



**Federal Democratic Republic of Ethiopia**

**COSOP Completion Review**

---

For: **Information**

## Contents

I. Assessment of programme performance	2
II. IFAD's performance	6
III. Lessons learned and recommendations	7

## Appendices

Appendix I	COSOP results management framework (at design)
Appendix II	COSOP results management framework: progress since COSOP results review
Appendix III	Ratings matrix (in line with IOE evaluation methodology)
Appendix IV	Comments from recipient

## Abbreviations and acronyms

AMIP	Agriculture Marketing Improvement Programme
CBINReMP	Community-Based Integrated Natural Resources Management Project
CCR	COSOP Completion Review
CDD	Community-driven development
COSOP	Country Strategic Opportunities Programme
CPE	Country Programme Evaluation
CPM	Country Programme Manager
DBE	Development Bank of Ethiopia
FCA	Federal Cooperative Agency
FRGs	Farmer Research Groups
GTP	Growth and Transformation Plan
ICO	IFAD Country Office
IFAD	International Fund for Agriculture Development
IOE	Independent Office of Evaluation of IFAD
KM	Knowledge Management
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MFI	Micro Finance Institutions
MoANR	Ministry of Agriculture and Natural Resources
MTR	Midterm Review
NBE	National Bank of Ethiopia
NGOs	Non-Governmental Organizations
PASDEP	Plan for Accelerated and Sustained Development to End Poverty

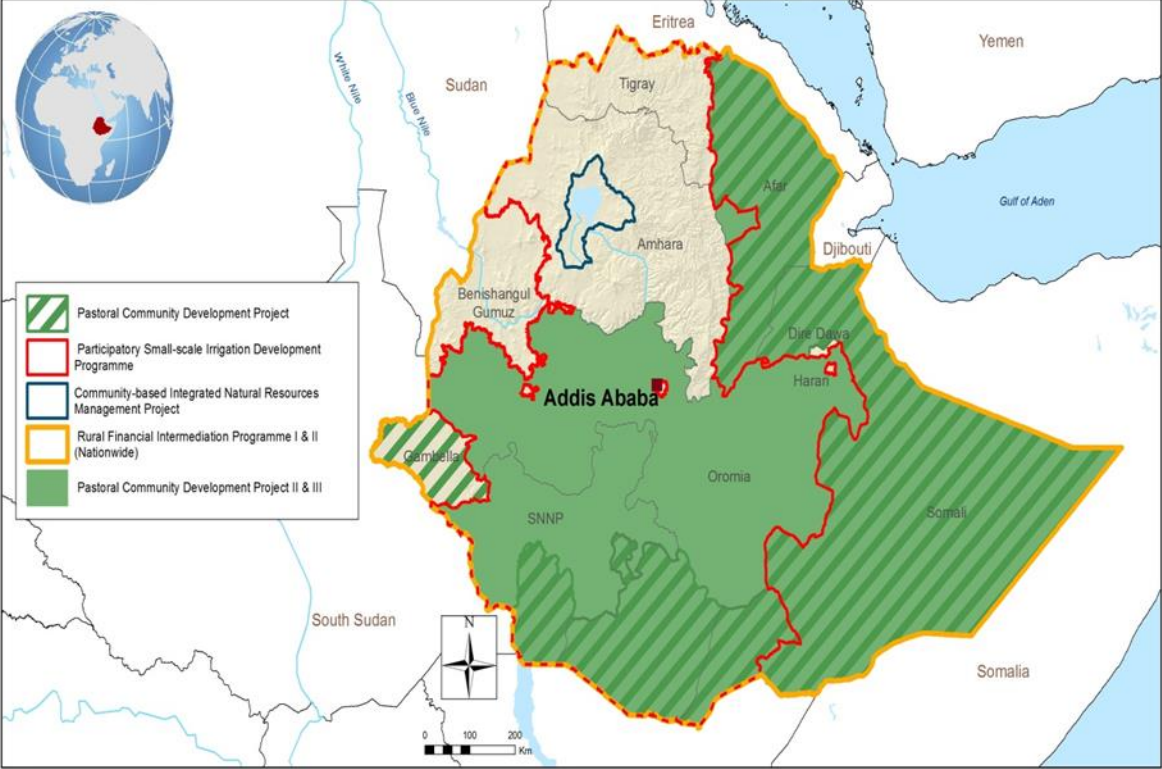
PASIDP	Participatory Small Scale Irrigation Development Programme
PCDP	Pastoral Community Development Programme
PMUs	Programme Management Units
RUFIP	Rural Finance Intermediation Programme
RUSACCOs	Rural Saving and Credit Cooperatives
SCP	Strategy Country Programme
SLM	Sustainable Land Management
SLMP	Sustainable Land Management Programme
SO	Strategic Objective
SWG	Sector Working Group
TOC	Theory of Change
WB	World Bank
WRS	Warehouse Receipt System
WUAs	Water User's Associations


