He was a well-known carpenter and skilled mason in Gode town.

Notes from interviewer, about a successful urban-born family

Coping through moving to town to sell labour has been called “negative diversification” (see Catley 2017). [[55]](#footnote-55)This term was not directed at all urban migration, but was, rather, a warning of the low-wage economies and potential labour exploitation that are developing due to the imbalance between the supply of unskilled labour and job availability – and drawing attention to the need for greater investment in urban business and in quality education.

Many aid agencies still insist that the best response for a person who migrated to town because their herd perished due to drought, is to replenish the herd and send them back to the rural areas.

Perhaps because urban poverty is easier to see than rural poverty, there is an ease with which insecure urban livelihoods can be described negatively, when even less secure rural livelihoods are not.

Perceptions of urban migration need rapid revision, particularly because they seem to be fundamentally opposed to the aspirations of young people in pastoral areas, and to those in farming areas too. More attention is given to “restocking” than to helping people make a success of urban migration, even though all the evidence suggests that the latter is far more likely to be viable.

It has long been argued that supporting migration to urban areas does not stand in opposition to agriculture or pastoralism, but is in fact an essential for its resilience and even survival, with holding sizes reducing and rangelands decreasing. This study did not interview young people. However, as already noted, we found that many parents wanted an urban future for their children. Greater attention to, and investment in, urban livelihoods is needed in order to support the increasingly precarious rural household economies.

The overall problem in the two Zones was very similar: a large percentage of the population have fundamentally unviable livelihoods; they survive only at a level of deep poverty (seen in persistent very high rates of malnutrition in West Hararghe, for example); and they get by thanks, in large measure, to a significant contribution from aid (including social protection). Vulnerability, though, takes different forms.

The economy in West Hararghe offered people few opportunities to diversify, and very limited alternatives for coping when their main livelihood sources, crops and livestock, were hit by drought. But the shock was very different from that of the pastoral and agro-pastoral populations. They suffered far greater losses of their productive assets. The weak meso-economy in West Hararghe constrained diversification and progress at household level.

The poorly-developed pastoral infrastructure was no less important in shaping vulnerability in the lowlands (although it is easier to ascribe the suffering and economic losses in the pastoral areas simply to the impact of drought, treating this as a natural disaster).

When the pasture dried up in 2015-16 and animals lost condition, it was not inevitable that they should die. Livestock owners would have wanted to sell off many of their animals, in particular non-breeding males, but too often they were unable to because the animals were too weak to get to market. This, in turn, was partly because many delayed too long in making the decision to sell them. However, the economic infrastructure played a role both in the delay, and in their inability to take them to market. The price of livestock fell sharply and quickly, discouraging sales, particularly because livestock owners were not confident that they would be able to buy back animals after the drought

There has been some investment in fattening stations in the Somali State, but for most pastoralists caught up in the drought there was no market in which to sell their thin animals, or to quickly feed them up and sell them on at a normal market price.

It is clear that in a well-functioning meso-economy, where market, price and weather information is easily accessible, the price of livestock would not have fallen anything like as sharply as it did. It also seems likely that in a well-functioning market, animals collectively worth millions of dollars would make it to market long before they were too weak to walk.

This research project cannot identify the economic investments needed in pastoral areas to avoid repetition of such losses. The suggestions that follow should be seen as examples of how greater pastoral infrastructure investment in general could make pastoral livelihoods more resilient.

There is a lingering attitude that pastoral households simply exploit natural resources (“unoccupied” rangeland) and that their animals grow and multiply by purely natural processes (i.e. by hazard). This is in contrast to the way in which farmers are seen to rationally exploit natural resources, and in which the farming and marketing of produce is seen as an economic activity, not merely a “natural process”.

If the pastoral household economy is thought of as a rational economic productive system in the same way as settled agriculture, then the need for an economic infrastructure to support the system is obvious. In times of drought and lack of grazing, pastoralists need a functioning fodder market (hay, concentrate) for a small number of breeding animals kept at home. It needs financial services to provide investment capital for buying fodder and for income smoothing to buy food. It requires a competitive market which buys their animals in poor condition at their true economic value at a cost well below the value of the animals that would otherwise die (this itself may necessitate feeding stations where livestock can eat and drink while on their way to the market). It needs veterinary services, particularly in areas where livestock congregates on remaining pastures and at water points. It demands reliable seasonal weather forecasts, predicting the failure and return of rain, and provision of the preventive services to avoid further high livestock mortality from the cold or flooding hazard when the rain returns after the drought. And it demands a reliable livestock purchase market to restock herds after the drought.

Currently, pastoralists enjoy none of these services. Even were they all in place, the drought would still present economic hardship for pastoralists, and livestock mortality would not be eliminated. But households would not face the same risk of destitution, suffering and the loss of thousands of dollars’ worth of productive assets – and the local economy would not risk the loss of hundreds of millions of dollars of capital and an annual income of many millions of dollars.

This is the economic infrastructure which is specifically needed to build resilience to drought. Other economic infrastructure is doubtless needed to make the sector more productive (e.g. animal health services, breeding programs, information systems for mobility, and in many other areas, perhaps most importantly the control of prosopis), but this study is limited to a focus on resilience.

**Social capital and community resilience**

*The evidence for this set of findings derives largely from the MAXQDA12 codes relating to family, power, authorities and social, although the income and assets codes are also relevant.*

Some models of resilience portray the influences on an individual’s resilience as a series of concentric circles, building out from the individual and their capacities to the immediate family, the wider community and on to a wider socio-economic context. Although such a picture is obviously a simplification, there are important questions about the relative importance of different levels in shaping resilience. This study has already identified the importance of the meso-economy.

Identifying the level which makes the greatest contribution to a person’s resilience is not straightforward, because there are always interactions between different levels. For example, the sex of an individual determines many of their future capacities (including access to education, their aspirations, resources which they will be able to claim and control) but the way in which this happens is a composite of many characteristics of a society at different levels, including its religion, culture and laws.

Divorce and separation were surprisingly common in the study areas, and were a potential source of huge vulnerability for women. Most single mothers[[56]](#footnote-56) were looking after their children with no support from the father, although some had been able to use the courts to keep a share of family property. There were risks involved in using the courts for maintenance support – one woman spoke of the fear that she would lose *de facto* custody of her children and that they would end up herding goats with the father rather than being at school living with her.

It is easy to forget that, even in the context of a drought, individuals – and many of them – depend for their resilience on the functioning of the same institutions on which people the world over depend: access to justice and fair judgements from judicial systems whose judgements are respected or enforced. Where such institutions fail, this is felt more, not less, severely when people are suffering from acute poverty and the shock of a drought.

People always rely on the claims that they are able to make from others, and it is instructive to see where people make their claims in order to progress and in order to cope with difficulties. The evidence from SNRS and West Hararghe suggests that Somalis make more claims on a wider family and kinship network, whereas in West Hararghe, the household is the most important support. (The state is less important, except for the provision of PSNP.) Just one illustration of this was the emergency assistance offered by the (Issa) clan business community to their kinfolk in the hardest hit parts of SNRS (in Sitti Zone) in the early 2015 drought– a significant distribution of food aid several months before any national emergency appeal.

Such clan assistance was seen widely as the el Niño crisis deepened, with many more stories of people in less-affected areas sending assistance to or taking in relatives from harder hit areas. More people from the study areas in SNRS migrated to find work during the drought, because they were able to make claims on relatives in Dire Dawa or in Djibouti, to host them or to find them work. Without a similar network, people in West Hararghe remained at home, with very limited migration of individual household members. Even without a crisis, kinship ties in Somali society provided access to education (see above), to employment and to remittances.

Although many resilience programmes set out to build resilient *communities* (rather than individuals or families), this study found that people’s resilience was not simply a function of the resilience of their communities. There were reports in SNRS in both the panel research and the Avoided Losses study that some intra-community mechanisms of support (e.g. for redistributing animals to those who had lost them) were weakening because general impoverishment in the community had constrained people’s ability to help others. Nonetheless, mutual dependency seemed to be higher generally in SNRS than in West Hararghe with strong reciprocal relations even between the better-off and poorer members of a village.[[57]](#footnote-57) This suggests that a community model is a less helpful way of understanding resilience, than one which asks how social capital shapes individual resilience, and how people can make claims on each other.

This is seen also by looking at the community-level institutions which governed access to resources, e.g. irrigation. In several villages, interviewees reported that even with irrigation schemes, their harvests had failed during the drought. Ever greater areas had been put under irrigation without a corresponding increase in the capacity of the irrigation system to deliver water, resulting in fields being watered only once in three or more weeks. It is not possible to say at what level in the system incentives arose leading to this behaviour by the institutions. However, the problem may well not be the lack of resilience of the community institutions, but rather the opposite: they were resilient enough not to have to listen to the voice of individuals affected by their behaviour.

Three ways of looking at social capital can be instructive here. Social capital has been seen by some as a private good (i.e. a capacity of an individual), whilst others see it is as a public good (the characteristic of a community, which gives the community as a whole resilience). In the way in which people relied on each other, social capital was indeed a public good, a common source of strength and resilience. However, no account of social capital as a way in which people can make claims on each other can ignore how different are the obligations and entitlements between men from those between men and women, and even between a wife and her husband or the father of her children. The cases of divorce and separation, above, are an example of social capital as a private good, which the community as whole deprives women of to a large extent.

I decided to get a divorce. The court ordered him to make a monthly payment of 500 birr to support his children, but he’s never given me anything up to now Me’isso West Hararghe

Many of these single parents were struggling as a result: it seems less appropriate to describe the source of their problem as some weakness in their individual social capital, than to see it as an outcome of the way in which social capital as a *community characteristic* treats women and men differently. A ‘public good’, in other words, does not mean something that is good for everyone. It is either not necessarily open to all, or can be a community characteristic with malign impacts on half of the community’s members.

Others have analysed social capital in a different way, distinguishing three types:

1. *bonding social capital* (between people who are “similar”);
2. *bridging social capital* (between people who are different, e.g. in age, socio-economic status); and
3. *linking social capital*: relationships with people who have some form of power over them.[[58]](#footnote-58)

It is perhaps unsurprising that almost all interviewees had very weak *linking social capital*. Previous examples ofthe inability of farmers to effectively demand water from their irrigation schemes, of single mothers to obtain a just financial settlement or PSNP recipients to prevent deductions from their transfers are all examples of this.

For PSNP, we were supposed to get 900 ETB then they said they were cutting 230 birr for fertiliser, and 50 or 100 birr for savings. But now, where is our fertilizer? Where is our saving? …I don’t know who ate our money”. Man, Anchar District

700 birr was deducted from the PSNP money – they said 500 was for fertilizer and 200 for saving and cooperative membership. So, they tell us we are members of Oromia Credit and Saving Coop, but they didn’t give us any membership documents, or any receipts for our savings, and we don’t know how much money we have in any account. Other man, same village, Anchar District

The relative resilience of people in our panel communities in SNRS compared to those in West Hararghe relied on a dimension of social capital less easily captured in the bonding/bridging division, where this is understood in terms of peer groups or similarity. This can be better understood in the notion of expanding circles, as described by Maxwell et al (2015) in relation to coping in Somalia. Within a person’s immediate circle, entitlements functioned reasonably well to guarantee survival, for as long as other members of that immediate circle were in a position to help. The problem is that in rural areas, with very few opportunities to diversify livelihoods and thus to diversify risk, almost everyone is vulnerable to the same shocks, but to different degrees.

Resilience rested in part on having a geographically wider circle of people on whom they could make claims. In the case of people from SNRS, these were most typically relatives who were living in places which had different opportunities, and which were less vulnerable to the same threats. This was seen, for example, when people living in more remote parts of Sitti zone made claims on those living in the more peri-urban areas (eg Baraq), when people sent children to stay with relatives in Djibouti, and when people were able to request and receive remittances from relatives further afield.

Sending people away was a collective family enterprise, even when the decision to migrate was taken by a young man on his own without the knowledge even of his parents. When such people fell into the hands of people smugglers, they made claims on several relatives who had to join together to pay large sums to ensure they reached Europe – and stayed alive – and those relatives had to sell livestock and incur significant debts in the process.

This echoes the findings in relation to the famine in Somalia in 2011 of Majid and Maxwell (who showed that those least able to survive were precisely those who, for reasons of their clan identity, lacked people in more distant circles on whom they could make claims). Such a conclusion suggests that urban migration and rural or pastoral ‘drop-out’ may potentially play a much greater role than is recognised in building the resilience of their rural relatives and the rural communities they leave.

