
Rapport du Président**Proposition de don au titre du Cadre pour la
soutenabilité de la dette****République fédérale démocratique d'Éthiopie****Programme pour l'agriculture participative et la
transformation face aux changements climatiques**Numéro du projet: 2000003447

Cote du document: EB 2022/137/R.31/Rev.1

Point de l'ordre du jour: 16 a) ii) a)

Date: 28 décembre 2022

Distribution: Publique

Original: Anglais

POUR: APPROBATION**Mesures à prendre:** Le Conseil d'administration est invité à approuver la recommandation telle qu'elle figure au paragraphe 53.

Questions techniques:**Sara Mbago-Bhunu**

Directrice régionale

Division Afrique orientale et australe

courriel: s.mbago-bhunu@ifad.org

Mawira Chitima

Directeur de pays

Division Afrique orientale et australe

courriel: m.chitima@ifad.org

Table des matières

Carte de la zone du programme	ii
Résumé du financement	iii
I. Contexte	1
A. Contexte national et justification de l'intervention du FIDA	1
B. Enseignements à retenir	2
II. Description du programme	2
A. Objectifs, zone d'intervention et groupes cibles	2
B. Composantes, résultats et activités	3
C. Théorie du changement	3
D. Alignement, appropriation et partenariats	4
E. Coût, avantages et financement	4
III. Gestion des risques	9
A. Risques et mesures d'atténuation	9
B. Catégorie environnementale et sociale	10
C. Classement au regard des risques climatiques	10
D. Soutenabilité de la dette	10
IV. Exécution	10
A. Cadre organisationnel	10
B. Planification, suivi-évaluation, apprentissage, gestion des savoirs et communication	12
C. Plans d'exécution	13
V. Instruments et pouvoirs juridiques	14
VI. Recommandation	14
Appendices	
I. Negotiated financing agreement	
II. Logical framework	
III. Integrated programme risk matrix	

Équipe d'exécution du programme

Directrice régionale:	Sara Mbago-Bhunu
Directeur de pays:	Mawira Chitima
Responsable technique:	Putso Nyathi
Responsable des finances:	Virginia Cameron
Spécialiste climat et environnement:	Paxina Chileshe
Juriste:	Felister Munyua

Carte de la zone du programme



Source: FIDA; 29/11/2021

Les appellations figurant sur cette carte et sa représentation graphique ne constituent en aucun cas une prise de position du FIDA quant au tracé des frontières ou limites, ou aux autorités de tutelle des territoires considérés.

Résumé du financement

Institution initiatrice:	FIDA
Emprunteur/bénéficiaire:	République fédérale démocratique d'Éthiopie
Organisme d'exécution:	Ministère de l'agriculture
Coût total du programme:	179,593 millions d'USD
Montant du don 1 du FIDA au titre du Cadre pour la soutenabilité de la dette:	78,2 millions d'USD
Montant du don 2 du FIDA au titre du Programme élargi d'adaptation de l'agriculture paysanne:	6,951 millions d'USD
Montant du don 2 du FIDA au titre du Programme élargi d'adaptation de l'agriculture paysanne (ASAP+ don 2):	3,525 millions d'USD
Cofinanceurs:	Mécanisme de transformation de la dynamique femmes-hommes/Bill and Melinda Gates Foundation Commission européenne Fonds vert pour le climat (FVC)
Montant du cofinancement:	Mécanisme de transformation de la dynamique femmes-hommes/Bill and Melinda Gates Foundation: 5,011 millions d'USD Commission européenne: 16,86 millions d'USD FVC: 35,013 millions d'USD
Conditions du cofinancement:	Mécanisme de transformation de la dynamique femmes-hommes/Bill and Melinda Gates Foundation: don Commission européenne: don FVC: prêt
Contribution de l'emprunteur/du bénéficiaire:	23,886 millions d'USD
Contribution du secteur privé:	3,673 millions d'USD
Contribution des bénéficiaires:	4,459 millions d'USD
Déficit de financement:	2,011 millions d'USD
Montant du financement du FIDA (action climatique):	34,948 millions d'USD

I. Contexte

A. Contexte national et justification de l'intervention du FIDA

Contexte national

1. Ces trois dernières années, l'économie de la République fédérale démocratique d'Éthiopie a subi de graves revers, notamment en raison des effets de la pandémie de COVID-19 à l'échelle mondiale, de la sécheresse, des chocs liés à l'offre de produits essentiels et du conflit interne dans le nord du pays. Le conflit qui touche le Tigré et certaines zones des régions Afar et Amhara, qui s'était apaisé après qu'une trêve humanitaire avait été déclarée par le Gouvernement en décembre 2021, a repris en août 2022. Le 2 novembre 2022, le Gouvernement éthiopien et le Front populaire de libération du Tigré ont signé un accord de cessation des hostilités, par lequel ils ont mis fin au conflit dans les zones en question.
2. De 45,5% en 1994, le taux de pauvreté de l'Éthiopie est tombé à 19% en 2020. Malgré cette évolution positive et les progrès économiques du pays, la pauvreté, l'insécurité alimentaire et la vulnérabilité aux changements climatiques, ainsi que le manque de travail décent, restent les principaux défis à relever, en particulier pour les femmes et les jeunes des zones rurales.

Aspects particuliers relatifs aux thématiques transversales prioritaires du FIDA

3. Conformément aux engagements pris par le FIDA en matière de transversalisation, le Programme pour l'agriculture participative et la transformation face aux changements climatiques (PACT) a été validé comme:
 - incluant un financement climatique;
 - porteur de transformations en matière de genre;
 - axé sur les jeunes;
 - incluant des activités relatives à la capacité d'adaptation.
4. Les femmes, les jeunes et les personnes handicapées sont limités par les normes sociales; le manque d'accès à des services et à des infrastructures de qualité; le manque d'accès aux ressources, aux terres, aux capitaux et aux technologies; le manque d'accès à l'éducation et à l'emploi; le manque de diversité de leur alimentation. Ils ne peuvent donc réaliser pleinement leur potentiel et devenir des acteurs solides des filières.
5. En vue d'obtenir des résultats porteurs de transformations en matière de genre, tenant compte de la nutrition et inclusifs sur le plan social, les interventions du programme chercheront à éliminer les causes profondes des inégalités de genre et de l'exclusion sociale, à encourager l'inclusion des personnes handicapées, à accroître l'autonomisation des femmes et des jeunes et à mettre en place des marchés inclusifs.
6. **Analyse de la vulnérabilité aux changements climatiques.** Les principaux risques sont liés à la forte exposition et à la faible capacité d'adaptation des moyens d'existence des populations rurales pauvres, en particulier des systèmes de production alimentaire. La fréquence et l'intensité des phénomènes météorologiques extrêmes (sécheresse) et des infestations de ravageurs devraient augmenter, ce qui causera plus de pertes et de dégâts qu'initialement prévu. Le PACT comprendra des mesures d'adaptation aux changements climatiques et d'atténuation de leurs effets, l'accent étant mis sur l'agriculture régénératrice.
7. **Liens avec les activités du programme.** Le PACT servira à faciliter des interventions permettant de réduire la dégradation des terres et d'améliorer la résilience face aux changements climatiques des communautés et des écosystèmes,