# Map of IFAD-funded operations in the country

Federal Democratic Republic of Ethiopia

IFAD-funded operations 2015

Country programme evaluation



 The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.  
**IFAD** Map compiled by IFAD | 11-06-2015

# Federal Democratic Republic of Ethiopia

## COSOP completion review

### I. Assessment of programme performance

1. The country strategic opportunities programme (COSOP) under review was the second for Ethiopia and was developed to cover the period from 2008 to 2015. It was extended to December 2016. The COSOP aimed at enhancing access by poor households to: (SO1) natural resources (land and water) and social services; (SO2) improved agricultural technologies and support services; and (SO3) a broad range of financial services with the ultimate goal of enhancing food security and increasing incomes for smallholder farmers, agro-pastoralists and pastoralists and landless households.<sup>1</sup> These strategic objectives as well as the corresponding investment projects were fully aligned with the Government's priorities in rural poverty alleviation as articulated in the Plan for Accelerated and Sustained Development to End Poverty (PASDEP, 2005/2006-2009/2010).
2. A mid-term review of the COSOP was conducted in 2012 to ensure alignment with Ethiopia's Growth and Transformation Plan (GTP) for the 2010/2011–2014/2015 period. The review revalidated the relevance of the original three SOs and updated the document to reflect the dynamically evolving country context. There were no changes in the result framework outcomes indicators. A Country Programme Evaluation (CPE) conducted in 2015 by IFAD's Independent Office of Evaluation (IOE) considered the operations in rural finance, small-scale irrigation and pastoral community development highly relevant and recognized IFAD's comparative advantage in these areas.
3. As confirmed by the CPE, overall portfolio performance has been satisfactory. IFAD has been able to scale up successful models and approaches, and improved portfolio performance learning from previous experiences in all the COSOP areas: pastoral development (PCDP III), rural finance (RUFIP II) and small scale irrigation (PASIDP II). The CPE highlighted particularly IFAD's effectiveness in promoting community participation to strengthen accountability and the effectiveness of development support as well as the Government's decentralization efforts. IFAD's investments were also effective with regard to gender mainstreaming through specific targets for women's participation which were largely met.
4. **Outputs and outcomes.** While the COSOP Result Management Framework provided clear direction in terms of strategic focus and results, based on concrete targets, project M&E frameworks and their outcome indicators were not fully aligned, making a systematic monitoring of the COSOP performance difficult. The assessment presented in this CCR is based on a simplified Theory of Change (TOC) that was developed during the CPE. Major findings are summarized below:
  - a. **SO1: Enhanced access by poor rural households to natural resources (land & water) and social services:** IFAD's main investments that contributed to this objective and toward the goals of the Government's flagship Sustainable Land Management Programme (SLMP) include CBINReMP; PASIDP; and PCDP. The 2015 CPE assessed the performance of all three projects as satisfactorily.
    - The **Community based Integrated Natural resource Management Project (CBINReMP)** is currently in its fifth year of

---

<sup>1</sup>Please see Annex ... Simplified theory of change reconstructed during the 2015 CPE

implementation and largely on track to meet its objectives<sup>2</sup>. The project has significant impact in bringing sustainable land management practices to the Lake Tana watershed. The project met its outreach objectives in terms of beneficiaries and land area brought under land certification and sustainable land management practices, with 650 watershed development plans. CBINReMP has covered close to 200,000 hectares through different interventions such as participatory forest management, soil and water conservation, and wetland conservation. In addition, households accessed 3,581 fuel-efficient stoves and 21 biogas plants were established, both contributing to sustainable adaptation to climate change.

