



Graduation with Resilience to Achieve Sustainable Development

GRAD is a five-year USAID-funded project designed to help the Government of Ethiopia find sustainable solutions to chronic food insecurity. The project supports households currently enrolled in the government's Productive Safety Net Program (PSNP) so that they may access microfinance, improve on and off-farm productivity, and improve links to markets. In addition, GRAD improves household and community resilience by: increasing women's empowerment; improving nutritional practices; and introducing local climate change adaptation mechanisms. CARE Ethiopia leads a consortium that includes REST, ORDA, CRS, Agri Service Ethiopia, and SNV. The project works in 16 districts in Amhara, Tigray, Oromia and SNNPR.

Innovation Brief # 1

Diffused Light Storage for Potato Seed

Background

Potato is an excellent small-holder crop for the Ethiopian highlands, with a short cropping cycle, potential for high yields, and value both as a cash crop and as part of a nutritious household diet. It is an increasingly important crop in the Ethiopian farming system, with national production having increased about 225% in the 20 years between 1993 and 2013¹. In spite of this, the sub-sector in Ethiopia remains relatively undeveloped and is characterized by low productivity due to the shortage of good quality seed tubers, a lack of adaptable and disease resistant varieties, a lack of storage facilities, and inefficient marketing systems. As most households in the area are chronically food insecure, any appreciable increase in productivity of the potato sector would have a much welcome impact on nutrition and family well-being.

More than 4,000 GRAD households were engaged in the potato value chain. GRAD is seeking to help them overcome a number of major constraints in the sector, including access to quality seed. In Ethiopia, seed potato is produced by a very few research facilities and is typically distributed through farmers' cooperatives. Supply falls far short of demand and distribution networks do not reach poor households such as those supported by GRAD. To counter this, the project has taken a fairly well known technology – Diffused Light Storage (DLS) – and introduced it in project communities in an innovative and highly successful way.

What is a DLS?

DLS is a low-cost technology used to extend storage life of seed potato and ensure a quality seed supply for the subsequent production season. A DLS is a structure that uses natural indirect light to reduce storage loss. The basic characteristics of a DLS structure are: water-proof roof, translucent walls, and adequate ventilation. DLS can be made from eucalyptus poles with shelves made of thin eucalyptus strips/sticks. Corrugated iron sheets are the only significant cost. Farmers are capable of building a DLS with tools at hand.

The process

As a first step, GRAD helped the Guna Seed Multiplication and Marketing Cooperative obtain 90 quintals of basic seed for multiplication by member farmers. However, the resulting increased production of seed potato created another problem - a shortage of storage capacity. GRAD, in collaboration with the International Potato Center in Ethiopia (CIP), helped Guna construct a large DLS. However, more storage capacity at the cooperative had minimal effect on seed supply for poor households as Guna still sold much of its stock to commercial interests or humanitarian projects. GRAD needed to adapt the DLS technology for use at the micro level so that GRAD families would finally get access to quality seed potato. GRAD's successful system links basic seed producers through cooperatives (in this case, Guna) to model farmers multiplying seed potato and storing it at home in mini-DLS's. In the subsequent season, the model farmers use some of the seed themselves, sell some to their neighbors, and share some back to the cooperative. The household-level DLS's are built by the farmers themselves using materials available locally. GRAD invested about 1,620 birr (or about 80 USD) per model farmer to buy corrugated iron sheets

¹ FAO stat

and nails. The farmers supplied local materials and constructed the structures per project guidance. In one district alone, GRAD supported 100 households to build their own DLS structures. Another 211 households constructed their own DLS systems without project support after witnessing the success of early adopters of the technology. Many of these DLS owners/managers are women.

Key outcomes

The availability of a DLS in a community eases the problem of potato seed storage and helped solve the problem of access to improved seed by small farmers. The promotion of DLS and improved seed potato by the project has given them access to healthy and of recent generation potato seed at the right time, place and at a reasonable price. This in turn has increased potato production and, therefore, household income. Model Farmers who have a DLS and produce seed potato gain an annual average income of 42,000 birr (2,100 USD).

The system has also helped the Guna Cooperative to grow, improve its capacity and profitability, and expand services into poorer communities. For instance, the cooperative's sales of 2,018 quintals of seed potato in 2014-15 more than tripled to 6,313 quintals by the next year. The working capital of the cooperative has grown from about 87,500 birr (4,375 USD) to nearly 1.4 million birr (70,000 USD).

Household Impact

My name is Alemush Fiseha. I live with my husband and children in Lay Gayint Woreda, Amhara. My family participates in the potato value chain with the support of GRAD. The project gave us training, helped us obtain improved seed potato on loan, and covered some of the costs of



constructing our own DLS, which was a new idea for us. We had been storing seed in traditional way like keeping the seed on the floor or leaving the seed inside the soil for a long time. As a result, a lot of seed was wasted and our income remained low.

Following the construction of the DLS, we are able to store the seed with minimal loss. Two of my neighbors also constructed a DLS after they saw our success.

The new income has been very good. In 2013, we only harvested 23 quintals of potato and earned 13,000 birr (650 USD). In the next two years, we earned more than 109,000 birr (5,454 USD) from the business, and expect to secure over 100,000 birr (5,000 USD) gross income this year. This income helps us to send our children to school, buy assets like livestock, and have enough food for the family. I'm very confident that my family will not go back to food insecurity.

GRAD Learning

Based on the practical experiences outlined above, GRAD strongly believes that a seed storage system based on mini-DLS's at the community level can play a vital role in making the potato sector more productive. Use of the technology has the following benefits:

- **Appropriateness** – The introduction of DLS at a household level has boosted a high potential crop and made a significant contribution to food security among the project participants as well as non-GRAD households. Both the technology and the improved seed are well received by project communities.
- **Return on Investment** – The total cost of constructing a DLS is not high, about 2,600 birr (120 USD), and eucalyptus poles are readily available in most areas. This investment can be recovered in one season from the sale of improved seed. Ultimately, the returns far exceed the investment costs.
- **Sustainability** – The profitability of the Guna Cooperative and the Model Farmers using mini-DLS structures reassures us that the system promoted by GRAD will be sustained into the future. All structural repairs to DLS structures are within the financial means and technical capacity of the farmers.
- **Scalability** – As noted above, once experiences are observed in the community the technology can be replicated by other households or could be promoted by the cooperative or extension services.

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Innovation Brief # 2

Agro Dealers

Background/Problem

A lack of affordable, quality inputs in remote farming communities severely limits the quantity and quality of production in the Ethiopian highlands. Agricultural input supply here is largely controlled by government institutions, unions, and primary cooperatives, with limited involvement by the private sector. Most inputs are distributed through a supply-driven model, in which seed or fertilizer is weighed and packaged at source and distributed to farmers by government or cooperative staff. This model does not respond to the diverse needs and resource limitations of smallholder farmers and has particularly excluded women from access to inputs. Private distribution channels, for their part, usually do not extend beyond major cities. At baseline, less than 10% of GRAD households reported satisfactory access to agricultural inputs. To address this problem and facilitate the development of pro-poor value chains, GRAD developed a private agro-dealership model, creating sales hubs for essential inputs at the local level.

GRAD's Agro-Dealership Model

GRAD agro-dealers are identified locally based on their experience or aptitude for small business, knowledge of agriculture, and willingness to invest their own resources. These new entrepreneurs are then further trained in technical and business skills needed to be successful selling a diverse range of agricultural inputs relevant to the needs of small-holders and providing technical advice to their customers. These agro-dealers are assisted by the project to establish small retail shops in remote rural towns, near to where smallholder farmers live. GRAD and the agro-dealers work together in identifying products of high demand, usually linked to the value chains promoted by the project. The agro-dealers were supported to create links with input suppliers to diversify the products they sell. A typical agro-dealer can serve up to 1,800 clients per year, enabling farmers to access quality inputs at the appropriate time, in the right packaging, at a reasonable price, and with suitable technical advice.



Chemere Sisay, an agro-dealer in the Guraghe Zone,

What Happened?

GRAD recruited and trained 32 agro-dealers in the 16 project woredas. Between October 2015 and September 2016, these agro-dealers served over 45,000 customers, 27% of whom came from PSNP households, selling more than five million ETB (about \$240,000 USD) worth of inputs, primarily concentrated livestock feed, vegetable seed, and simple tools. Agro-dealers continue to build their client base and strengthen their relationships with suppliers, some of whom began providing credit and/or using agro-dealers as agents. Additionally, agro-dealers are introducing new technologies to farmers including Prudent Improved Crop Storage (PICS) bags, Effective micro-organism (a livestock feed additive), and bio-fertilizer. Our agro-dealer model demonstrates the vital role the private sector can play in the input distribution system, complementing government efforts.

What have we learned?

GRAD's experience with agro-dealers has shown that it is possible to introduce profitable private sector input sales at the sub-district level in ways permissible to government and useful for the small-holder farming community. These can become profitable businesses and play an essential role in strengthening the agricultural input supply system in Ethiopia. Specific lessons learnt during the process include:

- **Input demand and supply mapping** was essential in supporting agro-dealers to get established quickly with a small amount of working capital by focusing sales on inputs of high local demand.
- **Buying down risks** of investment through the use of a “smart subsidy” encouraged and incentivized new agro-dealers to invest in the business. In the short-term, 1 ETB invested by the project led to 2 ETB in input sales in just one year. The return-on-investment for the project will reach much higher positive returns.
- **Linkages with suppliers** functioned but with challenges. Some insisted on selling to agro-dealers at full retail prices. Others were only interested in supplying large volumes beyond the needs or capacity of most agro-dealers. Going forward, we will consider joining the agro-dealers into a “buyers’ club” that would facilitate bulk purchases at lower prices.
- **Diversifying inputs** sold by agro-dealers allowed them to successfully operate their businesses year-round. Over time, the agro-dealers became more innovative in the types of products they stock and sell.
- **Size matters:** Most PSNP households do not have the need or financial capacity to buy inputs in large packages. The agro-dealers were able to repackage inputs (e.g. mini-packs of vegetable seed) to meet PNSP household requirements. Fears that the authorities would forbid such repackaging were unfounded.
- **Working capital** is a chronic gap for most agro-dealers and is often a limiting factor in their ability to grow. Micro-finance institutions (MFIs) currently lack loan products available to agro-dealers and other rural micro-enterprises. New programs will work with the MFIs to introduce loan products appropriate for agro-dealers.
- **Government engagement** successfully created space for a private sector role in input supply. The project initially feared that suspicious government authorities would forbid these businesses to function. In reality, many agro-dealers are working closely with agricultural offices on tasks of mutual interest.