**Adaptive capacity**

*The evidence for adaptive capacity derives largely from the interviews over time and the way in which a few individuals can be seen getting ahead, where the majority do not.*

Adaptive capacity has usually been included as one of the constituents of resilience, and various conceptual frameworks have been proposed for understanding it (e.g. Jones et al, 2010,[[59]](#footnote-59) WRI 2009,[[60]](#footnote-60) etc.) Recently, the emphasis seems to have shifted, as adaptation (rather than adaptive capacity) has been taken as one of the components of resilience (e.g. Bene et al 2012,[[61]](#footnote-61) Bahadur et al 2015).[[62]](#footnote-62) Adaptive capacity has come to be used for whatever is believed to help a community or household to stay one step ahead of a potential crisis. This now includes assets, diversification of income sources and the uptake of technologies believed, by those propagating them, to be superior and better adapted to future shocks (e.g. Bahadur et al op cit).

We will not enter the debate as to how adaptive capacity should best be characterised, except in one respect. The opportunities for people to adapt to changed circumstances do indeed depend on assets, technologies, market assets or state services, as these models indicate (although we argue in here that the local economy is probably the most important factor). However, the ability, or the entrepreneurial drive and willingness, to take risks to profit from opportunities, to spot and avoid looming trouble surely also depends on a particular personal quality. It is this *personal quality*, relatively neglected in resilience literature, that in this paper we address as adaptive capacity. Ludi et al (2012)[[63]](#footnote-63) stress the importance of the ability of individuals to innovate for adaptation and resilience but found that external development actors paid it little attention, including specifically in Ethiopia. Although a personal characteristic, adaptive capacity is not predetermined. It is shaped by culture (e.g. whether a society encourages innovation and is supportive of failure, or whether it demands conformity to norms), confidence and access to ideas, all of which can be better understood and potentially affected by external interventions (Ludi et al, op cit.).

The story of A—demonstrated this quality perfectly. Over a couple of decades he changed his investment from cattle to a gun, back to cattle, to cereal farming, to trading in food, to sewing machines, to a mill, to *khat* production, to another mill, to transport, all the while engaging in one-off opportunistic trading opportunities, and making limited investments in exotic grade cattle and crop farming. [[64]](#footnote-64) This level of innovation, experimentation and ambition is very much the exception.

Supporting adaptation

If agencies (including Governments) wish to support people’s resilience, then we have to understand better how people’s adaptive capacity (in this sense) is shaped, and thus how it could be strengthened. It is clearly a *composite* characteristic, combining elements of individual psychology; upbringing and education; the individual’s internalising of their culture and the imposed cultural norms of the individual’s society; and a reflection of their experiences and horizons.

The strong kinship ties across geographical distances for the Somali people has made it easier for them to communicate with a wider circle and to explore more distant horizons, in the process becoming exposed to different ideas. It is impossible to say how far their apparently greater openness to economic diversification is due to wider communication and travel; how far it is created by cultural differences; whether the local economy offers more opportunities; or whether it is driven by necessity. It is likely that it is a combination of all of these factors.

Ludi et al (2011), albeit in other parts of Ethiopia, noted how individual innovation and experimentation was constrained by social norms within villages that enforced conformity. Exposure to new ideas should have the ability to raise aspirations and thus to increase innovation and investment. This was even quantified in other parts of Ethiopia by Bernard et al (2014), who showed that simply screening a film about people in neighbouring areas who, with no external assistance, had succeeded in some agricultural or business venture, raised the aspirations and investment levels of those watching the film.

Development interventions in the study areas, including those aimed at building resilience, rarely paid much attention to individuals’ adaptive capacity or worked in ways that would increase their initiative and experimentation. Ludi et al, op. cit. also found that “interventions do not recognise the importance of adaptive capacity” and offered a list of conditions that promote it:

1. An awareness that the current situation needs to change;
2. A sense of being in a position to change that situation (having agency);
3. Access to appropriate information about the different options that could be used – individually or in combination – to solve particular problems;
4. Access to resources to test new things and a safety net to fall back on in case of failure; and
5. An enabling environment which encourages and promotes innovation.

Our study suggests that whilst the first condition is certainly in place, the others are insufficiently so: and that this lack is a significant component of many people’s vulnerability.

**Education**

*The evidence for the importance of education derives directly from panel interviews.*

People’s access to basic services and the quality of those services are widely included in resilience analyses. Interviewees spoke most about education.[[65]](#footnote-65)

Attendance at early primary level was high. In many villages in West Hararghe, interviewees reported that it was compulsory to send children to (early primary) school, with punishments for those who did not. Most families sent at least some of their children to school at that age, feeling that only through education would their children enjoy a better life.

In very many cases, the importance of education was explicitly linked to the aspiration that they, the children, should enjoy an urban life, where education is seen to be needed to succeed.Gitonga et al, 2014, had similar findings, recording that children in pastoral areas in Ethiopia, Kenya and Somalia increasingly wanted professional, urban futures.[[66]](#footnote-66)

I encourage all my children to be students, rather than to herd livestock. I want education for them so that their lives – and mine – can change. I’d rather move to town, and if my children are educated, that will make it easier for us to move in town in a few years’ time. Man, Kebridahar.

Schooling clearly represented an intergenerational shift in priorities, as most parents interviewed were illiterate. Many used the comparison with their own lives to illustrate why they wanted their children to be schooled.

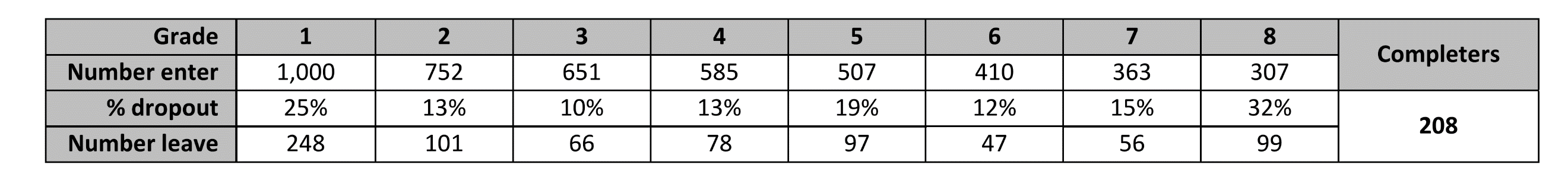
I want to educate my daughters, so they can live a better life than me. If I had been to school, I would have lived a better life than the one I am leading now. At least my daughters will be able to look after themselves, even if they don’t support me. Woman, Gode

Secondary data shows the magnitude and speed of this change in education, a product of the government’s increased investment especially in “emerging” Regional States.[[67]](#footnote-67) Table 9 shows how far Somali region was lagging behind the country as a whole for primary school enrolment in 2000. This gap was largely closed by 2013/14[[68]](#footnote-68) with a dramatic closing of the gender gap. (The Regional average for Oromia is very unlikely to reflect the situation in marginalised Zones such as West Hararghe).

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2000/1 | | | | 2013/14 | | | |
|  | M | F | tot | Schools | m | F | tot | schools |
| Oromia | 73.5 | 42.1 | 57.9 | 2,418 | 96.1 | 86.3 | 91.2 | 12,866 |
| Somali | 13.4 | 7.2 | 10.6 | 107 | 141.8 | 126.5 | 134.9 | 849 |
| **Ethiopia** | **67** | **47** | **57.4** | **6,958** | **104.8** | **97.8** | **101.3** | **32,048** |

**Table 9: Change in Gross Primary School Enrolment Rates 2000/1 – 2013/14. Source: Tessema and Braeken.**

However, although most children now begin primary school, only a minority complete it. Nationally, only 20% of those who start primary school complete 8 years; even fewer attend secondary school (see table 10).



**Table 10: National levels of drop-out from primary education, by grade, 2012/13. Source: Tessema and Braeken, op cit. No breakdown by Region is available.**

The main reason for dropping out of school is clearly economic. Although education is free, there is still a cost to sending a child to school, including the opportunity cost of lost children’s labour, particularly needed for looking after small animals and for protecting crops in the field.

This makes education a significant family investment. The cost of uniforms and materials for primary school was typically around ETB 400-500 (US$15-20) a year for each child in Somali region, and a little less in West Hararghe. For three children, this would consume almost an entire month’s household income each year, which many households would struggle to find.[[69]](#footnote-69)

My daughter dropped out from Grade 1 in 2015/2016 and she is now looking after the goats. I was imprisoned for a day. I was released because I promised that she will keep on with her studies, but I haven’t keep my promise. Man, Me’isso.

Many households who cannot afford to send all their children have to choose which one(s) to educate. Boys are far more likely to be chosen than girls for obvious reasons – they will be the ones economically responsible for their parents later in life, while the girls leave their families on marriage to join their future husband’s family. However, in most cases, this was expressed as an economic choice rather than a rejection of education for girls, and boys too could suffer in the same way.

My eldest son is 12 years old, he has dropped out of school. It’s because I am divorced now, and I have no one to help me on the farm. So, I had to go to the chairperson of the kebelle and beg him to get permission for the boy, because it’s compulsory in our kebelle to send children to school. I know the benefit of education, it will help my son and even me get on in life, but what can I do as a single mother? Woman, West Hararghe

I am living with my nine children, six boys and three girls. Only one of the boys is studying, in grade two. Another boy left school and went to the Koranic school. I just can’t afford to buy the uniforms and other things they need for them both. So I let him join madrassa instead, as that is free in our village. I have other two children who should be at school at their age, but they can’t start as I have no any money to buy their school materials. I’ve a daughter of 12 who lives with my sister in another village, so she is in grade-four. Woman, West Hararghe

However, while most parents did clearly value schooling for their daughters, few girls complete even primary school. Early marriage is common in all areas studied, often shortly after puberty, at around 13-14 years old. Since education ends on marriage, or even in anticipation of marriage, many girls only complete 4 years of primary school. We found very few cases among the informant households of girls attending secondary school.[[70]](#footnote-70)

A child’s prospects for secondary education were much more limited by economic considerations. Many secondary schools are beyond walking distance, particularly in Somali region and, to a lesser degree, in West Haraghe. Those who do attend often have to stay in town with relatives, with most parents contributing to their upkeep (usually ETB 300-500 per month per child). Those without relatives would have to spend even more to rent somewhere for their children to stay. Sending only one child to secondary school would consume up to 20% of the typical household budget, even in SNRS where the income levels are higher.

The local school only goes up to Grade eight. Children have to go to Shinille for higher education. I can’t afford to send my children to Shinille, and many other families are in the same position. Only the well-off or those who have close relatives in Shinille town can send their children to Shinille for secondary school.

Another problem is that the quality of education is very poor at the local school, so students who go to Shinille can’t compete with the other students there. They get discouraged by always being at the bottom of the class, and then they give up school. Man, Gaad, Siti Zone

Education: a rational investment in resilience?

The value of education was raised in the very first interviews undertaken for the project. Putting aside any value which education has for children beyond the economic, how far is investment in education a rational economic choice?

There is no doubt that the aspiration of education for at least one child is highly rational; having one member of the family with a reasonable income living in a town is a huge benefit to the family as a whole. In particular, this can make, on its own, a critical contribution to a family’s resilience.

A small minority of interviewees were more sceptical about the value of education. Some saw little reason to educate daughters who would leave the family on marriage. Others also pointed to high school or University graduates that they knew who were back in the village, unemployed.

*“Two of my children quit school this year and started growing khat on land I gave them. They wanted to farm more than study because they saw their elder brother growing khat, and he has started to save money in the bank. And then they look at the neighbour’s boy, who completed grade 12 and has no job.”* *Better off man, West Hararghe*

Given the potential economic risks of investing in education, could it be compared to maladaptive behaviour, making the wrong investment decision by choosing a form of adaptation (i.e. hoped-for urban employment) that ultimately proves a dead-end? There are enough unemployed high school leavers – and even graduates – in the study areas to make the answer to this question uncertain.

The future value of education will depend on two questions. First, how much does the level of education that people are receiving contribute to opening up economic opportunities for them, or to making them smarter and better able to identify, and take advantage of, opportunities?

And secondly, will the economies of local towns develop in a way that generates sufficient employment and self-employment opportunities for the newly-educated? Secondary education is only beginning to spread beyond a very small population in the study areas. It is far too early to answer this question, and the study methodology does not permit a conclusion on how common it is for high school graduates to return home and remain jobless.

