

Thematic evaluation of MYHF in Ethiopia Formative report

Formative Evaluation Report, July 2015



About the project

The research project “Building resilience and managing risk in fragile and conflict-affected states: A thematic evaluation of DFID’s multi-year approaches to humanitarian action in the Democratic Republic of Congo, Ethiopia, Sudan and Pakistan” is funded by the UK Department for International Development (DFID) as part of its Humanitarian Innovation and Evidence Programme (HIEP), and runs from April 2014 to December 2017. HIEP is a joint initiative between DFID’s policy, operations and research departments to improve the quality, quantity and use of evidence in humanitarian programming. It is running over 20 long-term research projects between 2012 and 2018, exploring a wide range of issues from how to manage risk in humanitarian work, to building government capacity in disaster-risk management, to improving the quality of evaluations in humanitarian contexts.

Executive summary

This formative report is the first in a number of outputs from the thematic evaluation into Multiyear Humanitarian Funding (MYHF). It sets out preliminary findings following initial rounds of enquiry. This provides a summary of work to date, and is intended to be of principal benefit to the Department for Foreign and International Development (DFID) and its partners in ongoing programme design work. For the evaluation team it is a useful exercise in consolidating work done to date and helping refine the thinking on next steps.

The thematic evaluation was initially commissioned in early 2014 and, following a six month inception period, started work properly in November that year. The evaluation in Ethiopia considers a portfolio of £142 million of MYHF, running from 2012-2016. DFID funds three partners in this way – the World Food Programme (WFP), the United Nations High Commissioner for Refugees (UNHCR) and the Humanitarian Response Fund (HRF) managed by the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA).

The evaluation has three major questions. These include looking at building resilience and humanitarian response, the use of contingency funding, and value for money (VFM). The approach chosen by the evaluation is a combination of qualitative panel enquiry for the first question and a mix of more standard evaluative techniques for the other two questions.

In March 2015 a first proper round of interviews with people in areas where DFID MYHF is operating took place. This followed two pilot exercises elsewhere in Ethiopia to test the method. Simultaneously the team had been interviewing DFID partners and other stakeholders, as well as working on the collection of VFM data.

The first round of panel interviews took place in three districts in Somali region, all with different livelihood characteristics and all at times of emergency response. They are all places where one or two of the three DFID MYHF partners work. In total the evaluation plans four rounds of interviews with the same individuals. The evaluation will also initiate similar studies in Dolo Ado in November and West Hararghe in the near future.

The evaluation has been working closely with all three MYHF partners to analyse the VFM question. All three of the partners value this type of funding and are keen for it to continue. Pinning down the added value, however, has proved more complex than initially thought.

The initial results of this enquiry are a work in progress in the sense that the evaluation is iterative, building as it does layers of questions and answers in both primary and secondary data collections. This means that findings now are tentative and, at least as regards the question of supporting resilience, for the most part form more of a baseline for the evaluation than a set of definitive conclusions. Nevertheless, some emerging patterns are worth noting at this stage.

Firstly, MYHF seems to have produced little substantive change in the way that the three DFID partners work. Institutional barriers to change exist in two of the three agencies. Established ways of working mean that all three are essentially planning as they did prior to the introduction of MYHF, primarily on an annualised or short-term basis.

Secondly, and in contrast to this, the nature of the problems people face, at least in Somali region where the first round of research was conducted, are profoundly long term. A succession of large scale droughts from the 1980s onward have changed the reliance of livestock, at least for those interviewed, and resulted in a more diversified livelihoods base. Another long term issue of extreme significance is the infestation of the prosopis shrub on farmland. This is something that is beyond the view of aid policy for the most part.

Something that requires further understanding is the important and complex part that safety nets, such as the Productive Safety Net Programme (PSNP) and WFP, play in people's lives. Land issues, clan hierarchies, labour opportunities and social institutions are all significant in terms of how people cope with shocks – their resilience. These also seem well beyond the remit of aid interventions that appear to be largely asset based. Even when irrigation canals are dug, or boreholes provided, it is far from clear how ownership of these work in practice and what access there is to them for the most vulnerable.

In terms of VFM of MYHF all three agencies like the predictability it provides. To this effect all three have been willing to work with the evaluation to try to quantify the benefits this affords them – a complex task in the context of multiply-funded large organisations. The ability for agencies (partners) to front-load investment, as a result of MYHF, gives them the opportunity to make savings, several examples of which are already provided to the evaluation. There are also some interesting areas where such investments may result in better quality assistance to people. This is of particular interest for the next steps of the evaluation.

The evaluation cannot at this point determine if MYHF helps build resilience or provides VFM. However, a further two years of data gathering is planned after which it is anticipated that the results of the summative evaluation will look quite different. What is clear is that humanitarian emergencies in Ethiopia are committed to working on issues long term and that agencies are working over the long term even if their planning frameworks are not. The logic behind the case for MYHF remains strong. The challenge is translating this into practical change. This formative evaluation provides some initial insights into areas where such change might be considered. The summative evaluation will aim to provide clearer policy prescriptions. In between the two the evaluation team will work with DFID and its partners to make the best use of emerging findings.

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List of Acronyms

CRIs	Core relief items
DFID	Department for Foreign and International Development
DRC	Democratic Republic of Congo
DRMFSS	Disaster Risk Management and Food Security Secretariat
ECHO	European Community Humanitarian Office
EU	European Union
FDPs	Food Distribution Points
GFD	General Food Distribution
HCS	Hararghe Catholic Secretariat
HIEP	Humanitarian Innovation and Evidence Programme
HRD	Humanitarian Requirements Document
HRF	Humanitarian Response Fund
IOM	International Organization for Migration
IRC	International Rescue Committee
Kebele	Village
M & E	Monitoring and Evaluation
MY	Multiyear
MYHF	Multiyear Humanitarian Funding
NGO	Non Governmental Organization
OCHA	Office for the Coordination of Humanitarian Affairs
PRIME	Pastoralist Areas Resilience Improvement through Market Expansion
PSNP	Productive Safety Net Programme
RESET	EU Resilience building programme in Ethiopia
SCI	Save the Children International
ToR	Terms of Reference
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
VE	Valid Evaluations
VFM	Value For Money
WFP	World Food Programme
Woreda	District

1. Introduction

1.1 Background to the evaluation

The thematic evaluation of DFID's MYHF in the Democratic Republic of Congo (DRC), Ethiopia, 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 takes place over three years, provisionally ending in late 2017. The purpose of the evaluation is to generate learning and evidence on whether and how a MYHF approach has enabled DFID programmes 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 inform DFID's humanitarian policy more broadly. The evaluation findings are also expected to contribute to the global evidence base on good humanitarian practice and on how to build resilience in the most fragile and conflict affected states.

1.2 Ethiopia context

Despite remarkable but fluctuating economic growth in the past 15 years, and a predicted increase in foreign direct investment for the coming three years, Ethiopia remains one of the poorest countries in the world¹, ranking 173 out of 184 countries on the Human Development Index (United Nations Development Programme 2014). The Federal Government's Growth and Transformation Plan aims to raise Ethiopia to Middle Income Country status by 2025, with a minimum average economic growth rate of 11.2% per annum.

Annual Economic Growth rate (%) 2005-2013



Source: World Bank 2015

¹ There is also some suggestion that there has been growing inequality in the country, although it is hard to get good data. One source gives a surge in urban inequality from 0.34 in 1995 to 0.44 in 2004. Nationally, figures have gone from 0.30 in 2000 to 0.34 in 2011.

Widely varying climatic and geographical zones range from highland alpine in the North East Highlands to desert in the east, semi-desert in the south east and south and tropical and semi-tropical in the central belt and the west and south west. This variation leads to disproportionate highland population densities heavily dependent upon rain fed agriculture.

By 2017 Ethiopia will have an estimated population of 94,351,000². With 80% of the rural population occupying the highlands on an average agricultural holding of less than one hectare, a large proportion of the population struggles to achieve household food security. This effort is hampered further by erratic rainfall patterns and regular droughts which are particularly prevalent in the more sparsely populated lowland regions. Average income has hovered at around \$100 USD per year for many years and, with very limited alternatives to on-farm employment, is likely to do so for some years to come. Whilst data does not exist to make definitive judgements, increased average temperatures makes Ethiopia look vulnerable to climate change³ due to the predominance of rain fed agriculture (with the belt-dependent areas of the highlands at particular risk).

Ethiopia has suffered historically from under-investment in social services and infrastructure. Whilst these have both improved in the years since the fall of the Derg regime in 1991, they remain woefully inadequate. Despite this, the infant mortality rate has fallen from 122/1000 to 44/1000 since 1990; the under-fives mortality rate has similarly fallen from 205/1000 to 64/1000 in the same time. However, 20% of infants are born underweight and 44% of the population suffers from moderate or severe stunting⁴, with implications for future workforce productivity⁵.

Education suffers similar under-investment with a literacy rate of only 39% across the country. Although there has been a burgeoning of tertiary and vocational education in the past 20 years this has not been matched by a rise in off-farm employment opportunities. The government and service sectors employ only 10% of the working age population, with industry accounting for a maximum of 5% more. The remaining 85% of the working age population continues to earn its living from the land. Although bordered on three sides by countries undergoing internal conflict, and hosting a conflict-affected refugee population of nearly 700,000, 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.

Safety nets and social protection

With a large proportion of the population at, or close to, subsistence production levels, limited off-farm employment opportunities, and petty trade⁶ and remittances the main sources of supplementary income for most families, the Federal Government's PSNP, now in its fourth round, constitutes an important contribution not only to household income but also, for many, actual survival.

² FDRE Central Statistical Agency 2015

³ Deressa, T; Hassan R; and Ringler, C: Assessing Household Vulnerability to Climate Change, IFPRI 2009

⁴ All figures from Unicef State of the World's Children 2014, correct to 2013, with caveats provided by the authors of the report

⁵ <http://www.prb.org/Publications/Articles/2012/stunting-among-children.aspx> accessed 14/06/2015

⁶ For example, in the northern highlands this might constitute small-scale injera production for local sale, and in eastern Somali, the establishment of a tea shop or the sale of milk in the local market

The PSNP assures a cash or in-kind income, in its present form, of up to 10 million chronic and transitory beneficiaries for up to 12 months a year by 2018^{7,8} depending on the household's level of vulnerability, in return for participation in public works programmes which are deemed to benefit the wider community⁹.

The PSNP's potential expansion to embrace targeted urban populations (still technically at appraisal stage) emphasises its function as an almost universal social safety net, and acknowledges the pressure to migrate as a household economic (resilience) strategy.

With a six month cash supplement for graduating households, and with links to the National Nutrition Programme to enhance infant and child development (thus addressing issues of undernutrition and stunting), the PSNP provides a social protection mechanism to mitigate the worst effects of chronic vulnerability. In establishing a contingency budget for disbursement at woreda level (part of which can be triggered at the discretion of the local authorities, the remainder on approval at regional level) the PSNP also attempts to address the issue of transitory need. This covers households that are in principle food insecure for the most part and exclusions in the registration process. By so doing, the PSNP becomes a bridge between development (social protection) and humanitarian assistance, budgeted for through the Federal Government's annual Humanitarian Requirements Document (HRD) estimated to reach up to five million people in 2015¹⁰.

Trends in humanitarian assistance

Ethiopia's explicit conjunction of a predictable social safety net and transitory 'shock' funding is of particular importance in a time of declining humanitarian assistance to the country.

The pressure to fund humanitarian needs in Syria, Iraq and Yemen, and the major humanitarian shocks in the Philippines, Nepal, West Africa and elsewhere between 2013 and 2015, has seen a reduction in total contributions and pledges to Ethiopia of more than 50% (from approximately \$541,100,000 USD in 2013 to approximately \$237,700,000 USD in 2015^{11,12}, with private donors now contributing more than the European Community).