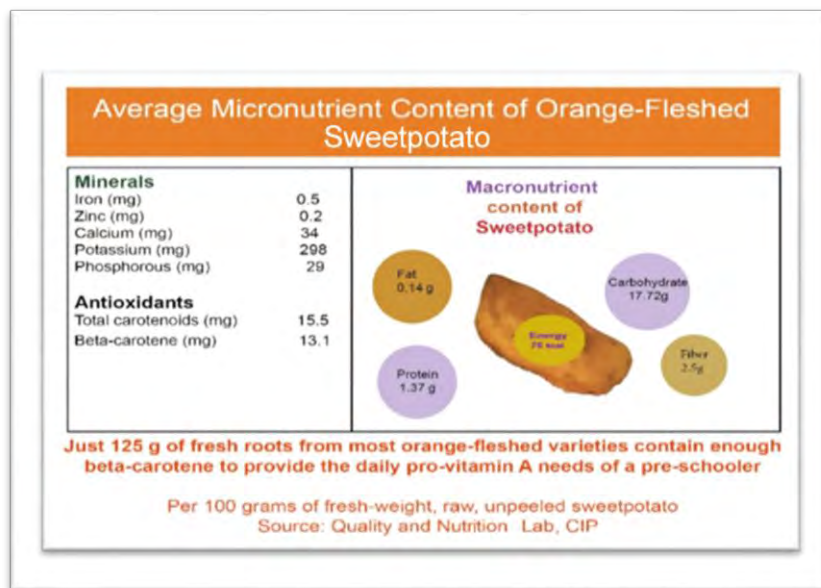
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Innovation Brief # 3:

Orange-Fleshed Sweet Potato for Nutrition

Background: Improving nutrition and nutritional behaviors of target households has been one of the key components of GRAD. To that end, the project has collaborated with the International Potato Centre (CIP) and others to introduce orange-fleshed sweet potato (OFSP) households in selected GRAD woredas. This is a new crop in most of Ethiopia and a food unknown in local diets. The project built awareness about OFSP in 13 GRAD woredas with adoption taking place at varying rates. The project also worked with CIP to build linkages with producers of OFSP planting material. Overall, households in the Guraghe Zone have been the most receptive to this new crop and strange addition to the family diet.



Why OFSP: OFSP is rich in Vitamin A, which is an essential nutrient especially for children, pregnant, and young moms. According to CIP, just 125 grams of (OFSP) contains enough beta-carotene to provide the daily Vitamin A needs of a pre-schooler. The nutrient is essential for fighting infections, for bone development, and the overall health of women and children. In spite of this fact, Vitamin A Deficiency (VAD) is a public health challenge in sub-Saharan Africa; in Ethiopia VAD affects 61% of under five children and leads to 150,000-200,000 deaths per year.

All GRAD households were initially food insecure and supported by the government's safety net program. Improving their nutritional status was a key project objective. The introduction OFSP is an important contribution towards that objective and households benefit not only from a nutritional point of view but when gaining additional income through selling OFSP tubers and vines to their neighbors.

The process: Promoting a crop like OFSP is not so different from other crops, except that acceptability as a part of the household diet is a necessary complement to production. The following is the sequence of activities that was followed by the project.

1. Orientation and awareness for VESAs on what OFSP is and why it should be grown and consumed.
2. Training for VESA members, most often women, on best practices for growing and storing OFSP and other root crops.
3. Cooking demonstrations [in collaboration with Eгна Legna Ethiopia] to show mothers how to prepare different foods using OFSP.

4. Provide households sweet potato vine procured through a variety of sources. (Ideally, a market-based seed supply will be established but none exists for this new crop.) Once vines were distributed, however, farmers were able to preserve vines for their own use as well as share with others in their communities



Case #1: A mother profits from OFSP

My name is Jemanesh Mande and I live in the Mareko Woreda of Guraghe with my husband and seven children. GRAD introduced OFSP to me earlier this year and we planted it on about 100 sq. meters of land. The harvest was good and I've sold vines to other VESA members who are interested in growing it. I make many different foods made from OFSP for my children based on training received through the project. Sometimes I mix it with maize flour and pasta. My children like the taste very much. We want to expand our OFSP farm in the future.



Case #2: Producer making big gains

Mechale Bekele, from Mareko Woreda was one of the early adopters of OFSP. He was so keen to try it after attending a training even though he had never heard of the crop before. Mechale bought 200 vines from another farmer in his village, at a cost of 50 birr. Ultimately, he succeeded in growing 180 plants on 100 m² meter of land. He expanded the plot to 600 m² the next season. So far, Mechale harvested 50 quintals of OFSP tubers and sold 7,000 vines to other VESA members for 2,100 birr. This income, in part, helped him buy three sheep. "OFSP has become one of the regular foods in my family", he reported. However, one doubt remains. Mechale worries whether there will be enough market demand if his production increases much more.

GRAD Learning

After a relatively short experience promoting household production of OFSP, GRAD has learned the following:

- **With proper training, women are fully capable of cultivating OFSP.** The only major production constraint observed was the plants sensitivity to the extreme drought conditions of 2015-16. In years of even slightly better weather conditions, a reasonable harvest will be expected for most farm households.
- **Economic benefits:** Production of OFSP helped some households to earn additional income from sales in local markets. The market demand remains low for this still relatively unknown crop and a commercial market for planting material does not yet exist.
- **Value for money:** Farmers commented that they got more value from OFSP than from most other crops as both the tubers and vines are edible and can fetch good price in the local market. It is also possible to harvest higher yields from a small plot of land in a relatively short period (about three months).
- **Incorporated into households' diet.** OFSP has become part of a regular diet for many households in areas where the promotion has been done. A combination of training on how to prepare different foods using OFSP and its nutritional values is enough to convince women to include it in family meals.

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Innovation Brief #4

Micro-franchise Initiative

Background

One of GRAD's key goals was to help women diversify their livelihoods options, in part by introducing new sources of off-farm income. Climate change, population growth and decreasing farm size all contribute to decreased on-farm production, making such diversification essential. At the same time, consumer goods are unavailable in most rural areas or can only be accessed by travelling long distances to market centers, which women often cannot do given workloads and child-care responsibilities. Bringing these two challenges together pointed to an innovative solution: the micro-franchise model, where women are engaged for sales of household consumables in their communities to earn an off-farm income. CARE Ethiopia believes that this micro-franchise approach represents a reliable new source of off-farm income for women in rural Ethiopia.

The Micro-Franchising Initiative

Micro-franchising is a business model based on the traditional franchising concept common in developed countries. GRAD recruited and trained women for door-to-door sales of fast moving consumer goods. These saleswomen were linked with wholesalers based in district market towns where they can buy pre-selected items at wholesale prices. The wholesalers, in turn, are linked with a set of manufacturers or importers who are formal partners in the process. The initiative collaborates with four such private sector partners: East African Tiger Brand Industries (EATBI), Guts Agro Industries, Green Light Planet, and ETAB Soap and Detergent Factory.



Zehara Mohammed, a 35 year-old mother from Meskan Woreda, Gurage Zone, was among the most successful micro-franchise saleswomen. Her new income averages \$50US per month.

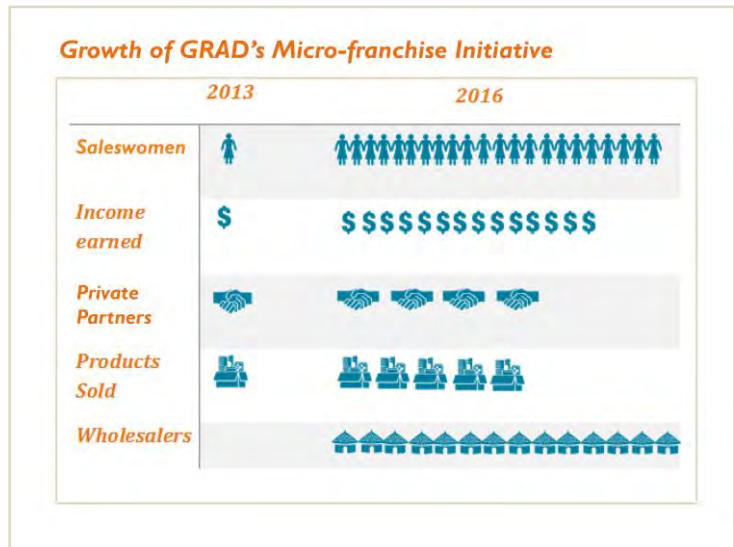
Each contributes unique products that are in demand in rural communities.

GRAD conducted rapid market surveys before selecting new products to include in the market basket. The project provided training to all stakeholders (saleswomen, wholesalers, suppliers, and government officials) about the benefits of the initiative and how it works. Saleswomen received specialized training in recover keeping and product promotion. The project also leads periodic review meetings and refresher training for all involved and keeps records for external reporting. The private sector partners contribute by purchasing sales kits for the women and providing promotional materials to help build consumer demand.

Key Outcomes

Starting from a small pilot in 2013, the project scaled to nine districts, with more than 500 saleswomen, 14 wholesalers, and 78 products being sold (including soaps/detergents, personal care products, specialty foods, and solar lamps). The benefits extended to everyone involved as illustrated below:

- **Saleswomen** earn an average of nearly \$12 in profit every month, often for only a six-eight hour work week. The best performers can earn more than \$70 per month.
- **Wholesalers** have added new products and new customers. Their increased earnings have averaged about \$600 per month from participating in the micro-franchise initiative.
- **Private sector partners** have penetrated new markets and increased clientele and revenues. Overall, more than 50,000 customers have purchased products from the initiative's saleswomen. During a recent 12 month period, new revenues exceeded \$215,000.
- **The project**, its donors, and other stakeholders have a new tool to promote to safety net households, particularly female members, to help them increase incomes and attain food security.