dont les interventions suivantes: i) conservation des eaux et des sols; ii) amélioration des foyers de cuisson; iii) promotion du recours au biogaz; iv) participation aux marchés du carbone; v) meilleur accès aux technologies moins gourmandes en eau; vi) meilleur accès aux marchés.

Justification de l'intervention du FIDA

8. Le PACT permettra de transposer à plus grande échelle les interventions efficaces mises en place dans le cadre d'investissements passés et en cours du FIDA, comme le Programme de développement participatif de la petite irrigation – Phase II (PASIDP II). Il aura pour effet d'accroître la résilience et la productivité et de renforcer les coopératives de façon à ce qu'elles puissent fournir des services marchands à leurs membres. Il servira de cadre pour introduire des approches novatrices, comme les technologies de l'information et des communications au service du développement et l'intégration de l'adaptation aux changements climatiques et de l'atténuation de leurs effets au moyen de l'agriculture régénératrice et du dédommagement en échange de services environnementaux issu de la participation aux marchés du carbone.

B. Enseignements à retenir

9. Les principaux enseignements tirés des interventions passées et en cours sont les suivants:
- i) Il faut commercialiser les produits des petits exploitants en renforçant les organisations locales de producteurs.
 - ii) Il faut intégrer la résilience face aux changements climatiques à toutes les étapes de la théorie du changement en vue d'obtenir de meilleurs résultats moyennant les interventions du programme.
 - iii) L'irrigation tenant compte de la nutrition est essentielle à la sécurité alimentaire et à la diversification de l'alimentation des ménages.
 - iv) Les modalités de gestion financière des projets menés en Éthiopie sont complexes, puisqu'elles reposent sur les systèmes décentralisés du pays. Dans le cadre des mesures d'atténuation des risques, la portée de l'audit est élargie afin d'améliorer la surveillance fiduciaire des projets financés par le FIDA.
 - v) Une gestion souple des projets peut faciliter les interventions rapides en cas de situation d'urgence.

II. Description du programme

A. Objectifs, zone d'intervention et groupes cibles

10. **But et objectif du programme.** Le but du PACT est de contribuer à réduire la pauvreté et à accroître la résilience dans certaines zones/certains *woredas*¹. Son objectif en matière de développement est de permettre à 150 000 ménages ruraux vulnérables (hommes, femmes, jeunes et personnes handicapées) dans certains *kebeles* d'améliorer durablement leurs revenus, leur sécurité alimentaire et nutritionnelle et leur résilience face aux chocs climatiques. Le programme sera exécuté sur une période de sept ans.
11. **Zone d'intervention.** Le PACT sera mis en œuvre dans les régions d'Éthiopie suivantes: Amhara, Éthiopie du Sud-Ouest, Oromia, Région des nations, nationalités et peuples du Sud, Sidama et Somali. Les régions ont été choisies selon les critères suivants: i) une population rurale importante; ii) la forte prévalence de

¹ On entend par résilience celle des ménages ruraux ciblés face aux changements climatiques.

la pauvreté; iii) un taux élevé d'insécurité alimentaire et nutritionnelle; iv) la présence de perspectives économiques/de marchés qui relèvent du champ d'application du PACT; v) les effets des changements climatiques et la dégradation des ressources naturelles; vi) les conditions de sécurité (sur la base de consultations avec le Gouvernement éthiopien). D'autres régions seront éventuellement ajoutées en fonction des mêmes critères, sous réserve de financements additionnels.

12. **Groupes cibles.** Le PACT permettra de venir en aide à quelque 150 000 ménages et visera les taux de participation suivants: femmes: 50%; jeunes: 40%; personnes handicapées: 5%. Le groupe cible principal se compose ainsi: i) ménages pauvres (dont les terres cultivables font moins de 2 hectares et qui ont peu d'animaux d'élevage); ii) pasteurs; iii) agropasteurs ayant une activité traditionnelle moins diversifiée; iv) personnes handicapées en milieu rural; v) jeunes ruraux sous-employés ou sans emploi qui ne possèdent pas de terres, ou peu; vi) ménages dirigés par une femme.

B. Composantes, résultats et activités

13. Le PACT comprendra les composantes suivantes:

- **Composante 1: des paysages productifs, climato-compatibles et gérés par les communautés.** Cette composante facilitera: i) un accès équitable aux ressources naturelles et l'utilisation durable de celles-ci, sous l'impulsion des communautés; ii) la mise en place d'infrastructures inclusives et équitables en matière d'eau et de marchés locaux; iii) parmi les petits exploitants et les pasteurs, l'amélioration de la productivité et de la production de certaines cultures et de certains produits de l'élevage d'une façon axée sur les marchés et adaptée au climat; iv) la diversification de l'alimentation. Les résultats escomptés sont la durabilité de l'accès aux ressources naturelles et de l'utilisation de celles-ci, l'amélioration de la nutrition et l'augmentation de la productivité agricole.
- **Composante 2: développement d'entreprises agricoles.** Cette composante facilitera: i) l'accès aux marchés; ii) un appui adapté aux entreprises agricoles des jeunes femmes et des jeunes hommes. Les résultats escomptés sont le renforcement des capacités qui permettent aux organisations d'agriculteurs et de pasteurs d'avoir un meilleur accès aux services financiers; l'accès à des marchés rémunérateurs; la création d'emplois en faveur des petits agriculteurs et pasteurs, qu'il s'agisse de femmes, d'hommes, de jeunes ou de personnes handicapées.
- **Composante 3: renforcement des institutions et des politiques et fourniture de services d'appui à l'exécution.** Il s'agira d'une composante transversale qui permettra de fournir des services aux composantes techniques et de faciliter l'évolution vers un fonctionnement efficace et inclusif des filières ciblées, de la production à la consommation. Cette composante facilitera: i) le renforcement des institutions; ii) l'appui aux politiques; iii) la fourniture de services d'appui à l'exécution.