In this environment, DFID's multiyear (MY) funding policy to selected United Nations (UN) partners¹³ is a valuable contribution not only to the humanitarian response but also to the Ethiopian government's explicit effort to bolster resilience. The European Union (EU)/European Community Humanitarian Office (ECHO) and EU Resilience building programme in Ethiopia (RESET) programme, which attempts to bridge the gap between humanitarian and development funding in eight clusters nationally, and

⁷ PSNP4 coverage will expand in woredas already served under PSNP3, before extending to a further 92 woredas, for a total of 411, by 2018

⁸ But this constitutes less than half the number of people living in absolute poverty (ECHO/EU RESET concept note draft October 2014)

⁹ NB those considered to be very vulnerable (eg pregnant women, chronically ill or older people) are exempt from the public works obligation

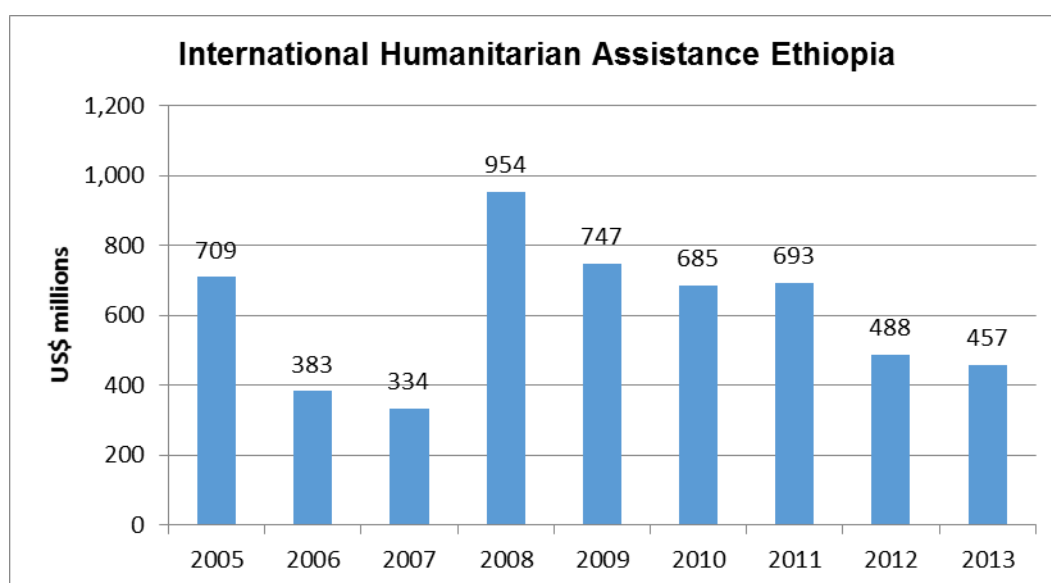
¹⁰ Humanitarian Requirements 2015, Joint Government and Humanitarian Partners' Document, Addis Ababa, January 2015. This is undersubscribed, an important issue given the late (possibly failed, 2015) belg rains

¹¹ UNOCHA FTS, 15 June 2015. NB FTS data includes the CERF, contributions from UN Agencies, carry-over funds, unspecified contributions and donations from non-DAC countries

¹² NB DAC members also report to FTS, but the figures can differ. Eg, GHA figures for 2013 show calculated DAC donations of \$425 million USD whereas FTS reports \$444 million USD (personal correspondence 29/06/2015)

¹³ UNHCR, WFP and UNOCHA

the United States Agency for International Development (USAID) Pastoralist Areas Resilience Improvement through Market Expansion (PRIME) project, which has an explicit resilience objective whilst incorporating a crisis modifier to address sudden shocks, further support the national resilience agenda. Lastly, the Office of US Foreign Disaster Assistance (OFDA)/ECHO Emergency Response Mechanism managed by the International Rescue Committee (IRC) and GOAL, coupled with the largely DFID-funded HRF managed by OCHA, provide a further crisis-modifier for spikes in need on a national basis. And whilst these initiatives in reality cover a relatively limited geographical spread they all, with the exception of the UNHCR envelope, lend weight to the broad objectives of the PSNP as a predictable safety net.



Source: Development Initiatives based on OECD DAC and UN OCHA FTS data 2005-13¹⁴

Risk and vulnerability

The Ethiopian government established a woreda level disaster risk-profiling approach to disaster risk management in 2008, based upon the food security assessment methodology adopted by the government in 2004¹⁵. This process examines the key vulnerabilities by district, which themselves inform the kind of early warning and response plan that might be needed by district and arrives at, and culminates in, a contingency response plan to be updated on a regular basis. This itself supports the PSNP contingency planning process that triggers woreda, regional and federal level responses to emerging shocks. A revision of the woreda baselines commenced in 2015.

¹⁴ Development Initiatives international humanitarian assistance calculation includes humanitarian assistance from international governments, private individuals, foundations, trusts, private companies and corporations. Non-DAC contributions are extracted from UNOCHA FTS. Further refinements are made to avoid double-counting of individual country assistance and that channelled through, for example, the EU

¹⁵ DPPC Guide to Needs Assessment in Ethiopia, 2004

1.3 DFID portfolio

The evaluation considers a portfolio of **£142 million from 2012 to 2016** distributed across three separate business cases:

- **WFP: £95 million** from 2012-15 inclusive (under two LoAs, covering 2012-13 and 2013-15), of which **£15 million** covers a transitory caseload of 240,000 for nine months (beneficiaries not covered by the PSNP).
- **UNHCR: £22 million** from 2013-15 inclusive, of which **£15 million** (including £360,000 surge capacity) is for distribution as grants predominantly to Non Governmental Organization (NGO) implementing partners, and UNHCR staff capacity support; **£6 million** additional programme funds; **£1 million** pre-approved contingency budget to address spikes in need, and
- **OCHA: £25 million** from 2012-14 inclusive, of which **£18 million** is devoted to the HRF (and thus multiple implementing partners), **£1 million** to bolster OCHA's in-country coordination efforts and **£6 million** as a contingency for unforeseen humanitarian responses.

WFP	Food (general ration)	£95m	2012-2015
UNHCR	Refugees	£22m	2012-2015
OCHA	Emergency fund (HRF) – non-food (water, sanitation and hygiene, health, nutrition, etc)	£25m	2012-2016

The three programmes are set out below in more detail.

UNHCR

The UNHCR portfolio is predominantly centred in three camps for Somali refugees in the Dolo Ado woreda of southern Ethiopia. In addition, DFID funds have been used to respond to the emergency influx of South Sudanese refugees in west Ethiopia.

	FY2013	FY2014	FY2015	Contingency	Total
Original BC	£5m	£5m	£5m	£0	£15m
Revised BC	£5m	£7m	£9m	£1m	£22m

The outputs from the DFID business case are:

- Output 1: Provision of nutrition services to refugee and host communities in Bokolmanyo refugee camp - Save the Children International (SCI).
- Output 2: Provision of essential sanitation and hygiene for refugee populations in Bokolmanyo and Melkadida refugee camps – International Medical Corps.
- Output 3: Provision of transitional shelter for refugees in Melkadida refugee camp – International Organization for Migration (IOM).
- Output 4: Provision of vocational skills, literacy and numeracy training for adolescent refugees in Bokolmanyo refugee camp - SCI.
- Output 5: Provision of safe water and sexual and gender-based violence

prevention and response to Sudanese refugees in Sherkole, Bambasi refugee camps and Ashura transit site (IRC).

- Output 6: Effective programme management, coordination and reporting, and preparedness and provision of essential relief items (UNHCR).
- Output 7: Provision of surge support to respond to new refugee caseloads and critical gaps in response (Norwegian Refugee Council, IRC, IOM, UNHCR).

Key results reported by UNHCR for the £6.88 million funding for 2014 included:

- Therapeutic and supplementary feeding for 4,444 malnourished children.
- Infant and young child feeding support for 11,339 children and mothers.
- Construction of household latrines, community based solid waste management and environmental health campaigns for Bokolmanyo and Melkadida camps.
- Cumulative transitional shelter (since the beginning of 2012) for 10,210 refugees.
- Basic literacy and vocational skills training for 1,400 adolescent refugees.
- Provision of safe water to 9,469 Sudanese refugees.
- Case management services and psychosocial support for survivors of sexual and gender-based violence.

WFP

The two WFP business cases add up to £95 million over the period 2012-2015. This has comprised an annual £20 million contribution over four years¹⁶, plus a pre-approved £15 million contingency to top up the predictable contributions on the basis of early warning that needs will increase and/or fill a critical gap in the food pipeline.

WFP is an integral part of Ethiopia's disaster management system, delivering a large portion of the assistance under its HRD every year. It partners with government, and in particular the Disaster Risk Management and Food Security Secretariat (DRMFSS) to deliver food and cash to priority woredas. In practice this has meant a significant emphasis on the Somali National Regional State, where WFP runs a 'hub and spoke' operation for general food distribution (GFD).

The DFID funding has been targeted against the Protracted Relief and Recovery Operation that WFP runs in Ethiopia, supplying food and cash in partnership with the DRMFSS through the local and regional administrations. There is an assessment of need every six months, run jointly using household economy analysis methods, with individual households added to targeting lists at a local level on the basis of priority areas identified in this exercise.

The DFID business case sets out four main objectives:

- Output 1: Sufficient food delivered to disaster-affected populations.
- Output 2: Women are the holders of food entitlements and collectors of GFD.
- Output 3: Food insecure people, in particular women, children and vulnerable groups, have access to emergency nutrition services.
- Output 4: Improved economy, efficiency and effectiveness of relief food operations.

Over the four year period DFID assistance has been primarily targeted at GFD, with a smaller part latterly also going to targeted supplementary feeding. Table 1 below

¹⁶ In advance of the first full Business Case in 2013, a "stand alone" interim £20m allocation was approved in May 2012. The first allocation of £20 million under the full multiyear process was effected in April 2013.

gives a sense of how the funds were distributed in 2014, and how this compares to other donors.

Table 1: Breakdown of donors to WFP Ethiopia

Donors to WFP Ethiopia for 2014 Operations as of 30 April											
Donor	PRRO 200290			PRRO 200365	CP 200253			SO 200364	SO 200358	TRCA200427	TOTAL
	RELIEF	PSNP	TSF	REFUGEES	MERET	HIV/AIDS	FFE	UNHAS	DJIBOUTI HUB	PEPSI CO	
CANADA		23,900,574	2,692,998	2,692,998							42,918,508
UNHAS-COST RECOVERY								148,200			148,200
FINLAND				1,340,483							1,340,483
FRANCE			407,056								407,056
GERMANY					44,158						44,158
JAPAN				4,200,000							4,200,000
MULTILATERAL	2,000,000		2,700,000	1,700,000			1,900,000				8,300,000
PRIVATE DONORS							32,952			1,262,757	1,295,709
SWITZERLAND				554,324	1,108,647						1,662,971
UK/DFID	26,850,746		3,000,000					798,722			30,649,468
USA(PRM/OFDA)								400,000			400,000
USA USDA							9,081,645				9,081,645
USA/FFP	18,019,765			37,471,435							55,491,200
USA/PEPFAR						6,349,101					6,349,101
GRAND TOTAL	46,870,511	23,900,574	8,800,054	47,959,240	1,152,805	6,349,101	11,014,597	1,346,922	13,631,938	1,262,757	162,288,499

On an annual basis the GFD contribution (at least two thirds of the total) has translated into roughly three million beneficiaries for one month, or 250,000/month. WFP’s own Community Household Surveillance system has indicated an improved food consumption score over that period, although it has also noted an increase in numbers requiring food aid.

WFP has used the contingency funds twice to respond to a spike in need – £10 million was drawn down in 2013, and £5 million in 2014, to provide life saving support to the influx of refugees from South Sudan.

OCHA – HRF

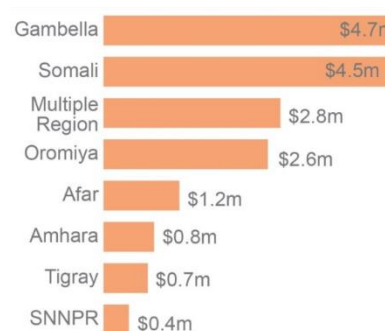
The HRF is a pooled fund managed by UN OCHA on behalf of the humanitarian coordinator.