GRAD Learning

- **The model works and is broadly applicable:** There is a consistent market for consumer goods in poor, rural communities. And despite initial assumptions to the contrary, it was proven possible for women to sell door-to-door in relatively low population density areas. In addition, micro-franchise provided new access to consumer goods even close to district towns.
- **Beware of shortages and supply chain breaks:** Suppliers often could not keep up with increased demand. For instance, the solar lamps were so popular that there was a supply shortage almost immediately. Partnering with multiple companies and suppliers ensures a diverse and consistent array of products.
- **Test often and adapt as needed:** The project routinely tested new products with consumers before including them in the basket. This helped to assure that the suppliers are providing the right products that meet consumer demand, helping everyone involved recover costs and make a profit.
- **Seasonality matters:** Buying power increases and decreases during the year. The types of products being sold should follow those trends. At the extreme, the severe drought of 2015-16 depressed demand and sales. Nevertheless, most saleswomen were able maintain their activities, make a modest income profit and recover after the drought ended.

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GRAD Learning Brief #5

Multi stakeholder platforms for value chain development

Background and Need

Successful value chain development depends on productive relationships among value chain actors and other stakeholders such as private input suppliers, processors, traders, cooperatives and unions, and farmers, as well as relevant government offices and other service providers. These stakeholders need each other, but because they typically operate with different objectives and circumstances, they can have different perspectives on the value chain, which can sometimes lead to mistrust and unhealthy competition. Multi-stakeholder platforms (MSPs) bring these multiple actors together around a common goal—in GRAD's case, to strengthen the competitiveness and inclusiveness of the value chains in which GRAD households participate. MSPs provide a forum for value chain actors to discuss sector-specific challenges; identify common opportunities; share knowledge and experience; and, more generally, build relationships that foster trust and transparency.

GRAD's work with MSPs

Advisors from GRAD's technical partner SNV facilitated the formation of MSPs in each of its operational regions, with typically one MSP for each of the selected value chains: livestock, pulses, honey, vegetables (potato, red pepper, tomato and onion), and malt barley. In some instances, the MSPs were organized in collaboration with other projects with similar interests. For instance, honey MSPs have been jointly managed by GRAD and the Agricultural Growth Program-Agricultural Market Development (AGP-AMDe) project, which is working to strengthen the honey value chain. In other cases, GRAD has joined hands with private sector partners to lead the MSP process.

A precursor to setting-up an MSP involves in-depth research into the existing value chain through subsector analysis, value chain mapping, and identification of key actors and their relationships. Actors who are identified through these processes were then convened for a dialogue to identify opportunities and constraints, and to develop strategies to address challenges along the value chain. GRAD then facilitated regular MSP meetings by first preparing terms of reference, identifying resource persons according to the objectives of each meeting, and subsequently disseminating a summary of proceedings to participants after the meeting.

Costs and cost recovery

Human, material, and financial resources are required to set up, facilitate, and maintain MSPs. Expenses include costs for stationary, transport, accommodation of participants and presenters, venue, and refreshments. In addition, facilitators need a distinct set of skills that encompass organizational/logistical skills as well as facilitation skills. An exact price tag cannot be estimated given highly variable participant costs. What is critical however is that some participants, market actors for instance, will have expectations about new revenues through increased production/sales, while non-commercial participants (e.g. government officials or researchers), would have a non-financial incentive and are therefore less likely to make a financial contribution to the MSP.



The Outcomes

The success or usefulness of GRAD's MSPs has differed from region to region and by value chain. In most cases, the groups made at least moderate contributions to regional value chain development. Some specific highlights of positive outcomes are cited below:

- Helped create and support a decentralized input supply system with agro-dealers and model farmers
- Created opportunities for private companies to introduce their products and services and to raise awareness on quality requirements of major output markets
- Enabled sharing and discussion of policy and regulatory issues, such as livestock marketing regulations, and regulations concerning the use of agro-chemicals and its impact on apiculture
- Inspired the Gondar Malt Factory and the Ethiopian Apiculture Board (EAB) to take a lead role in coordinating the malt barley and honey MSPs, respectively, including contributions to costs/resources required
- Attracted like-minded development organizations (such as Oxfam GB and Facilitator for Change Ethiopia in Amhara, and World Vision and GIZ/SLM in Tigray) to get involved in organizing and facilitating the MSPs.

Challenges

Some stakeholders were more willing MSP participants than others. In particular, it was difficult to attract many private buyers to join MSPs and send representatives to serve as regular, consistent participants in MSP meetings. This points to inadequate promotion of the concept, as these market actors have much to gain by MSP achievements. In addition, follow-up of tasks and assignments taken by participants in MSP action plans has also proven challenging.

GRAD LEARNING

MSP benefits for poor households: Many MSP discussions and recommendations focused on access to improved inputs and technologies, extension and advisory services, and market information. These issues are directly relevant to poor and food insecure households, and the discussions fostering inclusive value chains.

MSP sustainability and scalability: GRAD believes that value chain-based MSPs are crucial for productive collaboration of market actors. The MSPs supported by GRAD have an important function beyond the life and scope of the project, including in larger-scale government programs. Scalability and sustainability go hand-in-hand, and can take multiple forms depending on the reality on the ground:

- **Handover to the private sector:** Private sector lead firms often have a high stake in having efficient value chains in terms of profitability and, therefore, can be a driving force for the continued operation of an MSP after a program has ended. As an example, GRAD transferred coordination of the malt barley MSP in South Gondar to the Gondar Malt Factory.
- **Handover to sector associations:** Associations represent a variety of stakeholders within a sector, which can make them ideal candidates to serve as MSP facilitators. The potential of the EAB to continue leadership of the honey MSP was noted above.
- **Handover to the government:** Supporting smallholder farmers and sector development in general is the responsibility of the Government of Ethiopia (GOE). Thus, the government is appropriate take the lead in some of the MSPs, making modifications as per resource constraints. The GOE's current focus on Agricultural Commercialization Clusters, which are based around specific value chains, is a similar model and can be seen as a scaling-up of an MSP-type entity.
- **Cost sharing by participants:** Value chain stakeholders all benefit from the MSP in some way, whether by accessing market information, learning about new practices and technologies, or developing new business-to-business relationships. Hence it seems reasonable that these actors should share costs or at least cover their own expenses when participating in the meetings. However, stakeholders such as farmers and cooperatives, in particular, may not be able to cover their own costs in the short run.

Future Prospects: For each of these options, it seems unlikely that MSPs will continue to be facilitated in the same way that was done by GRAD, due to financial constraints. Nevertheless, it should be possible for MSPs to adopt new modes of working in order to continue providing much-needed services to their members.





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GRAD Learning Brief #1: Outstanding Loans

The background/problem: Like the larger government-managed Household Asset Building Programme (HABP), GRAD seeks to link PSNP households with productive credit, usually provided through private microfinance institutions (MFIs) or rural savings and credit cooperatives (RuSACCOs). In order to qualify for loans, each household first receives training in basic business skills and improved production techniques, is helped to develop a business plan for his/her selected value chain, and is linked with sustainable input supply and output markets. GRAD's experience is that virtually all PSNP households supported this way generate income (some by as much as \$1,000/year), repay loans, and advance towards graduation.

However, a well-known problem prevents large numbers of households from receiving credit. These households are said to have "outstanding loans" provided from many sources, some dating back more than 10 years. Although some households have surely acted irresponsibly, most stakeholders attribute the problem to factors outside of the households' control, such as poor or no information provided to recipient households, no technical support provided to make loans profitable, weak accounting systems and weak efforts in loan collection.

Current government policy, as understood by relevant stakeholders, prevents MFIs or others from providing new loans to households with outstanding debt, no matter the source or circumstance. Our experience is that, although the logic behind the policy appears sound (e.g. avoid increasing household debt-load, discourage defaulters, etc.), the result is that many thousands of poor households cannot be supported to escape poverty and that PSNP graduation targets cannot be met. Nearly 60% of otherwise eligible PSNP households in SNNPR are excluded due to outstanding loan issues and that number is close to 80% in the Amhara Region. The case below illustrates the disadvantages of rigid exclusion of households with outstanding loans.

Case #1: Household excluded from GRAD activities due to outstanding loan

Mrs. Sara Tekare, from Hawassa Zuria woreda, heads a household with six members. The household has received PSNP support since 2004, complementing the meager production and income available to them. The family grows enset and haricot bean on a small parcel of land and also raises poultry for income. Food is in short supply during certain months of the year. A few years ago, Mrs. Tekare was the beneficiary of a family package credit of 3,600 birr, provided by the Woreda Food Security Office. She used these funds to purchase a cow but received no additional training or support. Unfortunately, the cow died soon thereafter, meaning that the loan received provided no benefit. She has been making small payments against this debt but does not know her unpaid balance or how long before she will have paid it off.

This household has been engaged in the GRAD project since early 2012. Mrs. Takare is a member of the local VESA, has been trained in basic saving and credit and other topics and has saved about 12 birr per month in the VESA account. She borrowed 400 birr, which is being used by her eldest child for income generation. However, this credit is inadequate for significant participation in value chains and IGAs promoted by the project. Her dream is to become involved in livestock fattening and expand her poultry production. Without credit from the local MFI, she will not have that opportunity and will not be helped to pay off her old loans and graduate from PSNP.

What we have done: GRAD is working closely with MFIs and government counterparts to look for ways to extend credit to serious and responsible PSNP households, trained to participate in value chain activities, with viable business plans, even when they are officially labelled as having outstanding loans. GRAD's loan repayment rates are strong (close to 95%) and these households are saving at higher rates and investing in their enterprises by taking 2nd and 3rd cycle loans. The case presented below showcases the positive outcomes that can be expected from this approach.