The future economic development of urban centres across the country is probably going to be the most important determinant of future resilience for much of the rural population. Further consideration needs to be given to calibrating the link between years of schooling and:

* potential income;
* the potential for successful urban migration; and
* potential reinforced resilience.

This link is unlikely to be linear. This question is as important in considering policy formulation and decisions around the relative importance of investment in primary, secondary or tertiary education as it is for any measurement of resilience.

**Secure access to sufficient productive land**

*The evidence for secure access to sufficient land derives from the MAXQDA12 codes relating to agriculture, livestock and land, and to data gathered in the Avoided Losses study. The evaluation was also able to make calculations on average land holdings and their relative productivity from detailed feedback in interviews.*

Land has been seen as a constraint for all rural populations in the study. Crop farmers have farms which are far too small to be viable, and they survive where they are only thanks to external assistance. Pastoralists lack security in their access to rangelands which are constantly shrinking, with the most important areas, those most likely to remain green in a drought, being privatised and expropriated. Threats to land took a number of forms.

* The mesquite tree (*Prosopis juliflora*), introduced by an aid organisation in the 1980s, has spread out of control, with terrible consequences. It produces a thick, thorny impenetrable barrier, that is dangerous to livestock and is frequented by wild animals. Rangeland is made inaccessible and farmland becomes unusable on a huge scale.

*Our only fear is the expansion of* gawawa *[prosopis]. ... Initially we welcomed it, not knowing the consequence, but now we are really feeling it. It has taken over our land. It’s preventing us from expanding agriculture, and our grazing area is shrinking as it spreads. It has become the sanctuary of hyenas, which are killing our animals. We just don’t know how to fight it. It is also making the goats and donkeys sick and die, and makes cattle lose weight. Man, Waruf kebelle, Hadighala District*  
In areas now colonised by prosopis, almost all famers reported it occupying their land, with over 50% of farmers losing all access to more than half of their land. Considering that this plan is potentially reducing half the economic output of large areas, the attention which it is receiving is minimal. Some projects, including PSNP, have offered cash or food for digging up the prosopis, but this represents a scattered and very temporary removal of plants on a tiny scale, successful only if considered as an occupation for receiving payment rather than for any sustainable impact on land productivity.

Pastoralists are losing access rights to the rangeland as it is being increasingly privatised by individuals and businesses, both from within and outside pastoral communities.[[71]](#footnote-71) Few aid efforts were attempting to tackle this problem or other restrictions in pastoralists’ freedom of movement – indeed, aid was often seen as a vehicle for advancing these processes. The removal of pastoralists from the range and their concentration in urban or settled areas has been incentivised by the use of aid, even though settled farmers have often been shown to be more vulnerable to drought than mobile pastoralists are, even where irrigation schemes exist.

* Land rights for women are far less secure than for men. Woman reported losing all rights to their land on separation or divorce.
* Landholdings in much of Ethiopia are too small to offer viable livelihoods, and the size of average holdings are falling with each generation because of increasing demographic pressure. The size of family farms can only be maintained if population growth is addressed and urban migration supported, an issue recognised in the GoE’s GTPII and in DFID’s development funding strategy. But of course, the success of these initiatives will be dependent upon successful community awareness-raising and challenging deep-rooted cultural barriers.

*I gave birth to all these seven children in the period before family planning was really known about or used in our village. That is why we are very poor, and can’t look after our old and sick parents properly. Our family is too big. If it had been at this time that I would have to be pregnant, I would have used contraception. Woman, 60, Anchar*

*Our family is so large – we are 11 – and we need so much food to eat, that our maize harvest didn’t last us more than two months. It would have been better if I’d used family planning, and had fewer children, but unfortunately, we didn’t know about contraception and how to use it when I was giving birth to my nine children. It is only after I had my last child that contraception is starting to be used more widely, with the help of the health extension workers. Woman, 35, Anchar*

*I have so many children. Nine of them! I didn’t use contraception because we used to believe that contraception can only be used by mothers who have plenty of nutritious food like meat and milk. We believed that if poor women used contraception, it can cause weakness and disease. That’s why we didn’t dare to use contraception… The health extension workers are now teaching us that they can be used by any women, it’s just according to their choice… right now, I am living in mainly by the assistance that I get from PSNP. Woman, 32, Anchar*

*I have such a large family now, it’s made life much more difficult. I didn’t use family planning, and had more children, so now I don’t have enough land to share among my children. Man, 43, Me’isso*

Despite the increasing acceptance of family planning, though, it seems from the following informant that some social stigma remains.

My wife takes the injection for birth control. We agreed together about it, and we’ve only had 3 children in our 14 years of marriage. ... However, the neighbours don’t know, it’s a secret between me and my wife. Man, West Haraghe

Irrigation

There is a constant draw to technological solutions which can dramatically transform the productivity of land, effectively giving farmers the equivalent of far greater land holdings. There has been some investment in the study areas in moving people away from rain-fed agriculture, which is both less productive and highly vulnerable to climate shocks, to irrigated agriculture, more productive in good years and more resilient in drought conditions. This has been supported in the study areas through gifts of water pumps (including from NGOs), loans (from Government) to purchase pumps, gifts of fuel for pumps (including from NGOs), repair of irrigation schemes (including by NGOs) and the construction of new irrigation systems (including the drilling of artesian wells), often linked to settlement programmes. Such schemes to move families away from pastoralism to settled crop farming are highly sensitive and were not a specific focus of this study. However, a few general remarks about the role of aid in promoting resilience through irrigation can be made.

* Successful irrigation schemes have clear economic benefits for those who benefit from them.

*Water for irrigation was not much affected by the drought, but …it is impossible to have a good harvest with irrigation alone. You also need the rains. The sorghum harvest failed because of shortage of rain and we had to cut it green as animal feed. …However, there was a big difference between households who have irrigated land and those who don’t. The ones who were able to withstand the first drought year* [2014] *were those with irrigated land. They were at least able to cultivate some vegetables and earn some money selling them.* Baraq kebelle, Shinille District, Sitti Zone.  
  
The limitations below should obviously not be taken as an argument against irrigation in general, but the wide scale of all of the issues below should constitute warning that investment in irrigation does not automatically mean improved resilience.

* Irrigated land is highly vulnerable to invasion by prosopis, which continues to colonise new areas in both SNRS and the lowland areas of West Hararghe.
* Not all of the irrigation schemes were themselves resilient to drought. Schemes failed because of reduced water flow (in Baraq, for example, due to poor maintenance of the channels) and failures in the systems themselves, often because the pumps did not have a supply of diesel fuel or electricity (which was cut off because hydro-electric power generation was also hit by the drought.) Only 1 in 6 people with irrigated land in West Hararghe and 1 in 3 in Sitti were able to irrigate their crops as normal during the drought.
* Many of those who were able to irrigate their crops still had very poor yields. Their irrigated fields were an oasis of vegetation during the height of the drought, attracting every possible pest, both insects and wild animals.
* The design of some schemes appears to be have been problematic.[[72]](#footnote-72) In recently-formed new settlements in particular, many people complained that pressure to expand the area irrigated, in order to increase the number of people with irrigated land, was not matched with an increase in the supply of water from the scheme! As a result, some were only allocated water once in three weeks. In other cases, the systems were not working because of general disrepair or because they were destroyed by floods.
* Some of the investments were not sustainable, particularly those involving free distribution of fuel. Their impact was thus equivalent to a one-off transfer, rather than an investment in resilience.

We were given free fuel just once for one harvest, but I continued for another year paying for my own fuel, but after that, I couldn’t continue, because fuel is very expensive

Man, settlement programme, Shabelle Zone[[73]](#footnote-73)

I had to get help to pay for fuel for the irrigation of one hectare. First I got help from WFP [of $120], but by the time I irrigated twice, that was finished. Then I borrowed 40 litres of fuel, and I thought I’d pay it back after harvest, it didn’t work out. The money from the harvest was only 1500 birr (c. $70), that’s even less than the money I got from WFP, and I still had to repay the loan. So then I sent a request to my son, who sent me two male sheep and three male goats, and with that I was able to repay the loan and buy some food. But after losing money like that, I’m never irrigating again!

Man, Shabelle

There are two much larger questions regarding the longer-term sustainability and the wider impacts of irrigation schemes specifically in semi-arid or arid areas. One relates to the scale at which irrigation has longer-term viability, given the availability of water (including river flow and the recharge of ground water supplies), including taking into consideration the likely change in water supply as a result of on-going climate change. Anecdotal reports were that the water table had already fallen considerably in parts of Hadhigala District as a result of the mass drilling of artesian wells for irrigation, causing some streams to dry up for the first time. It would be more reassuring if reference hydrological studies were openly available, indicating the scientific basis (and climate assumptions) on which irrigation schemes were being planned.

The second question is the impact on the resilience of the pastoral economy when the greenest areas in the rangeland, on which many may rely in times of drought, are enclosed and removed from the pastoral system as a whole. If the overall productivity of the rangeland taken over a full drought cycle is badly impaired, then productivity gains from irrigated crop farming may be outweighed many times over by losses to the pastoral economy. It was beyond the scope of this study to examine this, but if it is indeed the case, impact could be felt both at household level by tens of thousands of people and at the level of the national economy, e.g. in loss of the foreign currency earnings which depend to a significant degree on exports of livestock from the arid lands.

*We are very worried about the future of our grazing areas. Local Government changes the rights on the use of land if there are agricultural investments. The new basin development program is one of the driving factors behind changing land use. For example, there is a plan to settle about 8,000 households on 4,000 hectare of land Gebi in Hadigala district, and a similar programme is planned in Shinile districts. But these areas were mainly used as our traditional grazing area.*

*Man, Gaad, Sitti zone*

**Are vulnerable individuals and households more resilient to shocks and stresses as a result of the work of DFID-funded (and other) interventions??**

There were few if any targeted DFID resilience investments observed over the course of this evaluation. DFID MYHF went – as has been outlined in the portfolio and in the MYHF section – primarily to traditional humanitarian relief operations. WFP delivered emergency and PSNP food; UNHCR served refugees in camps and the EHF funded short term emergency interventions in the areas of nutrition, WASH and other non-food.

None of these interventions were targeted at resilience building. Nor were wider interventions by either DFID or the other major donors, at least in the areas studied for this evaluation, at a scale or level of strategic coherence to build resilience in any meaningful way. There were some interventions *during* the El Nino drought response in SNRS aimed at preserving livestock (fodder and veterinary services) but they were too small in scale and mostly after the peak of livestock mortality. This evaluation has already talked of the major importance of PSNP, and how it served to keep people alive, but once again this is not resilience in its wider sense of people themselves being able to ride out a shock based on their own resources.

The evaluation has seen some promising results from USAID PRIME funded programmes that focus on some of the areas outlined above such as markets and information. Similarly, DFID continues to make major investments in areas such as education, highlighted here as important to people. However, what few NGO projects there were aimed at giving people skills training or investing in improved crop yields seemed scattered and disjointed. The evaluation was not charged with measuring their impact, but there were no interviews that demonstrated how people had coped better as a result of such interventions.

This study tries to avoid abstract discussions regarding definitions, frameworks or measurement of resilience, preferring to focus instead on the empirical evidence of *what helped people to cope* *better in times of difficulty*. One theoretical issue, though, does seem to be of some importance.

Practitioners speak of people becoming more or less resilient (i.e. considering resilience to be a scalar quality that can increase incrementally). Some also talk of *graduation,* when households reach a threshold *above which* they are resilient, and *below which* they are not. This gives resilience the same yes/no quality as when commercial banks pass or fail a stress (resilience) test, and buildings meet, or fail to meet, standards of resistance (resilience) to earthquakes of a certain magnitude. Both the scalar and the pass/fail applications make sense in their own contexts.

Most resilience programming ignores the sense in which resilience is a threshold that has to be crossed, regarding any incremental improvement in people’s lives as progress along a resilience spectrum or path. But we should also to consider how much progress is needed for them to arrive at a point where they can cope with predictable difficulties without resorting to distress strategies that land them in (greater) poverty or food insecurity.[[74]](#footnote-74)

If this is at least *part* of the meaning of resilience, then two questions need to be posed that elicit empirical evidence in their favour:

1. What is the level of well-being, above which people are genuinely resilient? And,
2. What form does progress to that threshold take?[[75]](#footnote-75)

In other words, what should the resilience graph look like?

