



# CASH Year One Work Plan 2014 - 2015





- The CASH Project will strengthen and add value to coffee, horticulture, livestock, honey and handicrafts value chains in order to increase sustainable economic opportunities and decrease food insecurity.
- Private Sector Approach - The project will do this through a private sector approach that is focused on improving production and profit, increasing access to high value markets, and promoting sustainable credit mechanisms.
- Increased Productivity and Profits - As productivity and value increase in the various value chains, so too will profit and income increase for commercial, small-scale and poor farmers.
- Decreased Food Insecurity - With higher income, family purchasing power will grow and project beneficiaries will be able to buy more food and improve their nutritional status.



- First year of CASH Project focused on two phases:
- Phase 1 – Conduct analyses of on-the-ground situation and identification of opportunities for pilot activities.
- Phase 2 – Design and implement pilot activities as proof-of-concept approaches to demonstrate sustainable enterprise models.



- Initial CASH Work Plan submitted May 29, 2014.
- Second draft submitted to USAID on July 3, 2014.
- Final update was submitted on November 27, 2014.
- Two scenarios of work plan – Scenario #1 and Scenario #2 – were submitted in March 2015.



## Phase 1 Analyses

(1) End Market Analyses;

(2) Access to Finance;

(3) Cost-Benefit Analyses

(4) Gender;

(5) Environment/Water  
Resource;

(6) Conflict Triggers;

(7) Household Nutrition and  
Income Use

Overview provided with recommendations for follow on activities – further analysis required.

Initial review – Field-based gender analysis required.

General summary of issues. Further work required in specific CASH project areas.

Framework Provided – Further Analysis Required

General report –no focus groups nor field interviews. Further work needed to establish nutrition monitoring system.



## Year One Work Plan

Pilot Activities - With the information from these studies and building on earlier experiences under CLP, pilot activities were able to be designed and implement initiated.

Assessment - Data will be collected from these pilot activities and assessed to determine how these enterprise models address issues impact agriculture productivity, marketing, access to credit, and rural employment (especially among women).

Scaled Up Activities - The activities with the greatest impact will be scaled up during years two through five and focused on target beneficiaries which include three groups: (1) commercial farmers; (2) smallholder farmers (less than five hectares); and (3) vulnerable households (typically female-headed households).



## End Market Analysis

Objective	Finding
Identify the end markets for Yemeni coffee, horticulture, livestock and honey.	Target Markets - <u>Coffee</u> – Domestic, Saudi Arabia and Japan. <u>Honey</u> – Domestic, Saudi Arabia. <u>Horticulture</u> – Domestic, Gulf Countries and Jordan. <u>Livestock</u> – Domestic.
Identify buyers – with names and addresses – to understand product volume, quality, grades and standards, packaging, and price requirements.	Historic information on exports but no specific buyers, no firm estimates of overall demand. Indication for further research in domestic, regional and international markets.
Map catchment areas for each value chain, analyze market size, buyers' willingness and ability to pay, risk management, financial services, humanitarian aid per governorate, infrastructure, and security concerns.	General discussion of production areas but no analysis of humanitarian assistance and the ability to link to ongoing \$60 to \$70 million humanitarian assistance programs. Little discussion of infrastructure and security as factors to guide end market decisions.
Identify the best partners and approaches to sustainably improve information flows on price and quality requirements within the target value chains	General discussion re partners and types of approaches to improve information flows on price and quality but lacks specifics. Further research required. Livestock sector described as having a value of \$1.8 million (it should be \$1.8 billion).



## Access to Credit Markets

Objective	Finding
<p>Conduct a three-week study interviewing the major financial service institutions involved in agricultural credit in Yemen to assess their level of involvement, capacities, and their willingness to assist potential borrowers they do not typically serve, particularly women farmers.</p>	<p>The study is based on a review of “”over two dozen published reports” – however, no field interviews were conducted. Some phone interviews were conducted. Good information and a clear framework for continued analysis of the sector.</p>
<p>Work with the Value Chain Development Team to interview financial services providers in CASH’s value chains to gain a sense of demand for services and help determine which financial services institutions actually have the capacity and willingness to assist CASH beneficiaries.</p>	<p>The study provided a good desk review of the sector but to answer key questions further research is required. Suggested “next step” is to conduct field interviews – sample questionnaire and list of contacts is included as annex in the report.</p>
<p>Provide information on the level of internal value chain finance provision, such as in-kind credit from input providers and advance payments from wholesale buyers of agricultural products.</p>	<p>Overview was provided of informal credit mechanisms. Again, more research is needed and will be part of IESC Financial Advisor work objectives,</p>