Case #2: Household succeeding in GRAD despite outstanding loan

Mrs. Rakb Molla is 49-years-old and the single parent to her five kids. She lives in rural Tigray, hundreds of kilometres from the regional capital Mekele. Rakb joined a GRAD VESA in March 2013, where she learned about sheep rearing, cattle fattening, and income generating activities such as petty trading. Before this time, her survival was dependent on safety net transfers from the government and a very small plot of rented land, which she farmed only when the rains were adequate. Years earlier she had taken out a loan, but was unable to make the payments because she had not received any training on how to make effective use of the money. She was left with a debt of 1500 Birr (\$78). Following the VESA training sessions, and despite her outstanding debt, DECSI provided Rakb with a loan of 8,000 Birr (\$416). With this loan she bought four sheep, an ox, and some animal feed. The remainder was used for trading, bringing in additional income for her family. She now has the ox and 12 sheep, four of whom are pregnant. She produces barley and wheat on her land, and has *totally repaid the previous outstanding loan using the profits from trading*. Rakb is also investing for the future: she is not only making monthly contributions to her VESA, she has also joined the formal banking sector by saving with DECSI and at her local RuSACCO. She has saved a combined total of 2,400 Birr (\$208). Rakb credits GRAD and her VESA for getting her on this path. *"Now through different trainings and technical supports I have gained sufficient knowledge, capacity and confidence how to manage and handle shoat production and income generating activities. In addition I have accrued assets, secured my family and graduated from the PSNP."*

DECSI - GRAD's partner MFI in Tigray - has been providing loans to project households, even in cases where they have outstanding loans. DECSI was initially sceptical about lending to people who had defaulted in the past, but has been pleasantly surprised; the recipients of new loans have been able to repay both new and old loans, and many are graduating from the PSNP program. Ato Abraham Tadeg, who is the DECSI sub-branch manager in Alamata, Tigray, is highly enthusiastic: *"There is a 84% loan repayment rate which we consider as a great success."* DECSI values the GRAD approach because the project provides appropriate orientation, training, and follow-up to loan recipients. Ato Samuel (DECSI Operation Division Head) noted that almost all households that received new loans are properly repaying both the old and new loans. Encouraged by this, he said, DECSI has increased its outstanding loan ceiling to 2,000 Birr and will consider GRAD households as regular DECSI clients in the future.

GRAD Learning: Based on the practical experiences outlined above and consultation with numerous stakeholders, GRAD feels strongly that:

- **Poor, food insecure households held responsible for old and un-payable debt will not progress towards graduation;**
- **A majority of the many thousands of PSNP households listed as having outstanding loans are not irresponsible or intentional defaulters; they can be helped along the road to graduation;**
- **PSNP households with old loans but that are serious and responsible, receive training and follow-up support, and have a viable business plan should be considered for new loans;**
- **New loans, if complemented with training and other support, yield income that will be used to repay both new and old loans and move the household towards graduation.**





Graduation with Resilience to Achieve Sustainable Development

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GRAD Learning Brief #2: The CVCA Process for Climate Change Analysis and Adaptation Action Planning

Why is GRAD prioritizing climate change adaptation (CCA)? The principle of 'common but differentiated responsibilities' recognizes that different countries have different priorities in responding to the global challenge of climate change. For Ethiopia, where the impacts of climate change have significant impacts on efforts to promote poverty reduction and sustainable development, adaptation is the priority. GRAD households are food insecure and highly vulnerable to climate-related shocks and stresses. Climate change represents a significant threat to their ability to move out of poverty and graduate from PSNP. For these households, adaptation is the priority, and consequently GRAD is supporting actions that build their resilience to climatic shocks while also improving their capacity to adapt to longer-term changes in climate.

The GRAD Strategy: Recognizing the importance of resilience for food security and sustainable livelihoods, promoting CCA is an essential part of the GRAD strategy. To better understand the needs and priorities related to climate change in its target communities, GRAD adapted the Climate Vulnerability and Capacity Analysis (CVCA) methodology for participatory analysis of climate change vulnerability and adaptive capacity in project woredas. This analysis provided important learning for the project but, more importantly, served as a participatory tool that helped local institutions, communities and households better understand the nature of changing climate in their areas and helped with planning for appropriate adaptations.

What we did: The process described below has been conducted in each of GRAD's five operational areas..

- To launch the process, a two-day training of trainers was provided to senior staff from field teams. The training covered theoretical and practical concepts related to CCA and resilience, and guidance on CVCA implementation.
- Those trained then cascaded the training to project field teams and government partners.
- CVCAs were conducted in each woreda using participatory methods. The core of the process were focus group discussions with GRAD's VESA groups and separate groups of women and men. These discussions used tools including hazard mapping, historical timelines, seasonal calendars and a vulnerability matrix to gather community knowledge on climate and livelihood linkages.
- The field teams then developed impact chains to analyze the direct and indirect impacts of hazards on livelihoods and examine how people are currently responding to different impacts.

The Climate Vulnerability and Capacity Analysis (CVCA) Handbook

The CVCA Handbook describes a CARE International process designed to guide development and adaptation practitioners while they work with communities to analyze climate change impacts on their livelihoods as a basis for developing community-based adaptation plans. The Handbook also includes guidance on analyzing institutional and policy context at local and national levels. GRAD adapted and simplified the CVCA process to fit within a complex project design. The GRAD CVCA focused on understanding how hazards, particularly climate-related hazards, affect the livelihoods of women and men and explored how people are currently responding to these impacts and what changes in the climate and their environment the communities have observed. Using this information, the team worked with communities to identify opportunities and barriers for climate change adaptation.

To download the CVCA Handbook, please visit:
www.careclimatechange.org/cvca

- Building on the impact chains, adaptation pathways were developed, which identified appropriate interventions to help households manage the risks. The results of these analyses were validated with the community groups. VESAs were supported to create action plans for household and community activities.
- Finally, project teams created their own action plans, incorporating the promotion of appropriate CCA strategies in GRAD communities.



Example of Hazard Map from Debubawi, Tigray

What it takes: A two-person team, once trained, need about 14 person-days to facilitate the CVCA and action planning process. The exercise can be led by community facilitators,

who correspond in qualifications with Ethiopia's Development Agents. Beyond staff time, resources needs are limited to simple training materials and support costs. The CVCA has been shown to be a simple, cost-effective way to integrate CCA into food security programming.

The Results: GRAD assembled the products of its many CVCA exercises. The following were among the key findings and conclusions that resulted:

- GRAD communities are acutely aware of climate change. They describe changes in rainfall patterns, leading to increasing uncertainty in the timing and intensity of rainfall, as well as more frequent droughts.
- Because crop and livestock production are the primary sources of food and income in the GRAD areas, livelihoods are highly sensitive to climate variability and change.
- Communities identified drought, though infrequent, as the most significant concern, due to its devastating impacts on both crops and livestock. However, increasingly erratic rainfall is also a major concern.
- People are already adapting to the changes by planting early-maturing or drought-resistant seeds, diversifying their income sources and investing in savings, often with support from the project. These strategies provide a buffer when crops fail and/or livestock are lost.
- Measures such as water harvesting, small-scale irrigation and soil and water conservation actions are helping to mitigate impacts on critical resources such as water and agricultural land.
- Use of negative coping strategies, such as sale of firewood and charcoal and sale of livestock during crises when prices are low, are also still common. These are not sustainable and may actually undermine people's resilience for the future.

These insights are important for GRAD, which is using the analyses to raise awareness of climate change, its implications for livelihoods, and adaptation strategies. During group discussions, VESA members share their experiences and observations of climate change in their community, and discuss responses to the challenges. This often leads VESA members to develop CCA Action Plans, outlining how they plan to manage climate risks and minimize the negative effects on their livelihoods. With support from GRAD, VESAs are monitoring the implementation of these actions, sharing successes and lessons, and adjusting their plans accordingly.

GRAD Learning

- The CVCA process not only provides critical information for project planning, but also serves as an effective awareness raising exercise for the communities involved.
- Participatory climate change analysis with communities provides important insights for planning adaptation actions and for helping communities to manage risks.
- The costs involved are reasonable and the process is within the capacity of NGO or government field staff.
- Confusion persists regarding the differences between adaptation and mitigation and both communities and field teams have difficulties selecting appropriate adaptation strategies.

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GRAD Learning Brief #3

Village Economic and Social Associations

What is a VESA? A Village Economic and Social Association (VESA) is a group with members from 15-25 households, brought together by GRAD as a foundation for all economic and social activities supported by the project. The members of a VESA are self-selected groups of neighbors and peers and include both men and women (often the husband and wife from a single household). Although inspired by social traditions in Ethiopia, and originated from CARE's highly successful VSLA model, the VESA is a concept created by the GRAD project, which currently supports 2,845 VESAs, made up of more than 62,600 households.

Why VESA? Organizing PSNP households into VESAs is a cost-effective way of delivering diverse services and technical support to large numbers of households in a manner far more efficient than working with individual households. In GRAD, VESA serve as an entry point for: financial literacy and business skill trainings, exposure to agricultural technologies and information, linkages to microfinance and input/output markets, and other livelihoods interventions. Development agents, model farmers, and private sector actors can interface directly with the VESAs and reach a large and receptive audience. In addition, VESAs build social cohesion and capital and are a safe and fertile environment for training/discussion on social and cultural norms that may impede development and contribute to food insecurity (e.g. gender inequality, infant feeding practices, etc.).

Village Savings & Loan Associations (VSLA)

The VESA concept originated from CARE's highly successful VSLA model, which has been applied in Ethiopia and globally for decades. A VSLA is an informal group that provides members with practical financial experience (savings and credit) in a relatively risk-free environment and also provides a pathway for inclusion in formal financial services. VSLA households also contribute to a social fund from which money can be withdrawn in time of acute need. Unlike VESAs, VSLA groups have not typically been used as a platform for other training and development activities, although the trend is in that direction. Overall, CARE has enabled five million low income people in Africa to form and manage VSLAs, collectively generating more than \$290,000,000 in savings.