- The **Participatory Small Scale Irrigation Development Programme (PASIDP)** has benefitted 61,625 households (99 per cent of its target) with increased incomes and assets through the construction of 116 of 125 planned irrigation schemes (93 per cent of the target) in 82 woredas and 120 kebeles in drought prone areas, covering a total irrigable land area of 13,808 hectares (96 per cent of target). To ensure sustainable operation of the schemes, 175 Water Users' Associations (WUAs) were established and supported by the project.
- The second and the third phases of the **Pastoral Communities Development Programme (PCDP II and III)** improved the livelihoods of 1.9 million beneficiaries<sup>3</sup> living in pastoral and agro-pastoral woredas (districts) through access to potable water; improved health services, infrastructure development, including small scale irrigation on 3,500 hectares. In addition, early warning systems were implemented in 98 per cent of the woredas covered, providing vital information for risk management to all community members. These interventions increased communities' resilience. According to government officials, during the recent El Niño-related drought, more than 42,000 households who benefitted from access to irrigated land did not require humanitarian assistance. This is a significant achievement, given that this drought was considered the worst in decades.

b. **SO2: Improved production technologies and support services effectively delivered to poor rural households.** Progress against this SO suffered from an insufficient definition of this objective and overly ambitious outcome targets.

- The SO was expected to be achieved mainly through the **Agricultural Marketing Improvement Programme (AMIP)** which operated with limited linkage to the other programmes. While AMIP's performance was, overall, below expectation, some achievements can be highlighted. The quality and traded volumes of specialty coffee increased, and the time required for marketing improved through the establishment of coffee liquoring centers, training of quality assessors, and training of farmers. The project

---

<sup>2</sup> However significant start up delays and an underestimation of the communities' capacity to directly contribute to the activities and investments under this projects present a strong case for an extension of the completion date, during which the expected results would be likely to be exceeded.

<sup>3</sup> PCDP I and PCDP II cumulatively reached a population of 1.9 million beneficiaries of which 600,000 under PCDP I and additional 1.3 million under PCDP II.

established and linked 1,840 marketing groups to markets (92 per cent of target), provided support for the construction of laboratory rooms and an auction hall for eight coffee liquoring units (100 per cent of target). The use of coffee liquoring units as entry point for programme activities allowed interventions to reach the majority of coffee producers along the value chain in the target areas. Training on post-harvest processing and marketing was delivered to 412,758 farmers and agro-pastoralists (82.6 per cent of the target); 8,340 Development Agents and Cooperative Promotion Assistants (46.3 per cent); 4,003 experts from federal, regional, zonal and woreda levels (807.1 per cent); and 1,564 coffee traders (16 per cent). While AMIP successfully facilitated access to credit for postharvest technology, including coffee grading, de-hulling and pulping machines, maize threshing/shelling machines, and fruit processing and transportation equipment, through an agreement with the Development Bank of Ethiopia (DBE). The envisaged establishment of a Warehouse Receipt System (WRS) could not be implemented as the 'grain market did not present minimum conditions for a successful WRS', although the programme rehabilitated eleven (11) warehouses.

- **PCDP, PASIDP and CBINReMP** provided support to the agricultural extension services through which farmers and agropastoralists adopted improved techniques and technologies. In particular under PASIDP, 230 farmers research groups were organized, 130 nurseries sites were established, and 539 home gardens developed. The adoption of improved technologies was further facilitated through enhanced outreach of MFIs and UCOs, allowing farmers to access credit.

c. ***SO3: Reliable financial services made available to poor rural households:***

- Under the first phase of the **Rural Financial Intermediation Programme (RUFIP)**, a line of credit of USD 73.23 million was accessed by 2.3 million rural households (against a target of 1.5 million), 59 per cent of which were female-headed.
- The **Rural Financial Intermediation Programme – Phase II (RUFIP II)** has equally good prospects of meeting its overall development objective to serve 6,142,000 rural households. As at July 2015, 5.6 million (81 per cent) households were reached, of which 4.3 million accessed services from RUFIP supported Microfinance institutions (MFIs) and 1.3 million from Rural Saving and Credit Cooperatives (RUSACCOs). The programme has reached 22 out of 30 targeted MFIs, resulting in operational sufficiency ratios of over 120 per cent and annual growth rates of 48 per cent on average, thus surpassing the end of project target. A total of 1,138 new RUSACCOs were established under RUFIP II making a total of 5,638 RUSACCOS, reflecting 114 per cent achievement of end of project target, serving 714,000 members (73 per cent of target) 40 per cent of whom are women (80 per cent of target). Further, a total of 38 out of 45 targeted RUSACCO Unions (84 per cent of target) were established. In addition, RUFIP supported the National Bank of Ethiopia to set up a Regulation and Supervision Department for MFIs as well as the Federal Cooperative Agency (FCA) to create a Financial Services Department, providing the basis for a solid institutional oversight and support system for the growing rural finance sector.