If the question makes sense, the answers should be critical in determining:

* *How to achieve* the goal of resilience for all;
* The *strategies* for achieving it;
* The *costs* of achieving it; and
* The *investments, policies and targeting to prioritise* in order to maximise progress towards it.

This study cannot offer answers to the question. And in pursuing the discussion that follows, two methodological limitations need to be borne in mind:

1. the panel of interviewees was not a random sample, and so cannot claim to be completely representative; and
2. the time over which panel interviewing was conducted is too short to learn enough about the possibilities of escaping from vulnerability and the chances that this will be successful in the longer term.

However, even if no answers can be given, the evidence that has been collected can at least be used to inform the larger questions, if only to a limited extent.

Although the study was not quantitative, interviewing did gather a great deal of information on income and the expenditure needed for a household to keep its head above water.

Households interviewed in three zones of SNRS looked to achieve a monthly income of around 2,500-3,000 ETB ($?) to feel that they were reasonably comfortable. In West Hararghe, most households could be considered to be coping reasonably well if they could find ETB 1,500 per month. These figures include any food or cash transfers from aid. (Many prices in SNRS are higher than in the rest of the country, e.g. grain prices in Gode are typically around three times higher than the national average).

The international poverty line equates to around ETB 3,000 per month[[76]](#footnote-76) for a household of six in Ethiopia (although this uses a purchasing power parity (PPP) comparison based on national prices, which are lower than in Somali region, for example.) Up-to-date HEA profiles[[77]](#footnote-77) for Somali region put annual household income, including the value of produce for own consumption, at around 3,000 ETB per month. Only around 20% of households earn more.

In other words, the vast majority of families, including those that would say they were coping, are still living considerably below the poverty line: many could even double their household income and still be below it.

However, *resilience* is not just about being above the poverty line. It is well known from other studies that being above the poverty line today is little guarantee of remaining so. Studies by the Chronic Poverty Centre suggest that around half of poor households are in relatively recent poverty, and half are in chronic poverty. Living in the “Churn Zone”, where households move in and out of poverty as times prove better or worse, is clearly not a resilient existence. In general, as households get further above the poverty line, they are less likely to fall back into poverty (even if the relationship is not straightforward).[[78]](#footnote-78)

**What does a resilient livelihood look like? The story of A--.**

One of the interviewees stood out as truly economically resilient. A--, a man of little formal education, though literate, had modest beginnings. His story is worth recounting in some detail, because it is a good illustration of how resilience can be achieved; what it can look like; and what a distant dream it remains for most people.

*At the fall of the Derg regime, robbers killed my brother and burned my house. All I had left was a pair of oxen and a cow, so we sold an ox and bought a gun so I could defend my family, and we decided to move to the lowland area of Anchar where I had relatives and where it was peaceful.*

*After two years, we returned home with cattle, and started farming sorghum. Each year I saved a little from sorghum sales, and after saving for eight years, we bought two sewing machines at ETB 1,500 (US$200) each. I didn’t know how to use them, but we rented them out at 30 ETB (US$4) per month. When I had the income from the sewing machines, I could save some of the grain from my harvest, and sell it when the price was high. I also used some of the income to buy more grain when the price was cheap, and sell it later. A few years ago, I sold it at three times the price I bought it for!*

*Then, after using one ox during the ploughing season, I agreed to slaughter it to share the meat among the villagers. I sold them the ox on credit for 1500 ETB, but they had to repay in grain at the next harvest, and the price of grain was fixed when the meat was shared. When they repaid me, I was able to sell that grain for 10,000birr. This is how I do business. After hiring out the sewing machines for a year, we talked over how much money we were making, and decided to sell them for 2,700 ETB.*

*Then we were able to buy a Chinese grain mill at 30,000 ETB, but after working for a year, it broke, and we were spending so much money repairing the damaged part so often that we decided to sell it after another year struggling to keep it going.*

*We were growing cereals by the edge of the forest, because that was the only land available, but because of wild animal damaging the crops, and because the land was really too swampy for cultivating grain, we moved into khat cultivation, especially on the land exposed to wild animals. With the income from that, we were able to drain the swampy fields.*

*In 2002/3, we bought an Indian grain mill at 65,000ETB, which worked much better than the previous one. After running the mill for 12 years, we had saved enough to buy a 24-seater minibus for 450,000 ETB. We hired a driver and two conductors. I also pay three neighbours to work on our farm land, and I have someone who looks after my livestock. I want to buy another minibus, and move to town.*

*Now, as well as my mill and my minibus, and land for growing food, I have 0.5 hectare of khat that can bring in up to 80,000 birr twice a year. I have three Boran cattle kept with me for milking, and another two head of cattle and a few small animals being looked after by others. The cows feed on grass from grazing land I bought for 1000 ETB in the swampy area, supplemented with grain left over from the mill.*

Four things stand out in this story:

1. Success demanded a high degree of business skill, a certain ruthlessness in taking advantage of opportunities, a willingness to take investment risks, being able to get other people to work for you, and, crucially, the ability to move quickly from one investment to another.
2. A—‘s family is resilient because they have a diversified portfolio of investments in food crops, livestock, cash crops, transport and milling. This is not only about spreading risk: the income from one venture opens up investment in another, as the grain from the mill feeds the exotic cattle.
3. The scale of investment needed to become ‘resilient’ is high. The mill cost almost $8,000, but did not make A—resilient on its own. The vehicle cost over $20,000, and there has been more investment in exotic livestock and farming. To support him and his two wives, i.e. two households, this diverse portfolio comes from an overall investment per household (6 pp) of over $15,000. (This is strikingly similar to the value of the herds of the upper quartile of the population in Siti Zone, the only group to have viable livelihoods from their herds.) Despite this, A—‘s income is good, but relatively modest in international terms, probably around $15,000 p.a. for his two households (12 people), equating to around $3.50 per person per day, or, at PPP, around $11 per person per day.
4. Finally, his path to resilience would probably have been impossible without the important first, reliable source of cash: *khat* production. The story of drug production offering the only route towards resilience is a familiar story from several countries. The implications of this are more rarely discussed in Ethiopia than in most other countries.

Among the households in the panel study, A’s family was the only one that had clearly achieved resilience and appeared safe from falling back into the Churn Zone. This was a journey that had taken them over twenty years. They remain hit by shocks and stresses – income from their cash crop was down by 80% because of the drought, one of their main businesses has seen prices falling because of increased competition – but there is a reasonable certainty that they will continue to prosper in the face of predictable difficulties.

A-‘s story puts a (very rough) estimate of an income threshold of around US$6-8 per person per day (at PPP) in W Hararghe to achieve resilience (which is lower than their probable current income), and an investment price of perhaps US$15,000 per household (at real exchange rates) to achieve this.

## Research Question two: Contingency

*Has the availability of contingency funding enabled DFID and its partners to respond more quickly and effectively when conditions deteriorate?*

To answer this question the evaluation has considered first the availability of contingency funding, in all its forms, and secondly whether DFID partners were able to respond quickly and effectively when conditions deteriorated.

For the purpose of this summative report, contingency funding is defined as *additional early funding triggered in response to the crisis through existing pipelines*.

The definition of a quick and effective response is less straightforward, and clearly has to be referenced to a particular event, or crisis. Potentially a two-step logic can be applied to this question. The first question is whether the response was quick and effective? If it was, then a further question can be asked as to whether it was *more* so than responses financed through other modalities.

There are multiple forms of contingency funding in use by DFID and its partners in Ethiopia. These exist on a number of levels: with the partners, with DFID Ethiopia, and with DFID centrally.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| WFP. | Food | £95m | £15m contingency and a further £20m to cover recovery from the 2011 drought. | 2012-2015 |
| OCHA | Ethiopia Humanitarian Fund | £25m | £6 million contingency. | 2014-2016 |
| UNHCR | Refugees | £22m | £6 million additional programme funds; £1 million contingency. | 2012-2015 |
| El Niño | Emergency | £60m | * £30 million to WFP. * £25.5 million to the OCHA managed Ethiopia Humanitarian Fund (EHF). * £ 1 million for surge personnel. * £3.5 million for rapid in-kind items for flood response. | 2015-2016 |

There were two separate crises during the lifetime of this evaluation that merited the use of contingency funds. In 2014 and 2015 there was a sudden influx of South Sudanese refugees fleeing that country’s civil conflict. UNHCR requested and was granted use of their £1m contingency to respond. Both WFP and OCHA also responded. It is not clear from partner reports that the discretionary contingency was used, given that it was unplanned. The evaluation has assumed this was the case.

The second crisis, much analysed and discussed in this report already, was the El Niño crisis of 2015 (which was in fact a prolonged drought in some places from 2014-2016). WFP and OCHA used the balance of their discretionary funds for this response. In addition, a significant extra tranche of funding was sourced from DFID central funds.

Clearly the contingency funds held with the partners meets the definition set out above and so can be analysed against these two crises. As the £33.5 m for quick disbursal approved in 2015 for the el Niño crisis went through the existing multi-year ‘wrapper,’ the evaluation also considers this to be contingency funding (as does DFID at the central level), although later funds that necessitated a separate business case are not considered as purely contingency.[[79]](#footnote-79)

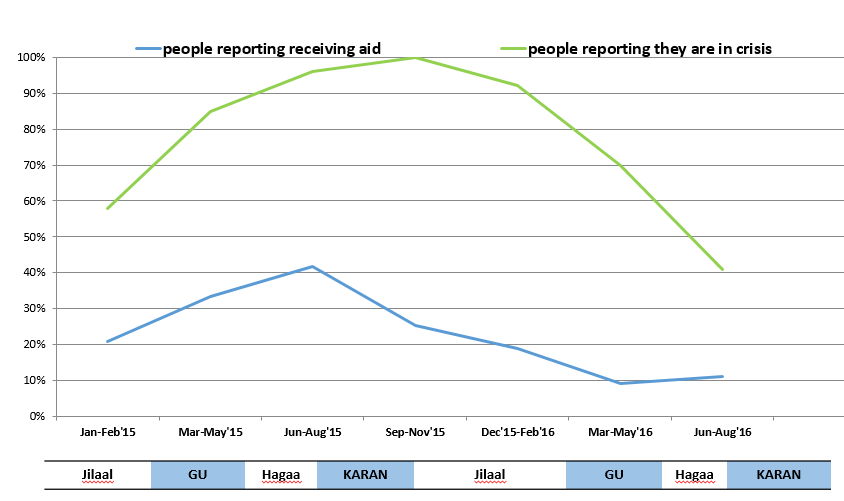
The evaluation did not conduct its own primary research with regard to the refugee response in 2014. However, UNHCR did commission an evaluation of its response both in Uganda and Ethiopia, finding that, “In spite of the limited usefulness of the contingency plans and the limited preparedness, the UNHCR-coordinated response on a whole was timely and effective in saving lives and met the Regional Response Plans broad objectives.”[[80]](#footnote-80) The evaluation goes on to say that, “The UNHCR-coordinated response and the Ethiopian Government’s strict adherence to the principle of non-refoulement enabled life-saving activities to be implemented, rapidly decreasing the high levels of malnutrition and along with it the associated mortality; however, the collection of mortality data needs to be strengthened”. However, the evaluation notes many less effective components of the response, including shelters built in the flood zone (transitional, so higher cost, that subsequently flooded and were ruined); long delays in the transit centre that was over-crowded and poorly served, and protection concerns.