A Typical Case: The 'Genet' VESA in Jirmancho Kebele, Loka Abaya Woreda in Sidama

The Genet VESA was established in July 2012 and has a total membership of 29 (14 couples and one widow). All member households are active savers and consistent participants in group activities. The group meets weekly, with savings varying from two to ten birr per week. Currently the Genet VESA has 8,554 birr in savings, 4,481 birr more in a social fund, and 189 birr collected as penalties. The group had a 'share-out' last year, with each member taking home about 500 birr. This VESA has focused on group IGAs, starting with oxen fattening and haricot bean production. So far they've earned nearly 5,000 birr for the group. Their vision is to install a grinding mill and run it as a group enterprise. In addition, the VESA social fund is supporting medical and funeral expenses for members in need. One member said that the social fund was the only money she could access after a recent emergency. The group has elected leaders, maintains by-laws, keeps good group and individual records, and serves as a model for their neighbours and other VESAs.



How do VESAs work?

1. All VESAs begin with internal savings and lending activities. Each member contributes savings each meeting (from 1 to 4 meetings per month). When adequate savings accrue, loans are made available to members whose applications for income generating activities (IGAs) are selected by VESA officers. These micro-loans are complemented with training on financial literacy and basic business skills as well as on-going support to assure well-managed IGAs.

2. Once well established, the VESA serves as a platform for facilitated discussions on topics such as gender and women's empowerment, climate change, nutrition, and aspiration to graduation. GRAD has developed a streamlined and standardized training curriculum that is used by community facilitators or local volunteers to facilitate sessions.
3. VESAs are the venue for introducing members to value chains, helping them with business planning for the value chain selected, and facilitating linkages with financial institutions. VESAs also receive technical training and are linked to model farmers, input suppliers, market actors, etc.
4. VESA groups are increasingly involved in creative lending schemes, beyond credit arising from VESA accounts. For instance, some MFIs are providing larger scale loans that the VESAs manage internally. This cuts costs for the MFI, mitigates risks of default, and quickly gets financing into the hands of producers.
5. Some VESAs make use of the internal trust and knowledge gained as well as the credit available to set-up group enterprises or income generating activities. Additionally, VESA members involved in the same value chain have started transitioning to marketing associations or cooperatives.

Gender Impact of VESAs – Although men and women are equally welcome to join and participate in VESAs, the impacts on women can be dramatic. For example:

- ✓ For many women, this is their first access to savings and credit opportunities in a safe and accessible location. First time use of credit for their own income generating activities. A stepping-stone to engagement with formal MFIs.
- ✓ In many cases, the VESA meeting is the first opportunity for women to interact with men (or wives with husbands) within formal organizations. Transformation in gender roles and relationships often show significant improvement.
- ✓ Serving as officers in groups with male members (including their husbands) can be particularly empowering for women.
- ✓ Group cohesion and trust facilitates discussions leading to positive change in social and cultural norms that are harmful to women and girls and actually impede graduation to food security at the household level.

What does a VESA Cost Promoting economic development and social protection through VESAs delivers strong value for money. Significant facilitation by program staff is only required during a group's initial nine months, and even then for only one or two days per month. The project does not provide any money to VESAs for lending or to fund group activities; all of the loan funds come from the members' internal savings. Besides the low facilitation costs, there are just a few materials required. Each VESA needs a cash box for safekeeping along with at least two strong locks. In addition, the VESA "kit" includes a record-keeping account book, member passbooks (one per member), rubber stamp, ink-pad, ruler, two pencils, two pens and eraser. The total cost of the kit is roughly 400 birr or about \$20US. That, plus the costs of up to 20 person/days of field-level staff time, are the funds necessary to start and facilitate a VESA for a year.

GRAD Learning

Based on the practical experiences outlined above and feedback from numerous stakeholders, GRAD has demonstrated that working through VESAs is a highly effective approach to food security programming and proposes that the VESA model should be replicated by others. Major benefits include:

- **Efficiency** – VESAs bring together people with common interests and needs. These groups meet regularly and can be easily reached and supported by development programs, extension agents, private sector actors, financial institutions, and other service providers.
- **Economic Empowerment** - VESAs improve the saving culture of poor, rural households and offer loan access from internal saving for easy engagement in IGAs. Women gain financial confidence and capacity and earn money in ways previously inaccessible to them. All members become more credit-worthy and become attractive to the formal financial sector.
- **Social Change** - VESAs create an opportunity for project staff to convey important social messages to both men and women around nutrition, gender equality, family planning, etc. Individual members become part of a cohesive group who depend on each other for support and advice. As members, and even more so as VESA leaders, women gain a voice in the community and household decision-making.
- **Sustainability** - As the group matures, individuals grow within it, changing their savings and investment behaviors, and graduating from a reliance on government safety nets. Global learning shows that a majority of savings groups of this type continue to function long after a project ends.
- **Value for Money** – A low cost intervention with multiple positive outcomes. The new household income from IGAs financed by VESA loans would alone exceed the typical investment costs. The VESA approach is within the technical and financial means of government programs.



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GRAD Learning Brief #4

Loan Guarantee Funds

The background/problem: Evidence from around the world shows that access to microfinance can vastly improve a poor household's ability to engage in productive economic activities and increase household income. However, due to the limited capacity of Ethiopian MFIs and rural savings and credit cooperatives (RuSACCOs) and the lack of incentives for them to work with food insecure rural households, the vast majority of chronically food insecure households are excluded from formal financial services. Recent studies have shown that only 7% of rural Ethiopian households have ever received an MFI loan and one can safely assume that most of the 7% are not safety net households. In addition to being risk averse, many MFIs in Ethiopia suffer from poor liquidity and lack mobility for on-site service provision. The need exists, therefore, to strengthen MFI capacity, while building in incentives to encourage them to work with poor rural households, as their mission statements suggest.

GRAD's financial inclusion strategy: Initially, GRAD builds the financial literacy and productive capacity of rural households in part by facilitating village savings and loan activities. GRAD then helps participants to develop business plans to be used for accessing loans. Households (or occasionally groups) are then linked with MFIs or RuSACCOs to apply for loans. In the short term, this linkage helps households get involved in productive livelihoods activities. Longer term, these experiences demonstrate to the MFIs that such households can be good investments; they will make productive use of credit and repay loans on time. It is expected that, based on this, MFIs should accept GRAD households as permanent clients. Unfortunately, the micro-finance sector in Ethiopia is still young; many MFIs lack adequate capital to take on a large set of new clients and need seed money to expand quickly. GRAD has provided each institution a Loan Guarantee Fund (LGF) to both mitigate perceived risks and build financial capital for large scale credit provision.

Within this strategy, GRAD works with eight private MFIs and three RuSACCO unions and has turned an LGF investment of USD3.52 million into loans for more than 50,000 HHs valued at USD12.64 million (including 2nd and/or 3rd round loans for some borrowers). Observing high loan repayment rates from these households, MFIs/RuSACCOs have started taking them on as regular clients. This is a clear indication that an LGF provided per the GRAD model can leverage greater amounts of private funds and motivate financial institutions to work with chronically food insecure households in the long-term. However, although the model appears to work, it works better in some institutions than in others as illustrated in the following cases.

The GRAD Loan Guarantee Fund (LGF) Model

A true LGF might hold money in escrow to compensate the financial institution in cases of loan default. However, such an approach would be extremely difficult to administer and would act as a repayment disincentive for both the MFI and the borrower. In GRAD's strategy, the LGF is transferred directly to the MFI and becomes a permanent part of their credit fund. In exchange from this support, partner MFIs commit an equal or greater contribution of private funds to the loan pool available to higher-risk PSNP households (since the LGF compensates them for the added costs and assumed risks of working with such clients).

Per the terms of agreements signed between GRAD and MFIs, each institution must contribute from one to five times the value of the LGF, depending on its internal financial capacity. Overall, for each LGF dollar paid by GRAD, about 2.5 dollars in MFI private funds have been leveraged. As the resulting loans mature and are repaid, the funds must remain in the MFI's credit account to be used specifically for future loans to food insecure households.

Case #1: Amhara Credit and Saving Institution (ACSI)

ACSI, GRAD's partner MFI for the Amhara Region, is a large regional MFI that is among the oldest in the country. In order to improve access to financial services for PSNP HHs in Amhara, GRAD and ACSI signed an MoU with clearly defined roles and responsibilities for each party. For its part, GRAD transferred an LGF of USD174,141 to ACSI, which in turn has contributed USD1,417,114 of private funds (more than eight times the value of the LGF). This has resulted in new loans to more than 5,400 households, enabling them to engage in GRAD-supported value chains. ACSI has had an interest in increasing the number of households in its client database but usually excluded the poorest households due to a lack of assets or collateral. The LGF motivated ACSI to finance the business plans of many GRAD households. The borrowers received appropriate training and technical support and most loans provided have been utilized in productive ways. GRAD households in Amhara are repaying at a rate of 94%, which exceeds local norms. The case of Maryihun Demissie serves as a good example. Using ACSI credit for initial investments, he was able to earn 35,260 birr (about USD1,760) from malt barley production and 4,000 birr (about USD200) from livestock fattening in one year. This income was more than adequate for loan repayment, household expenses, and further investment in the value chains. This and many similar cases is motivating ACSI to take on GRAD households as long-term clients.

This case makes it clear that when properly applied an LGF can be highly successful in leveraging private funds (for MFIs with ample resources) and encouraging the MFIs to lend to households they might otherwise avoid. The amount provided to ACSI was more than adequate to cover the added risk and cost of working with PSNP households. A key indicator going forward will be ACSI's ability and willingness to maintain GRAD households as long-term clients.