## Cost Benefit Analysis

Objective	Finding
Conduct a cost-benefit analysis (CBA) to ascertain quantitatively where USAID's investment will yield the greatest returns for all stakeholders, particularly smallholders and women	Cost and price data was not available to conduct a CBA on the value chains. The report provided a review of what is needed to conduct CBA based on field information gathered by the project.
For each opportunity identified in the end market analysis, the CBA will determine the investment required – both in physical infrastructure and labor cost – to scale up to meet market demand.	Good desk review information on the different value chains regarding overall cost and price structure. Interesting tables on constraints, findings and recommendations.
Access to finance analysis will identify the prospective investors' hurdle rate (return that the investors require) so that CASH can identify where external financing can best be applied (and thus, mitigate the direct cost to USAID). The CBA will enable us to compare interventions to facilitate disciplined decision-making.	Investment strategies and identifying financing requirements for different types of agriculture enterprises will depend on final CBA conducted with cost and price data collected by the project.



## Gender Analysis

Objective	Finding
<p>CASH will draft a gender analysis specific to the activities and geographic are envisioned in this Program Description. This analysis will detail the context-specific program-level gender issues that may affect program implementation, beneficiary participation and outcomes. The analysis will provide a deeper understanding of gender issues at the community and household levels in CASH target areas and in Yemen as a whole.</p>	<p>This study was an initial review of gender issues in Yemen. It identified general constraints, recommended follow up actions, and provides a framework for CASH to use in developing a gender monitoring and evaluation program.</p> <p>Discussion provided of community and household issues facing women.</p> <p>SWOT analysis provided for each value chain and a discussion of opportunities and constraints on female participation.</p>
<p>The project <u>will</u> examine how cultural practices (e.g., restrictions on women’s mobility), verbal and psychological abuse, gender-based violence, and early marriages affect women’s ability to contribute to household decisions, make autonomous choices and manage assets.</p>	<p>Discussion providing on potential strategies and specific value chains to address cultural practices limited female participation in agriculture production decision-making and access to resources.</p>
<p>CASH will produce a gender action plan as part of the gender analysis final report; this plan will guide implementation during Phases 2 and 3</p>	<p>The general report makes recommendations for follow on actions. Annex 11 provides a strategic framework recommending actions to improve gender equity under the CASH project activities.</p>



## Environmental Analysis/Water Resource Study

Objective	Finding
<p>Assess water use across value chains and governorates. The project will also coordinate closely with USAID funded <u>FewsNet</u> program on developing a water balance framework to assess the water productivity in agriculture.</p>	<p>Good overview of water sector, history, issues and major constraints. Three objectives were covered in a general sense: (1) investigate water availability in CASH governorates; (2) recommend CASH interventions to increase water use efficiency; and (3) provide an analysis of the laws relating to water management in Yemen.</p>
<p>CASH will also identify opportunities to influence behavior change, establishing the mindset that water is a key valuable input, and that using it properly can yield higher profits and better livelihoods.</p>	<p>List of recommendations was provided for the types of value chains and interventions needed to improve water use efficiency.</p> <p>Specific interventions are going to have to be designed based on local context and opportunities.</p>