C. Théorie du changement

14. Les petits agriculteurs et pasteurs sont confrontés aux difficultés suivantes: i) la dégradation des terres; ii) le manque d'accès à l'eau et la gestion inefficace de l'eau; iii) la priorité accordée aux cultures de base dans le cadre des services de vulgarisation; iv) la vulnérabilité aux changements climatiques et le manque d'accès à des technologies plus performantes et climato-compatibles (intrants, automatisation, informations climatiques et météorologiques); v) le manque d'accès aux services financiers; vi) l'inclusion sociale limitée et la malnutrition; vii) le manque d'accès aux marchés rémunérateurs et aux infrastructures des

marchés; viii) le manque de capacités commerciales et d'inclusion au sein des organisations paysannes; ix) la faiblesse du cadre stratégique et institutionnel.

15. La théorie du changement du PACT part du principe que, pour surmonter les obstacles susmentionnés à la commercialisation des produits des petits agriculteurs et pasteurs, il faut commencer par renforcer le pouvoir d'action sous la houlette de la communauté; créer et développer la capacité des ménages et de la communauté d'agir au niveau local; faciliter l'accès à des technologies et à des infrastructures climato-compatibles et inclusives; fournir des services de vulgarisation en ligne, de nutrition et de gestion des ressources naturelles; donner accès aux marchés pour améliorer la production et les revenus des femmes, des hommes et des jeunes dans les régions ciblées.

D. Alignement, appropriation et partenariats

16. **Alignement sur les objectifs de développement durable.** La bonne mise en œuvre du PACT contribuera à la réalisation des objectifs 1 (pas de pauvreté), 2 (faim zéro), 5 (égalité entre les sexes), 6 (eau propre et assainissement), 8 (travail décent et croissance économique), 10 (inégalités réduites), 13 (mesures relatives à la lutte contre les changements climatiques) et 17 (partenariats pour la réalisation des objectifs) en permettant de nouer des partenariats avec la communauté internationale, la société civile, le secteur privé et d'autres acteurs.
17. **Alignement sur les stratégies nationales et les stratégies du FIDA.** Le PACT correspond aux priorités nationales, qui sont notamment l'agriculture paysanne, la réduction de la pauvreté rurale et l'amélioration de la sécurité alimentaire et nutritionnelle, telles qu'elles figurent dans la Politique et les Stratégies nationales de développement rural, le Plan national d'investissement agricole, le Plan décennal pour le secteur agricole, la Stratégie pour une économie verte et résiliente face aux changements climatiques, le Plan national pour l'adaptation de l'Éthiopie et la Feuille de route pour la transformation du système alimentaire éthiopien.
18. Le PACT est aligné sur le Cadre stratégique du FIDA 2016-2025, les priorités de l'organisation et le programme d'options stratégiques pour le pays 2017-2023.
19. **Harmonisation et partenariats.** L'équipe du PACT cherchera à coordonner et à harmoniser ses activités avec les autres projets et programmes financés par le FIDA, les pouvoirs publics et les partenaires de développement dans les domaines touchant l'objectif de développement du programme. Elle tirera ainsi parti des effets de synergie et évitera les doubles emplois. Elle pourra notamment s'associer à des partenaires comme l'Institut éthiopien de transformation de l'agriculture, le programme Acorn de Rabobank, Vita, l'Agence japonaise de coopération internationale et l'Organisation des Nations Unies pour l'alimentation et l'agriculture.

E. Coût, avantages et financement

20. Le coût total du programme s'élève à 179,593 millions d'USD répartis sur une période de mise en œuvre de sept ans. Le déficit de financement de 2,011 millions d'USD pourrait être comblé lors des cycles ultérieurs du Système d'allocation fondé sur la performance (SAFP) ou par un cofinancement à déterminer pendant l'exécution.
21. Le montant total alloué par le FIDA au programme au titre du financement de l'action climatique, calculé suivant les méthodes des banques multilatérales de développement pour le suivi du financement de l'adaptation aux changements climatiques et de l'atténuation de leurs effets, est estimé à 34,948 millions d'USD.

Coût du programme

22. Le PACT sera financé par les acteurs suivants: i) le FIDA, avec un don de 78 millions d'USD au titre du SAFP dans le cadre de la Douzième reconstitution des ressources du Fonds et un don de 10,476 millions d'USD au titre du Programme

élargi d'adaptation de l'agriculture paysanne (ASAP+); ii) le Mécanisme de transformation de la dynamique femmes-hommes (Bill and Melinda Gates Foundation), avec un don de 5,011 millions d'USD; iii) la Commission européenne, avec un don de 16,86 millions d'USD; iv) une source de financement indéterminée à ce jour, avec une contribution de 2,011 millions d'USD; v) l'Initiative pour la finance verte inclusive (IGREENFIN), avec un prêt de 35,013 millions d'USD, sous réserve de l'approbation du Fonds vert pour le climat; vi) le Gouvernement éthiopien, avec une contribution d'environ 23,886 millions d'USD (exonérations de droits de douane et d'impôts et contribution directe); vii) le secteur privé (entreprises, associations, syndicats et coopératives), avec une contribution de 3,673 millions d'USD; viii) les bénéficiaires, avec des contributions d'environ 4,459 millions d'USD (en nature et en espèces). Les dépenses ordinaires s'établissent à 5,4% du coût total et à 8,4% du financement du FIDA, soit un niveau acceptable.

