

HIGHLIGHTS

PRODUCTIVE SAFETY NET PROGRAM PHASE FIVE (PSNP5) JOINT REVIEW AND IMPLEMENTATION SUPPORT (JRIS) MISSION

NOVEMBER 11-29, 2024

CONTEXT

Launched in 2005, the Productive Safety Net Program (PSNP5) is one of the largest flagship programs financed by the Government of Ethiopia (GoE) and Development Partners (DPs). PSNP5 provides 6 month temporary employment for public work clients and 12 month support for permanent direct support clients across 492 woredas to help smoothen household consumption and build resilience.

The Joint Review and Implementation Support (JRIS) mission is an important biannual platform where the GoE and DPs convene to review the program's implementation progress and agree on the next steps.

The November 2024 JRIS included the review and discussion of the following:

1. EFY 2016 program implementation
2. EFY 2017 transfers status to Permanent Direct Support clients.
3. Implementation status of the May-June 2024 Federal and Regional JRIS agreed actions.
4. Preparedness and the capacity to utilize the significant budget allocated for the EFY 2017 plan.
5. Program risk management and implementation including adaptations made in conflict affected woredas of Amhara and Oromia regions.
6. Status of Performance Based Conditions (PBCs) that are overdue and due in EFY 2017

OPENING REMARKS



The State Ministers reaffirmed the Ethiopian government's strong commitment to PSNP5, highlighting its critical role in reducing poverty, improving food security, and enhancing livelihoods for the most vulnerable populations. The program has exceeded several targets, achieving over 80% timely cash and food transfers in PBC woredas (surpassing the 65% goal), expanding e-payment services to 239 woredas, and boosting operational capacity. A sixfold increase in government funding, including a 400% rise in the capital budget for public works, has allowed the program to support 751,009 livelihoods beneficiaries and prioritize sustainable initiatives. Speaking for development partners, Carlotta Preiss emphasized their commitment to the PSNP and praised the Ethiopian government's efforts in prioritizing social protection. She noted key achievements such as maintaining beneficiary caseloads, reversing decision on caseload and transfer months reduction, and advancing digitalization through e-payments and management information systems to improve transparency and efficiency. Development partners stressed the need for a seamless transition from PSNP5 to PSNP6, calling for early, evidence-based planning to secure necessary funding amid fiscal constraints.

DONOR CHAIR REMARKS



Abdissa Aga
Donor Chair, KfW Development Bank

Donor Chair Abdissa Aga from the KfW Development Bank presented on behalf of Development Partners (DPs). He highlighted key achievements of the PSNP, including improved timeliness of transfers, expanded e-payment systems, and public works projects that benefited over 5 million people last year. Significant progress was also noted in watershed rehabilitation and farmland restoration, livelihood integration, and savings mobilization, with over 120,000 beneficiaries saving \$145 million. However, he underscored challenges such as ensuring equitable access to community-based health insurance, addressing

implementation obstacles in conflict-affected areas, and managing fiduciary risks from expanded budgets. To address these, he recommended expediting wage rate revisions to keep up with inflation, strengthening safeguarding protocols, improving coordination in conflict zones, and enhancing oversight mechanisms for transparent fund utilization. Lastly, he emphasized the importance of accelerated planning for the next program phase to sustain progress and expand the program's impact.

PSNP5 OVERALL PROGRAM PERFORMANCE

Key representatives from PSNP5's implementing agencies—including the Ministry of Agriculture, Ministry of Finance, Ministry of Women and Social Affairs, Ethiopian Disaster Risk Management Commission, and the National Health Insurance Agency—provided updates on their six-month performance and highlighted strategic priorities.

REGIONAL PANEL DISCUSSION



Heads of regional food security bureaus discussed their regional government's preparedness to implement PSNP in EFY 2017 as each region will receive significant resources. In particular, regions shared specific strategies to enhance their operational capacity, ensure stronger senior government leadership oversight, and proactively address potential fiduciary risks.

JOINT STRATEGIC OVERSIGHT COMMITTEE (JSOC) MEETING



The discussion, chaired by H.E. Girma Amente, Minister of Agriculture, focused on ensuring high-level oversight for the implementation of the significant resources allocated to the EFY 2017 plan, as well as reviewing the Government of Ethiopia's concept note for the next phase of the design.

DONOR CHAIR HANDOVER



During the JRIS reception handover ceremony, Carlotta Preiss and Abdissa Aga from the German Embassy and KfW Development Bank, respectively, formally transferred the Donor Chair position to Christabel Dadzie and Sherin Varkey of the World Bank.



NOV 11-15, 2024



From Struggles to Success: Mohamed's Journey with PSNP5

Contributed by
Surafel Akalu

In the heart of Regdina Kore Kebele, Shankura woreda, Central Ethiopia, Mohamed Nur, a 50-year-old farmer, has turned his life around through resilience and opportunity.