Established in 2006, the HRF is used to respond to disasters triggered by natural hazards such as floods, droughts and outbreaks of diseases, and complex, conflict-related crises. The distribution of funds is based on the assessment of needs within the context of both the annual HRDs and other humanitarian situations that may emerge.

The four main objectives of the HRF are to:

- Ensure more adequate, timely, flexible and effective humanitarian financing through the use of the pooled funding mechanism.
- Empower the humanitarian coordinator system.
- Support development of the cluster approach to coordination.
- Improve partnerships between UN and non-UN actors.

The HRF allocates funds on a rolling basis. Proposals may be submitted anytime throughout the year to respond to unforeseen or emerging needs. Depending on the context, funds can be allocated through calls for proposals. This type of allocation is solicited for protracted emergencies, where humanitarian situations necessitate a coordinated response. Calls for proposals are announced and coordinated through clusters.



There is a grant ceiling amounting to a maximum of

\$700,000 USD for a period of six months for a project. Depending on identified needs, priorities and project merit, the funding cap/duration can be lifted. However, in 2014, due to the limited funding and humanitarian outlook, the normal maximum grant for the HRF was temporarily capped at \$300,000 USD.

DFID was a founding member of the HRF in Ethiopia in 2006 (initially called an ERF) and has been its biggest supporter and funder over time. In 2014 DFID was one of only four donors, providing 75% of the funds.

Donor	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total per donor
DFID	8,861,284	7,632,793	28,489,852	11,377,560		17,813,610	12,558,870	9,693,053	14,598,519	111,025,541
Netherlands	5,012,000	3,395,940	25,675,674	15,441,176	9,790,210	6,875,000	6,428,571	1,250,000		73,868,571
Sweden		577,565	4,090,487	6,476,850	3,696,600	6,163,328	4,515,352	1,524,158	3,490,986	30,535,326
Norway	1,553,277	2,022,776	2,656,166	2,232,764	764,059	2,155,207	820,417	830,151		13,034,817
Denmark				4,854,369		5,786,640	889,521			11,530,530
Ireland			4,352,603	2,033,133		962,128	1,093,026	663,130	687,758	9,791,778
Spain			1,347,709	1,506,024	1,221,001	726,744	647,668			5,449,146
Switzerland	247,934		689,852	699,301		1,760,333	618,195	1,294,788	932,642	6,243,045
Italy			857,233	1,010,101		709,610				2,576,944
Private donation						93				93
UNF									4,108	4,108
Total per year	15,674,495	13,629,074	68,159,576	45,631,278	15,471,870	42,952,693	27,571,620	15,255,280	19,714,013	264,059,899

The HRF has tended to be used more by NGOs than the UN system. In 2014, 56% of the projects were NGOs. This rises to 80% if the number is considered – 30 NGO projects versus eight UN projects. The geographical distribution depends on the context. In 2014 Gambella received the largest allocation as a result of the refugee influx, with the Somali region a close second.

2. Methodology

The method for the evaluation was developed over the course of a six month inception period, running from April to November 2014. The inception report sets this out in some detail.

The method has been developed around three main questions that form the core of the original terms of reference:

1. Are vulnerable individuals and households more resilient to shocks and stresses as a result of the work of DFID-funded interventions? 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 pre-approved contingency funding provide better VFM than annual funding for DFID and partners?

At the heart of the research approach for the evaluation is the need to test the hypothesis that MYHF can yield a different (better) way of working in protracted crises. The evaluation sets out to examine each link in the logic chain that connects MYHF with better programming.

The methodology adopted for the current research builds on a number of previous exercises.

Question one uses an experimental qualitative approach. The MY nature of the evaluation, and the funding that is being examined, allowed for the adoption of a longitudinal study with a panel approach. This means that the research teams return to the same individuals at six month intervals to see how their lives change in the face of a crisis, changing opportunity and possibly of international assistance. It also provides an opportunity for much deeper understanding because of the possibility to use repeated interviewing to verify and expand upon information already recorded.

By trying to understand how people live day to day, the sorts of problems they encounter and how they cope, or otherwise, with these, the research arrives at an understanding of resilience (with coping being used as a proxy for 'resilience' in the early stages of the research). This builds on an earlier approach developed by Valid Evaluations (VE) in Ethiopia in the course of the Inter-Agency Standing Committee Real Time Evaluation of the Response to the Drought Crisis in Ethiopia of 2011, and used in an adapted form for a 2012 review for the World Bank of the workings of Risk Financing Mechanism of the PSNP. While the approach taken in the early stages has been purely qualitative, provision is made for quantitative analysis in the future¹⁷.

Question two has not been the focus of research in this first round of data gathering. This is planned for later in 2015.

Question three initially builds on work that agencies are undertaking to examine VFM. In the majority of business cases this has been one of the objectives agreed with agencies (for instance the WFP and the UNHCR business case). As a result, these agencies have already been collecting some of this data and have been eager to collaborate with VE to further refine this. A framework for structuring this data has

¹⁷ The MAXQDA 11 software package employed to code the qualitative data goes some way to quantifying the information contained in the interview transcripts

been developed based on earlier work related to MYHF and VFM¹⁸. On the basis of this self-reporting, the evaluation will at a later stage undertake some primary data gathering to corroborate findings.

In addition to work collecting primary data through household interviews, and secondary data with agencies, the evaluation has undertaken regular rounds of key informant interviews, semi-structured interviews with government, donor, UN and local and international NGO officials at national and regional levels.

Preliminary analysis and coding of primary qualitative data has taken place using qualitative coding software. The approach of the study is one that has been called 'grounded theory', an inductive methodology where research does not start with a theory (which would include, for example, a predefined coding pattern) but instead looks for theories to emerge from a systematic analysis of the findings. In practical terms this means that 'coding' (i.e. what the research is looking for) evolves during the study as ideas evolve for explanatory 'theories' (i.e. we start to find patterns that can explain the range of what we hear about life, crisis and coping, and we systematically look at how well these patterns really fit what we hear). The information that the study looks at includes not only the interviews from the panel respondents, but also very different perspectives gathered from interviews with a range of other people, or stakeholders, and from an analysis of secondary data gathered by government, donors, the UN system, NGOs and research programmes.

The methodology developed and tested in Ethiopia has been adopted and adapted for use in the three other countries subject of the thematic evaluation (DRC, Sudan and Pakistan).

2.1 Methodology development

As set out in the inception report, the current methodology was developed over a period of six months, and tested over the course of two pilot exercises in West Hararghe zone of Oromia region (Chiro, Mieso, Daru Lebu and Gelemso woredas), in September 2014 and South Wollo zone of Amhara region (Dessie Zuria, Legambo, Tenta and Delanta woredas) in November 2014.

In each case a multi-disciplinary core expert team was assembled consisting of a generalist, a nutritionist and a household economy analyst.¹⁹ The team was completed with researchers hired from local universities (Haramaya and Dessie), officials from the zonal office and relevant woreda officials to facilitate activities at the community level.

The VE research teams thus assembled underwent an intensive two day training in discursive questioning techniques in the zonal capital prior to departure to the study areas. The teams were asked to address five broad areas of discussion to arrive at an understanding of what resilience means to the average rural household, and how it is achieved. These were framed as follows:

¹⁸ Cabot-Venton, C (2012). REF.

¹⁹ In W Hararghe they were supplemented by an economist, a medical doctor (the VE Sudan team leader) and an agricultural economist.

Problems

- What problems have you experienced or do you foresee? Why can't you avoid them? Who faces them and who doesn't?
- What is the impact of these problems on different people?

Solutions

- What do you rely on to get through hard times?
- What are you trying to do to get through?
- What are your and your family's minimum objectives/plans?
- What helps or prevents you from using these solutions to get by?

Assistance

- What help do you get?
- What can you rely on?
- Is this from your family? From the community? From the government?
- Can help from the family be from outside the community (relatives in town or maybe outside the country)?

Terms and Conditions (Dependency/client relationship)

- Is there an expected repayment for assistance?
- What does a repayment look like? Is it material or moral?

Recovery

- What does getting through look like?
- How long does it take to get back to a situation where you can say you have got through?
- Are you better or worse off as a result?
- Are you at the same point?
- How does this look for different kinds of household crisis?

General lessons learned from the two pilots

Whilst both pilots yielded interesting and worthwhile information, it became clear that asking researchers to use simultaneously both a check-list of questions and be unstructured was counter-productive.

The emphasis of the first round of questioning came from a need to throw the net as widely as possible; that is to direct responses as little as possible and allow people's voices, stories and experience to emerge as genuinely as possible.

Three modifications were added as a result of this. The first was to request that the researchers ask people to describe their histories in as much detail as possible, focussing on shocks they had experienced in the past and how they had coped with them, in addition to obtaining a general life narrative to help put what they said into context.

The second was to ensure that interviews were structured according to how the respondents told their story, rather than the flow being interrupted by questions.

The third was to ask respondents to describe their household income and expenditure.

Overall however the loose outline of the enquiry was retained – problems, solutions, assistance and recovery, but the sub-questions were de-emphasised. It also became clear to the research team that one of the advantages of the panel survey method was that information not captured in the first round could be followed up in subsequent visits, especially if the research team could be more or less retained.

Some findings

The research pilots arrived at some *counter-intuitive conclusions*, and some insights into the effectiveness of participatory project planning. For example:

1. *Very small and dwindling land holdings* is a major issue, with many families living on as little as 0.125 ha (West Hararghe). Populations are continuing to increase rapidly and many young adults have no land at all.
2. *Education is one of the highest priorities for almost everyone* as a means to rise above the problems of dwindling land holdings and reduced household income, but is not seen as a productive investment since many children educated to an advanced level fail to find gainful employment (West Hararghe)
3. *Migration for work is common and sometimes permanent*. Migration to the Middle East or Gulf states is undertaken despite the known risks of expulsion (West Hararghe/South Wollo)
4. *A high cash income from coffee or chat* does not necessarily result in well-nourished children (West Hararghe)
5. *Voluntary resettlement is seriously considered²⁰* but is conditional, with re-settlers leaving a family member on their land to ensure a return if things go wrong (West Hararghe). Resettlement is rarely mentioned in South Wollo due, presumably, to past experiences with resettlement policies and programmes.
6. *Priority investment needs* identified by the community seem rarely to be acted on by government or aid agencies (West Hararghe/South Wollo, in both cases access to water and irrigation).
7. On the other hand, *families in South Wollo feel under undue pressure from the government to invest in expensive inputs* such as improved seed and fertiliser that puts them in debt. They do not feel that these inputs are particularly beneficial.
8. While self help and family support mechanisms are still a main source of assistance, *economic pressures are leading to a breakdown in family solidarity* (West Hararghe).
9. *The belg rains are changing and reducing*. Opportunities for diversification are so few in South Wollo and, with belg-dependent areas finding rainfall increasingly erratic, many respondents put their faith in God and the government to see them through. In West Hararghe the same applied. This suggests that decades of assistance from government and development partners, much of it aimed at improving sustainable livelihoods, coping or resilience, has largely failed to address *adaptive capacity* – the ability of people in a society to find their own paths for dealing with a changing world.
10. *The PSNP is of existential significance in many parts of South Wollo* where access to it is often the difference between survival and household collapse. In West Hararghe it is seen as a major contributor to household income security. It is not seen as a temporary boost to enable graduation to a higher and more sustainable, more resilient situation.

²⁰ The research team is well aware of the controversy surrounding resettlement, especially when it is allegedly not voluntary. This is not a comment on the practice nationally, merely a reflection of a few very local interviews where such ideas were discussed as potential solutions by the householders.

11. *In West Hararghe there is an expressed preference for productive loans over NGO or government handouts.*

2.2 Selection of the study regions

Following the pilot exercises the team, together with DFID and partners, selected three different geographical locations to undertake substantive research.

The three regions subject to the MY evaluation – Site, Shabella and Korahe zones in the Eastern Somali Region, Dolo Odo woreda in Somali region, and West Hararghe zone in Oromia region – were selected for the following reasons:

- All three have at least two, and in most cases three, of the MYHF partner agencies assisting them.
- All three have quite diverse livelihood characteristics and represent to some degree different parts of Ethiopia.
- The refugee caseload was seen to be essential as UNHCR is one of the three MYHF partners, and this will be the only refugee specific study in the four countries.
- All three have resilience initiatives taking place alongside the DFID MYHF programmes (notably the EU/ECHO RESET programme, USAID PRIME, and the DFID peace and development programme)
- Two out of the three benefit from the PSNP.