Tableau 1
Coût du programme par composante et sous-composante et par source de financement
(en milliers d'USD)

Composante/ sous-composante	Don du FIDA		ASAP+ don 1		ASAP+ don 2		Mécanisme de transformation de la dynamique femmes-hommes/ Bill and Melinda Gates Foundation		Commission européenne		IGREENFIN		Bénéficiaires		Secteur privé		Emprunteur/bénéficiaire		Déficit de financement		Total		
	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Contributions en nature	%	Montant	%	Montant	%	
A. Composante 1: des paysages productifs, climato-compatibles et gérés par les communautés																							
1. Sous-composante 1.1: résilience du développement et de la gestion des ressources naturelles face aux changements climatiques, sous la houlette des communautés	4 478	14,1		44	3 525	11,1	3 710	11,7	-	-	13 474	42,5	3 813	12	-	-	2 720	8,6	-	-	31 719	17,7	
2. Sous-composante 1.2: développement d'infrastructures résistantes aux changements climatiques	52 768	47,3	-	-			-	-	16 860	15,1	21 000	18,8	4	-	1 362	1,2	19 593	17,6	-	-	111 587	62,1	
3. Sous-composante 1.3: production à orientation commerciale de certaines denrées alimentaires et amélioration de la productivité	50 39	33,8	6 951	46,7			1 301	8,7	-	-	539	3,9	643	4,3	-	-	417	2,8	-	-	14 890	8,3	
Total partiel (composante 1: des paysages productifs, climato-compatibles et gérés par les communautés)	62 285	39,4	6 951	4,4	3 525	2,2	5 011	3,2	16 860	10,7	35 013	22,1	4 459	2,8	1 362	0,9	22 731	14,4	-	-	158 197	88,1	
B. Composante 2: développement d'entreprises agricoles	-		-				-		-		-		-		-		-		-		-		
1. Sous-composante 2.1: facilitation de l'accès aux marchés	6 857	78,6	-	-			-	-	-	-	-	-	-	-	1 768	20,3	97	1,1	-	-	8 722	4,9	
2. Sous-composante 2.2: appui aux agripreneurs (femmes et hommes)	561	18	-	-			-	-	-	-	-	-	-	-	543	17,4	0	-	2 011	64,6	3 115	1,7	
Total partiel (composante 2: développement d'entreprises agricoles)	7 417	62,7	-	-			-	-	-	-	-	-	-	-	2 311	19,5	97	0,8	2 011	17	11 837	6,6	
C. Composante 3: renforcement des institutions et des politiques et fourniture de services d'appui à l'exécution	-		-				-		-		-		-		-		-		-		-		
1. Sous-composante 3.1: renforcement des institutions et appui aux politiques	330	100	-	-			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	330	0,2

2. Sous-composante 3.2: coordination de programme et services d'appui à l'exécution	8 171	88,5	-	-	-	-	-	-	-	-	-	-	-	-	-	1 058	11,5	-	-	9 229	5,1	
Total partiel (composante 3: renforcement des institutions et des politiques et fourniture de services d'appui à l'exécution)	8 501	88,9	-	-	-	-	-	-	-	-	-	-	-	-	-	1 058	11,1	-	-	9 559	5,3	
Total	78 204	43,5	6 951	3,9	3 525	2	5 011	2,8	16 860	9,4	35 013	19,5	4 459	2,5	3 673	2	23 886	13,3	2 011	1,1	179 593	100

Tableau 2

Coût du programme par catégorie de dépenses et par source de financement

(en milliers d'USD)

Catégorie de dépenses	Don du FIDA		ASAP+ don 1		ASAP+ don 2		Mécanisme de transformation de la dynamique femmes-hommes/ Bill and Melinda Gates Foundation		Commission européenne		IGREENFIN		Bénéficiaires		Secteur privé		Emprunteur/bénéficiaire		Déficit de financement		Total		
	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Contributions en nature	%	Montant	%	Montant	%	
Dépenses d'investissement																							
A. Biens																							
1. Équipement et matériel	241	93,2	-	-	-	-	-	-	-	-	4	2	-	-	-	-	14	5,3	-	-	259	0,1	
2. Véhicules	1 859	96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	77	4	-	-	1 936	1,1	
3. Biens, services et intrants	858	55,1	-	-	89	5,7	131	8,4	-	-	-	-	5	0,4	-	-	473	30,4	-	-	1 556	0,9	
Total partiel (biens)	2 958	78,9	2	89	2,4	131	3,5	-	-	4	0,1	5	0,1	-	-	564	15	-	-	3 751	2,1		
B. Travaux	45 870	55,8	-	-	-	-	15 376	18,7	-	-	4	-	1 362	1,7	19 525	23,8	-	-	-	-	82 137	45,7	
C. Formation et ateliers	10 844	33,8	6 901	21,5	3 069	9,6	4 507	14	-	-	-	-	3 265	14	283	1	1 857	7	1 371	4,3	32 097	17,9	
D. Consultants	8 201	76,5	50	0,5	322	3	328	3,1	1 484	13,8	-	-	175	1,6	4	-	147	1,4	9	0,1	10 720	6	
E. Dons et subventions	1 882	41,6	-	-	-	-	-	-	-	-	-	-	-	-	2 007	44,4	0	-	632	14	4 520	2,5	
F. Ligne de crédit	-	-	-	-	-	-	-	-	-	-	35 009	95,4	988	2,7	-	-	700	1,9	-	-	36 696	20,4	
Total des dépenses d'investissement	69 754	41,1	6 951	4,1	3 480	2	4 966	2,9	16 860	9,9	35 013	20,6	4 437	2,6	3 657	2,2	22 793	13,4	2 011	1,2	196 921	94,6	
Dépenses ordinaires	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
A. Dépenses de fonctionnement	2 488	96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104	4	-	-	2 592	1,4	
B. Salaires, traitements et indemnités	5 962	84,2	-	-	45	0,6	45	0,6	-	-	-	-	22	0,3	17	0,2	990	14	-	-	7 080	3,9	
Total des dépenses ordinaires	8 450	87,4	-	-	45	0,5	45	0,5	-	-	-	-	22	0,2	17	0,2	1 093	11,3	-	-	9 671	5,4	

Total	78 204 43,5	6 951	3,9	3 525	0,2	5 011	2,8	16 860	9,4	35 013 19,5	4 459	3	2,5	3 673	2	23 886 13,3	2 011 1,1	179 593	100
--------------	--------------------	--------------	------------	--------------	------------	--------------	------------	---------------	------------	--------------------	--------------	----------	------------	--------------	----------	--------------------	------------------	----------------	------------

Tableau 3

Coût du programme par composante et sous-composante et par année

(en milliers d'USD)