Case #2: Metemamen Micro-finance Institution

Metemamen also works in partnership with GRAD but, unlike ACSI, is a small private MFI. It is relatively young as an institution with fairly modest numbers for clientele, total assets, total value of its loan portfolio, etc. When GRAD began working in Arsi Negelle woreda in the Oromia Region, it signed an agreement with Metemamen to provide financial services to PSNP households there. GRAD's commitment was an LGF contribution and a plan to select and train households to make them ready for productive use of loans. Metemamen in turn was expected to contribute private funds at least equivalent to the amount of the LGF and, of course, to process loan disbursement and repayment for GRAD households in the area. However, while GRAD provided a LGF of USD332,245, Metemamen has only contributed USD149,718, far less than expected. As it turns out, Metemamen overpromised; it has limited private holdings and cannot yet mobilize enough financial resources either by generating public savings or accessing commercial loans. (This has also been the case with most other small, private MFIs and RuSACCOs.) In every other way, Metemamen has been an excellent partner and is providing quality services to an increasing number of clients. It just did not have the capital that an LGF would hope to leverage.

Unlike the ACSI case, where the LGF was able to leverage a much larger pool of credit for GRAD households, Metemamen did not contribute a commensurate share of private funds which, as it turns out, were not available. However, even in this case, the LGF added value as it helped Metemamen expand into new areas and begin supporting additional PSNP households. It also served to help Metemamen grow, by enlarging its loanable fund account.

GRAD Learning

Based on the practical experiences outlined above as well as feedback from numerous stakeholders, GRAD feels strongly that:

- Left alone, most MFIs/RuSACCOs do not loan to many PSNP households and do not consider them as credit-worthy. An LGF provided per the GRAD model leverages MFI private funds and encourages loans to seemingly higher risk clients.
- Given intensive business and technical training and support, poor and chronically food insecure households become credit worthy and represent a profitable new market segment for rural financial services providers. Under most circumstances, they will be productive, earn income, and repay their loans on time.
- Rural financial services providers will contribute private capital and assume greater risk if they are incentivized through a risk-sharing arrangement like the LGF (rather than receiving grants).
- It is not only the risk appetite and confidence of the financial institution that determines whether it can meet the demand for financial services from poor households but also its available capital. The financial sector in Ethiopia remains under-capitalized and incapable of meeting demand for rural credit.
- **IMPORTANT:** Beneficiaries should never be informed that their loans are guaranteed or that loan funds originated from donors. There is strong evidence that repayment rates decline sharply when field staff and officers from financial institutions share this information with the public.



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GRAD Learning Brief # 6

Gender Outcome Mapping

Background

GRAD believes that for a chronically food insecure household to succeed, the women in that household must play a significant role in economic activities and decision-making. GRAD employed a variety of approaches to empower women both economically and socially. The project built women's economic agency through skills trainings and participation in Village Economic and Social Associations (VESAs), provided leadership training to women, and used awareness raising sessions and positive male role models to encourage attitudinal and behavioral change in gender relations. In addition, GRAD worked with community leaders and key government actors to promote gender equality and combat gender-based violence and harmful traditional practices (HTP).

Findings from GRAD's 2014 Mid-Term Evaluation indicated that the project's deliberate gender strategy had been relatively successful (e.g. VESAs served as an effective entry point for facilitating change around gender norms and values). However, much of the evidence was anecdotal, leaving some stakeholders sceptical and pointing to the need for better gender metrics. In June 2015, in order to better understand these dynamics and the project's influence on them, GRAD conducted a Gender Outcome Mapping, with the aim of deepening understanding of the nature and scope of changes in social norms and gender relations so as to better shape programming and identify more sensitive indicators of change. The objectives of the review were to understand the following:

- How has the GRAD project contributed to changes in intra-household relations, including the division of labor, decision-making, and economic and social changes?
- What negative or unintended consequences have been observed, in terms of excess workload, backlash, or gender-based violence?
- What adjustments could be made to further gender equality and develop more accurate monitoring indicators of behaviour change progress in the area of gender relations?

What is Outcome Mapping

Outcome mapping is a qualitative, "actor-centered" monitoring and evaluation approach that focuses on identifying changes in the behavior of a targeted group or individual and understanding the progression of these changes among the target groups. The approach allows for open-ended exploration of locally-defined behavioral change indicators that might not otherwise be visible to project evaluators. Key informants included women and men from beneficiary households, male role models, and community leaders involved with GRAD. The three key concepts applied from Outcome Mapping were:

1. **Outcomes:** i.e. changes in behavior—including actions, activities, and relationships.
2. **Outcome challenges:** each actor's "ideal" behavior in order to contribute fully to empowerment, equity and productivity. The outcome challenge helps to define the "ladder" of progress needed toward the achievement of this ideal.

- Progress markers:** a set of “mini-indicators” of change—specific behavior changes, organized from the attainable, early changes a program can achieve, to the more progressive changes, and finally to the most transformative changes (the “love to see” changes) that indicate a more profound and lasting transformation.

Major findings

The review found that a number of attitudinal and behavioral changes had occurred in GRAD communities. For women, the most frequently reported changes were those related to the “culture of savings” and participation in income-generating activities within VESAs. Men most frequently cited changed workload sharing and both men and women reported that men were now more likely to engage in traditionally female tasks such as making coffee, collecting firewood, and fetching water. Participation of men in childcare and food preparation were also mentioned but less frequently.



The review also revealed subtle and meaningful changes in power dynamics between men and women. Respondents of both sexes noted that they consulted each other more frequently on decisions related to livelihood activities and children’s education. Men and women are eating together more often, spouses have begun greeting each other by name, and they share access to household savings. Given the importance of savings and income generating activities described by women and the accompanying improvements in men’s workload sharing, it seemed plausible that women’s new economic engagement served as a catalyst for many other changes in gender relations. The social acceptability and prevalence of gender-based violence and HTP appear to be on the decline in at least some GRAD-supported communities. This is due to a variety of factors, including external factors, but GRAD’s work with community leaders appears to have contributed to the stigmatization of gender-based violence in particular. The table below summarizes the most frequently reported behavioral changes as reported by women (both household heads and women from male-headed households), men, and community leaders.

Most Frequently Reported Behavioral Changes

Among women	Among men	Among community leaders
<ul style="list-style-type: none"> • Enhanced culture of savings, via VESA participation • Increased family discussions with husbands and children • Better understanding of the value of girls’ education • Active participation in VESAs, community meetings, and public ceremonies • Changes in nutrition and eating habits 	<ul style="list-style-type: none"> • Workload sharing • Family discussions and decision-making, particularly related to livelihood decisions • Changes in the husband-wife relationship e.g. respect and trust, particularly regarding financial matters • Increased recognition of the value of girls’ education and the abilities of the girl child • Reduced gender-based violence & HTP 	<ul style="list-style-type: none"> • Workload sharing • Changes in their own relationships, including eating with their wives and sharing financial resources • Discussions with their wives pertaining to household assets (e.g. cattle) and family planning



What the beneficiaries say:

"Now we do not argue with our husbands like before. We discuss issues, especially about our resources like how to sell our land or cattle."

- 40-year-old mother from Hawassa Zuria

"I started to cook wat and take care of my children. When my wife gave birth, I prepared porridge. When I plow she works with me. We go together."

- 22-year-old husband and father from Arsi Negelle

"I have a big [cash] box. Now my wife and I share a common key."

- 55-year-old traditional leader, Shebedino

A summary of GRAD Learning

- Women's economic engagement appears to have been a stepping stone towards a number of other changes in gender relations, including women's greater involvement in household livelihood decisions. Women's participation in VESAs—often alongside their husbands—was an important catalyst for these changes.
- The subtle signs of more equitable relationships—such as men and women eating together or calling each other by name—are rewarding and can be self-reinforcing, leading to ever greater communication, understanding, and trust in the relationship. For programs that aim to shift gender dynamics, it may be that putting more energy and focus on relationship behaviors such as these (rather than, say, insisting that men begin to take on previously taboo tasks) could lead to a more profound process of renegotiation of power dynamics in the household.
- Women from female-headed households had an easier time achieving some changes, such as sending their daughters to school and participating in VESAs than women from male-headed households, perhaps due to greater mobility and autonomy. This indicates that there is still significant work to be done in working with both men and women towards greater gender equality and women's empowerment.
- Role model men were more likely to report behavior changes related to social norms around gender, while other male respondents focused more on changes related to their own improved livelihoods and well-being, including investment in assets and microfinance access.
- There was a notable discrepancy between community leaders who used their public platforms to *talk about* gender and those who were actively *demonstrating* gender equality through actions such as supporting their own wives and family with household work, and encouraging women to sit and speak in public fora. Hence it is important for program implementers and community leaders themselves to give greater emphasis to behavioral changes in community leaders' own lives rather than focusing on their advice to community members. These changes can not only foster gender equity in the leaders' own households, but can serve to model positive behavior change.
- The progress marker maps offered a roadmap of progressively more transformative changes, providing an initial guideline for recognizing early changes while setting sights on more transformative change. Engaging communities in discussion of such "roadmaps" can be a useful tool for securing consensus and support for transformative change. In addition, the identified progress markers from the findings are useful as a monitoring tool for behavior change progress in gender relations and women empowerment. In GRAD, the tool will be used as a supplement to the Participatory Performance Tracking (PPT) tool.
- The Progress Marker maps below correspond closely to the written data analysis and provide an illustrative glance at the wide range and progression of behavior changes that have been observed during the GRAD program to date. While the "expect-to-see" changes naturally relate closely to the incipient livelihood activities of the GRAD program (savings, income-generation activities, work load sharing), the "love to see" progress markers illustrate the transformative potential for the program, if further effort is concentrated on the processes of social norm change and gender equality.



Graduation with Resilience to Achieve Sustainable Development

GRAD was a five-year USAID-funded project designed to help the Government of Ethiopia find sustainable solutions to chronic food insecurity. The project supported households enrolled in the government's Productive Safety Net Program (PSNP) to increase income, diversify livelihoods options, and build resilience. CARE Ethiopia led a consortium that included REST, ORDA, CRS/MCS, Agri Service Ethiopia, and SNV. In addition, GRAD partnered with 11 microfinance institutions (MFIs) and savings and credit unions¹ to improve access to financial services among chronically food insecure households. The project worked in 16 districts in Amhara, Tigray, Oromia and SNNPR.