The three areas display clear differences both between regions and within the regions themselves.

West Hararghe zone has a predominantly middle highland (woina-dega) agrarian economy dependent upon food (sorghum and maize) and cash cropping (in particular coffee and chat) with a lowland (kolla) agro-pastoralist economy to the north-west (Mieso woreda, abutting Somali region) and areas of highland (dega) to the east.

While cash income from agriculture and petty trading (including the sale of firewood) is relatively high, the large area of land turned over to cash cropping has, historically, led to high levels of undernutrition, exacerbated by frequent rain shortages (drought or rainfall shortage is now considered to be the norm). This means the area is subject to periodic nutrition emergencies and thus a relatively frequent recipient of humanitarian attention. The HRF and WFP are active in West Hararghe.

Land tenure and customary inheritance laws mean that households are often expected to maintain themselves on 0.125 ha of land, with many householders having to search for work for the first time in their lives. Access to markets and income diversification is problematic for the more remote woredas, and temporary or more permanent migration to the large urban centres of Harar and Dire Dawa, or across the border to Djibouti, is common.

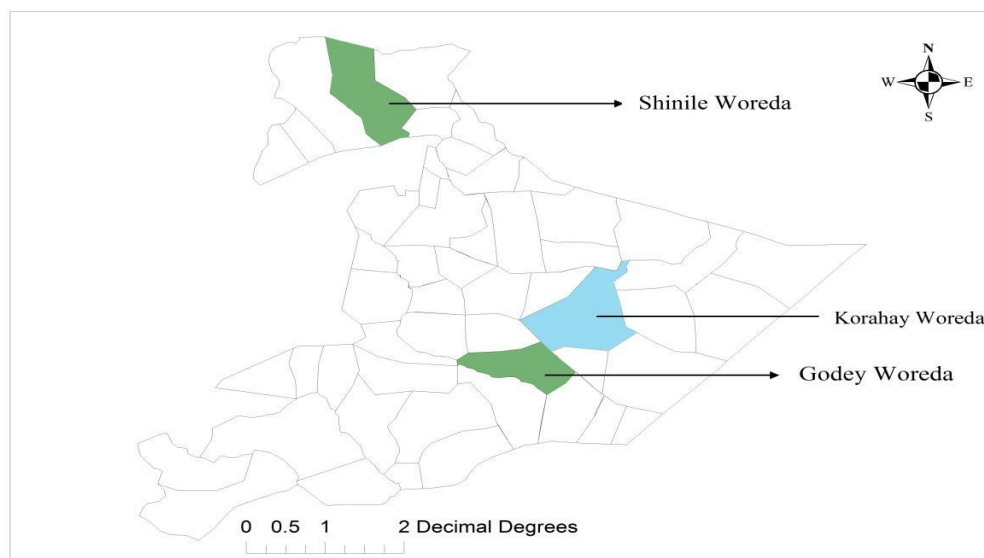
Dolo Ado has a large Somali refugee population and host community served by a number of UN agencies and international NGOs. The livelihood patterns within the camps are prescribed by the humanitarian assistance provided and by the movement of refugees between the camps and their places of origin (security permitting). It has been the main recipient of UNHCR MYHF.

While the three zones of the **Eastern Somali region (Siti, Shabelle and Korahe)** display quite different characteristics, in general they embrace a mixture of pastoralist and agro-pastoralist populations looking to satisfy their household needs through trade and exchange. It is the largest recipient of WFP food, and also receives a substantial share of HRF projects. It is also the most emergency prone in recent years, or at least the area in which a major part of humanitarian financing and attention is directed.

2.3 Research in Somali zone

The first substantive round of research took place in Somali region in March 2015. Three woredas were chosen:

- Shinile woreda (Site zone): usually characterised as predominantly pastoral, close to Dire Dawa and relatively accessible.
- Gode woreda (Shabelle zone): described usually as a mix of pastoral and agro-pastoral and historically the site of serious drought, malnutrition and aid operations. It is harder to access due to security.
- Kebredahar woreda (Korahe zone): characterised as mostly pastoral. It is difficult to access both logistically and because of insecurity.



First research round, East Somali region, 26 February-18 March 2015

East Somali region presents logistical issues not encountered in the two pilot study areas. First the region's infrastructure is limited and, whilst there is a tarmac road from Jijiga to Gode, travel off road is difficult and security variable particularly in Kebra Dehar (Korahey) zone. Secondly, while non-Somalis may work safely in Shinille zone, in particular in the kebeles subject to the study, the same is not true for Korahey, whilst the situation in Gode zone is variable.

Our experience in the two pilot studies had led us to believe that recruitment would be relatively straightforward. This proved not to be the case in the East Somali region where the language and ethnic barrier proved to be a significant challenge in recruiting experienced researchers who could adapt to the new method. However, thanks to long standing contacts with both SCI in the region and the Somali regional

government, it was possible to secure the services of four experienced researchers and a part-time team leader. This was less than anticipated and less than desired, but the team still managed to conduct 77 interviews which, though below our target, should be just sufficient, allowing for attrition, to achieve the objective of a panel through the two years of 60 households. However, this achievement was partly at the cost of constrained time in the field and as a result interview time was curtailed, resulting in less detail than was hoped for.

Another significant constraint was that in two out of the three woredas the researchers were unaccompanied by the more experienced VE team, as it was judged as safe only for ethnic Somalis to travel in those areas. This meant it was not possible to mentor or supervise them. As a result some of the interviews, especially toward the end of the exercise, were of reduced quality.

Training

A four day training and supervised practice workshop, following the format developed in the pilot studies, was held in and around Dire Dawa and Shinile woreda.

The training focused primarily on interview techniques and how to undertake the research analytically rather than simply following a survey type questions and answers approach. The training introduced the purpose of the research, discussed in some detail the context within the Somali zone and studied some practice material.

Two days of classroom work was followed by one day of practice interviews conducted in villages a one hour drive from Dire Dawa. This was followed by a fourth day in which the interviews were analysed, discussed and improved on. A final day was then spent planning the evaluation.

Schedule

The interview work took approximately 15 days, with three kebeles targeted in each of the three woredas (see below for details). Each researcher was able to undertake two to three interviews per kebele, with one kebele taking a day inclusive of travel time. Using four researchers this translated into 77 interviews. The field research was followed by a two day feedback workshop in Jijiga, again with VE team members.

Selection criteria

The original intent was to use purposive sampling to reach as wide a cross section of the population as possible. This was not confined to wealth groups as it included gender, age, social standing and other criteria by which villagers classified each other.

To determine this a set of basic Participatory Rural Appraisal tools was used to understand these breakdowns. Once basic wealth ranking, village mapping and institutional mapping had been conducted, the researchers were then to choose households, together with authorities, that represented the various groups. No attempt was to be made to weight the sample to be representative, since nothing would be gained by doing so and opportunities to maximise diversity would be lost.

In the end the time constraints imposed by security and travel meant the researchers elected not to use this formula. Given the remote management nature of the exercise, and the lack of choice available to the VE team it was judged expedient to

let this go and work with a more straightforward 'conversation with the local authorities' type of purposive sampling.

In the end the researchers acknowledged that this was an error of judgement. A retrospective understanding of the detailed social and economic breakdown of the kebeles will therefore be undertaken.

Despite the fact that the selection was not as rigorous as had been intended or as objective as it could have been the researchers did set out to find difference. The fact that all the four interviewers were Somali males of a similar age and background (education) may have allowed natural bias to creep in, but it should be possible to correct for these constraints in subsequent rounds.

The nature of the panel enquiry means the same individuals or households will be interviewed throughout the life of the study. The initial panel is larger than the intended size (60) to allow for attrition. Some characteristics of the cohort are:

- 30% female (i.e. exclusively female headed households)
- 10% under 30
- 27% over 60
- Age range 22-94.
- Two are blind and two disabled
- 10% self identify as well off
- 20% self identify as poor or very poor

This suggests that the study has been reasonably successful in capturing diversity in the panel.

2.4 A brief overview of Somali zone and the sites included in the study

The Somali region is one of the largest and least developed regions of Ethiopia. It is a complex mix of urban and rural, with a long history of shifting borders driven by clan histories. Whilst precise figures are hard to come by, livestock trade accounts for a significant amount of the region's wealth with sheep, goats and camels forming major exports. The live animal trade may account for a tenth of Ethiopia's overall gross domestic product²¹ with much of this originating in, or transiting through, Somali region.

Many of the zones and villages of Somali region are remote and poorly connected to the more developed parts of the country. They have poor social services and physical infrastructure and although there has been some improvement in recent years they face frequent rain failures, disease outbreaks and floods. There is also intermittent conflict, driven by clan rivalries, as well as larger political movements.

Somali region enjoys a high degree of autonomy within the Federal system. Its capital is in Jijiga and the regional government has made good progress in recent years on development and humanitarian issues.

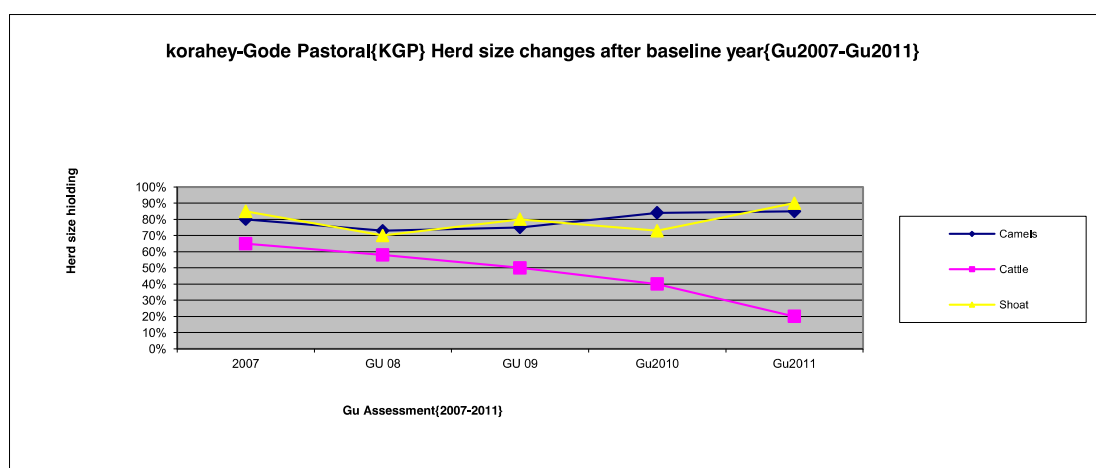
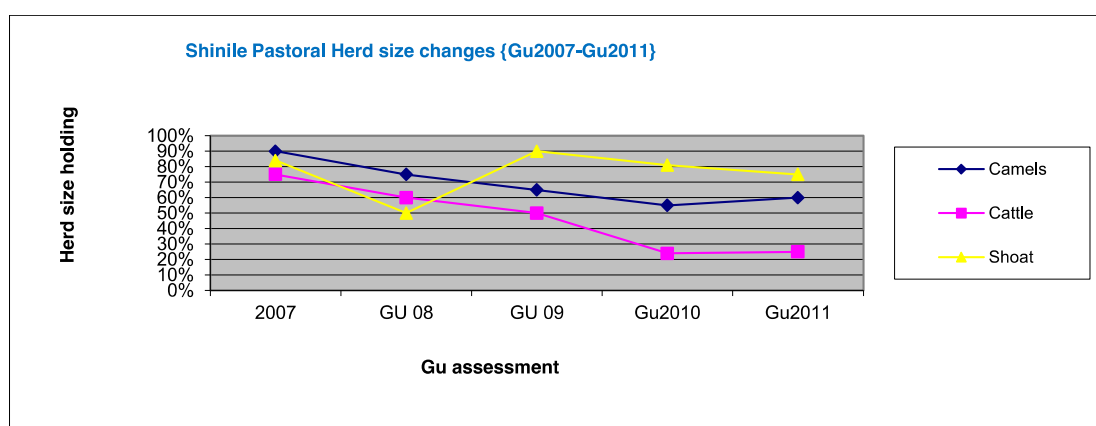
The main road infrastructure has improved markedly over the past few years but access to the interior is difficult and access to services for the population limited.