Composante/ sous-composante	Année 1		Année 2		Année 3		Année 4		Année 5		Année 6		Année 7		Total				
	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%			
A. Composante 1: des paysages productifs, climato-compatibles et gérés par les communautés																			
1. Sous-composante 1.1: résilience du développement et de la gestion des ressources naturelles face aux changements climatiques, sous la houlette des communautés	5 554	51	7 782	22	5 025	11	4 779	12	5 741	20	2 712	18	126	5	31 719	18			
2. Sous-composante 1.2: développement d'infrastructures résistantes aux changements climatiques	1 116	10	18 730	53	32 707	73	30 146	73	10 730	64	9 461	63	697	28	111 587	62			
3. Sous-composante 1.3: production à orientation commerciale de certaines denrées alimentaires et amélioration de la productivité	1 089	10	5 529	16	4 079	9	2 536	6	849	3	596	4	213	8	14 890	8			
Total partiel (composante 1: des paysages productifs, climato-compatibles et gérés par les communautés)	7 758	71	32 041	90	41 812	93	37 462	91	25 319	86	12 768	85	1 036	41	158 197	88			
B. Composante 2: développement d'entreprises agricoles																			
1. Sous-composante 2.1: facilitation de l'accès aux marchés	1 001	9	1 504	4	1 696	4	1 933	5	1 808	6	722	5	58	2	8 722	5			
2. Sous-composante 2.2: appui aux agripreneurs (femmes et hommes)	87	1	691	2	505	1	510	1	507	2	514	3	300	12	3 115	2			
Total partiel (composante 2: développement d'entreprises agricoles)	1 088	10	2 195	6	2 201	5	2 443	6	2 315	8	1 236	8	358	14	11 837	7			
C. Composante 3: renforcement des institutions et des politiques et fourniture de services d'appui à l'exécution																			
1. Sous-composante 3.1: renforcement des institutions et appui aux politiques	-	-	279	1	51	0	-	-	-	-	-	-	-	-	330	0			
2. Sous-composante 3.2: coordination de programme et services d'appui à l'exécution	2 105	19	1 073	3	1 012	2	1 177	3	1 691	6	1 043	7	1 128	45	9 229	5			

Total partiel (composante 3: renforcement des institutions et des politiques et fourniture de services d'appui à l'exécution)

	2 105	19	1 352	4	1 063	3	1 177	3	1 691	6	1 043	7	1 128	45	9 559	5
Total	10 952	100	35 588	100	45 076	100	41 082	100	29 325	100	15 047	100	2 522	100	179 593	100

Stratégie et plan de financement et de cofinancement

23. Le PACT sera financé par les contributions indiquées au paragraphe 22.

Décaissement

24. Les décaissements seront fondés sur des prévisions sur six mois, qui seront présentées chaque trimestre dans les rapports financiers intermédiaires. Le profil des décaissements est jugé faisable selon la politique de gestion des liquidités du FIDA.

Résumé des avantages et analyse économique

25. Les ménages bénéficiaires verront leurs revenus nets annuels augmenter; le taux interne de rentabilité financière cumulé est de 33,9%, soit bien plus que le coût d'opportunité du capital en Éthiopie (7,9%). Le taux interne de rentabilité économique est de 17,7%, ce qui est bien supérieur au coût d'opportunité du capital. La valeur économique actuelle nette est estimée à environ 83,7 millions d'USD sur les 20 années couvertes par l'analyse. Le taux d'actualisation appliqué à l'analyse économique s'établit à 10%.
26. Les résultats positifs font état d'un ancrage solide, comme le montrent les analyses de la sensibilité et des risques relatives aux situations défavorables (dépassement des coûts, baisse des prix des produits agricoles du groupe cible, baisse du taux d'adoption), et ce pour toutes les catégories de risques, notamment climatiques.

Stratégie de retrait et pérennisation

27. L'élaboration d'une stratégie de retrait et de pérennisation a été garantie aux niveaux suivants:
- **Pérennisation dans les systèmes d'exploitation agricole et les systèmes fondés sur les marchés.** La protection de l'environnement pilotée par la communauté sera l'un des grands axes du PACT pour garantir la maîtrise locale et la pérennisation de pratiques durables de gestion des terres. Une production fondée sur les marchés et des liens entre ces derniers jetteront les bases de la pérennisation du PACT et du retrait.
 - **Renforcement du pouvoir d'action des communautés et renforcement des institutions.** Le PACT donnera davantage de moyens d'action aux communautés et renforcera les institutions, ce qui favorisera la gestion durable des investissements.
 - **Investissements dans le capital social et humain.** Les approches porteuses de transformations en matière de genre, les mesures d'amélioration de la nutrition, les dispositifs en faveur de l'évolution de la société et des comportements et les mécanismes d'autonomisation des jeunes sont autant d'interventions qui seront essentielles pour corriger les déséquilibres sociaux et améliorer les moyens d'existence et la qualité de vie des personnes, des ménages et des communautés.

III. Gestion des risques

A. Risques et mesures d'atténuation

28. Les risques inhérents sont globalement jugés substantiels et les risques résiduels, modérés (voir appendice III). La synthèse globale des risques est présentée au tableau 4.

Tableau 4
Synthèse globale des risques

<i>Catégories de risque</i>	<i>Évaluation du risque inhérent</i>	<i>Évaluation du risque résiduel</i>
Contexte national	Élevé	Substantiel
Stratégies et politiques sectorielles	Modéré	Modéré
Contexte environnemental et climatique	Substantiel	Modéré
Portée du projet	Modéré	Modéré
Capacités institutionnelles d'exécution et viabilité	Substantiel	Modéré
Gestion financière	Substantiel	Substantiel
Passation des marchés au titre du projet	Modéré	Faible
Impact environnemental, social et climatique	Modéré	Faible
Parties prenantes	Substantiel	Modéré
Risque global	Substantiel	Modéré

B. Catégorie environnementale et sociale

29. Le risque environnemental et social du PACT est jugé **substantiel**. Les risques sont liés à la dégradation et à la pollution de l'environnement, à l'insalubrité des lieux de travail, au conflit, aux déplacements et au manque d'accès aux ressources. En conséquence, un cadre de gestion environnementale, sociale et climatique et des plans relatifs au consentement préalable, libre et éclairé, à la gestion des populations de ravageurs et à l'évaluation et à la gestion de la main-d'œuvre ont été élaborés. Un plan détaillé de développement social sera mis au point au début de l'exécution.

C. Classement au regard des risques climatiques

30. Le risque climatique est jugé **substantiel**. Les principaux risques encourus découlent de la forte exposition des communautés rurales ciblées aux changements climatiques et du manque de capacité d'adaptation de leurs moyens d'existence, en particulier des systèmes de production alimentaire. Il a été procédé à une évaluation ciblée de l'adaptation, visant entre autres les mesures d'adaptation jugées prioritaires, qui a été intégrée aux composantes du programme. Le cadre de gestion environnementale, sociale et climatique prévoit, entre autres, des mesures visant à atténuer les risques climatiques.