In 2021, when the PSNP5 program launched, Mohamed faced immense challenges. Harsh climatic conditions left him struggling to meet his family's basic needs. His home was unfurnished, and he and his wife slept on the bare floor, weighed down by uncertainty.

The turning point came when Mohamed was selected as a PSNP5 temporary wage employment client. Later, he received a loan of ETB 10,000, alongside technical, business, and life skills training. With determination, Mohamed invested in improved green pepper seeds and borrowed oxen to farm his land, repaying the loan through labor. His first harvest yielded ETB 17,000. He used this income to buy an ox and improved potato seeds, which generated ETB 30,000 in the next harvest.

Encouraged by his growing success, Mohamed set bigger goals. He purchased a cow, which soon produced a calf, and received ten chickens through PSNP5's livelihoods intervention. These provided his family with nutritious eggs and a source of additional income. With support and training from PSNP5 in business and financial management, Mohamed expanded his farming activities and ventured into entrepreneurship.

Mohamed diversified his livelihood further. He bought a cart and opened the only shop in his neighborhood, quickly turning it into a community staple. His agricultural efforts also flourished, with thriving farms of coffee, khat, avocado, and maize. His livestock grew alongside his income, and the cart now serves dual purposes: transporting goods for his shop and earning extra income through freight services.

Today, Mohamed's wealth has surpassed ETB 200,000, a significant milestone compared to where he started. He credits PSNP5 for the opportunities and guidance that fueled his transformation. With a thriving business, productive farms, and growing assets, Mohamed has requested to graduate from the PSNP5 program by the end of the fiscal year.

Mohamed Nur's story is a testament to the transformative power of opportunity, resilience, and hard work, showing how programs like PSNP5 can turn lives around and inspire lasting change.



Bridging Watershed Management and Livelihoods: Lessons and Future Directions for PSNP

Interview with Ahmed Nur,
Somali Regional Food
Security Bureau

What evidence do you have that rehabilitated watershed sites are contributing to the welfare of PSNP and non-PSNP households?

Ahmed: In our region, which is predominantly pastoral, public works activities were initially uncommon. However, through PSNP phases 4 and 5, we have implemented significant rangeland interventions, including water harvesting and irrigation canal construction.

A prime example is the Water Spreading Irrigation (WIR) technology, which has dual benefits: protecting and rehabilitating land through gully control and enabling irrigation in areas previously without water access. For instance, the Qorrah watershed site features 11 WIR structures that have rehabilitated 3,750 hectares. This allowed for the cultivation of cereals like sorghum and maize, as well as high-value crops like onions and tomatoes. Of the rehabilitated area, 600 hectares are now cultivated annually, while the remaining grasslands provide fodder for livestock during dry seasons.

Another example is the Megha Kabale site, where two groups of 24 people irrigated 6 hectares using tube wells and pumps funded by the program. Participants also received financial literacy training, business planning support, and capacity-building activities, leading to significant income generation.

What can the program do differently in the next phase to help households build resilience?

Ahmed: To begin, the program has been implemented across several phases. At the national level, our region has contributed to the designs and implementations of PSNP phases 3, 4, and 5. Each phase has its own objectives, and we've adapted them to address our region's pastoral context.

Looking ahead to PSNP 6, I recommend scaling up livelihood activities, particularly focusing on large-scale irrigation [currently not within PSNP's mandate]. So far, irrigation efforts have been limited to small-scale projects. Expanding these to larger, high-potential areas could significantly improve livelihoods for both PSNP and non-PSNP beneficiaries. Not all areas are suitable, but mapping and targeting high-potential zones would ensure resources are used effectively.

In regions with high rainfall but poor water harvesting, the methods used in PSNP 5 could be enhanced with lowland-adapted technologies. Another priority should be improving market access. Lowland farmers engaged in high-value crop production need better infrastructure to connect their products to markets, making market linkages a critical area of focus.

Public work activities have been linked to livelihoods, but this connection can be strengthened. For example, handing over income-generating initiatives like beekeeping or forage development to youth groups could create sustainable opportunities. Additionally, household profiling and area mapping should be emphasized in the next phase to identify and address specific needs effectively.

Our primary goal is to build resilience, particularly for households in extreme poverty. While some have graduated from the program during PSNP 5, the remaining participants need support through initiatives like large-scale irrigation, mechanized public works, advanced water harvesting, value-added crop processing, and improved market integration.

When you say "large-scale irrigation," can you elaborate?

Ahmed: Currently, irrigation projects are limited to 1–2 kilometers due to resource constraints. Expanding to 2–3 kilometers would require more capital but could irrigate much larger areas in a shorter time. This would enhance resilience against shocks and disasters. Additionally, introducing mechanized farming and post-harvest technologies, like mills and oil-processing tools, would be transformative. While these technologies would remain under government and sector oversight, they should be made accessible to PSNP beneficiaries to maximize impact.