## Conflict Triggers

Objective	Finding
<p>CASH will also conduct a conflict triggers analysis, by examining the external political factors that may impact the project and the potential conflicts that could be triggered by CASH's bolstering of value chains – particularly those that cross tribal lines or rely on inter-tribal cooperation.</p>	<p>Overview provided and a list of (1) general conflict areas (9 areas – financial, natural resources, economy, politics, corruption, tribes, revenge killings, population movements, and justice mechanisms), and (2) gender areas (female involvement with outside organizations and people, increased women's access to resources, and increased female opportunity in traditionally male areas.</p>
<p>After the end market analysis details where the markets are located, the catchment areas for each value chain, and the infrastructure investment required, CASH will model potential conflict triggers in these locations, assess power dynamics between tribes regarding whether a demonstrated income increase in one area will lead to conflict with others.</p>	<p>Catchment areas and specific locations have not been identified. As the end market analysis continues and areas are identified the conflict analysis will have to be done on these specific locations.</p> <p>Note: There is the potential for using satellite imagery to identify fallow agriculture areas which is an indicator of on-going conflict. See work by Henry Thompson (<a href="mailto:oxania@gmail.com">oxania@gmail.com</a>).</p>
<p>Other factors will be assessed such as how the pending increase in returnees from Saudi Arabia will impact stability, whether increased empowerment of women risks gender-based domestic violence or backlash from religious fundamentalists, and other factors.</p>	<p>The study provides guidance on working with women that is derived from the IFAD experience in working with female extension programs.</p> <p>As recommended in the study, all activities are going to need to be context specific – depending on local conditions and existing power structures.</p>



## Household Nutrition & Income Use Analysis

<p>CASH will analyze household nutrition and how household income is allocated in the seven target governorates. For quantitative data, the project will use random sampling to set a nutritional baseline among project participants and non-participants. CASH will consider average household income, employment status, food accessibility, and receipt of humanitarian assistance (if any).</p>	<p>This was a desk review – no focus groups or field interviews.</p> <p>Study provided information from 2012 WFP Comprehensive Food Security Survey regarding household nutrition. Additional work will have to be done under CASH to establish nutritional baseline among project participants.</p>
<p>CASH will also conduct semi-structured interviews, with either individuals or focus groups, and combine these with observations such as transect walks and visualization techniques such as mapping, seasonal calendars, ranking exercises, time charts and Venn diagrams. This will enable the project to understand people's food habits and related beliefs, food entitlements and existing constraints, and the role that different family members make regarding nutrition (household food security, water, health and care).</p>	<p>This activity will be done in follow on work under CASH project.</p>
<p>CASH will identify food insecure groups in the target governorates, describe the nutritional status of girls/women and children younger than five, and compare the nutritional status of these groups to the non-target population. After the baseline, the project will develop a set of trigger data points and levels that will help us monitor if household nutrition level targets are changing. Our mitigation and monitoring plan will measure the impact of CASH objectives in all three value chains and participating groups, as well as model how these groups would have fared if no activities had been implemented. Finally, CASH will develop a nutritional impact assessment toolkit to monitor progress during Phases 2 and 3.</p>	<p>There was a discussion of the food insecure but the development of baseline, trigger data points and an overall monitoring system will be done after CASH catchment areas and specific value chains are identified.</p> <p>System to provide measurement of impact across all three value chains will be established under CASH project.</p>



## Coffee Value Chain

- 1) “Q System Certification” program established to promote cupping skills (25 people will be trained initially with 30 more advancing cupping skills). Marketing support for Sana’a “coffee event” and promotion of trial marketing pilots along with one or more public-private partnerships. Support to women coffee producers to establish 5 cluster working groups, training for 180 women in business and financial management and 120 female coffee producers trained. This activity will be partnered with a humanitarian assistance provider.
- 2) Train 515 extension agents and farmers in coffee nursery establishment, planting, pruning, irrigating, harvesting, drying and processing. Cadre of 105 extension agents trained to implement a quality enhancement program to achieve a 50% increase in production within the next four years.
- 3) Water management and proper irrigation techniques will be taught to 410 farmers along with other husbandry skills (seedling selection, weeding, disease control, fertilizer management, cherry picking, drying, storage and transportation handling). CASH will seek to partner with a humanitarian assistance provider to demonstrate rainwater harvesting and drip irrigation techniques combining with solar powered pumps (the humanitarian assistance provider would be required to provide the rainwater harvesting infrastructure) -- 700 farmers and extension agents will be trained in proper on-farm water management techniques.
- 4) During the year, 12 farmer field days will be organized to provide the training and demonstration activities mentioned above. This work would include the development and implementation of a traceability system to certify coffee origin. Notional funding for this activity is \$1,011,000.