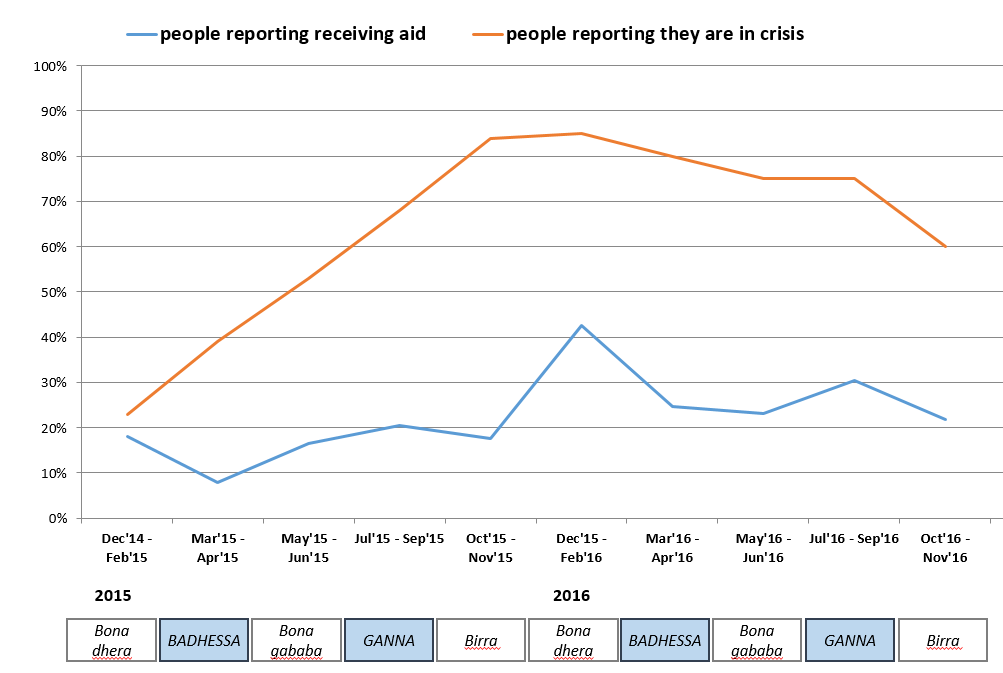
Did contingency funding from DFID make it *more* effective and timely than it might otherwise have been? The limited access to the UNHCR teams and the rapid turnover of staff in that team at the Addis Ababa level has limited this evaluation’s ability to make this judgement. Clearly, it was not the availability of DFID funding alone that allowed UNHCR to respond; the UNHCR budget simply doesn’t work this way. In fact, the global UNHCR budget allows for this type of unexpected response without having to first engage in fundraising. This is something the organisation is (rightly) very proud of, and as such it is unlikely that the availability of DFID contingency funding would have swayed decision making much.

With respect to the 2015/ 2016 drought the logic chain is more complex, and therefore the answer, too, is more complex.

First, on the timeliness and effectiveness of the response. It is clear from primary data gathered for this evaluation that the ‘formal’ response i.e. that related to the contingency funding (especially central funds) came quite a long time after the crisis began.

Figure 9 below shows that in Sitti zone nearly two-thirds of people[[81]](#footnote-81) reported being in crisis at the beginning of 2015, with the same true in West Hararghe by the middle of 2015. Only 20% of those same people, in both places, reported having received aid at that point.





**Figure 9: People reporting they are in crisis and receiving aid in Somali (top) and West Hararghe.[[82]](#footnote-82)**

Source: Levine S et al, 2017

Only six EHF projects totalling roughly $3m USD were approved before May 2015. This was about 10% of the overall spend,[[83]](#footnote-83) meaning the bulk of funds were not committed until nearly the middle of the year. WFP is linked to the government system, and they did not start to significantly increase the numbers in need of food aid until after the middle of the year (i.e at the time of the HRD revision in August) meaning people would not have started receiving that food until the third or even fourth quarters of 2015). Therefore, it is safe to say that neither WFP nor OCHA/EHF invested major additional emergency response funds until roughly the middle of 2015. This suggests that the discretionary contingency funds were not used ‘early’ on the timescale of actual felt need.

As can be seen from Table 12, DFID’s first centrally-released contingency funds were only approved in the middle of 2015, with the bulk of funds coming in the final quarter of that year.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Recipient** | **Sector** | **July 15** | **Oct 15** | **Nov 15** | **Dec 15** |
| **UNICEF** | Nutrition - SAM |  | £11,540,000 |  |  |
| **UNICEF** | Nutrition - CMAM[[84]](#footnote-84) | £5,000,000 |  | £5,000,000 |  |
| **WFP** | Food | £15,000,000 |  |  |  |
| **HRF** | Multi-sector |  | £20,000,000 | £3,000,000 | £6,333,000 |
| **UNICEF** | WASH |  |  |  | £13,000,000 |

**Table 12: Approval dates for the release of DFID Ethiopia programme or central funds**

So, it is safe to say that funds (whether contingency or otherwise) did not come ‘early’ for the people caught up in the crisis, and much of DFID’s contingency funding came long after the crisis could be classified as severe for many.

However, there are several nuances to consider:

*First,* DFID contingency funding did come earlier than other forms of funding that could have been deployed i.e. ‘regular’ funds. This is certainly the case with the UNHCR and discretionary contingencies held in the original business cases. It is less clear whether the larger volume of funds might have come faster (the International Development Act, 1997, gives the Secretary of State discretion to approve funds as he or she sees fit, allowing rapid disbursement in an emergency). [[85]](#footnote-85)

Seen from the perspective of the Ethiopian government’s declaration of an emergency and the revision of various key strategy and fundraising instruments, DFID funds arrived quickly and in line with the trajectory of the response. And whereas the Government of Ethiopia declared the failure of the *belg* rains in June 2015, and the increased numbers in need in August, DFID’s first emergency funding for food was released in July.

*Secondly,* many of those interviewed – especially in Sitti where the crisis was arguably the most acute and severe – reported relying on relief food to survive. How can this be if the relief operation did not swing into operation until nearly a year after two-thirds of people were in crisis, and perhaps a few months after the peak? [[86]](#footnote-86) The explanation almost certainly lies in the regular pipeline of PSNP and relief food that is delivered year-in-year-out and often experiences quite lengthy time lags from central distribution points to the doorstep. The evaluation was unable to identify exactly which food people received at any one time to aid their survival, other than that it was from the government and WFP.[[87]](#footnote-87) In the event, the ongoing provision of relief food and safety net food substituted for emergency aid. Or it could be viewed a further form of emergency aid: in a system of the size and complexity of that in Ethiopia, having ongoing distributions is actually better than trying to create a parallel response system.

*Thirdly*, for many the crisis went on for a long time. This means that in a situation of aid rationing, or prioritisation, it is important to think about the effects of *stopping aid early* if it is started early. This is a complex area and needs further research. A recent study[[88]](#footnote-88) has identified positive market effects from early aid. Prices can be stabilised by timely interventions, meaning that household resources go further. We certainly observed localised price increases of basic commodities in this study (although these were not observed at a regional and national level), and so there could well have been economic benefits to early aid above and beyond the most immediate and obvious. How much this can head off the need for aid at a later stage is beyond the scope of this study. It is only worth noting that the drought went on for a long time and certainly people were reliant on aid for much of that time.

The same was found to be true for livestock feed – giving fodder early would have preserved animals, but withdrawing it before the end of the drought (two years later) would have meant they died. The volume of fodder needed to sustain livestock for two years was found by this evaluation to be something like a million tonnes, clearly completely unachievable. Once again, the early introduction of aid may well have had positive market effects, and certainly there would have been massive benefits to a functioning fodder market in Sitti, potentially avoiding many of the livestock losses and, at the very least, providing another option for those affected.

Contingency and early funding might make a difference to costs. When an emergency response is triggered, it is common for basic commodity and transport prices to. This is a simple supply and demand relationship. Surprisingly, grain prices did not rise significantly in the East Africa region as a whole during 2015, but there were severe transport blockages at the port of Djibouti once multiple aid shipments started to arrive, with ships awaiting offloading for days and sometimes weeks.

A VFM analysis for this evaluation found that DFID’s early funding resulted in an 18% saving compared to what it might have cost them later; approximately $7m compared to later procurement.[[89]](#footnote-89) This same report models a number of possible scenarios and outlines the types of saving that are possible with some forethought and planning.[[90]](#footnote-90) This makes a strong argument for the types of funding modality that can support such advanced thinking, into which contingency and multi-year approaches potentially fall.

Some other points to note with regard to the functioning of the various types of contingency used by DFID during the timeframe of this evaluation are that:

* Contingency ‘parked’ with agencies will probably be used early- there is no reason to do otherwise as it is not possible to predict the future. There might not be another emergency in the grant period, so it makes absolute sense to use (at least part) of the contingency for the first emergency that comes along, even if this might turn out not to be the biggest emergency over the timeframe of the contract.
* The contingency that can be ‘parked’ with agencies is not of the scale needed for a national level emergency. In the event DFID needed three times the amount of contingency it had ‘parked’ with agencies for the El Niño crisis (for those same agencies); this in addition to all the other resources that were available.
* The money from the centre can come very quickly. DFID doesn’t technically have a central emergency reserve any more, but there tends to be enough resource loose in the system that emergency money can be deployed very quickly.

So on the basis of the Ethiopia evidence, a crude conclusion could easily be drawn that contingency funds ‘parked’ with agencies serves smaller scale crises and will probably be spent as soon as the first one comes around. For larger scale crises, there will always be a need to dip into central funds.

This (very) tentative conclusion is partly backed up by the findings on the use of ‘crisis modifiers’ in the El Niño crisis. This evaluation found that crisis modifiers were generally not of a scale needed for that response but could serve as seed funding to initiate a response.

Contingency funds are a great tool for mobilising a response once it is clear that one is needed, and may well save money. Small contingency pots and crisis modifiers pre-approved with agencies are appropriate for smaller scale emergencies. But only central funds delivered at scale can hope to address national-scale emergencies. And ‘getting ahead’ of crises requires a level of analysis and an intimate knowledge of communities and their hazards and risks that is beyond simple financing mechanisms to achieve.

## Research question three: Value for money

## *To what extent does DFID MY and contingency funding provide better VFM than annual funding for DFID and its partners.*

**Methodology**

The theory of change underpinning the overall VFM analysis is that MY and contingency funding lead to early (or earlier) response.[[91]](#footnote-91) Early response leads to:

1. lower costs; and
2. better programming; which in turn leads to
3. improved impact.

The VFM analysis hoped to answer three questions:

# **How far have MYHF funds actually operated as MY funding** primarily within recipient organisation’s own structures, and, where appropriate, that of implementing partners.

# **Are costs lower as a result of MYHF/contingency funding?** Are there lower administrative (eg staff) and operational (eg procurement) costs?

# **Are programmes more effective as a result of MYHF/contingency funding?** Can funded partners respond earlier, leading to interventions that are more effective? And are their interventions better designed because the longer time horizon encourages better analysis, more participatory approaches, and greater adaptability?

The analysis also considered whether the gains presented here could be achieved by more efficient use of early warning data to trigger responses with predictable and/or the rapid release of, annual funding.

# **How far have MYHF funds actually operated as MY funding?**

Although some of the findings have already been touched upon, they are usefully repeated here.

1. Funded partners do not necessarily pass on the benefits of MY financing to implementing agencies or beneficiaries.
2. It was generally agreed that the predictability of the funds is more important for attaining improved outcomes than the compatibility of the systems for distributing those funds. For example:
3. The ERF offers predictability to OCHA, but, since its grants are strictly time-limited, this predictability does not accrue to EHF-funded partners.
4. TheUNHCR benefits from the predictability of MY financing. Its global governance structure, however prevents the awarding of grants of more than 12 months to implementing partners.

The funded partners’ systems can incorporate MYHF, and DFID’s systems can work with partner systems. However, the benefits of MY funding can be cancelled out when the release of funding tranches depends upon timely reporting by both the recipient agency and their implementing partners. The problem has been managed thus:

1. UNHCR signs an annual tripartite Project Partnership Agreement with ARRA and each implementing sub-contractor. This can be a lengthy process. Since 2014, a Letter of Mutual Intent signed with implementing partners has allowed HCR to release a first tranche once budgets are agreed. This allows projects to commence or continue before finalization of the annual agreement.
2. WFP arranges corporate loans with their head office in Rome, allowing agreements to be made with farmers for the purchase of P4P stocks prior to the settlement of seasonal contracts, and when market prices are lowest. WFP can do this because it has guaranteed multi-year funding from DFID to use as collateral in the negotiations.

Despite their systems still operating on an annual basis, partners felt that, with predictable MY funding, they were able to innovate and plan over a longer period, leading to improved outcomes. The evidence for this, however, is thin.

**Are costs lower as a result of MY/Contingency Funding?**

1. Administrative Costs

MY funding allows longer staff contracts (i.e. hiring or retaining experienced staff) and reduced overall staffing costs.[[92]](#footnote-92)

*WFP estimated that 27 days per year were saved for the four different staff levels required to draft, review and clear programme documents. This equates to a reduction in staff costs of approximately $12,664 per year, or $38k over a three-year programme*

1. Leveraging funds

For the most part, agencies felt that they were able to *leverage additional funds* as a result of MYHF. Few specific examples were given, and at one point in the evaluation OCHA seemed to claim the opposite, that as a result of guaranteed DFID funding, they got less from other donors (this changed once the extent of the El Niño crisis became clear).