D. Soutenabilité de la dette

31. Selon l'analyse de la soutenabilité de la dette réalisée par la Banque mondiale et le Fonds monétaire international en avril 2020, l'Éthiopie est exposée à un risque élevé de surendettement extérieur. La dette publique et la dette garantie par l'État sont jugées soutenables, bien que les pressions sur les liquidités aient été exacerbées par la pandémie de COVID-19. Les vulnérabilités de l'Éthiopie liées à l'endettement s'expliquent par les besoins croissants de service de la dette, un taux de change surévalué et une base d'exportation restreinte. Les autorités ont pris des mesures pour réduire la vulnérabilité en contrôlant l'emprunt extérieur, en réorganisant le service de la dette et en s'attachant à passer à un taux de change fondé sur le marché et à la libéralisation du marché des changes, ce qui devrait accroître les disponibilités en devises et stimuler l'activité du secteur privé et les exportations. L'analyse de la soutenabilité de la dette est mise à jour en 2022.

IV. Exécution

A. Cadre organisationnel

Gestion et coordination du programme

32. La gestion du PACT sera en grande partie conforme aux modalités de gestion du PASIDP II afin que les enseignements tirés de celui-ci ainsi que ses résultats et ses données d'expérience puissent être mis à profit en continu et que la durabilité et les

effets cumulés du PACT en soient renforcés. Les dispositifs institutionnels du programme en matière de coordination concernent trois niveaux: État fédéral, régions et *woredas*. Le Ministère de l'agriculture sera le principal organisme d'exécution et délèguera les fonctions rattachées à ce rôle à une unité fédérale de coordination du programme, qui doit encore être créée.

33. Les fonds relevant de l'Initiative IGREENFIN II seront mis à profit par la Banque de développement d'Éthiopie, selon les modalités du Programme d'intermédiation financière rurale – Phase III. Les activités relatives au programme créeront une demande de services financiers fournis par l'Initiative IGREENFIN par l'intermédiaire des institutions de microfinance et des coopératives rurales d'épargne et de crédit.

Gestion financière, passation des marchés et gouvernance

34. L'unité fédérale de coordination du programme sera chargée de la gestion financière globale du PACT. Elle décaissera les fonds selon les plans de travail et budgets annuels (PTBA) établis, notamment aux organismes d'exécution, et coordonnera la présentation de l'information financière. Les unités régionales de coordination du programme superviseront les transactions financières des bureaux des *woredas* ainsi que les dépenses régionales. La dotation en personnel des équipes de gestion financière à chaque niveau est présentée en détail dans le manuel d'exécution du programme. Les mémorandums d'accord qui seront signés entre le Gouvernement fédéral et les régions participantes, ainsi qu'entre les régions et les *woredas*, définiront les responsabilités de gestion financière à chaque niveau, de sorte que celles-ci soient claires et officielles. La signature des mémorandums sera l'une des conditions du versement des fonds aux régions et aux *woredas*. Un mémorandum d'accord sera également conclu entre la Banque de développement d'Éthiopie et le Ministère de l'agriculture et établira que l'Initiative IGREENFIN assurera la coordination entre les entités. Au niveau fédéral, des comptes désignés seront ouverts et accompagnés des comptes opérationnels correspondants dans la monnaie locale. Des informations sur la mise en œuvre seront communiquées moyennant le système de gestion financière intégrée. Les régions et les *woredas* participants recevront les fonds du PACT sur des comptes bancaires spéciaux, respectivement de la part de l'État fédéral et des régions, et des comptes bancaires seront ouverts pour qu'y soient versés les fonds du Gouvernement prévus dans les PTBA.
35. L'information financière sur le programme sera présentée chaque trimestre dans des rapports financiers intermédiaires. Des modèles harmonisés de présentation de l'information financière seront établis lors de la phase de démarrage à l'intention de toutes les sources de financement.
36. Dans l'ensemble, la capacité institutionnelle de passation de marchés présente un risque jugé modéré. Les activités de passation de marchés pour des biens, des travaux et des services seront donc réalisées conformément aux dispositions des règlements du pays en matière d'achats et de propriété dans la mesure où lesdites dispositions seront compatibles avec les Directives du FIDA pour la passation des marchés relatifs aux projets. Tous les documents relatifs à la passation de marchés qui sont communiqués aux soumissionnaires devront se conformer aux exigences énoncées dans les documents suivants: i) Politique révisée du FIDA en matière de prévention de la fraude et de la corruption dans le cadre de ses activités et opérations; ii) Politique du FIDA en matière de prévention et de répression du harcèlement sexuel et de l'exploitation et des atteintes sexuelles; iii) Politique de lutte contre le blanchiment d'argent et le financement du terrorisme du FIDA; iv) Procédures d'évaluation sociale, environnementale et climatique (PESEC) du FIDA.
37. Une évaluation propre au PACT permettra d'apporter des améliorations dans les domaines suivants: i) recrutement de responsables de la passation des marchés pour le programme aux niveaux fédéral et régional; ii) gestion des dossiers de

passation de marchés; iii) gestion des contrats; iv) intégration de la planification de la passation des marchés au processus budgétaire; v) suivi de la passation de marchés et communication d'informations à ce sujet.

38. Le PACT sera audité par l'Audit Service Corporation, institution supérieure d'audit en Éthiopie, et respectera les dispositions de la politique du FIDA en matière de prévention de la fraude et de la corruption. Le plan de travail annuel de l'auditeur couvrira comme il se doit les différentes institutions qui reçoivent des fonds au titre du programme, ainsi que tous les principaux domaines de risque. Un projet de mandat d'audit a été joint en annexe au manuel d'exécution du programme. Le mandat sera soumis au FIDA chaque année pour que celui-ci émette un avis de non-objection.

Participation et retours d'information du groupe cible, et mécanisme de réponse aux doléances

39. Le PACT facilitera la planification participative au niveau local, au cours de laquelle les priorités en matière de développement seront définies et intégrées aux plans de développement des paysages et d'investissement. Ces plans jetteront les bases de la participation du groupe cible et seront un élément essentiel du système de suivi-évaluation. Des organisations locales comme les associations de gestion des bassins versants et les associations d'utilisateurs d'infrastructures prendront également part aux activités de suivi et de reddition de comptes relatives à la mise en œuvre des investissements respectifs.