5. **Poverty targeting.** The CPE confirmed the effectiveness of the poverty targeting approach for the COSOP under review. The programme targeted the most vulnerable and food insecure woredas, which include drought-prone pastoral and agro-pastoral areas. Most of the people in these areas are living well below the poverty line (income less than US\$0.50 per day). The geographic targeting was complemented by a self-targeting approach within the selected woredas and kebeles. To promote women's and youths' empowerment, relevant activities were directly targeted at women and youths.
6. **Innovation.** The CPE highlights that the portfolio has promoted a number of significant innovations, which have enhanced the national approaches:
  - a. The CDD approach in PCDP represents a major departure from previous top-down approaches to rural infrastructure development. Pastoral communities have asked that the CDD approach in PCDP be extended to all Government programmes as well as programmes supported by other development partners and NGOs.
  - b. The participatory approach to small-scale irrigation promoted under PASIDP, which ensured close involvement of communities in planning and implementation of small-scale irrigation schemes, which significantly to the sustainability of the schemes. Further, PASIDP introduced a range of affordable technologies (e.g. manual pump, and spate irrigation), home gardening, energy-saving stoves, and FRGs with good results.
  - c. Land certification under CBINReMP and SLMP to enable and incentivise communities and households to invest in land rehabilitation and sustainable land use practices.
7. **Policy Engagement.** As part of the Government's core investment programme to achieve its Growth and Transformation Plan, IFAD-financed programmes have served as a platform for innovation, knowledge management and policy engagement. The latter was particularly effective in three thematic areas:
  - a. **Rural financial inclusion.** With IFAD's support, the National Bank of Ethiopia has established a department for regulation and supervision of micro-financial institutions. Similarly, the Federal Cooperatives Agency (FCA) established a Financial Services Department. In addition, eight financial sector proclamations were supported, coupled with capacity building for the entire rural finance sector.
  - b. **Small-scale irrigation and natural resources management.** IFAD's support provided substantial inputs to the proclamation for WUAs (2014), enabling them to obtain legal status and land title certificates. In addition, gender considerations, payment for water tower maintenance, and an overall participatory approach to small-scale irrigation development were mainstreamed into common practice.
  - c. **Community-driven development (CDD).** Based on the successful CDD approach in the pastoral areas, the participatory identification of priority services and pastoral land use planning have been adopted as a standard practice for other projects and programmes.



8. In conclusion, seven out of the eight loan projects examined during the CPE have met or are likely to meet their development objectives, with good prospects for sustainability. All projects except AMIP have been, or are expected to be, largely effective. Overall progress made toward achieving COSOP strategic objectives and their corresponding outcomes has been satisfactory.

### **Key COSOP achievements**

*SO1: Enhanced access by poor rural households to natural resources (land & water) and social services*

- The livelihoods of 1.9 million beneficiaries living in pastoral and agro-pastoral districts have improved through access to potable water, better health services, and infrastructure development, including small-scale irrigation.
- 61,625 households in drought prone, high density and food insecure districts have increased their incomes through access to 13,808 ha of irrigated land.
- 200,000 ha of land has been brought under Sustainable Land Management practices;

*SO2: Improved production technologies and support services effectively delivered to poor rural households*

- 1840 marketing groups have been linked to markets.
- Laboratory rooms and auction halls were constructed for all eight coffee liquoring units.
- 365,705 actors in the coffee value chain were trained in post-harvest processing and marketing including 1,137 government officials and 1,564 traders.
- 230 farmers' research groups with 23,637 members were established, trained and operational.