## Operational Costs

The funded partners all agree that MY funding brings lower operational costs particularly through early (and thus often cheaper) and bulk procurement and pre-positioning of stocks.[[93]](#footnote-93)

**WFP Maize Purchases in Ethiopia with MYHF[[94]](#footnote-94)**

*Greater predictability through multi-year funding allows WFP to achieve a lower average unit cost per metric ton of food relief. Take the example of maize. Direct local purchase of Maize conducted when April 2015 local prices (US$ 260/MT average) compared favourably with import parity prices of US$ 466/MT represent a saving of about US$4.1 million.[[95]](#footnote-95) This is sufficient to buy an additional 15,000 MT of maize through direct local procurement and is equivalent to the funds needed for WFP to feed an additional 1,000,000 beneficiaries for one round with maize. Over the life of the programme, the combined savings are equivalent to the amount needed to feed 3.3m people for one month (1.1m in 2013, 1.2m in 2014, and 1m in 2015).*

*Further, these cost savings were achieved for a very high percentage of the total food purchased. Out of the 55,309 Metric Tonnes (MT) of food purchased with DFID funds, 53,067 MT (96%) was procured locally with only 2,242 MT of wheat, vegetable oil and split peas purchased internationally. The 2014 average annual price paid for maize was US$316 per MT; the average Import Parity Price was US$443 per MT. Purchasing locally has enabled WFP to make a saving of US$127 per MT, about 29% of the average international maize price.*

***Predictability and flexibility*** are seen as two of the greatest benefits of MYHF, and this applies to DFID as much as it does to their funded partners. *Predictability* of funding allows partners to plan well in advance. The *flexibility of* contingency funding allows partners to re-prioritise their activities depending on where the needs are greatest.

*By wrapping the £30m approved in December 2015 into the interim Business Case for 2016/17 of £60m, DFID-E was able to make net savings on the time for (and, implicitly, cost of) approval and disbursal*

Importantly, MY agreements, if designed properly, can permit the rapid pivoting of funds to changing needs, without having to go through a lengthy approval process for new funds.

UNHCR documented cost savings for both shelter and water in the refugee camps (although it was not clear if the water savings were actual or anticipated). In both cases, the savings were possible because MYHF allowed them to invest in better capacity and better programming. Box 7 quantifies those savings, although it is not clear whether the estimates for the water savings were actual or anticipated.

*While UNICEF is not technically a MYHF partner, they were able to use their existing multi-year (development) agreement with DFID to pivot existing budgets and, in 2015-16, re-target those funds to critical water and nutrition interventions. Although this was neither fast nor straightforward, it is possible that, without that option, UNICEF would have had to airlift supplies (as they did in 2011), at a much greater cost.*

**Box 4: Quantification of cost savings from shelter**[[96]](#footnote-96)

*While transitional shelter is more expensive, per unit, than tents, the lifespan of a transitional shelter is 4 years whereas, in the semi-desert Dolo Ado Refugee Camps, tents need replacing every 4 months. Housing one family in a transitional shelter for 4 years costs $690, whilst housing the same family in a tent would cost $5,400 over the same period. This represents a saving of over US$5 million per year over the period.*

The Avoided Losses study indicates that food aid largely reached people in time to make a difference, meaning that (relatively) early response certainly saved lives, and probably prevented mass starvation. However, MYHF did not translate into any meaningful protection of livelihoods or assets.

Having even better arrangements in place for other areas of emergency programming would further improve responsiveness.

**Are programmes more effective?**

Multi-year funds can support multi-year planning, which in turn can improve the design of programming. We include below a summary of feedback from global and country consultations on the potential impact of MYHF on improved programming, accompanied by a discussion of the value chain and potential for impact for several key sectors under MYHF.

**Qualitative feedback**

1. Partners felt that MYHF had the potential to encourage better designed programmes, that can learn, evolve and adapt over time, thus maximizing gains in efficiency and effectiveness. They highlighted the *quality gains* that MY funding could promote. Evidence to substantiate these changes, however, was very thin. In examples from other countries, MY funding allows:

* *Better analysis: partners have more time to study the context more carefully and use this in programming;*
* *Longer term relationships with the same population groups, leading to more participatory approaches; and*
* *Learning, meaning that programmes can and evolve or adapt over time, permitting more effective strategies.*

In theory, some of these benefits could be realised with predictable annual funding: learning from year one can be incorporated in the project design for year two and beyond.

1. The assurance of MY funding could also mean:

* a greater commitment to, and from, partners;
* less emphasis on implementation alone, but without compromising on that mission; and
* a greater commitment to participatory approaches and good evaluation

Again, partner agencies were unable to offer concrete examples of how this worked in practice, however.

1. MYHF allows agencies to better pre-plan and pre-position goods. This meant earlier response through less days required to release funding and move aid. Again, while intuitively correct, there is little, if any, documentary evidence. And, because “early” is ill-defined and poorly understood, it may not hold true.

WFP Ethiopia reports that one of the many advantages of predictable, multi-year resources is that it facilitates the coordination of relief assistance among the various actors. With DFID’s resources, WFP knew which rounds, and how many people, it could cover. Based on this, other food providers (government and NGOs) could also plan the coverage of the remaining areas for a particular round. It allowed the prepositioning of stocks and therefore more timely delivery. And it helped to avoid pipeline breaks.[[97]](#footnote-97)

Although MYHF may not be strictly necessary for such gains, it demonstrates how it allows agencies to think differently, here improving processes across the programme.

* 1. **Multi-Year Humanitarian Financing**

The original rationale for this thematic evaluation was to study the introduction of multi-year humanitarian financing and determine whether it led to more effective programming in protracted crises. The hypothesis was that this would be in the areas of resilience building, earlier action and would provide better value for money through cost savings.

The evaluation method, set out in brief above, and in more detail in Annex 2, followed both partners and the populations where they were intervening to see the effects of MYHF, both at the agency level and at the level of those potentially benefitting from humanitarian assistance. A key part of the thesis for this evaluation was that, for there to be an observable difference between annualised humanitarian financing and multi-year, there would have to be a degree of behaviour change by agencies.

**This evaluation has found that the introduction of multi-year humanitarian financing has made little immediate difference to operations**.

There are two principal reasons for this:

1. The receiving agencies are not well adapted to, or configured for, the use of multi-year humanitarian financing; and
2. The system has evolved to work over multiple years regardless of the funding arrangements.

Both of these findings will be familiar to those who know the system both in Ethiopia and in the humanitarian system more widely.

**Recipient agencies work largely on an annual basis**

The first reason stems from the nature of the global humanitarian system and how the main UN agencies, funds and programmes operate. Taking the three DFID partners in turn:

* **WFP** operates on a medium-term basis – the PRRO to which over half the funding was allocated is a three-year operation - but in the context of an annual government planning system. The Ethiopian government food security system works on an annual basis. Twice-yearly needs assessments form the basis for the appeal documents, and donors – and the WFP itself – then commit funds based on the needs outlined in the appeal. The WFP has developed a variety of internal mechanisms that allow them to bank on a reasonable certainty of donor funding to circumvent the unpredictability of annual humanitarian funding. This minimises the risk of food pipeline breaks, due to the late arrival of funds, but it does not extend the planning horizon.
* **The Ethiopia Humanitarian Fund (EHF)**, managed by **UN OCHA** is explicitly short-term, making grants of a maximum 12-month duration. This is practice both in Ethiopia and, currently, globally. Although UN OCHA gets funding on a multi-year basis, the NGOs and UN agencies that spend the money do not. This means that no net difference is observed at either the implementing partner or the beneficiary level. (Paradoxically, UN OCHA in Ethiopia have at times found that a multi-year commitment was a hindrance, as the knowledge that the EHF is already funded meant that other donors were less likely to reserve finance for it).
* **UNHCR** has a constitutional budget limit of one year. The global budget is set annually at the Executive Committee and the agency cannot formally budget for longer. In practice, UNHCR almost always plans for the longer term, as most refugee crises are protracted (for example, the Dolo Ado camps were established in 2009). Multi-year funding allows UNHCR to make explicit medium-term investments (such as water systems instead of trucking, or transitional shelter instead of tents), but their internal processes impede trickle-down of the benefits of MYHF to partners and their projects. This rather short-term outlook is further compounded in Ethiopia by the relationship with the government, under whose auspices UNHCR works. The agreement with the government refugee agency, ARRA, that defines how the two work together (including financing) has often to be negotiated on an annual basis.

**Despite the annual planning cycle, the system thinks in multi-year terms**

Although aid partners have continued to work with annual planning despite receiving MYHF, this is in part because they have become so used to maintaining continuous relief operations with recurrent annual bureaucracy and financing. All of the entities mentioned above, and in receipt of DFID support, have been working in Ethiopia for decades (WFP since 1965, UNHCR since the late 1970s). They have huge operations, many offices, long-term staff, long-term assets, and long-term strategic planning processes. Neither these agencies nor other major humanitarian donors (such as USAID or ECHO) in Ethiopia work on the basis that they might be leaving at the end of the year (or even in the next decade).

This is also true of the major non-governmental organisations (NGOs). One leading nutrition NGO told the evaluation they had been working in Ethiopia for 12 years with exclusively short-term funding.[[98]](#footnote-98) This is because emergency response is more or less an annual event, and almost all of the organisations working in Ethiopia look for other sources of funding to ‘smooth’ the funding cycle.

In Ethiopia, a complex food security system has evolved that – as already described elsewhere in this report – performs twice-yearly assessments of need and has government entities for delivery throughout the country. The same is true of nutrition, where the government operates many thousands of small, village-level clinics that can treat moderate and even uncomplicated severe malnutrition. Again, a sophisticated supply system, which includes factories manufacturing nutritional supplements domestically, is in operation to ensure people are served in time.

This system has taken years to build up, a mixture of organic evolution and robust planning. It is increasingly inter-twined with the PSNP which effectively runs off the same food pipeline, storage and distribution system. This provides further buffering against funding or supply shortfalls, and further integrates one-off emergency responses into a larger pattern of almost constant relief-type supply. However, much of the system is dependent on the political decision-making process to work effectively.

The same is largely true of ‘non-food’ responses. A tapestry of financial arrangements and capacity within government, the UN and NGOs creates a system that provides a similar service in other major areas such as water, health and relief items. The OCHA EHF is important in this regard – it funds much of the emergency health, nutrition and WASH work. USAID has umbrella arrangements through NGOs such as SCI and IRC that allow for similar emergency response grant funding; the ECHO/EU RESET programme with its crisis modifier is aimed at bridging the gap, and alternating between, relief and development (under the resilience-building rubric); the USAID PRIME programme has a similar capacity to adapt to short-term need; and development programmes such as the national ONE WASH (for water and sanitation), supported by UNICEF, are able to ‘pivot’ to provide emergency funding when needed. And the PSNP itself has a built-in annual Contingency Fund that allows for response to transient needs.

So although the emergency funding itself tends to be 6 months or even shorter, the planning cycle and the various systems work over a longer time frame. In addition, the vast majority of agencies that are part of the emergency response system also have development programmes, or hybrid emergency-development programmes (now called resilience but previously called by other names). Most of them have private or discretionary funds that they can use to pay for standing capacity. So they retain emergency capacity over the long term, in anticipation of short term grants that either overlap, or can be supplemented by, their other sources of funding.

The product of these arrangements is a system that largely remains in place, expanding and contracting to a degree depending on the severity of each year’s crisis. The PSNP and the various health and nutrition programmes of government make this system increasingly predictable for those accessing the services and support; they also provide government with a multi-layered system that can flex as needed.

**Multi-year funding and planning is not necessarily long term in outlook**

The arrangements described above ensure – in a rather chaotic way – that there is standing capacity for emergency response. The analogy often used is that of a fire brigade. This is a “fire brigade” that relies on a number of bilateral relationships between government and its largest development partners, and a network of agencies that have to display a degree of entrepreneurship to make sure they are more-or-less ready to respond.

But it is not a system that seeks to address the root causes of emergencies, or that particularly concentrates on helping people cope ahead of time.