## Coffee Value Chain

Scenario #1 – 30 people trained in coffee cupping, 60 agriculture extension agents trained, 300 farmers trained in water and production management, agronomic practices, SCAA event activity, 1 public private partnership developed for coffee marketing, conduct coffee research to certify origin, 300 coffee farmers and MAI extension agents trained, and 120 women trained in business and financial management. Notional budget \$289,915.

Scenario #2 – 30 people trained in coffee cupping, 60 agriculture extension agents trained, 420 farmers trained in water and production management, agronomic practices, SCAA event activity, coffee marketing pilot executed in Washington DC, conduct coffee research to certify origin, 700 coffee farmers and MAI extension agents trained, and 180 women trained in business and financial management. Notional budget \$449,915.



### Livestock Value Chain

- 1) Focus will be vulnerable population to promote small scale livestock production and marketing. The project will form three women's Livestock Marketing Associations (LMA), technical training in marketing, business management, literacy, numeracy, and basic husbandry as well as forage production will be provided to 420 members of the LMAs.
- 2) CASH will work directly with the Ministry of Agriculture and Irrigation's Women's Section to implement this program. Activities will be located near CLP/CASH demonstration sites the seven governorates where the project operates (Sana'a, Dhamar, Taiz, Ibb, Al-Dhale, Raymah and Lahj).
- 3) The associations will be the primary conduit for training in production, marketing and business management. Goal will be to establish sustainable business models. Critical aspect of this approach will be in improving women's access to market information (SMS price data system) and credit through an IESC designed pilot loan system (15 loans during year one). Notional funding for this activity is \$510,000.



## Livestock Value Chain

- Scenario 1 – 260 women trained literacy, numeracy & business mgt.; 240 women trained in animal quality identification; 240 in developing in animal nutrition and care. Notional budget is \$156,000
- Scenario 2 – 260 women trained literacy, numeracy & business mgt.; 420 women trained in animal quality identification; 420 in developing in animal nutrition and care. Notional budget is \$220,000

## Horticulture Value Chain

CASH Horticultural pilot activities will support new technologies (e.g., greenhouses, drip irrigation, and solar pumps) and teach Yemeni farmers improved agronomic skills (e.g., seed bed preparation, seed selection, fertilizer placement, crop protection products, use, proper plant population and water management). Activities will include:

- 1) Training 105 extension agents and 420 farmers in improved horticulture production and post-harvest handling skills.. A total of 13 cluster working groups will be established as well as 7 demonstration plots (i.e., AnswerPlots).
- 2) Training will also be provided to 525 farmers and extension agents in the operation and maintenance of drip irrigation systems while 210 farmers will be trained in greenhouse production. High value tree crops (olive and almond) will be promoted through 2 demonstration sites. Small plot training will be accomplished with one quarter hectare horticulture plot at the University of Sana'a.
- 3) 17 cluster working groups will be established to promote horticulture marketing along with support for SMS (Short Message Service or text messages) for market price information.
- 4) Training will be provided to 175 farmers in post-harvest processing and marketing and link 150 farmers to supermarkets in conjunction with 7 greenhouse production sites.
- 5) Establish 6 horticulture training sites and nurseries that are focused primarily on expanding the participation of women.
- 6) Conduct 12 field days. Train 140 women in 7 women managed associations in fruit and vegetable processing. Notional funding for this activity is \$775,000.



## Horticulture Value Chain

Scenario #1 – 30 extension agents trained, 280 farmers trained in high value horticulture production, 280 farmers and extension agents trained in on-farm water management, 75 farmers trained in postharvest handling/shipping/marketing skills, and 60 women trained in food processing and preservation. Notional funding level is \$214,000.

Scenario #2 – 30 extension agents trained, 420 farmers trained in high value horticulture production, 375 farmers and extension agents trained in on-farm water management, 175 farmers trained in postharvest handling/shipping/marketing skills, and 120 women trained in food processing and preservation. Notional funding level is \$330,000.