GRAD Learning Brief # 7

Micro-finance Loan Terms and Conditions: Appropriateness for Value Chain Engagement of PSNP Households

GRAD'S VALUE CHAIN AND FINANCIAL SERVICES APPROACH

GRAD provided technical and business skills training to clients, built producer collectives, supported input supply, and facilitated external market linkages. When a client was ready, GRAD provided assistance in business plan development and linked the client to a financial institution. Eight microfinance institutions (MFIs) and three rural savings and credit cooperative (RuSACCO) unions provided loans to GRAD clients for investments in five targeted value chains: livestock (meat), honey, vegetables, pulses, and malt barley.

BACKGROUND / PROBLEM

At the start of GRAD, the project signed memoranda of understanding (MOUs) with its partner MFIs specifying interest rates and lending methodologies to be applied in all GRAD-supported loans, as well as specific loan repayment terms. GRAD support enabled many PSNP households to obtain loans, and their livelihood investments were largely profitable. However, some households struggle to repay their loans on time, while others choose not to take loans at all. While this can be due to a variety of factors, one factor was thought to be a disconnect between the terms and conditions of the loan products and the needs and schedules of the respective value chains. To better understand these dynamics, GRAD commissioned a study to identify gaps between the available financial products offered by MFIs and the needs of clients based on the cash flow realities of the selected value chains. This Learning Brief summarizes the study's² findings from the livestock, honey, and vegetable value chains, and provides additional GRAD analysis, based on more recent experience and studies.

AN OVERVIEW OF LOAN STRUCTURE

Loans should be structured based on client demand, capabilities of the provider, value chain realities such as production cycles and market demand, and risk management requirements (to ensure repayment). The core components of a loan are size, term (length of the loan), repayment terms, lending modalities, collateral requirements, and pricing (i.e. interest and fees). The following sections provide an overview of each of the core parameters of loan products, along with the variety in terms for GRAD-supported loans.

¹ Dedebit Credit and Savings Institutions (DECSI) in Tigray, Amhara Credit and Savings Institutions (ACSI), Ras Gayint, Lidet, and Rib Unions in Amhara, Oromia Credit and Saving Shares Company (OCSSCO), Metemamen MFI and Buso Gonefa MFI in Oromia, and Sidama MFI, Omo MFI and Meklit MFI in SNNPR.

² The study was conducted in June-July 2014 by the Association of Ethiopian Microfinance Institutions - Ethiopian Inclusive Finance Training and Research Institute (AEMFI-EIFTRI)

Loan size

The *size* of the loan should be commensurate with the investment required as outlined in the business plan and should be large enough (along with personal resources contributed by the borrower) to cover both the initial investment and any additional inputs needed throughout the production process. The maximum size of GRAD-supported 1st round loans ranged from 4,000 birr for most Oromia and SNNPR MFIs, to 5,000 birr from RuSACCO Unions in Amhara, and 8,000 birr from ACSI and DECSI.

Loan term and repayment terms

The *term* of the loan refers to the period over which the loan must be repaid in full, with interest, while the *repayment terms* refer to how the repayment is structured—i.e. when the borrower needs to begin repaying the loan principal and interest. For a loan that is harmonized with the value chain cycle, repayment should begin only after the business investment has begun generating returns.

GRAD-supported loan terms for most MFIs are limited to one year, as financial institutions lack liquidity as well as experience with longer-term loans. Only ACSI and DECSI, provide longer-term loans for livestock and honey. RuSACCO Unions provided three-year loans for livestock and honey. All institutions offer one-year loans for vegetables, with the exception of DECSI, which provides a two-year loan. “Grace periods” (the period before repayment begins) range from six months (for one-year loans) to one year (for longer loans).

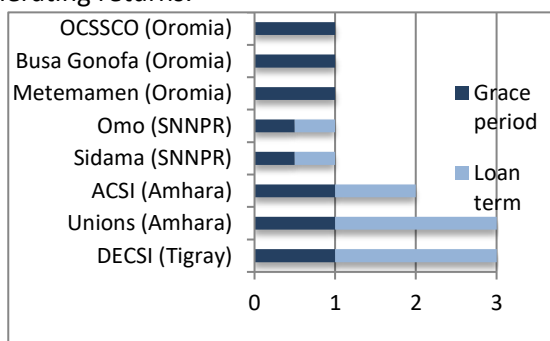


Figure 1: Loan terms for livestock and honey VCs

Lending modality and collateral requirements

The *lending modality* indicates how the loan is provided and is closely related to the *collateral requirements*, which refer to the guarantees provided by the borrower that he/she will repay the loan on time and in full. Collateral requirements are a useful means for the lender to minimize its risk, but need to be carefully designed in order not to pass undue burden or risk onto the client.

Most GRAD-supported loans use a group collateral system, by which a loan is provided to an individual but a group is held accountable for the repayment. This approach can be useful for very poor households but tends to punish best performers who must wait for others to pay. Only DECSI uses an individual lending methodology (also without physical collateral).

Pricing

The *pricing* of the loan refers to the interest rate and any other applicable charges (e.g. service fees), all of which are a means for the lender to recover its costs, cover its risk, and earn a profit, while accounting for inflation. Interest rates vary, and some MFIs charge interest on declining balances (where the interest is charged only on the remaining balance), while others have a flat rate (where the interest is charged on the full loan, whether partially repaid or not).

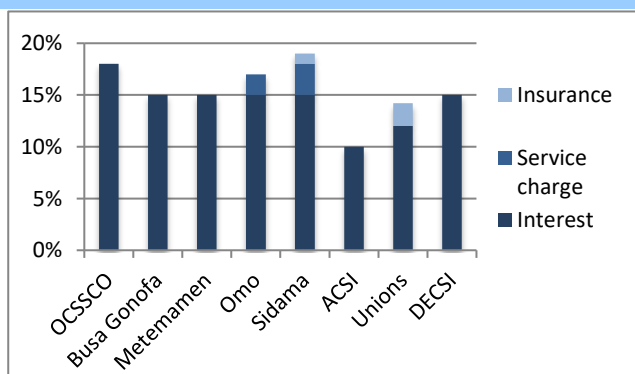


Figure 2: Loan pricing

Interest rates on GRAD-supported loans varied by institution: ACSI offered the lowest rate of 10% (to match the negotiated rate for HABP loans), while OCSSCO has the highest rate (18%). Most common is an interest rate of 15%. Stronger MFIs (such as ACSI and DECSI) offer interest rates on a declining balance, while other MFIs offer flat rates, which are easier to calculate manually. Compulsory savings and a life insurance premium are sometimes built into the loan. A 4,000 birr loan can yield as little as 3,200 birr net after compulsory savings, insurance, and service charges are deducted.

SURVEY FINDINGS ON VALUE CHAIN CHARACTERISTICS AND THE APPROPRIATENESS OF FINANCIAL PRODUCTS³

Livestock Value Chain: Livestock fattening⁴ is the most common livelihoods activity undertaken by GRAD households in all regions.

Value chain requirements and timing of returns:

- Clients investing in livestock fattening require capital to purchase the sheep, goats, or oxen, as well as feed, veterinary inputs, and other expenses. Livestock prices vary by region, season, and animal type and condition, but the cost of purchasing a sheep or goat for fattening is typically around 425-600 birr while the cost of purchasing a young ox for fattening is 2,000-3,000 birr when the market is favorable. Input costs vary depending on the availability of fodder, but typically range from 90-120 birr for shoat fattening to 600-1000 birr for ox fattening.
- Fattening time requirements differ depending on the type of animal and the type of production envisioned. Seasonality is as follows: a) Shoat fattening can be done in put to three cycles per year, e.g. June-September, October-December, and January-April, to coincide with market demand around holidays, and b) ox fattening done per a six month cycle (e.g. purchase in March, use for plowing, fatten, and finish by September's Meskel holiday).

Loan size: The typical loan sizes of 4,000 birr (often closer to 3,200 birr net after compulsory savings and service charges are deducted) in Oromia and SNNPR are sufficient to purchase 5-6 shoats with enough left over for various input costs, and as such they are appropriate for first-time borrowers in the shoat fattening value chain. These loans are usually not sufficient for cattle fattening. First-time loans of 8,000 birr available in Tigray and Amhara enable the purchase of two oxen for fattening, and appear to be manageable by first-time borrowers. Larger loans (up to 15,000 birr in Tigray) are available for second- and third-cycle borrowers.

Loan term and repayment terms: Existing loan terms offered by all MFIs are appropriate for shoat fattening, a short-term activity that requires 3-4 months on average. In these cases, the 6-month grace periods offered by several financial institutions are feasible, but clients need to time their activities carefully within that period (e.g. ensuring that feed is available and affordable and that the end of the fattening period will coincide with high market demand). For oxen fattening, the terms offered by DECSI and others are optimal: a loan term of two years, with a grace period of one year to give clients the freedom to sell when the market is favorable.

Honey Value Chain

Many households that engage in beekeeping do so as part of a diversified portfolio that also includes livestock fattening or rearing and other economic activities.

Value chain requirements, profitability, and timing of returns:

- Initial investments include beehives, colony transfer, protective equipment such as gloves and veils, shelters, smokers, containers, and chisels. In addition, there are annual input costs, which are modest for transitional hives (around 100 birr to cover bee feed costs), but significant for improved hives (to cover the cost of wax that must be added to the hives).
- Honey harvesting typically takes place once a year, and therefore honey production requires one to two years to turn a profit. Expected production from transitional hives is around 20 kg of honey per hive per year, while production from improved hives can be around 30 kg per hive per year.

Loan size: A loan size of 4,000 birr is sufficient for the purchase of two transitional hives (a low cost but productive technology constructed with local materials), with protective equipment and other input costs. The larger loan sizes available in Amhara and Tigray (8,000 birr) enable greater economies of scale, as additional transitional hives can be purchased (while only one set of protective equipment is needed).