²¹ See for instance IGAD (2010). The contribution of livestock to the Ethiopian economy. This further suggests a gross underestimation.

The three woredas

As noted above the three woredas chosen for the study are a mix of pastoral and agro-pastoral.

The increasing frequency of droughts in the past 20 years has led to a substantial reduction in herd sizes, with cattle numbers suffering in particular. Successive drought episodes in 2000, 2003-2004, 2007, 2009 and 2010-2011, have significantly affected livestock numbers overall as well as herd composition with a significant trend, especially since 2009, towards substituting cattle with camels.



Source SCUK

Shinile

Shinile district is one of the seven districts of Siti zone of Somali Region. The woreda is located in a relatively central area of the zone bordering Hadagalle, Aysha'a, Dambel and Erer woredas of the zone in the north, east and west respectively and to Oromia and Diredawa council in the south and southwest part of the woreda.

Shinile has a total population of 102,516 residing in administrative kabeles of the woreda. The woreda town, Shinile, is also capital of the zone. It is located around 170km from the regional capital Jigjiga and just 12km from Diredawa. The woreda

has a bimodal rainfall pattern and receives an average of 400mm annual rain from Diraa' (Gu) and Karan rains. The Diraa' (Gu) rain starts in late March and continues until late May, while the Karan rain starts in late July and continues to late September after a short dry (hagaa) season in between. The long dry season (Jilal) normally starts at the end of September and extends to late March.

Baraaq kebele

The kebele was established in 1975 and is 27km from the north east of Dire Dawa. In 1977 UNHCR resettled people after the war of Ethiopia and Somalia in 1977. The water table of the kebele is good and there are two valleys with natural spring water.



The kebele is predominantly dependent on farming cereal and cash crops using both rain fed and irrigation water. People plant twice a year. Livestock holdings are mostly shoats (goats and sheep) and cattle. There are some camels that are brought to the area for browsing.

The kebele has an elementary school up to grade eight, a health post and little veterinary services. There is a water supply for drinking and agricultural irrigation operated both by government and international NGOs like SCI, Pastoral Community Development Program, Pastoralist Welfare Organisation and others.

Gaad



Gaad is a pastoral village located 27km northwest of Dire Dawa beside the railway to Djibouti. Its main livelihood comes from pastoralism and historically the railway. It was established by the Menilik empire under a French colonial agreement in 1896.

The kebele was valued by the Issa clan because it was the main place they created the traditional decorative weapons called 'qolxab'. During the period when the train was functional it was highly populated but in the last six years the railway has been closed for upgrading and there has been a clampdown on illegal trade by government. It is made up of five sub-villages.

The kebele has one water well constructed by the Hararghe Catholic Secretariat (HCS) that is well used. The community pays for usage according to the following rates:

- Human consumption – two birr for 20 litres
- 50 shoats – 15 birr
- One cow – one birr

One drink by a female camel – one birr
One drink by a male camel – two birr

Average daily consumption is 150-200 shoats, 20-50 cattle and 15 camels.

There is rangeland in all directions from the village.

Jeedane

Jeedane is 13km from Dire Dawa. It was also established after the 1977 war between Ethiopia and Somalia. It is mainly pastoral, although a small number of people are agrarian. The main planting seasons are spring (Gu) and summer, mostly sorghum. Cattle are the main livestock.



The kebele has one elementary school, a health post and a veterinary post. The rangeland is mostly to the east with farming to the west.

Gode

Dagino

The kabele is located on the bank of the Shebelle River. As a result, it is mainly agro-pastoralist with maize, onion and tomatoes being the mainstay. Farming is a mixture of rain fed and irrigated land.

People also have livestock including cattle, shoats and donkeys. The kebele has one sub-village called Haardibir where life is mostly sedentary and people are in the majority settled along the banks of the river whilst livestock is put out to pasture.



Hididole

The kabele is 8km from the Shebelle river. It was established after the Derg and was further populated through a resettlement program in 2003.

Livelihood activities are a mix of agriculture and livestock.

Kabridahar

Dalaad

The kabele is 20km from north west Kabridahar. It is located on the main road from Kabridahar to Gode. Dalaad is the name of the water wells used by the camel population during hard times and as such is well known throughout Somali region.



The kabele has good rangeland. The qoraxay plain lies to the south east and is ideal for browsers like camels and goats and other livestock. During hard times many pastoralists from different zones migrate here.

Bundada

Bundada qoraxay is 11km to the east of Kabridahar where both the Jarar and Fafan valleys end. It therefore has a good water supply and for this reason is well known as a mainly agro-pastoralist cultivating area for crops including cereals, sorghum and maize and for livestock such as cattle, shoats and camel.

The village did have a water well but this no longer works and needs repairing, according to the villagers. People were originally pastoralist but this has changed gradually over time due to years of drought.

Prosopes jullifar tree occupies most of the farming and rangeland of the Kabridahar district.

Galadid

Gadladiid kabele is 43km north-west of Kabridahar, on the main road from kabridahar to Degahabour. The kabele is mainly agro-pastoral relying mostly on rain fed agriculture (Gu) in spring (and Deyr) to grow sorghum and maize and keep livestock.



The kabele has a water well with the same name which used to have a similar status to Dalaad.

During the dry season this kebele is of vital importance to pastoralists who come from different zones including Qoraxay and Harar. On the day the research team visited for instance there were 25 different camel herds there, each about 50-100 camel strong. The majority of the herds were from Jarar zone and Yooqaale district with only three being local.

3. Findings

Question 1: Are vulnerable individuals and households more resilient to shocks and stresses as a result of the work of DFID-funded interventions?

The evidence presented in this formative evaluation is the first look at the households and communities under study. As such it is a preliminary set of findings, likely to change as knowledge increases and as further research takes place. This first round of primary research can almost be thought of as a framing exercise. It allows the team to understand the context and to work out a more detailed set of questions, and gives a baseline as the *start* of a longitudinal study which will continue for two years.

The panel study allows for both longitudinal research and a greater depth of research with each round of questioning building a more detailed picture and exploring patterns and trends.

The Somali region is a difficult one to study, not least because of the security and practical considerations outlined in the methodology section. This meant that the research team could not go to every area it wanted to, or spend as long as it wanted to in each area under study. Also, because the research round took place in the driest part of the year, an assumption might be that the pure pastoralist community was dispersed across the region in search of browse and water. This will be tested by conducting the next round of interviews during the wet season and using other strategies to actively seek out these stories.

With these caveats in place the review team were struck by the absence of the pastoral lifestyle in the communities visited. As the sample size was not intended to be representative, however, no quantitative conclusions can be drawn from the frequency of any characteristics or factors appearing in the interviews.

Nevertheless, there is a remarkable consistency both between the stories of people with regard to livestock holdings and the types of livelihoods that respondents were engaged in.

Livestock holdings have decreased driven by single event droughts

There is an historically long literature on the declining herds of the pastoral regions of the Horn of Africa going back many decades. A 2008 study, for example, details the changes before and after the 1974 drought²² which almost saw the loss of herding for those who had below average herds before 1974 (described as having been around 80 head of cattle and additionally over a hundred smaller livestock). Those interviewed in the first round of the longitudinal study describe the same historic narrative as continuing over the last 30 years, with people moving from a life where livestock holdings predominated, to one where they were less important or even marginal. Whilst there are a few different reasons for the reduction in livestock, including disease, wild animals, conflict and theft, the biggest by far was due to one

²² REF Improving drought response in pastoral areas of Ethiopia, Somali and Afar Regions and Borena Zone of Oromyia Region, Humanitarian Policy Group, ODI, January 2008

or more of the four severe droughts that have hit southern Ethiopia in the past 25 years.

The first of these is the Masala-tuur drought of 1991-1992. Interviews confirm that this was particularly devastating and wiped out significant cattle holdings. As such it is still regarded as having had enormous significance in determining the trajectories of livelihoods in the area. The Soodhaaf or Soodhaar drought in 2003 also wiped out huge numbers of cattle and camels and to a lesser extent sheep and goats. In some areas more than half the animals died. Again this drought is cited as a historic cause of a current livelihood situation. Other droughts mentioned as significant was the Gatama (2000) drought in parts of Gode and Kebridahar and the Gumaad drought in 2001. The Hambalaaye drought in 2008 hit parts of Kebridahar and the 2011 drought also appears to have had an impact (Labadanganlay). There were also post-drought diseases that further diminished weakened herds.

These large, severe droughts have reduced livestock holdings so much for some individual respondents in the study that it is no longer viable for them to earn a living from livestock. Respondents typically reported dramatic losses of cattle holdings from double, sometimes triple figures, to single figures. Typically, small livestock holdings of between 100-300 were reduced to a few dozen, and camels lost completely (from under ten to zero). The most common experience was of Masala-tuur drought killing most livestock followed by a period of rebuilding before the Soodhaaf drought killed off the majority of what remained.

In response to the loss of livestock assets, despite many people succeeding in maintaining some herd or reinvesting in more livestock (perhaps now owning around 10 head of cattle and a score of smaller livestock), many have adopted other ways of earning a living²³. For most this is a mix of various livelihood activities. Charcoal and firewood production seems to be an activity people can do if all else fails, and for many it supplements income from other sources. Typically, in stories of livestock loss people fall back on charcoal production and then, if they are lucky or do well, they diversify into more profitable activities.

However, it is worth noting that charcoal production is a perilous way to make a living as it is restricted and illegal and a clampdown would therefore dramatically affect the livelihoods of a large segment of the poorest.

Farming is widespread, especially in riverine areas. The type of farming differs according to the region and the availability of land and irrigation water. Where irrigation water is available people grow cash crops, usually vegetables such as tomatoes, onions, peppers and sometimes oranges. Irrigation water seems to depend on a number of variables – proximity to the river being an obvious one, but also the presence of irrigation canals and whether there are pumps and/or fuel for the pumps. The patterns of ownership and management of irrigation water and pumps is an area for further understanding.

Others grow cash crops by means of rain fed agriculture, though this is obviously more precarious. Where no irrigation water is available the majority appear to grow sorghum and/or maize for animal fodder. This is rain fed and seen as a winter crop.

Threatening this agricultural production is the widespread growth of the prosopis tree/bush (particularly in traditional farming areas but also more widely). This was

²³ Subsequent rounds of research will investigate further how different households currently manage their smaller livestock holdings and how they are combined with sedentary economic activities.

spoken of in many interviews as a major problem. A lot of the PSNP work is prosopis clearance though it is not known at present what impact this is having. Prosopis can completely take over arable land effectively rendering people landless. It is therefore a significant cause of vulnerability in some areas. A future question for the research team is the degree to which prosopis is used for charcoal production and the degree, therefore, to which a threat to some is an opportunity for others.

Livestock still plays a part in the household economy of most of the respondents, albeit a severely diminished one. Almost all those interviewed had a few sheep or goats, some had a couple of cows, fewer had a couple of donkeys and fewer still had a camel. Shoats appear to be periodically sold. Less than 20% of respondents report this as a significant income since a minimum herd size would be needed to be able to sustain this. Most respondents reported selling livestock occasionally, with small livestock treated more like savings. This way it was possible for them to get a significant income source from herd multiplication. Livestock was also sold to pay for a range of things including dowries, weddings, important events, medical bills or to supplement income. It is less clear what the cattle are used for. A few respondents spoke of sharing milk amongst family groups so this is probably their primary use²⁴. Camels and donkeys are used as working animals to transport firewood, goods, housing for pastoralists and contraband.