## Honey Value Chain

The CASH honey pilot activity:

- 1) Establish Quality Brand - Work with industry stakeholders and government organizations to create traceability and quality control systems to establish a seal of quality for Yemeni honey;
- 2) Capacity Building - Training in production and packaging of honey (which will include women beekeepers) – establish 5 cluster working groups comprised of 400 honey producers, processors and traders;
- 3) Improved Processing & Market Access – Training to improve honey quality through proper processing and quality control with goal of penetrating key markets – support development quality standards and compliance that meets market requirements – establish 5 honey marketing cluster groups; and
- 4) Export Promotion - Strengthen the Yemen Honey Association and promote increased productivity, quality and market access through a public-private partnership (special focus on 150 women to develop an honey export marketing pilot). Notional funding for this activity is \$495,000.



## Honey Value Chain

Scenario #1 – 175 honey producers trained in production and quality control; assessment conducted of Yemen Honey Association and YSMO laboratories; assessment conducted of honey packaging with focus on how to improve packaging. Notional budget is \$80,000.

Scenario #2 – 175 honey producers trained in production and quality control; assessment conducted of Yemen Honey Association and YSMO laboratories; assessment conducted of honey packaging with focus on how to improve packaging. Notional budget is \$80,000.

## Handicrafts Value Chain

Following activities will be undertaken:

- 1) Conduct an in-country assessment to identify products and partners as well as start building a supply chain for handicraft articles.
- 2) Execute a two week basic design and training program with the most marketable items to increase local capacity and provide market information on what is required.
- 3) Follow up efforts to ensure sufficient product is produced for two selling events during Year One.
- 4) Based on initial sales, determine marketability of crafts and plan for years two through five. Notional funding for this activity is \$62,000.



## Handicraft Value Chain

Scenario #1 – Follow-up on Holiday Artisan Fair; select 6 artisan leaders for participation in Market Readiness Program, training of trainers and PD workshop for weavers in New York, August 2015. Notional funding level - \$17,118

Scenario #2 – Preparation of Market Readiness Program; conduct activity at New York NOW event; Training of Trainers – August 2015; product development workshop; follow up on new weaving designs; and second holiday artisan gift fair. Notional funding level - \$126,165

## Marketing & Finance Value Chain

- 1) Market Access and Development Advisor will support (1) development of a market information system, (2) establishment of cluster working groups, (3) draft and initiate implementation of an export promotion strategy, and (4) strengthen producer organizations.
- 2) CASH will establish the CWG first in the coffee value chain and then as this group becomes sustainable, CASH will organize CWGs for each targeted value chain. CASH will engage in export promotion activities and develop export promotion strategies involving private sector Yemeni firms.
- 3) CASH will engage with export market stakeholders across all five value chains, including facilitating Yemeni coffee and honey exporters attendance at one or more international shows as well as work to strengthen existing and establish new producer organizations and farmer groups.
- 4) Assess group needs and design capacity building pilot projects based on these analyses.
- 5) Facilitate several short-term business oriented trips for Yemeni value chain stakeholders and support market access activities within Yemen and the region.
- 6) Seek to facilitate additional capital from existing sources including a Specialty Coffee Investment Fund. Alongside capital identification. CASH will help build capacity of financial institutions through training. Notional funding for this activity is \$228,000.



## Marketing & Finance Value Chain

Scenario #1 – Ag. Finance – farmer fin. education,; partner bank/MFI technical needs assessment & assistance; financial institution mobilization; integrate CASH program partner banks/MFIs to international global finance networks.

Marketing & Development – development market information systems; build cluster working group, producer and farmer groups; export promotion activities .  
Notional budget for Ag. Finance - \$49,571.43 and Marketing and Development - \$119,526.43.

Scenario #2 – Ag. Finance – farmer fin. education,; partner bank/MFI technical needs assessment & assistance; financial institution mobilization; integrate CASH program partner banks/MFIs to international global finance networks.

Marketing & Development – development market information systems; build cluster working group, producer and farmer groups; export promotion activities .  
Notional budget for Ag. Finance - \$101,000 and Marketing and Development - \$230,254.



**USAID** | **YEMEN**  
FROM THE AMERICAN PEOPLE

**Questions?**