Mécanisme de réponse aux doléances

40. Pour que les interventions du programme soient transparentes et équitables, un système de réponse aux doléances sera mis en place et l'équipe du programme veillera à ce que les procédures y relatives soient connues et adoptées au niveau de la communauté, des *kebeles* et du pays. Un comité des doléances sera établi à l'échelle des *woredas* et sera chargé d'informer les parties prenantes, d'assurer la coordination et de fournir les ressources nécessaires à la résolution. Il conservera tous les documents, de la plainte à la décision finale, à des fins de référence. Il veillera également à ce que la participation et la consultation du public fassent toujours partie intégrante de la procédure afin de favoriser la compréhension et d'éviter les plaintes injustifiées et les différends.

B. Planification, suivi-évaluation, apprentissage, gestion des savoirs et communication

41. **Planification.** Le cycle de planification suivra le cycle de planification et de budgétisation du Gouvernement éthiopien. Il commencera par l'élaboration du PTBA selon une approche ascendante participative qui démarrera au niveau des *kebeles*, conformément au cadre d'administration décentralisée. Le PTBA sera ensuite consolidé au niveau des *woredas*, des régions et de l'État fédéral. Le PTBA approuvé sera le seul mécanisme par lequel les ressources allouées au programme seront utilisées, et servira de référence pour le suivi des progrès accomplis.
42. **Suivi-évaluation.** Des indicateurs permettront de contrôler la performance sociale et économique des groupes cibles et tous les indicateurs relatifs aux personnes seront ventilés par sexe, par âge et par situation de handicap, lorsque cela est possible. L'établissement des indicateurs sera coordonné par le Ministère de l'agriculture et l'unité fédérale de coordination du programme, et facilité par les unités régionales de coordination. Le système de suivi-évaluation sera conforme au nouveau Système de gestion des résultats opérationnels du FIDA, aux directives actualisées sur les PESEC et aux Directives pour la mesure des indicateurs de base relatifs aux effets, ainsi qu'aux modalités de suivi-évaluation du Ministère de l'agriculture. Un plan détaillé de suivi-évaluation sera élaboré au début de la mise en œuvre.

43. **Gestion des connaissances, apprentissage et communication.** Des plans seront mis au point pour couvrir ces aspects et intégrés au PTBA. Des mesures seront prises pour aligner les activités de gestion des connaissances sur le système de suivi-évaluation et pour définir une stratégie d'obtention, d'analyse et de diffusion de l'information. Afin de faciliter la diffusion des produits du savoir, l'équipe du PACT créera un site Web et un portail de gestion des connaissances qui renverront au site Web et aux comptes sur les médias sociaux du Ministère de l'agriculture, et un service de messages courts (SMS) sera mis en place.

Innovations et reproduction à plus grande échelle

44. L'équipe du PACT promouvra les approches novatrices en mettant à profit les technologies numériques pour transposer à plus grande échelle: i) la production à orientation commerciale; ii) les liens interentreprises grâce aux plateformes de mise en relation (« *deal rooms* »); iii) l'utilisation de données à l'appui de l'analyse du marché avec l'Institut éthiopien de transformation de l'agriculture dans le cadre de l'application de la feuille de route pour les services numériques de vulgarisation et de conseil agricoles.
45. En partenariat avec Vita et Acorn/Rabobank, l'équipe du PACT met en place et développe un programme de financement du carbone qui est piloté par la communauté et qui concerne les foyers de cuisson et l'agroforesterie.

C. Plans d'exécution

Plans de préparation à l'exécution et de démarrage

46. Afin d'éviter d'éventuels retards au démarrage, un projet de manuel d'exécution du programme, un PTBA sur 18 mois et un plan de passation de marchés ont été élaborés. Le manuel contient des descriptions des postes au sein des unités de coordination du programme. Le bureau de pays du FIDA mènera les activités d'appui qu'il faudra pour faire en sorte que toutes les conditions nécessaires à l'efficacité du programme soient réunies en temps voulu. Le PACT fera fond sur les structures et les mécanismes du PASIDP II, ce qui facilitera un démarrage rapide et sans heurt.

Supervision, examen à mi-parcours et plans d'achèvement

47. **Supervision.** Le PACT sera supervisé par le FIDA et le Gouvernement éthiopien, qui évalueront les accomplissements et les enseignements tirés de l'expérience et, selon que de besoin, faciliteront la mise en œuvre pour que celle-ci soit efficace et pour accroître la probabilité que l'objectif de développement du programme soit atteint.
48. **Examen à mi-parcours.** Un examen dirigé par le Gouvernement sera effectué à mi-parcours de l'exécution, avec la participation du FIDA. Lors de cet examen, le Gouvernement et le Fonds s'attacheront particulièrement à évaluer la pérennisation et l'exécution de la stratégie de retrait. Ils chercheront également à repérer les contraintes existantes et recommanderont, si nécessaire, une réorientation des activités pour aider l'équipe du PACT à atteindre ses objectifs.
49. **Plans d'achèvement du programme.** L'examen à l'achèvement du programme sera dirigé par le Gouvernement éthiopien, en étroite coordination avec le FIDA. Ce processus sert essentiellement à encourager la transparence, à mener une réflexion sur la performance et à tirer des enseignements pour éclairer l'élaboration des futurs programmes et projets et définir une bonne stratégie post-programme. Dans le cadre des activités d'achèvement, une évaluation sera réalisée concernant les bénéficiaires du programme, et ses conclusions seront prises en compte dans le rapport d'achèvement.

V. Instruments et pouvoirs juridiques

50. Un accord de financement entre la République fédérale démocratique d'Éthiopie et le FIDA est l'instrument juridique régissant l'octroi d'un financement proposé à l'emprunteur/au bénéficiaire. Une copie de l'accord de financement négocié figure à l'appendice I.
51. La République fédérale démocratique d'Éthiopie est habilitée, en vertu de ses lois, à recevoir un financement du FIDA.
52. Je certifie que le financement proposé est conforme aux dispositions de l'Accord portant création du FIDA et aux Principes et critères applicables aux financements du FIDA.

VI. Recommandation

53. Je recommande au Conseil d'administration d'approuver le financement proposé en adoptant la résolution suivante:

DÉCIDE: que le Fonds accordera à la République fédérale démocratique d'Éthiopie un don au titre du Cadre pour la soutenabilité de la dette d'un montant de soixante-dix-huit millions deux cent mille dollars des États-Unis (78 200 000 USD), qui sera régi par des modalités et conditions conformes en substance aux modalités et conditions indiquées dans le présent rapport.