In addition to the livestock, farming and charcoal production, which nearly all families interviewed relied on to some extent, there were other common livelihood activities. Quite a few were engaged in trade, shop keeping, or both. People with shops tended to be amongst the better off. Petty trading was not as common here as in more populated areas such as West Hararghe. Some respondents in Shinile reported being involved in contraband trading before it was clamped down on by the government. Quite a few of those interviewed in Kebridahar worked as tea sellers, running small tea stalls. Their main trade was from pastoralists passing through. Business was often on credit, with mixed repayment levels. Tea stall owners in turn rely on credit from the kebele.

Only a small cohort of those interviewed had paid employment typically as a guard or labourer building roads. One respondent had worked for the kebele; another had worked previously for ICRC in one of their warehouses. Three respondents, or relatives of respondents, worked as teachers either in government employ, or with less regular income as Koranic teachers.

All of those interviewed had a mixture of livelihood activities. Even the wealthiest shop keeper would have some land and animals. Most relied on small amounts of income from a diversity of activities.

Two of the women interviewed did not have land, one being too poor and the other having settled in a place that did not belong to her clan.

Shocks, vulnerabilities and the underlying precariousness of livelihoods

All the livelihood options divulged by respondents are precarious in different ways. A similar conclusion emerged from the pilot exercises in South Wollo and West Hararghe. Families are vulnerable to many events outside their control. This includes the weather, changes in terms of trade, the labour market and policies such as the

²⁴ In HEA profiles milk is important for household consumption and for selling from larger herds. Interestingly the main cash source from livestock in HEA profiles is Ghee; this has not shown in any of the interviews conducted so far.

control of illegal trade across the border with Somalia/Somaliland (see below). People depend upon their employment as guards lasting for more than a year and on their ability to find such jobs when needed.²⁵ The spread of prosopis, the collapse of an irrigation scheme or the more literal collapse of a dam constructed by public works, all seriously damage the household economy.

Shocks at the individual or household level such as family illness or death are highly significant. For women shocks include separation, divorce or being widowed. All reveal an underlying structural vulnerability created by institutions such as marriage, inheritance or the justice system, which either function poorly or function against their interests.

A shock such as a death, accident or serious illness can set people back years, sometimes permanently. The main shocks are the loss of the main breadwinner, usually a husband, a protracted illness in the family – resulting in major health costs, or the loss of a relative who sends money. Typically, this results in a secondary impact whereby farms or livestock get neglected or have to be sold to pay bills and income diminishes, often in addition to the extra costs from health care.

Several interviews mentioned the loss of revenue from contraband (smuggling goods to and from Somalia) following increased central government control. In Shinile the upgrading of the railway has affected people's incomes. Previously the train passed through slowly enough for them to load charcoal onto the train destined for Djibouti. The upgrading of the line means this is no longer the case, cutting off a good source of revenue for many. A new higher speed line also seems to restrict the ability to move with livestock, with interviewees reporting an inability to negotiate livestock crossing points.

When people experience these shocks there appears to be little to fall back on. In the personal histories, when hard times hit people suffer. In several interviews people reported reducing the number of meals they ate and/or having to sell assets such as goats. In many cases neighbours and particularly family rallied round. Many people reported being given some livestock from other family members, or being given a monthly stipend from a sibling or child. At present there is a major role played by assistance, particularly from the PSNP (discussed below).

Even shocks that are quite small can have large impacts. One person suffered a house fire that continued to have a major impact several months on, as the small family struggled to regain a few meagre possessions. In another interview a son was injured in a car accident in Djibouti and the relatively well off family had to sell significant assets to pay travel costs there, medical bills and so on.

Pastoralism and dropouts

The research found almost exclusively that people were living by means other than pure pastoralism. This is usually defined by people who derive over half of their livelihood from their livestock. In this context this would also mean from livestock managed through extensive and transhumant herding. The dominant term in the discourse around settled populations in 'pastoral areas' is of 'drop-outs'. The researchers also used this term in their interview reports, and it appears that quite a few respondents seemed to self-identify as 'drop-outs'. Future research will

²⁵ It is not yet clear whether or not some people are simply better at finding jobs or whether this is simply luck. This question will be investigated in subsequent research rounds.

investigate further the vernacular terms used by different people and their significance.

As mentioned earlier, key informants and interviewees talked of communities as living entirely from pastoralism, yet the research team did not interview any households living predominantly from nomadic livestock herding. How to explain this? First, and this cannot be overstated, the research is not intended to be representative. It is intended to learn from a wide range of diverse situations and household types. A small sample of 77 households in three woredas, drawn by a non-randomised methodology, cannot be used to determine the prevalence of any livelihood type. Each of the three woredas has a population size of around 100,000, according to the 2007 census, of which about 30% were estimated at the time to be pastoralist.

Second, the teams went to kabele centres as these were places they could access under security and logistical constraints. These naturally are more populated by people not wandering the rangelands with livestock, though it had been expected to find households where some family members were moving with their livestock as well as others who had settled in a kebele.

Nevertheless, there does appear to be at least a hint here of changing times. Using Shinile woreda as an example, a 2002 household economy analysis baseline study²⁶ estimated that 90% of the population of the woreda were pastoralists.

Among the 27 interviews, none of the respondents made the majority of their living from transhumant livestock keeping, and none seem to be very connected to pastoral lifestyles either. Though this requires further research and analysis, the initial round of interviews did not give a sense that these respondents were part of a wider family mostly concerned with livestock. The 2002 baseline (*op cit*) describes the very poor, with very small or no livestock holdings, as being dependent on their larger pastoral 'family' to get by. None of those interviewed appear to be living in this way; instead they seem mostly to have found ways other than animal husbandry to survive.

Where 90% of people were making their living as pastoralists, then of the 27 interviews in Shinile it would be expected some would have links to this lifestyle. Even where sampling of respondents had to focus on settlements and, perhaps as a result, yielded predominantly those who had dropped out from the pastoral lifestyle, a greater connection would be expected to people undertaking the pure pastoral lifestyle.

A possible explanation is that the economic role of transhumant livestock keeping is changing because fewer households are depending on livestock (by dropping out) and because those who do maintain some herds rely on them to a far lesser degree and have adopted mixed ways of living. This is supported by the trend in livestock losses spoken about, and by the few studies on this subject that suggest large livestock holdings are increasingly commercial²⁷. The extent of this trend is beyond the evidence base of this report, but speculatively it is significant.

This common thread of diversified livelihoods does not appear to be the result of a specific choice of activities made as part of a conscious strategy. Rather, people have taken on and change activities opportunistically, because they were available.

²⁶ Save the Children (2002). Shinile Pastoral Livelihood Zone. An HEA baseline study by SC-UK, DPPB and partners.

²⁷ Catley, A and Iyasu, A (2010). Moving up or moving out? A rapid livelihoods and conflict analysis in Mieso-Mulu woreda, Shinile zone, Somali region, Ethiopia. Feinstein International Centre. Boston.

Future rounds will look in more depth at how far households are planning to reduce their risk, whether by taking on more reliable activities or maintaining a diverse portfolio of income generating activities. A reliance entirely on large livestock herds is inherently risky as when the biggest droughts hit people can lose the majority of their wealth and their food and cash income streams.

Tiny indicators of the strategies behind choices being made can be glimpsed, and these need to be followed up in future interviews. For example, one older respondent said that he had lost livestock when he became ill – it takes a lot of physical strength to manage a herd through the hardest times as it involves being amongst the first to get the animals to emergency pasture. Another interviewee spoke of smaller herds being economically viable, if you considered the household as a whole. Smaller herds minimised women's workload, allowed them to trade regularly in the market and afforded children to go to school. How far changing livelihood patterns are the result of changes in considerations of gender roles or of priorities for children remains to be investigated.

Coping with shocks

People appear to cope with shocks in a variety of ways. Coping covers both the short and the longer term. Immediate problems also have longer term consequences which can be negative and positive. The interviews showed how people got through crises, but often found their lives changed as a result.

The first round of interviews did not observe the shock or how people coped at first hand as respondents often talked about events that happened over a decade ago. Such accounts were inevitably short on detail. Future rounds of interviews will enable some of these events to be examined in more detail to better understand the human impact largely missing in this first round and ways of coping. Additionally, in some future interviews some of the shocks and how households coped will be followed in real time as they are being experienced, allowing the team to probe in greater detail.

One way in which people get through hard times is through assistance, from family and friends and from government and aid agencies. For many such assistance is a day to day reality. Most of those interviewed for this study were in receipt on a regular basis of some aid or assistance from family, or both.

It is not clear at this stage the extent to which this may be due to selection bias. As already described in the methodology section the original intention of using village focus group discussions to define vulnerable groups from which representative interviewees could be picked, was not possible. Instead the researchers attempted to organise a breakdown through woreda and kebele officials, and relied to some extent on sampling as randomly as possible from among the people who were available to be interviewed. It is possible that a subconscious bias on both the part of officials and researchers resulted in them interviewing those in receipt of assistance to a disproportionate degree. However, a number of the respondents self-identified as well-off. These sampling issues will be further investigated in the second round of research where some additional households may be added if the full range of vulnerabilities/resilience has not been captured.

Nonetheless, it seems to be the case that for the majority of those interviewed official government assistance was less about coping with shocks, than coping with every

day conditions. This was also the case for a significant minority when it came to family assistance.

The most significant types of assistance then appear to be within the family and from the PSNP. NGOs also provide assistance but far less dependably.

Assistance from PSNP

The PSNP provide most of the assistance talked about in interviews. More than half the households interviewed received PSNP assistance, or WFP assistance in kebeles where PSNP is not yet operating.

The number of people receiving assistance from PSNP is significant. Many report receiving a 90kg ration for six people which appears to last them most of the month and in monetary value is probably worth close to 1,000 birr/month. WFP cash (pilot) amounts seems to be similar to PSNP with relief payments in the range of 1,000-1,400 birr/month.

This can account for a third or a quarter of many people's household income for the months when it is received, and for some it is even more. The work demanded though takes up roughly half the working time of a main breadwinner. This work involves mostly clearance of prosopis, which could account for typically ten or more days a month.

Assistance from relatives and neighbours

A significant minority of people interviewed get regular assistance from relatives. In Shinile woreda many received money from a sibling or child for the most part working in Djibouti. Amounts varied but were in the region of 1,000 birr/month.

In Gode fewer respondents, just 30%, were in receipt of this type of help from relatives. In Kebridahar it was even less possibly because Shinile is closer to Djibouti where there are more opportunities.

Money sent is not the only help received from family, neighbours and clan. As noted above there is a significant element of sharing and inter-dependence. People share milk marketing and borrow, often without payment, or rent one another's' donkeys and camels for transportation. They join cooperatives that share sheep or goat offspring, are loaned land if they fall on hard times, given shoats if they suffer a hardship and so on. There are clearly other inter-dependencies that have not been explored in this first round of interviews such as how land is allocated and used, who has access to irrigation water, pumps and other inputs; how trees and woodland is used for charcoal, how rangelands, pasture and water wells for livestock are used. There were several reports of people paying for private boreholes for instance.

Clearly much of this is connected to clan. Although all of the interviews identified people's clan and sub-clan, there has not yet been any probing or analysis to date of what different clan identities mean in terms of social hierarchies and therefore access to resources. Various studies have looked at the relationships between pastoral clans and bantu in the irrigated lands alongside the Shebelle river in Gode.²⁸ In the

²⁸ See for example Devereux (2006), *Vulnerable livelihoods in the Somali region*. IDS; or Korf et al (2015) *Re-spacing African drylands: territorialization, sedentarization and indigenous commodification in the Ethiopian pastoral frontier*

second round of interviews some of these relationships will be explored in greater depth.

Assistance has so far only been asked about as a source of coping. Future rounds will seek to understand how much, and in which circumstances, respondents assist others. Assistance almost certainly is not a one-way flow. Sharing appears ingrained in the Somali culture and this will be explored further in future rounds from different perspectives.

Assistance from NGOs

Assistance from NGOs shows up in all three woredas, but not as a part of everyday life in the way the PSNP or WFP does. Mostly these are projects, the irrigation one being most prevalent (SCI in Gode). Many of these are reported as being much appreciated at the time but of having subsequently fallen into disrepair. There are also a number of CHF projects focussed on irrigation and improved seed. ACF has implemented micro-credit, cash for work and irrigation, The Lutheran World Federation has dug wells in Shinile, and HCS has provided pipes. Animal cooperatives also show up in several places connected to the Pastoralist Welfare Organisation and HCS.