Loan term and repayment terms: Given the cycle of the honey value chain, an MFI that offers only a one-year loan for honey production, with a 6-month grace period after which clients must repay 50% of loan and interest, makes unreasonable demands of its clients. Producers will not have generated any income in this short period of time. As a result of these unfavorable terms, fewer households opt to invest in honey

³ This study did not consider pulses and malt barley, which are also promoted by the project

⁴ Livestock rearing is also common in some GRAD areas but is believed to offer a far lower return on investment and is not encouraged.

production, and those that do often struggle to repay their loans on time. Ideally, MFIs should offer loan terms of two years, with a one-year grace period to correspond to the honey harvesting timeframe.

Vegetable Value Chains

Value chain requirements, profitability, and timing of returns:

- Clients investing in vegetable production need to purchase vegetable seeds, fertilizer, insecticides/fungicides, as well as pay for labor for land preparation, weeding, and harvest. In some locations, accessing irrigation is an additional cost.
- Production cycles depend on the vegetable but typically take place during the *meher* season (May-August) and do not take more than four months. Additional cycles are common where irrigation is available.

Loan size: Available loan sizes (4,000 – 8,000 birr) are appropriate for most producers. Clients with larger fields (and for whom vegetable production is a primary livelihood activity) prefer loans of at least 6,000 birr in order to cover all their investment and operating costs.

Loan term and repayment terms: With the exception of DECSI (which offers a two-year loan for all value chains), all financial institutions offer a loan term of one year, with a grace period of 6 months to one year. These terms are appropriate for vegetable value chains promoted by GRAD.

Summary of MFI Loan Products

The following table summarizes the loan products offered by GRAD-supported financial institutions, and provides conclusions as to their appropriateness to clients engaged in different value chains.

Financial institution	Loan size (1 st cycle)	Term & repayment terms	Pricing & savings	Methodology & collateral	Summary
OCSSCO (Oromia)	4,000 birr	<ul style="list-style-type: none"> • 1-year term (all VCs) • Grace period not specified—up to 1 yr 	<ul style="list-style-type: none"> • 18% flat interest • Compulsory saving 	Group (large)	<ul style="list-style-type: none"> • Loan sizes are appropriate for first-time investments in all VCs • Loan repayment terms are appropriate to the vegetables value chain, and for shoaat fattening, but too short for honey (especially the 6-month grace period) and livestock rearing. • Flat interest rates discourage early repayment and are expensive for clients engaging in short-term activities such as shoaat fattening • Small group collateral works better than large group collateral
Busa Gonoffa (Oromia)	4,000 birr	<ul style="list-style-type: none"> • 1-year term (all VCs) • Grace period not specified—up to 1 yr 	<ul style="list-style-type: none"> • 15% flat interest • 400 birr pre-loan voluntary saving 	Group (large)	
Metemamen (Oromia)	4,000 birr	<ul style="list-style-type: none"> • 1-year term (all VCs) • Grace period not specified—up to 1 yr 	<ul style="list-style-type: none"> • 15% declining • 400 birr pre-loan voluntary saving 	Group (large)	
Omo (SNNPR)	4,000 birr	<ul style="list-style-type: none"> • 1-year term (all VCs) • 6-month grace period 	<ul style="list-style-type: none"> • 15% flat interest • 2% service fee • Compulsory & voluntary saving 	Group (small)	
Sidama (SNNPR)	4,000 birr	<ul style="list-style-type: none"> • 1-year term (all VCs) • 6-month grace period (all VCs) 	<ul style="list-style-type: none"> • 15% flat • 3% service • 1% insurance • 10% compulsory 	Group	
ACSI (Amhara)	8,000 birr	<ul style="list-style-type: none"> • 3-year term (livestock & honey) • 1-year term (vegetables) 	<ul style="list-style-type: none"> • 10% declining • 1% compulsory every 3 months 	Group (small)	<ul style="list-style-type: none"> • Loan features are appropriate for all VCs • Loan sizes enable upgrading
RuSACCO Unions (Amhara)	5,000 birr	<ul style="list-style-type: none"> • 3-year term (livestock & honey) • 1-year term (vegetables) 	<ul style="list-style-type: none"> • 12% interest • Insurance 1.7-2.2% • 1% compulsory every 3-6 months 	Group (small)	<ul style="list-style-type: none"> • Loan features are appropriate for all VCs
DECSI (Tigray)	8,000 birr	<ul style="list-style-type: none"> • 2-year term (all VCs) • 1-year grace period (all VCs) 	<ul style="list-style-type: none"> • 15% declining • Voluntary saving only 	Individual	<ul style="list-style-type: none"> • Loan features are appropriate for all VCs • Loan sizes enable upgrading during the 2nd/3rd cycles

WHAT HAVE WE LEARNED

Certain features of the loan can be more easily tied to the value chain than others. *Interest rates*, for instance, are based on the cost to the institution of borrowing money, and are tied to inflation. *Loan sizes* are more likely to be tailored to the needs and capacities of households and their input purchase requirements, up to

the maximum capacity of the lender. *Loan term* and *repayment terms* are perhaps the important features to be tied to the timing of the value chain. Current GRAD MFI loans are relatively well suited to the investment needs and cash flow cycles of the GRAD value chains, with the exception of honey. However, there are a number of improvements to be made to improve the profitability of value chain investments for households. Ranked here from the most to the least critical:

Loan term and grace period

The loan term and grace period must be tailored to the timing of sales returns for each value chain. Many financial institutions offer one-year loan terms because of a lack of liquidity⁵ as well as a lack of experience with longer-term loans. But terms and grace periods that are too short and force clients to sell when the market is unfavorable simply to make their loan payments on time—or, alternatively, causing clients to be late in their repayments. While GRAD-supported loans typically offer loan terms and grace periods that are appropriate for vegetable production and shorter-term shoat fattening, certain MFIs offer terms that are *not* well tailored to the honey value chain (and to livestock rearing) and need to be reconsidered. It should be noted that, for MFIs that offer flat interest rates, any lengthening of the loan term must come with a change in the pricing. Flat interest rates have no impact on loans that are repaid all at once at the end of the term—for instance, for a one-year loan with a one-year grace period, there is no difference in the interest paid between a flat interest rate and a declining one. However, for any loans with multiple repayments, and especially longer-term loans, the difference between a flat rate and a declining balance can be substantial.

Size of the loan

The loan size must be large enough—after deductions—for the client to invest in the productive assets and other inputs to make his or her business profitable. Loan sizes supported by GRAD are typically appropriate in size for first-time borrowers, as it is wise for borrowers to start with smaller, lower-risk activities. In Amhara and Tigray, loans are large enough (beginning in the first cycle but especially in subsequent cycles) to enable upgrading, and clients who express a need for much larger loans are probably no longer poor and can access more mainstream MFI credit. However, in Oromia and SNNPR, clients express frustration at the limited opportunities for increased loan size.

Pricing of the loan

While a 15% interest rate (that covers the MFI's cost of borrowing and helps cover inflation) is appropriate for financial institutions' commercial sustainability, the flat rates offered by many of the small financial institutions in SNNPR and Oromia are problematic. When the rate is flat, clients typically end up having to pay more interest than they had expected, and the profitability of their activities is limited. This problem is compounded when compulsory savings and other charges are deducted⁶, but the interest is applied to the entire loan. In some instances, at the end of the grace period, rather than paying back 50% of their loan with interest, households can find themselves owing nearly 70% of the amount they actually received.⁷ Ultimately, a 15-18% flat interest rate coupled with service charges and other fees results in loans that are prohibitively expensive.

Lending methodology and collateral requirements

While the group collateral methodology is useful for mitigating the lenders' risk while avoiding the need for physical collateral, the group size must be kept small in order to minimize the risk to the borrower. Moreover, in order to provide effective peer pressure, the group must consist of peers and neighbors⁸. Indeed, the survey found that group collateral works well for small groups (comprising 3-8 clients). However, in some cases, the same approach is being applied to larger groups (30+ clients), which poses a challenge given the relatively high likelihood of one person out of 30 defaulting on their loan—and the other group members being precluded from taking another loan until the defaulter has settled his or her loan. One MFI successfully

⁵ MFIs often struggle to mobilize substantial savings, and are required by National Bank Regulation to maintain a 20% liquidity reserve for voluntary savings

⁶ One charge that is appreciated is for credit life insurance—with a cost ranging from 1% to 2.2% of the loan.

⁷ For instance, one MFI provides 4,000 birr loans for livestock fattening, but deducts 10% of the loan amount upfront as compulsory savings. When combined with a 3% service charge, 1% credit life insurance, and 15 birr for the passbook, clients receive only 3,425 birr. At the end of the 6-month grace period, they owe 50% of the loan plus interest (15% flat), which is 2,300 birr, and represents 67% of the amount they received after deductions.

applies a hybrid method whereby a group is used to provide peer pressure, but group members are not prohibited from taking another loan in the event that another member defaults.

GRAD LEARNING

Based on the study findings and GRAD's own analysis, GRAD concludes that:

To provide optimal loans to GRAD clients, financial institutions should:

- **Tailor loan terms to the timeframe of the value chain, which for honey and livestock rearing is more than one year.** This will require addressing the underlying causes of inadequate liquidity (for instance through savings mobilization and potential future loan guarantee funds for smaller MFIs) and lack of experience with longer loans.
- **Provide loans to small groups that can effectively implement group solidarity and mutual accountability without high risks.** This will require addressing the following underlying cause of inadequate staff capacity.
- **Apply interest on a declining balance.** This will require addressing the manual calculation challenges, for upgrade operations so that interest payment calculations are automated, thereby making it easier to introduce interest based on declining balances.

Program implementers and financial institutions should work together to ensure that:

- **Borrowers are trained** in financial literacy, credit management, and savings promotion
- **MFI staff are better aware of the nature of the value chains** and the standard requirements, such as suitability of the environment for the specific value chains, production periods, etc.
- **The loan disbursement and collection timing are aligned** with the production time and market time suitable for the value chains.
- **Close follow-up is provided by both**—for the financial institutions, to ensure that loan terms and repayment requirements are clear, and for the program implementers, to ensure that the necessary supporting services and market access are available.

¹ GRAD is promoting a group loan approach through its VESA groups. Repayment is nearly 100% in most areas.