*SO3: Reliable financial services made available to poor rural households*

- MFIs and RuSACCOs have achieved a cumulative outreach of 5.6 million clients.
- 22 MFIs have reached operational sufficiency ratios of over 120per cent.
- The basis of a solid oversight and support system for the rural finance sector has been established.

## **II. IFAD's performance**

9. The CPE assessed the performance of IFAD supported investments and the COSOP as satisfactory. The COSOP (2008) was prepared in full collaboration with the Government and in consultation with key stakeholders and other development partners. As a result, the COSOP fully reflected the development priorities of the Government, both in its scope and implementation modalities.
10. The IFAD Country Office (ICO), which was established in 2005, and the subsequent out-posting of the Country Programme Manager (CPM), has been critical to ensure effective implementation support and supervision. IFAD has conducted regular supervision and implementation support missions (at least once per year per project) to provide guidance to the implementing partners, which enabled them to deliver the expected outcomes. As confirmed by the 2015 CPE the supervision reports were generally thorough and of high quality, and issues arising from the reviews were followed-up. In addition, PMUs and other partners appreciated IFAD's pro-active responsiveness to day-to-day implementation issues. The 2016 Client Survey confirms this appreciation, with ***Ethiopia having received the highest score of all countries surveyed.***
11. To provide an opportunity to project managers to discuss main challenges and solutions and interact with senior IFAD management, as well as with peers from other countries in the East and Southern Africa region, IFAD held annual regional project implementation workshops. Specific thematic regional training sessions for

programme staff complement this support with focus on common challenges and capacity building requirements.

12. IFAD has built a strong and effective partnership with the Government of Ethiopia constructing a “deep trust” throughout the COSOP period. The ICO and its staff were acknowledged for their commitment to ensuring effectiveness of IFAD’s work in the country. Furthermore, ***the partnership with the WB has been recognized as one of the best example in IFAD.***
13. In order to track the COSOP’s progress the ICO has prepared biannual progress reports. However, these reports did not include a detailed analytical review of the result framework, which might have resulted in adjustments with regard to SO2.
14. While IFAD’s contribution to innovation, knowledge management and policy has been considerable, IFAD’s direct participation and input in the policy discussions taking place in some of the agricultural sector working sub-groups were rather limited due to the human resource constraints of the IFAD Country Office. The contribution of non-lending activities taken by the ICO such as articles, field stories and joint publications toward the policy and institutional agenda could have been enhanced with a more structured approach.
15. In conclusion, the COSOP was relevant and the implementation of programmes and projects consistent with the COSOP objectives. The strong partnership between the Government and IFAD and the strong shared commitment to poverty alleviation based on agricultural growth were key for this achievement.

### **III. Lessons learned and recommendations**

16. The CPE assessed the performance of IFAD’s COSOP and IFAD-supported investments during 2007-2014 satisfactory, non-lending activities moderately satisfactory. Major lessons learned and indications how they have been taken up in the preparation of the new COSOP include the following:
  - (a) **The programme was spread too thinly over five thematic areas**, hence the CPE recommended IFAD to narrow down its support in three areas where it has comparative advantage and a proven track record: Participatory Small Scale Irrigation Development, Pastoral Community Development, and Rural Finance. Greater focus on fewer thematic areas, combined with a longer term programmatic approach to lending, would allow the limited resources at the ICO to be used to more proactively to support the investment portfolio, with enhanced implementation support and non-lending activities.
  - (b) **There is scope to adopt a more programmatic approach**, as implied by the positive lessons from PCDP, which received sustained support through a series of successive, shorter duration projects. Adopting such an approach for the other projects would allow for (i) a longer-term strategic engagement; (ii) reducing start-up delays of subsequent phases; and (iii) enhance coordination efforts based on a more predictable investment pipeline.
  - (c) **Focus more clearly on non-lending services**. Given IFAD’s strong partnership with the GoE and its unique experience in small-scale irrigation, rural finance and pastoral community development, a well-focused strategy would allow it to enhance the effectiveness of its leadership while increasing efforts in implementation support, knowledge management, policy engagement and partnership, as well as design for greater efficiency.
  - (d) **The CPE concluded that agriculture marketing efforts by IFAD have proven to be unsuccessful**, in large part because of weaknesses in design and institutional constraints within Ethiopia. However, lessons from PASIDP imply that given the nature of agriculture as a business, production support

has limited results, if access to markets, technology and finance are not sufficiently taken into account.