The PSNP addresses the root causes of emergencies *to a degree*. And it works quite well, and is reasonably well integrated with the fire brigade arrangements. For example, as already noted, it became clear that when the drought emergency struck in Sitti Zone in 2014/15 it was the food from PSNP, relief food from previous responses and local fundraising efforts in the public and private sectors that kept people going, and not ‘new’ emergency response resources.

This adds another layer of complexity to the system. Even with standing capacity, response at scale still typically requires over three months from identification of need to aid reaching those who need it. Institutionalised fire-fighting capacity is needed in a permanent ‘fire brigade’ system that has a medium or long term perspective. However, having a medium- or a long-term outlook for a system for dealing with the symptoms is not the same as having a system for dealing with the long-term causes of the problems, and there is no reason to expect that such a system would be capable of doing so. In this sense, the long-term thinking about relief structures is still short-term in nature; it fixes immediate problems, rather than working in anticipation or prevention of a crisis.

The existing approach is not designed to build resilience; and the introduction of multi-year funding (at this point in time) does not necessarily generate change. But predictable funding does allow for the standing capacity to be retained a little more securely, although in Ethiopia this was already largely achieved by other means.

**What Multi-year humanitarian funding means for DFID Ethiopia**

Whilst the introduction of MYHF has not revolutionised the way humanitarian work is undertaken in Ethiopia, it has offered some gains for DFID.

First, it has cut the bureaucracy associated with securing funding internally on an annual basis. This is important because it frees up more intellectual resource to engage with partners and other teams within DFID, and to steward and oversee the programmes.

Secondly, and more importantly, it has allowed DFID itself to think differently. Whilst the first MYHF business case was more-or-less doing the same as before, but over a longer time-frame, the second is quite different. The Building Resilience in Ethiopia (BRE) business case – the second, follow on MYHF envelope- is oriented much more toward strengthening government and to building a more sustainable, longer term, predictable emergency response system.

This is an important aspect of multi-year humanitarian funds: they allow for, and should prompt, a longer-term perspective. In principle, longer term funding forces the realisation of longer-term working. If emergency response is systemic, then MY funding can encourage reflection, and action, on how to do it better.

This medium-term perspective should also allow for greater risk-taking and the testing of different approaches. This allows for an approach like BRE – funding traditional partners, but also bringing in new capacity in the hope that this will offer more at the end of the funding period.

Finally, a MYHF funding envelope offers DFID the flexibility to meet unforeseen emergencies (by reallocating funds quickly across partners or years). And additional funds can be slipped into that envelope if emergencies are bigger than anticipated. Such flexibility could allow for earlier response.

DFID used the MY business case in this way initially during the El Niño emergency. Later, a new business case was needed once the scale of resources required became clear (and, because the existing MY business case had ended, a bridging solution between it and the new BC was needed).

1. **Conclusions**

This evaluation has found that five elements contributed to resilience in the areas studied and exposed primarily to a long drought. These were:

* The ‘meso’ economy
* Social capital and community resilience.
* Adaptive capacity
* Secure access to land and
* Education (particularly for future resilience)

Whilst the long drought from 2014-16 was the primary shock that people experienced during the evaluation, there were many other small and longer-term shocks. These included floods and crop pests as well as individual health shocks and other family setbacks. In fact, idiosyncratic shocks such as illness, death or unemployment, are as big an assault on household resilience as are covariate shocks such as floods or drought. Stresses and the lack of opportunity from underdevelopment were an even greater challenge. The impacts from these various shocks often merge and the coping strategies therefore tend to be similar.

*Resilience* is rooted in the options available to a person, household or community, and their ability to adapt in the face of stress, or a sudden or slow-onset idiosyncratic or covariate shock. Highland agriculturalists had few options to diversify and little opportunity to expand production due to lack of land, limited markets and, often, cultural barriers. Lowland populations could, in general, increase production and income in the short term; they had access to wider markets; and, through family and clan ties, more options to spread costs and risks. However, they were highly vulnerable to drought, suffering quite dramatic losses of livestock, their asset base (although they also recover faster given the right conditions).

The national economy is often largely irrelevant in marginalised areas – and that irrelevance frequently defines the marginalisation of a population. Economic and institutional policy interventions and investments at the *meso-level* are likely to have the greatest impact for households, communities and local populations. But small towns and cities offer many opportunities for additional work and income in times of distress. Functioning fodder markets (hay, concentrate), financial services, competitive markets for animals in poor condition, veterinary services and reliable seasonal weather forecasts are just a few examples of the localised and contextualised measures that can dramatically enhance resilience.

Communities do not necessarily help to bolster household resilience. In some societies, including some of those studied in Ethiopia, this is more likely to come from *extended family members or the clan*. During the el Niño drought in Sitti Zone, the clan networks were vital (even if ultimately unsuccessful) for finding emergency pasture. Family networks enabled additional income opportunities. In West Hararghe too, the most immediate help was in the form of small loans from family or friends. However, their lack of kinship networks over a wider geographical area showed in the limited opportunities for migration and other forms of income or work.

*Adaptive capacity* has been widely associated with resilience in the academic literature. However, this should be seen as something distinct from the assets, technologies, markets and public services with which it has been equated in some recent models. This would ignore the role of the individual’s willingness, aspiration and ability to experiment and adapt and the entrepreneurial skill, drive and willingness to take risks and grasp opportunities. These are both individual qualities and are shaped by social norms.

For many, *education* was seen as the route out of poverty, particularly for their children, often linked to aspirations for urban livelihood opportunities.

Finally, *secure access to land* was a huge factor in whether people could achieve some form of resilience. Tiny landholdings condemned many to inherently unviable livelihoods. Assistance such as the PSNP kept them alive, but only at a level so far below the poverty line that talk of their ‘livelihood’ is misleading. Their lack of a viable livelihood can be called “destitution farming”. In the current situation, attaining the poverty line will remain an unrealistic dream for many, and the ability to ride out shocks (resilience) is even less obtainable.

Aid programming and resilience

DFID’s willingness to experiment with new aid models is to be congratulated. The realisation that short term approaches in Ethiopia are only one part of a complex policy mix has promoted much needed debate and reflection on where humanitarian action best fits. Multi-year humanitarian approaches in protracted or recurrent crises have been widely adopted since this study was started, demonstrating how influential DFID can be with this willingness to try new things.

However, this study has found that in its first iteration, multi-year financing has not dramatically altered the way that DFID’s partners work. Resources have mainly been spent as before, both because the annual planning inherent in agencies’ systems meant that multi-year funding was not translated into multi-year planning or thinking; and because agencies had already developed bureaucratic systems for maintaining a continuous operating presence even with annual funding. There have been some small cost savings, and contingency funding enabled agencies to respond faster and in a smoother way than they might have otherwise done. But the full promise of multi-year approaches is yet to become reality; this of course is to be expected given that this was the first time it had been implemented.

This evaluation has found that multi-year humanitarian financing is well suited to the Ethiopia context, where recurrent shocks and chronic poverty combine toxically to expose many millions to destitution or worse. Predictable humanitarian funding enables a standing system, which is needed, for the time being, to save lives when acute shocks happen. Furthermore, social protection programmes such as the PSNP offer a safety net, which this evaluation found was critical during the 2014-16 drought to preventing further loss of life.

For multi-year humanitarian financing to build resilience however, there are further challenges, at least in the Ethiopia context. Resilience-building has to be done *at scale*. Resilience-building projects at present are of insufficient geographical spread and ambition to have a discernible impact in economic terms, and this requires new thinking. Current resilience approaches are mostly the reworking of past efforts, albeit with some welcome new innovations.

The challenge both for the next iteration of multi-year financing, and for development efforts generally in marginal and poverty-stricken areas of Ethiopia, will be finding the right mix of genuinely new approaches. Setting much longer time frames for ‘multi-year’, perhaps by having long term strategies and rolling, medium-term financing envelopes may be part of this new solution.

The evidence for this study shows that predictable medium-term humanitarian financing is beneficial for life saving efforts and provides better value. But it does not – at least on its own – help to build resilience if we understand this as the ability to significantly reduce the impact of shocks. That requires a much bigger effort, and a more strategic blend of policy and financing instruments. Neither will a handful of projects branded resilience particularly reduce the humanitarian caseload, again on the evidence of this evaluation.

Chronic poverty, destitution farming and marginalised peripheral economies are the underlying factors of humanitarian need in Ethiopia, and this too requires a scale greater than humanitarian action alone can bring to bear.

1. Unfortunately, the third round of interviews in West Hararghe was interrupted due to political unrest in Orimiya, while in parts of Somali region, flooding prevented it. [↑](#footnote-ref-1)
2. This was published as a separate study (although still forming the basis for this report too). See Levine S, Kusnierek, A and Sida, L. *The contributions of early emergency response and resilience investments to helping people cope with crisis: A study of the 2014-16 drought in Sitti and West Hararghe Zones, Ethiopia*. Valid Evaluations, UK, 2017 [↑](#footnote-ref-2)
3. There was acute official sensitivity to drought related deaths and so numbers were not released. Informal estimates are from tens of excess deaths to several hundred. [↑](#footnote-ref-3)
4. Ambroso, G et al (2016). Evaluation of UNHCR’s Response to the L3 South Sudan Refugee Crisis in Uganda and Ethiopia. UNHCR PDES, Geneva. [↑](#footnote-ref-4)
5. although early funds might have had positive market effects, an additional benefit [↑](#footnote-ref-5)
6. Cabot Venton, C (2016). The Economic Case for Early Humanitarian Response to the Ethiopia 2015/2016 Drought. [↑](#footnote-ref-6)
7. See thematic evaluation inception report at LINK. [↑](#footnote-ref-7)
8. World Population Review, 2017 [↑](#footnote-ref-8)
9. World Bank, 2016 [↑](#footnote-ref-9)
10. World Bank 2017 [↑](#footnote-ref-10)
11. Estimated at 19% of the population, the urban population is expected to increase by an average of 4.3% annually until 2030. [↑](#footnote-ref-11)
12. Different regions of the country experienced 11 major droughts between 1969 and 2017, being 1969, 1971-74, 1983-85, 1987-88, 1990-92, 1998-2001, 2002-03, 2007-08, 2010-11, 2014-16, 2016-17 [↑](#footnote-ref-12)
13. Tufts University AKLDP El Niño Review, 2016 [↑](#footnote-ref-13)
14. An End to Isolation- Report of the Ogaden Needs Assesment Study, 1991 [↑](#footnote-ref-14)
15. The Prize of Peace- A Survey of Rural Somaliland, 1992 [↑](#footnote-ref-15)
16. Making Ends Meet- A survey of the Food Economy of the North East Highlands, 1993 [↑](#footnote-ref-16)
17. <http://www.ids.ac.uk/project/destitution-in-the-north-east-highlands-ethiopia> accessed 19 January 2018 [↑](#footnote-ref-17)
18. The study’s recommendation to invest in towns to improve access to income opportunities resonates today in, for example, the growth of kebelle centres in Somali State. [↑](#footnote-ref-18)
19. # Devereux, S et al: Vulnerable Livelihoods in Somali Region, Ethiopia, IDS 2006

    [↑](#footnote-ref-19)
20. Those considered to be very vulnerable (eg pregnant women, chronically ill or older people) are exempt from the public works obligation [↑](#footnote-ref-20)
21. PSNP4 coverage will expand in woredas already served under PSNP3, before extending to a further 92 woredas, for a total of 411, by 2018 [↑](#footnote-ref-21)
22. But this constitutes less than half the number of people living in absolute poverty (ECHO/EU RESET concept note draft October 2014) [↑](#footnote-ref-22)
23. Humanitarian and Disaster Resilience Plan, 2018. [↑](#footnote-ref-23)
24. DPPC Guide to Needs Assessment in Ethiopia, 2004 [↑](#footnote-ref-24)
25. <https://data.worldbank.org/indicator/SH.XPD.TOTL.ZS> accessed 24 January 2018 [↑](#footnote-ref-25)
26. Unicef Education Sector Budget Brief 2006-16 [↑](#footnote-ref-26)
27. <https://www.unicef.org/infobycountry/ethiopia_statistics.html> [↑](#footnote-ref-27)
28. Although some evidence points to the lack of application of the potential workforce to perfect a task rather than the absolute absence of employment opportunities. Graham, John, 2017, forthcoming [↑](#footnote-ref-28)
29. All figures from Unicef State of the World’s Children 2016, correct to 2015, with caveats provided by the authors of the report [↑](#footnote-ref-29)
30. Broussard and G/Selassie IGC Working Paper no 12/0592, 2012 [↑](#footnote-ref-30)
31. Dega (highland, above 2000m) Woina Dega (middle highland around 1700m) and kola (1500m and below) [↑](#footnote-ref-31)
32. MelkaDida and Bokolomayo camps, with a limited comparator sample in Kobe [↑](#footnote-ref-32)
33. Levine, et al (2017). The contributions of early emergency response and resilience investments to helping people cope with crisis:

    A study of the 2014-16 drought in Sitti and West Haraghe Zones, Ethiopia. Valid Evaluations. [↑](#footnote-ref-33)
34. 17% in of respondents to the Avoided Losses research in West Hararghe and about 82% in Sitti zone received the transfer. [↑](#footnote-ref-34)
35. [↑](#footnote-ref-35)
36. Insecurity in the region was prevalent at the time of the first round of interviews, leading to the selection of near-road communities [↑](#footnote-ref-36)
37. See for example Dercon and Hoddinott, 2005. (*Livelihoods, Growth, and Links to Market Towns in*

    *15 Ethiopian Villages*. FCND Discussion Paper 194. Washington DC; IFPRI) [↑](#footnote-ref-37)
38. Interviewees spoke of their reluctance to engage with MFIs, because their terms are not seen as favourable, including especially repayment periods. [↑](#footnote-ref-38)
39. One of the more popular investments in West Hararghe was in pumps for irrigation, which the Government had provided to some on credit, repayable over three-years [↑](#footnote-ref-39)
40. The purchasing power parity exchange rate was between 8 and 9 ETB = $1 during 2016-2017. Source: [www.quandl.com/data/ODA/ETH\_PPPEX-Ethiopia-Implied-PPP-Conversion-Rate-LCU-per-USD](http://www.quandl.com/data/ODA/ETH_PPPEX-Ethiopia-Implied-PPP-Conversion-Rate-LCU-per-USD) [↑](#footnote-ref-40)
41. The range represents the holdings of the middle two quartiles of the population. [↑](#footnote-ref-41)
42. Again, other sources support the plausibility of our survey findings. Tufa et al (op cit) found an average holding of 3.7 TLU in Gemechis, similar to our finding of 3.5 TLU in Anchar District. **For refs: Aman Tufa, Adam Bekele and Lemma Zemedu. 2014 Determinants of smallholder commercialization of horticultural crops in Gemechis District, West Haraghe Zone, Ethiopia. African Journal of Agricultural Research Vol. 9(3), pp. 310-319, 16 January, 2014** [↑](#footnote-ref-42)
43. The reconciliation of the logic of such calculations with figures showing poverty rates in Ethiopia below 30% (e.g. [www.worldbank.org](http://www.worldbank.org), [www.indexmundi.com](http://www.indexmundi.com)) was beyond the scope of this study. [↑](#footnote-ref-43)
44. ??, op cit [↑](#footnote-ref-44)
45. Changing the *khat* variety involves a period without production until the new stock is ready for its first harvest [↑](#footnote-ref-45)
46. Droughts are the most obvious example of this. Flood prevention is also impossible at household or even community level without a degree of investment and leadership, including the ability to coerce cooperation, far beyond the capability of most communities [↑](#footnote-ref-46)
47. see Levine and Kusnierek, 2018. [↑](#footnote-ref-47)
48. Levine and Kusnierek ibid [↑](#footnote-ref-48)
49. Based on the 2007 census, the population of the Zone is estimated at around 2.3m, of whom 90% are rural. The calculation assumes the price of a goat at $35. [↑](#footnote-ref-49)
50. Losses in Eastern SNRS were much lower as the drought was much less intense and began only in 2015 [↑](#footnote-ref-50)
51. How far this should be considered adaptation or maladaptation depends on whether one takes a purely economic view of household production or looks at the wider impacts of the sector as whole. The social consequences of this explosion of drug availability are evident in the small towns in this area [↑](#footnote-ref-51)
52. There was little reason to believe that any reported amounts received would be reliable, and so little reason to ask the question. [↑](#footnote-ref-52)
53. Many of these returned to school subsequently [↑](#footnote-ref-53)
54. see above, pastoral customers were either absent in 2015 because they had migrated far with their animals or had too little money to spend in town [↑](#footnote-ref-54)
55. Catley writes about pastoralist livelihoods in general [↑](#footnote-ref-55)
56. Eg divorced, abandoned or expelled from the (former) marital home [↑](#footnote-ref-56)
57. One symptom of this is the community redistribution of aid that has been a source of frustration for many aid workers over many years, because it undermines their targeting objectives. [↑](#footnote-ref-57)
58. See for example Gitell and Vidal (1998) or Hawkins and Maurer (2010) [↑](#footnote-ref-58)
59. Jones, L; Ludi, E and Levine, S: *Towards a characterisation of adaptive capacity: a framework for analysing adaptive capacity at the local level*. London; ODI, 2010 [↑](#footnote-ref-59)
60. The National Adaptive Capacity Framework: Key Institutional Functions for a Changing Climate. World Resources Institute, Washington DC [↑](#footnote-ref-60)
61. Béné, C; Godfrey-Wood, R; Newsham, A; and Davies, M : Resilience: New Utopia or New Tyranny? Reflection about the Potentials and Limits of the Concept of Resilience in Relation to Vulnerability Reduction Programmes. IDS, Sussex, 2012 [↑](#footnote-ref-61)
62. Bahadur, A; Peters, K; Wilkinson, E; Pichon, F; Gray, K and Tanner, T: The 3AS: Tracking Resilience Across BRACED. London; ODI, 2015 [↑](#footnote-ref-62)
63. Ludi, E, Levine,S and Jones,L: *Changing focus? How to take adaptive capacity seriously*. ODI Briefing Paper 71. London; ODI 2012 [↑](#footnote-ref-63)
64. This kind of story is not uncommon: it parallels somewhat the successful story of a different A— and his wife in Northern Uganda (Levine, 2016, p14) who had together engaged in 14 different economic enterprises in the five years following the end of the civil war.) [↑](#footnote-ref-64)
65. Health and health-care were a much more prominent feature of interviews in the three other countries of this research project and will be discussed in those reports [↑](#footnote-ref-65)
66. (Gitonga, K, S McDowell, J Bellali and D Jeffrey 2014 Changes in the Arid Lands: The Expanding Rangeland. Nairobi; IFRC.) [↑](#footnote-ref-66)
67. The “emerging” Regional States are …… (Afar, Somali, BeniShangul Gumuz and Gambella) [↑](#footnote-ref-67)
68. Gross enrolment rates over 100% are caused by the catch up of children who are attending primary school above the normal age range [↑](#footnote-ref-68)
69. More people spoke of these problems in West Hararghe than in either of the study zones of SNRS, possibly because of greater levels of chronic poverty. [↑](#footnote-ref-69)
70. According to Tessema and Braeken, 2018 SNRS has the second lowest gender parity in the country in overall school attendance. In 2015, only 3 girls were at secondary school for every 10 boys, well below all other regions except Gambella. [↑](#footnote-ref-70)
71. A pastoralist interviewed in Gode zone for the IASC Real Time Evaluation of the Response to the Drought in Ethiopia, 2012, remarked that he would willingly settle were he and his family (clan) be given access to the fertile lands bordering the Shabelle River which were at the time open for commercial tender (interview notes, February 2012 [↑](#footnote-ref-71)
72. Note that this relies entirely on the reports of the users. No independent technical assessment of irrigation schemes was undertaken. [↑](#footnote-ref-72)
73. This interviewee now earns a living through firewood sales, and cultivates if the rains are sufficient [↑](#footnote-ref-73)
74. When people cannot cope, they have to meet their needs by using distress strategies, i.e. measures with potential longer term negative consequences.. Although they are usually evidence of a failure to cope, they are sometimes known by the oxymoron, ‘negative coping’. [↑](#footnote-ref-74)
75. For example, do people become more likely to cope in direct proportion to an increase in, say, assets or income – or does partial resilience increase more quickly or slowly as income or assets increase? [↑](#footnote-ref-75)
76. $1.90 per person per day, using the PPP exchange rate of $ = ETB 8.60 (source: Source: [www.quandl.com/data/ODA/ETH\_PPPEX-Ethiopia-Implied-PPP-Conversion-Rate-LCU-per-USD](http://www.quandl.com/data/ODA/ETH_PPPEX-Ethiopia-Implied-PPP-Conversion-Rate-LCU-per-USD) [↑](#footnote-ref-76)
77. The national updating of HEA profiles commenced in 2015, and was part-complete by late 2017 [↑](#footnote-ref-77)
78. The Chronic Poverty Network used panel data on income to assess what income level was needed to reduce the chance of falling back into poverty to under 10%. If we use this as a resilience threshold, they estimated it in Uganda to be at least 5 times the poverty line, equivalent to around ETB 15,000 per month in Ethiopia. In South Africa it is much higher at 20 times the poverty line. [↑](#footnote-ref-78)
79. As set out in the description of the portfolio in annex 1, this is not as simple a distinction as it first appears. In fact the ‘new’ business case was in part necessary because the multi-year ‘wrappers’ ended in 2015 and so a bridging mechanism of sorts was needed before new multi-year funding came on stream. So it could be argued that the entire £60m was contingency but as the purpose was the same as the £30m this distinction is academic. [↑](#footnote-ref-79)
80. Ambroso, G et al (2016). Evaluation of UNHCR’s Response to the L3 South Sudan Refugee Crisis in Uganda and Ethiopia. UNHCR PDES, Geneva. [↑](#footnote-ref-80)
81. The population of Sitti based on the 2007 census is approximately 550,000 people. [↑](#footnote-ref-81)
82. The earlier rainy season is respectively called *diraa*, *guu*, *badhessa* and *belg* in Sitti Zone, Somali region generally, West Hararghe and nationally in Ethiopia, and in much of the country these are the shorter rains. The later, and often longer, rains are respectively called *karaan*, *deyr*, *ganna* or *kremt*. [↑](#footnote-ref-82)
83. The EHF allocated $28.3m USD to 58 projects in 2015. Source: 2015 EHF Annual Report. [↑](#footnote-ref-83)
84. Community-based Management of Acute Malnutrition [↑](#footnote-ref-84)
85. In fact, central funds are not technically held in a “pot” as a contingency (as used to be the case); rather, the Treasury holds such funds ‘virtually’, effectively guaranteeing that funds can be found from the current account as and when needed. [↑](#footnote-ref-85)
86. Funds approved never translate neatly into aid on the ground – a treatment of exact timeframes would be unnecessarily lengthy for this report, but two months is considered fast [↑](#footnote-ref-86)
87. households interviewed did not always know the origin of the aid; WFP were not able to share detailed enough data for the evaluation to make this judgement [↑](#footnote-ref-87)
88. Cabot Venton, forthcoming. [↑](#footnote-ref-88)
89. # Cabot Venton, C (2016) The Economic Case for Early Humanitarian Response to the Ethiopia 2015/2016 Drought

    [↑](#footnote-ref-89)
90. Ibid. [↑](#footnote-ref-90)
91. See thematic evaluation inception report at LINK. [↑](#footnote-ref-91)
92. OCHA feels that MY funding also encourages better monitoring and evaluation (and thus quality) of projects. The evidence, however, was anecdotal. [↑](#footnote-ref-92)
93. As noted earlier, WFP has used its guaranteed multi-year funding as collateral on corporate loans, allowing early procurement of P4P stocks. Although MY funding is not a pre-requisite, it has allowed significant cost savings [↑](#footnote-ref-93)
94. WFP Food Relief Support Project Completion Review 2016. [↑](#footnote-ref-94)
95. Ironically April 2015 was the point at which the drought was starting to become really serious in the Somali region. [↑](#footnote-ref-95)
96. UNHCR (2015). “Annual Review 2014, Medium Term Assistance to Refugees in Ethiopia.” [↑](#footnote-ref-96)
97. The DFID Annual Review of its support to WFP Ethiopia 2012-15 states that the efficiency and effectiveness of WFP’s relief operation improved in 2014. On average, the time from prioritization to allocation to delivery to FDPs by the Government of Ethiopia and WFP fell from 16 to 11 days. The time between delivery and distribution fell from 9 to 5 days. These gains were attributable to a framework contract for transport initiated under the DFID MYHF. [↑](#footnote-ref-97)
98. Another NGO leader in 2014 commented that they expect to be in the country in 40 years’ time! [↑](#footnote-ref-98)