People universally expressed appreciation for these efforts, even when it subsequently emerged that the project collapsed. It is difficult to gauge the impact for most.

Other types of assistance/historical/relief

In a few of the interviews, people spoke about accessing relief food or assistance during the hardest times, such as the big droughts when they lost lots of livestock. In one interview a man described leaving his family in a feeding centre so that he could work and save money to buy livestock – this seems to have gone well as he is now quite comfortably off.

Recovery

Trying to understand whether people have recovered from shocks is challenging. What is clear is that for most of the interviewees, a succession of shocks related to drought and livestock have altered their lives profoundly. Whether they are better or worse off as a result is less clear. A minority, mostly those who have become traders or shopkeepers, have profited from the change and seem to enjoy a reasonable income from having built a small asset base and constantly looking for other avenues to diversify into.

For others, the opposite is clearly also the case. They have lost significant livestock holdings and are reliant on very minimal, precarious income streams, typically charcoal production. This is hard work and it would appear to be somewhat uncertain, though we have not yet looked at how far people think of it as a finite resource. For such people the PSNP/WFP assistance is also a main part of their ability to get by.

For the majority the picture is quite mixed. A significant minority of the interviewees live in farming areas and have always been farmers so have not experienced a decline in livestock. For others, the decline in livestock has been replaced by sufficient other activity to get by – a bit of farming, a bit of charcoal, perhaps paid labour. It is very hard to know how a comparison can be made between this life and some former, more nomadic life. It may be that they are not much worse off. How far they judge their new lifestyle a better one though, such as the benefits of children being in school, has not been explored.

Analysis and some further questions

The research to date gives a good grounding from which to explore further themes, and suggests there are some policy implications already from these limited findings. In the second round of interviews it will be important to explore detail as set out in the findings section above and add questions based on preliminary analysis. Some of the questions need to be targeted at policy makers and agencies, an additional ongoing part of the evaluation. Whilst by no means exhaustive, the following questions appear pertinent based on findings to date.

Pastoralism in policy

It is noteworthy how often researchers were told that ‘everyone is a pastoralist in this community’ or ‘livestock are the main economic activity’ or even, from respondents themselves, that they live from pastoralism, when their stories clearly indicate this is not the case.

There is a striking difference between a cultural identification with pastoralism and the actual household economic accounting (i.e. the percentage of the household food and cash that is derived from livestock keeping). The sociology behind this is interesting, but for this study the more immediate practical relevance lies in the danger of designing policy or programming for livelihood support based upon too easy a narrative, even if it is one derived from the people themselves. District profiles based upon a description of typical livelihoods in a woreda or a livelihood zone are a good example of the dangers here. Programming based upon an assumption of a dominant livelihood may be much less relevant to many people than is perhaps assumed.

This is not to discard the utility of such tools, merely to observe that they should be based upon interviewing and analysis that goes beyond key informant descriptions of generalised patterns; also that they are not interpreted as describing the lives of all, or even necessarily most, people in the area.

Chronic versus acute vulnerability

The question as to whether this report is dealing with shocks and their impacts or with chronic poverty and/or vulnerability, with some spikes, ought to be a semantic one. Conceptual models of vulnerability talk about it being the product of a structural vulnerability and exposure to a shock. But it is perhaps more important than that, in suggesting the need for a different way of thinking.

If the model is largely about pastoralists, or farmers, and one where crisis and aid is largely about shocks, such as droughts, it is not only a humanitarian model but also one where crisis is a natural resource problem. This may be an unhelpful way of looking at things for many people and perhaps shows the need to see vulnerability, poverty and crisis as economic issues. So, a much greater need for livelihood analysis rather than simply programming natural resources responses (i.e. livestock or agriculture based) may be useful for some, but not necessarily all of those most in need. Thinking in terms of economics also encourages thinking about the economy as a whole and not just of the household.

Vulnerability as an economic or political property?

It is important to understand to what degree is it useful to think of vulnerability as a result of marginalisation and lack of power, and not just a lack of resources. All recorded instances of assistance were asset based, either at household level (PSNP/WFP) or at community level (irrigation schemes). Whether this is right needs to be assessed. Female-headed households, for instance, where divorced or separated women lose their businesses or where widows are unable to hold on to their land, assets may not be the answer. Several studies have shown that poor and low status households have problems getting water from irrigation schemes and that sometimes this is connected to ethnic marginalisation.

There may be a lack of thinking about investment in the area for job creation. Is there investment beyond privatising land, with no provision for local employment creation, or the railway (ditto)? What investment is going on in supporting household level livestock production or agriculture compared to other parts of Ethiopia, obviously, not compared to what a rich country could be expected to deliver? What role does cross border trade have? How far is legal cross border trade being facilitated, or is there a dominant securitisation narrative which is also increasing marginalisation?

Is resilience a household property, or something wider?

Even when working at a community level, aid has tended towards a household model of resilience, i.e. resilience can be assessed and treated by reference purely to household level factors. The preliminary interviews suggest that more is needed. This may involve macro-level responses to prosopis, camel disease, advocacy (for aid actors) on trade issues, on state policy towards investment in agriculture and in livestock. There is also a need to understand community dynamics such as the injustices spoken about from within the family or community. This is also related to how mutual aid works; conditionality for being eligible for assistance, local justice and protection of rights and community resources. Charcoal production is a major lifeline for the poorest, but the research has not yet explored how such community resources are shared or the risk involved given it is theoretically illegal.

The impact of safety nets is unclear, although clearly significant

The research needs to be careful about drawing early conclusions on the impacts of safety nets such as PSNP. People get them and are glad to get them but targeting appears to be lacking. The degree to which they relieve dependency, maintain it or create it is unclear. Do they give people the breathing space to find ways of getting out of chronic poverty or do they permit people to remain in that state and reduce the need for them to find a way to transform their lives? How far have they affected

settlement patterns when given over the long term as opposed to an occasional one off emergency response? What are the longer term consequences (e.g. politically) of this? It may be these questions are impossible to answer definitively, but it is important that they are raised and that we remain cautious about any analysis of aid and resilience that does not address such questions.

The depth of poverty is significant

People who manage 2,000 Ethiopian birr a month seem to be doing relatively well. This represents around 30-40% of the poverty line for a household of five to six, depending on how the children are weighted in terms of being adult equivalents. What options if any do people have for getting out of poverty as opposed to simply coping? What does that mean for resilience? Mass mortality is rare; is this resilient enough?

Land issues are important, but so far unexplored in the research

The issues of land, land rights, settlement policies, land alienation and privatisation/enclosures, whether by elites within the community or for foreign investment, is a major issue in Somali region. This has not come up in interviews to date, but as it is a major issue it will need some targeted enquiry.

Question 2: Has the availability of contingency funding enabled DFID and its partners to respond more quickly and effectively when conditions deteriorate?

The evaluation did not look at question two during the initial round of substantive interviews as this will be looked at later in the research. During the course of the VFM question to agencies however, some self reported outcomes from the use of the contingency was recorded. This is briefly summarised by agency.

WFP

WFP report that DFID contingency funding has been used twice to respond to a spike in need. Ten million pounds was drawn down in 2013, and £5 million in 2014, to provide life saving support to the influx of refugees from South Sudan.

WFP approached all of their donor supporters immediately in June 2013 when they were aware of the spike in need. The funding from DFID was immediate. Donations from the US and other donors arrived in September and October, approximately three months after the request. Without DFID funding, WFP would have been unable to respond at the first, critical round.

UNHCR

Between 2012 and 2015, DFID provided UNHCR Ethiopia with predictable funding to procure \$5,052,506 USD in core relief items (CRIs). This enabled UNHCR Ethiopia to build up a national stockpile of CRIs. During the Gambella/South Sudanese emergency UNHCR was able to benefit from this stockpile and avoid airlifting. In addition, more CRIs, funded by DFID, were already in the pipeline at the onset of the Gambella emergency.²⁹

HCR did not need to airlift kitchen sets for 200,000 individuals because the pipeline and additional procurements were able to supplement the emergency response in time.

HCR is working on estimates for how many kitchen sets could be procured by sea/road for \$5,052,506 USD, and how many kitchen sets could be procured by airlift for \$5,052,506 USD.³⁰

HRF managed by OCHA

The evaluation has yet to look properly at the OCHA HRF contingency. This will be examined in the coming year in detail. Under UN rules, the HRF is not allowed to put in place any fast track procedures, meaning that once triggered DFID funding would still have to go through normal HRF procedures, even in an acute emergency. The evaluation will investigate further over the course of the next year with OCHA and DFID whether and how HRF could be used for early response, as opposed to rapid response.

²⁹ Annual review 2014; Pers Comm Stephanie Perham

³⁰ Procurement was mixed: jerry cans, kitchen sets, mosquito nets, buckets, mats, soap, hygiene kits, etc. But the kitchen sets are an essential international UNHCR procurement and therefore a good representation of the degree of cost savings.

Question 3: To what extent does DFID MY and pre-approved contingency funding provide better VFM than annual funding for DFID and partners?

The evaluation has taken a two-step process to this question. In the first step agencies are asked to assess themselves against a simple framework looking at administrative, operational and programmatic costs.³¹

Earlier work has shown that MYHF can reduce costs at different levels within humanitarian organisations. Administrative costs include savings in areas such as recruitment (longer contracts, less turnover) and procurement (everything from rental contracts to bulk buying pencils). Operational costs are about making up front investments that bring down costs over the lifetime of the programme (stronger infrastructure, or more durable assets). Programmatic costs are the most difficult to identify as these are about doing things differently – helping people cope with a shock in advance rather than reacting after the fact. This last category has significant overlap with the resilience work set out in question one.

Agencies were asked to identify savings across the spectrum using three simple questions:

1. How far have MYHF funds actually operated as MY funding?
2. Are costs lower as a result of MYHF?
3. Are programmes more effective as a result of MYHF?

The second step will be to use the data provided to understand more about identified savings and their link to MYHF. This will happen during the course of 2015 and 2016.

As a result, the evaluation at this point has only indicative findings in this area. The following short section summarises some of the feedback to date from agencies, and some of these challenges highlighted at this early stage.

WFP

How far have MYHF funds actually operated as MY funding?

Interestingly, the main saving identified by WFP relates to a local purchasing scheme called ‘purchasing for progress’ or P4P. Historically WFP has relied on donations of surplus grain, or more recently purchasing on international grain markets. Over recent years there has been a move to purchasing locally, mostly by setting up agreements with farmers. By setting up agreements with farmers to supply a certain amount of grain, WFP gets a guaranteed pipeline and farmers can make investments to maximise production based on fairly substantial guaranteed contracts. The scheme also hedges the price from a WFP perspective.

WFP in Ethiopia report that the guarantee of MYHF from DFID in turn allowed them to borrow within the organisation, a ‘corporate loan’, so that they could set up these agreements. They feel they could not have set up such arrangements without the guarantee of MYHF.

³¹ Based on Cabot-Venton, C. REF

Strictly, this is not using MYHF in a 'MY' programming sense as it is not a MY commitment to a particular community or set of individuals. It is also unclear to the team at this stage why this particularly complicated arrangement of purchasing needs to be used, as opposed to just buying from the local market, or giving people cash to buy their own food (which WFP also does). These issues will be explored further as the evaluation progresses.

Are costs lower as a result of MYHF?

WFP is keen to demonstrate major savings through the P4P mechanism. Table 2, supplied by WFP based on their analysis, shows that they believe they may have saved up to a third using this scheme. This, they calculate, resulted in a \$127 USD per metric ton saving which across the total DFID grant equalled almost \$6 million USD. Furthermore, WFP claimed to have purchased an additional 18,843 metric ton of food that fed 1.2 million people.