- (e) **A greater engagement with the private sector will help sustain and scale up the outcomes and results of productive investment.** A production oriented focus on food security and natural resource management risks neglecting the opportunities offered by leveraging private investment for greater productivity along the value chains. Under the new COSOP, a more deliberate effort will be made to link the target groups to other actors in their respective value chains as a basic condition for transformational change.

## COSOP results management framework (at design)

Country Strategy Alignment	Key Results for COSOP			Institutional and Policy Objectives
Plan for Accelerated and Sustainable Development to End Poverty (PASDEP)	Strategic Objectives (SO)	Outcome Indicators <sup>4</sup> Related to the SOs	Milestone Indicators Progress Towards SOs	Policy Dialogue Agenda
<p><b>Goal:</b> Attain MDGs by 2015</p> <p><b>Objective:</b> Accelerated, sustained, and people-centred economic development achieved</p>				
<p><b>Strategies in agricultural development:</b></p> <p>(a) Promote market based agricultural development (irrigation, rural finance, farm-to-market roads, export promotion, improve land tenure security, and enhanced access to markets);</p> <p>(b) Increase private sector investments;</p> <p>(c) Provide specialized support services for differentiated agro-ecologies;</p> <p>(d) Improve rural-urban linkages;</p> <p>(e) Special effort for pastoral areas.</p> <p>(f) Improve access to financial services;</p> <p>(g) Improve the effectiveness and efficiency of agricultural markets for both inputs and outputs; and</p>	<p><b>SO1 – Enhanced access by poor rural households to natural resources (land &amp; water);</b></p>	<ul style="list-style-type: none"> <li>• Income and wellbeing of about 600 000 rural households living in 57 pastoral and agro-pastoral districts improved</li> <li>• 65 000 households in drought prone, high density and food insecure districts have increased incomes from 20 000 ha of irrigated land with land tenure security</li> <li>• 1.75 million 1<sup>st</sup> level land certificates issued to smallholder farmers</li> <li>• 1.75 million smallholder farmers adopt sustainable agriculture and land management practices</li> <li>• 500 000 ha of land brought under SLM</li> </ul>	<ul style="list-style-type: none"> <li>• No. of viable micro-projects approved and completed by FY</li> <li>• No. of pastoral households with access to basic social services by FY</li> <li>• No. of pastoral community members trained by FY, sex disaggregated</li> <li>• No. of contingency plans for natural disasters prepared by FY</li> <li>• No. of irrigation schemes constructed and WUAS formed by FY</li> <li>• xx per cent of watersheds and xx ha in PASIDP programme area treated by FY</li> <li>• No. of land certificates issued by FY</li> <li>• No. of farmers adopting sustainable agricultural and land management practices by FY</li> <li>• No. of hectares brought under SLM by FY</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation capacity of the decentralized administration especially at <i>woreda</i> and kabele levels strengthened</li> <li>• Land tenure security improved</li> <li>• Contingency planning at district, zonal, regional and federal levels developed and harmonized</li> <li>• An effective M&amp;E system implemented in the context of harmonization and alignment</li> <li>• The role for NGOs and civil society groups enhanced</li> </ul>

<sup>4</sup> To be firmed up during programme design.