Table 2: Indicators on Efficiencies in the P4P Programme (source: 2014 Annual Review)

Indicator(s)	Milestones	Progress
4.1. Percent of cost saving from food procured internationally (difference between international purchase price actually paid versus average annual prices)	5-10%	29%
4.2. Percent of cost saving from food procured locally (difference between local purchase price actually paid versus average annual prices)	5-10%	18%
4.3. Percent of food procured locally	50%	96%
4.4. Percent of food purchased locally between December and April, corresponding to harvest season	>90%	100%

Clearly these are massive savings if the calculations hold. Even more significant is that an additional 1.2 million people benefited. Whilst it is tempting to take these figures at face value, it is the nature of evaluation that the team is obliged to find some way of verifying this. The savings look impressive. The evaluation will examine in greater depth the range of prices used for comparison and the timing to get the most accurate picture possible. This is also the case with the additional caseload. Clearly if this was the planned caseload and would have been met anyway, that is quite different to 1.2 million people who would have gone hungry. If the latter is the case, there is an additional question about the impact of funding shortages.

WFP more prosaically estimated there were cost savings from a reduced proposal writing workload. This relates to the number of days saved per year for the four different staff levels at WFP that are required to draft, review and clear programme documents. In one year it is estimated that approximately 27 days are saved due to reduced requirements, and this equates to a reduction in staff costs of approximately \$12,664 USD per year, or \$38k USD over a three year programme. Clearly these savings should also be mirrored by implementing partners having reduced reporting requirements, but this data is not readily available.

Are programmes more effective as a result of MYHF?

WFP reports effectiveness gains through the use of P4P. Broadly these are:

- Shortened lead times for delivery – decreased sale of productive assets, etc.;
- Multiplier effects in the local economy
- Environmental benefits – fuel emissions associated with the international importation of food are reduced.

WFP cite a reduced lead time for their operations in 2014. On average it took DRMFS and WFP 11 days, down from 16, from the time of allocation after each prioritisation task force meeting, to delivery to food distribution points (FDPs). Food was distributed onward to beneficiaries within five days, down from nine, of delivery to FDPs.

Whether this was in fact because of P4P, or simply efficiency gains elsewhere is hard to say at this point. Clearly grain is coming from lots of sources, and continually, so one modality of purchase may not be responsible for all savings. Also, whether this actually makes any difference to people is not possible to ascertain.

WFP also found that the farmers' cooperatives (CU) it buys from have done well from the arrangement. A 2014 study comparing CUs, FOs, and farmers against control groups found the following, based on data comparing the 2009 baseline with evidence on impact and outcomes from 2013.³²

- An average 902 metric ton increase in the total quantity of maize sold between 2012 and 2013 relative to what would have happened without P4P.
- A 23 percentage point increase in the percentage of P4P CUs selling to buyers other than WFP relative to what would have happened without P4P.
- A significant 81 percentage point increase in the percentage of CUs offering post-harvest financing to members relative to what would have happened without P4P.

Findings from comparison of P4P farmers with control groups found that there were notable positive changes in household production practices, as well as household welfare indicators. However, these changes were also found in the control groups, and hence were not attributable to P4P.

Next Steps

- Work alongside WFP to identify ways that ongoing monitoring and evaluation (M & E) tools can be used to monitor impacts of MY programming on beneficiaries.
- Work alongside WFP to build evidence around programme effectiveness.
- Undertake evaluative work to understand better WFP calculations and test evidence.

³² Krieger, D. (2014). "The Impact of P4P on FOs and Smallholder Farmers in Ethiopia." WFP.

3.2 UNHCR

UNHCR in Ethiopia are at the forefront of the organisation's efforts to understand how best to use MYHF. Their key constraint is an internal budgeting system that is annual. The UNHCR Executive Committee has to sign off the budget every year, so technically offices do not know their allocation and still have to fundraise for the allocated amount, which they may not achieve until the Executive Committee is over.

At the same time UNHCR works with populations for many years, if not decades, and has a moral if not legal obligation to refugee populations. Squaring that circle is always challenging.

In Ethiopia, DFID MYHF and a three year grant from the Ikea foundation, have helped UNHCR to engage with the potential benefits of MYHF. For a while this served as a pilot globally, but the evaluation has not heard more on whether this has continued or what the outcome was.

UNHCR report that MYHF has enabled them to make investments that they might not have been able to make with annual funding. The two examples they cite are related to piped water, rather than trucked water, and transitional shelter, rather than tents. Other recorded benefits include:

- Pre-positioning and planned procurement and transport of goods
- Reduced staff turnover and attendant costs
- Reduced staff time costs in DFID and UNHCR from consecutive annual programme design.

Whilst the evaluation has no reason to doubt these findings, UNHCR invests in semi-permanent infrastructure and semi-permanent shelter in many places. The evaluation will work with UNHCR to explore these and other issues outlined below in more detail.

How far have MYHF funds actually operated as MY funding?

The ability of MYHF funds to actually operate as MY funding has been a challenge. In Ethiopia, a tripartite Project Partnership Agreement process is required annually between UNHCR, ARRA (the government agency for refugees), and the implementing partner. Because each agreement must be reviewed and signed by all three partners, there are breaks in funding which reduce the potential impact of MYHF. In 2014, UNHCR introduced a Letter of Mutual Intent to release the first instalment of funds to partners once budgets were agreed and this enabled partners to start implementation before finalisation of the official tripartite agreement. Further investigation is required as implementing partners currently express dissatisfaction with the UNHCR sub-grant approach.

Are costs lower as a result of MYHF?

The two examples cited above are shelter and water infrastructure. The figures supplied to the evaluation by UNHCR appear optimistic. In shelter UNHCR estimate that a transitional shelter costs \$690 USD, whereas the equivalent tent costs would be \$5,400 USD. This assumes that tents are replaced on a frequent basis throughout the theoretical four year period.

In reality, as the photograph below from Dolo Ado demonstrates, this is rarely the case. Just the logistical challenges of purchasing, transporting, importing, erecting and decommissioning the tents make this comparison questionable.



This is not to suggest that tents are somehow a better solution than transitional shelter. Quite the opposite, transitional shelter almost certainly provides a better quality of living, something that could theoretically also be costed.

Water infrastructure seems to be a more straightforward calculation. Water trucking costs \$97 USD per person per year. The equivalent cost from borehole water is \$40 USD, providing immediate savings. Clearly there are questions about whether MYHF is strictly necessary to promote this approach, and other questions about water table and hidden costs, but it certainly seems sensible intuitively that making medium term investments can provide cost savings.

There are two further areas where UNHCR has suggested that MYHF has provided cost savings. The first is in the advance purchase of CRI's pots, pans, blankets and so on. By purchasing and stocking, using the predictability guaranteed by MYHF, UNHCR estimate substantial cost savings. The second area is in the construction of latrines where an improved design appears to have reduced costs per person.

However, there have also been additional costs associated with the cumbersome annual agreements process highlighted above (UNHCR's PPA process). For example the DFID Annual Review 2013 gives a specific example of household latrines increasing in price from \$850 USD to \$1000 USD due to delays brought about by the negotiation of PPAs.

Are programmes more effective as a result of MYHF?

This area of study is connected to the issues outlined above, and is of particular interest to the evaluation team. The primary data collection planned for August will certainly provide insights into these questions. For instance, it seems likely that better shelter, water and sanitation would improve the quality of life for refugees. If MYHF has led to these programmatic changes, then has in fact quality of life been improved? Is there any way of reliably measuring this qualitatively or quantitatively? If so, is there any way of costing this? Finally, is there actually a connection between MYHF and this type of programming, or is this simply the way UNHCR naturally evolves its presence in protracted refugee situations? And are the reported programme changes translated into reality on the ground?

Next Steps

- August field work in Dolo Ado to explore issues outlined above.

3.3 UN OCHA – the HRF

OCHA report that many of the efficiencies of the HRF come about because of the pooled funding approach, rather than MYHF. Those that relate to MY funding specifically are discussed in greater detail below. But it is important to highlight that in some areas the efficiencies of the HRF may be related to both; for example, the benefits from the central procurement mechanism certainly require MYHF but are also brought about through pooled funding.

At the same time as receiving MYHF from DFID, the Dutch reduced their funding to the HRF. A key message coming from the findings is that unless all partners are contributing with MYHF, the ability of MYHF to deliver gains is constrained. The HRF has a clear intention and ability to fund greater resilience building activities, but the loss of funding has required a tighter focus on the humanitarian mandate.

How far have MYHF funds actually operated as MY funding?

As HRF provides maximum six month grants DFID MYHF has not translated into MY funding for partners.

Are costs lower as a result of MYHF?

OCHA have reported both staff cost savings and procurement savings associated with MYHF. However, given that none of the partners have actually received any MYHF this seems counter-intuitive. The evaluation team will work further with OCHA to understand this.

Are programmes more effective as a result of MYHF?

OCHA report that MYHF frees up staff time to undertake more rigorous M & E and follow up with HRF partners. This they suggest leads to improved project quality. Partners also report increased monitoring from OCHA. The link between improved monitoring and improved programme quality however is more difficult to establish at this stage.

Originally the HRF had planned to explore some longer term funding connected to resilience. However, the withdrawal of funding by the Dutch has required that the HRF maintain a tight focus on its humanitarian mandate, and the ability of the MYHF to facilitate greater resilience building has not been realised.

Next Steps

- Ongoing discussion with the HRF will continue to seek to identify areas where MY benefits can be quantified.

Conclusions

This formative evaluation represents some initial tentative insights into the way that MYHF is operating in Ethiopia. The three research questions provide a framework for gathering significant and sophisticated data on both the way agencies are operating and the way that those they are helping are living.

In addition to the data gathered against the three questions, VE has been periodically interviewing DFID staff, partners and stakeholders. The combined analysis from these interviews, the interactions with agencies and the view from the ground will in time give a clear picture of the way MYHF operates.

Initial findings suggest that agency behaviour is hardly influenced by the availability of this new financing modality.

Most clear in this regard is the HRF managed by UN OCHA that disperses six month grants at most. With funding shortages as a result of cut backs from other donors, they have been forced to concentrate on core humanitarian response meaning that even a planned move into livelihood-type projects has not occurred. MYHF for the HRF basically results in some predictability for OCHA, but these benefits are not passed on to implementing partners, and certainly not through them to people affected by crisis.

This is true to a lesser degree with UNHCR, who report that their internal systems and the necessity to negotiate agreements with partners and the Ethiopian government on an annual basis also restricts their ability to work longer term. They identify some potential benefits of having funding assured, but it was far from clear to the evaluation team that these are directly attributable to MYHF.

WFP advance a set of quite credible arguments around procurement and how MYHF has saved money. At this stage in the evaluation the team has not been able to analyse this in sufficient depth, but it is clear that these programmes pre-existed the MYHF modality, and are routinely used globally whether funding is MY or annual.

Unlike OCHA and the HRF, both WFP and UNHCR essentially run MY programmes. Both agencies have been in Ethiopia for decades doing very similar sorts of things, often in the same place for many years. Both agencies essentially think long term, even if they plan short term. What is interesting for the evaluation is whether being able to plan in a slightly longer term way might result in substantively different ways of working, rather than simple administrative convenience, which is how it currently appears.

Juxtaposed against the annualised working practices of agencies is the long-term nature of crises in the communities under study. The interviews with people in project areas show a fascinating shift in the way people are living as a succession of droughts has rendered pure reliance on livestock risky. This in turn has resulted in diversified livelihoods, and a degree of precariousness that appears mitigated in part by social safety nets. Quite how responsive humanitarian mechanisms will be to perturbations in this precarious livelihood pattern remains to be seen; as does the degree to which diversification itself mitigates risk. A tendency to view areas as pastoral in policy terms may in fact undermine an ability to react appropriately when crisis does hit.

At this stage of the evaluation all findings need to be treated cautiously. The research to date has thrown up more questions than it has answered, which has in part been its intent.

Building resilience in a context where people have little or no reserves, and where coping mechanisms are tenuous, is certainly not as simple as a slightly different aid programme. MYHF may well have potential to catalyse change in DFID's partners but there are also wider questions about policy and institutions that go beyond one donor's contribution. VFM is also proving a trickier concept than at first glance, in particular because value has to start with whether the intervention worked.

Subsequent rounds of interviews and further data collection is planned for the next two years. This formative report provides an excellent basis for this enquiry.