Appendix I

Country Strategy Alignment	Key Results for COSOP			Institutional and Policy Objectives
Plan for Accelerated and Sustainable Development to End Poverty (PASDEP)	Strategic Objectives (SO)	Outcome Indicators <sup>4</sup> Related to the SOs	Milestone Indicators Progress Towards SOs	Policy Dialogue Agenda
(h) Promote agricultural exports	<b>SO2</b> – Improved production technologies and support services effectively delivered to poor rural households	<ul style="list-style-type: none"> <li>• Incomes and food security for about 500 000 rural households increased due to better engagement in marketing chains</li> <li>• Warehouse receipt system established and operational</li> <li>• Coffee liquoring decentralized to growing regions</li> <li>• xxper cent increase in traded volumes of agricultural products</li> <li>• An agricultural market information service established and operational</li> <li>• 436 farmer research groups established and operational</li> </ul>	<ul style="list-style-type: none"> <li>• xxper cent increase in yields of key crops measured annually</li> <li>• No. of persons trained in various aspects of agricultural marketing by FY</li> <li>• Volume of surplus farm produce stored in certified warehouses by FY</li> <li>• No. of coffee liquoring centres established by FY</li> <li>• No. of regional agricultural marketing advisory forums operational</li> <li>• No. of farmer research groups established by FY</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation capacity of the decentralized administration especially at <i>woreda</i> and kabele levels strengthened</li> <li>• An effective M&amp;E system implemented in the context of harmonization and alignment</li> <li>• The role for NGOs and civil society groups enhanced</li> </ul>
	<b>SO3</b> – Reliable financial services made available to poor rural households	<ul style="list-style-type: none"> <li>• An additional 1 million rural households access financial services as clients and members of MFIs and RUSACCOs, respectively</li> <li>• 35per cent increase in number of operationally and financially sustainable MFIs and RUSACCOs</li> <li>• Transparent and appropriate regulations in place and enforced</li> </ul>	<ul style="list-style-type: none"> <li>• xxper cent increase in clients of MFIs and members of RUSACCOs by FY</li> <li>• xxper cent increase in outstanding loan portfolio and savings mobilized by FY</li> <li>• xxper cent increase in loan able funds sourced from commercial banks by FY</li> <li>• xxper cent increase in operational and financial self sufficiency ratios among RFIs by FY</li> <li>• Civil society organizations for rural financial institutions established and operational</li> <li>• MFI Supervision Department of the NBE capacitated</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation capacity strengthened</li> <li>• The capital base of rural financial institutions (RFIs) safeguarded</li> <li>• National apex organization to support RFIs established</li> <li>• An effective M&amp;E system implemented in the context of harmonization and alignment</li> <li>• The role for NGOs and civil society groups enhanced</li> </ul>

## COSOP results management framework: progress since COSOP results review

Objective	Status at COSOP Design	Status as at June 2016	Comments
<p><b>Overall objective:</b> Enhance food security and increase incomes for smallholder farmers; agro-pastoralists and pastoralists and landless households</p>			
<p><b>COSOP SO1:</b> Enhance access by poor rural households to natural resources (land and water)</p>	<ul style="list-style-type: none"> <li>Income and wellbeing of about 600,000 rural households (nearly 1.3 million people) living in 57 pastoral and agro-pastoral districts improved</li> <li>65,000 households in drought prone, high density and food insecure districts have increased incomes from 20,000 ha of irrigated land with land tenure security</li> <li>1.75 million 1st level land certificates issued to smallholder farmers</li> <li>1.75 million smallholder farmers adopt sustainable agriculture and land management practices</li> <li>500,000 ha of land brought under SLM</li> </ul>	<ul style="list-style-type: none"> <li>1.3 million people living in 57 pastoral and agro-pastoral districts were reached (100 per cent of target)</li> <li>61,625 households (95 per cent of target) in drought prone, high density and food insecure districts have increased their incomes through access to 13,808 ha of irrigated land (70 per cent of target)</li> <li>1<sup>st</sup> level land certificates issued for 104347 out of planned 281767 (37 per cent of project planned target)</li> <li>37715 people trained in NRM (only CBINReMP)</li> <li>200,000 ha of land brought under Sustainable Land management (SLM) practices (40 per cent of target)</li> </ul>	<p>Administrative issues affected the rate of issuance of 1<sup>st</sup> level land certificates which have now been largely overcome. As at the end of 2014, about 98per cent of households in the highlands have already got these certificates.</p> <p>PASIDP implementation issues and delays affected the achievement of the target for irrigated agricultural production.</p> <p>Case studies and the PASIDP PCR show increased productivity and incomes, e.g. 100,000 ETB from two harvests of onion and tomato from a 0.5ha plot for a farmer, out of which 30,000 ETB was saved after construction of house with 60,000 ETB.</p>
<p><b>COSOP SO2:</b> Improved production technologies and support services effectively delivered to poor rural households</p>	<ul style="list-style-type: none"> <li>Incomes and food security for about 500,000 rural households increased due to better engagement in marketing chains</li> <li>Warehouse receipt system established and operational</li> <li>Coffee liquoring decentralized to growing regions</li> <li>xxper cent increase in traded volumes of agricultural products</li> <li>An agricultural market information service established and operational</li> </ul>	<ul style="list-style-type: none"> <li>412, 758 (82.6 per cent of project target) received marketing training</li> <li>The project established 1840 marketing groups who have been linked to markets (92 per cent of project target).</li> <li>The construction of laboratory rooms and an auction hall for all 8 coffee liquoring units was carried out (100 per cent of target)</li> </ul>	<p>Progress in achievement of the market-related outputs faced challenges. The warehouse receipt system did not succeed as there were no surplus cereals. According to the AMIP PCR, the inability to carry out warehouse receipt system ascribed to the involvement of several stakeholders and the requirement of much ground work; limited supply of marketable commodities or grains and reducing price gap between lean and harvest season in the last couple of years</p>

## Appendix I

	<ul style="list-style-type: none"> <li>• 436 farmer research groups established and operational</li> </ul>	<ul style="list-style-type: none"> <li>• 230 farmer research groups established (53 per cent of target)</li> </ul>	<p>The market information system was challenged by regulated market conditions.</p> <p>The eight coffee liquoring facilities were taken over by the Ethiopia Commodity Exchange.</p>
<p><b>COSOP S03:</b> Reliable financial services made available to poor rural households</p>	<ul style="list-style-type: none"> <li>• An additional 1 million rural households access financial services as clients and members of MFIs and RUSACCOs, respectively</li> <li>• 35per cent increase in number of operationally and financially sustainable MFIs and RUSACCOs</li> <li>• Transparent and appropriate regulations in place and enforced</li> </ul>	<ul style="list-style-type: none"> <li>• As at July 2015, 5.6 million people were accessing services from RUFIP supported MFIs and RuSACCOs (560 per cent of target).</li> <li>• Number of MFIs operant 22 out of 30 planned (70 per cent of project target)</li> <li>• Number of SACCOs Unions operant 53 out of 100 planned (53 per cent of project target)</li> <li>• A separate financial cooperatives directorate has been established at federal level</li> <li>• A micro insurance policy and regulatory framework is in place</li> <li>• Adequate statutory audit framework for MFIs are being implemented through various proclamations</li> </ul>	<p>The assumptions that the NBE would make credit available to the MFIs did not materialize. The regulatory mechanisms planned were only being finalized at the end of the COSOP period.</p> <p>The Central Bank (National Bank of Ethiopia) created a whole new Regulation and Supervision Department for MFIs as a direct result of RUFIFI interventions and the creation of a new Financial Services Department in the Federal Cooperative Agency (FCA) with the sole responsibility of looking after the interests of RUSACCOs was due to RUFIP II.</p> <p>Growth in savings among RuSACCOs has been slow. This is a function of both the low membership numbers and the low savings by members.</p> <p>Adequacy of the proclamations needs to be established. Timelines and mechanisms for implementation of the proclamations also need to be established.</p>
<p><b>Other results</b></p>	<ul style="list-style-type: none"> <li>• Capacity building/policy dialogue outputs</li> </ul>	<ul style="list-style-type: none"> <li>• Training of staff 39,371 out of planned 42,355 (93 per cent of target)</li> <li>• Strategy/policy update/development supported 10 out of planned 16 ( 63 per cent of target)</li> </ul>	<p>Notable influence on policy was achieved by RUFIP; PASIDP and PCDP.</p>

**Ratings matrix (in line with IOE evaluation methodology)**

<b>Assessment of country program</b>	<b>Rating (1-6 scale)</b>
– Rural poverty impact	5
– Relevance	5
– Effectiveness	4
– Efficiency	4
– Sustainability of benefits	5
– Gender equality	5
– Innovation and scaling up	5
– Natural resource management	4
– Adaptation to climate change	4
– Policy dialogue	4
– Knowledge management	4
– Partnership building	4
<b>Overall country program achievements</b>	<b>Rating (1-6 scale)</b>
<b>Assessment of performance</b>	<b>Rating (1-6 scale)</b>
– IFAD performance	5
– Borrower performance	4



## **Comments from the Borrower**

The Directorate in charge of International Financial Institution Cooperation of the Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia acknowledged the content of this COSOP Completion Review on 8 November 2016, indicating that the document was found to be balanced, without any particular point to raise.