Le Président
Alvaro Lario

Negotiated financing agreement

Participatory Agriculture and Climate Transformation Programme (PACT)

(Negotiations concluded on 25 November 2022)

IFAD Grant No: _____

ASAP+ TRUST Grant 1 No: _____

ASAP+ TRUST Grant 2 No: _____

Project name: Participatory Agriculture and Climate Transformation Programme ("the PACT"/ "the Programme")

Federal Democratic Republic of Ethiopia (the "Recipient")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

and

The Adaptation for Smallholder Agriculture Programme Trust Fund (the "ASAP Trust")

(each a "Party" and both of them collectively the "Parties")

WHEREAS the Executive Board of the Fund, at its 105th Session, approved the establishment of the ASAP Trust and further approved that the Fund be the Administrator of the ASAP Trust, acting through its President;

WHEREAS on the basis of the above and other considerations, the ASAP Trust has agreed to extend an ASAP+ Grant 1 and an ASAP+ Grant 2 (hereinafter ASAP+ Grants) to the Recipient for the purpose of financing the Programme described in Schedule 1 to this Agreement;

WHEREAS the commitment of the ASAP+ Grants is subject to availability of funds in the ASAP Trust;

WHEREAS the Recipient has requested a grant, from the Fund (IFAD Grant) for the purpose of financing the Programme described in Schedule 1 to this Agreement;

The Recipient has undertaken to provide additional support, financially and in kind that may be needed to the Programme;

WHEREAS, the Fund has agreed to provide financing for the Programme;

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document, the Programme Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2020, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement, except for the provisions that refer to Loan financing which shall not apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide a Grant (the "IFAD Grant") and the ASAP Trust shall provide a Grant 1 and Grant 2 (the "ASAP+ Grants") (together the "Financing") to the Recipient, which the Recipient shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

Section B

1. A. The amount of the IFAD Grant is United States Dollars seventy eight million (US\$ 78 000 000).
- B. The amount of the ASAP+ Grant 1 is United States Dollars seven million (US\$ 7 000 000).
- C. The amount of the ASAP+ Grant 2 is United States Dollars three million five hundred thousand (US\$ 3 500 000).

3. The Fund shall credit the amount of the ASAP+ Grants into the ASAP+ Grant account(s) only when the funds have been received from the ASAP Trust. Any withdrawals from the ASAP+ Grant Account(s) shall be subject to the condition that sufficient funds for the Programme shall have been received by the Fund and deposited in the ASAP+ Grant Account(s) to cover the withdrawal and that the Fund shall have been notified of such transfer and deposit in writing by the ASAP Trust. The Fund shall have no obligation to extend financial assistance to the Recipient under this Agreement for the purpose of the Programme if no funds are available in the ASAP+ Grant Account(s) for the Programme.

4. The first day of the applicable Fiscal Year shall be the 8th of July.

5. There shall be three (3) Designated Accounts denominated in USD opened at the National Bank of Ethiopia to receive resources from the IFAD and the ASAP+ Grants respectively for the implementation of the Programme. The Recipient shall inform the Fund of the officials authorized to operate the Designated Accounts.

6. There shall be Programme Account(s) opened at the federal and regional level in local currency at a local commercial bank acceptable to IFAD. Separate Programme Accounts shall be opened for the different Programme Co-financers. A separate Programme Account shall also be maintained in local currency to receive the contributions from the government of the Federal Democratic Republic of Ethiopia.

7. The Recipient shall provide counterpart financing for the Programme in the amount of approximately United States dollars twenty four million three hundred and nine thousand (US \$24 309 000) which will include taxes and duties foregone and a direct contribution.

Section C

1. The Lead Programme Agency shall be the Ministry of Agriculture.
2. The following are designated as additional Programme Parties:

- a. The Regional governments of: (i) Oromia; (ii) Southern Nations, (iii) Nationalities and Peoples' Region; (iv) Sidama; (v) Somali and (vi) South West Ethiopia;
 - b. The *woredas* administrations;
 - c. Vita;
 - d. Rabobank/Acorn;
 - e. Agriculture Transformation Institute; and
 - f. Ethiopian Institute of Agriculture Research
3. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Programme.
4. The Programme Completion Date shall be the seventh anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Recipient.
5. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with procurement methods and any other measures identified by IFAD.

Section D

1. The Fund will administer the Financing and supervise the Programme.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:
 - (a) The Programme Implementation Manual (PIM) and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Recipient, has determined that it has had, or is likely to have, a material adverse effect on the Programme.
 - (b) In the event that the Recipient did not request a disbursement of the Financing for a period of at least 12 months without justification.
2. The following are designated as additional grounds for cancellation of this Agreement:
 - (a) In the event that the Recipient did not request a disbursement of the Financing for a period of at least 12 months without justification.
3. The following are designated as additional conditions precedent to withdrawal:
 - a) The IFAD no objection to the PIM shall have been obtained.
 - b) The IFAD no objection on the first Annual Workplan and Budget (AWPB) shall have been obtained.
 - c) The Key Programme staff have been appointed as per section 11 Schedule 3 of this Agreement.
 - d) An appropriate accounting software has been procured and installed, to satisfy International Accounting Standards and IFAD's requirements.
 - e) For disbursement of funds to the regions and *woredas*, the Memorandums of Understanding (MoUs) by and between the Federal Government and participating regions, and between regions and *woredas* have been entered into.

5. This Agreement is subject to ratification by the Recipient.

6. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Recipient:

Minister of Finance
Ministry of Finance
P.O. Box 1905
Addis Ababa
Ethiopia
Facsimile Number: + (2511) 551355

Copy to:

Ministry of Agriculture
P. O. Box
Addis Ababa
Ethiopia
Facsimile Number:

For the Fund:

The President
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

For the ASAP Trust:

President of the International Fund for Agricultural
Development in its capacity as Trustee of the
Adaptation for Smallholder Agriculture Programme
Trust Fund
International Fund for Agricultural Development
Via Paolo di Dono, 44
00142 Rome, Italy

If applicable, the Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.

This Agreement, dated _____, has been prepared in the English language in three (3) original copies, one (1) for the Fund, one (1) for the Recipient and one (1) for the ASAP Trust.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

"[Authorised Representative Name]"
"[Authorised Representative title]"

Date: _____

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

Alvario Lario Hervas
President

Date: _____

ADAPTATION FOR SMALLHOLDER AGRICULTURE PROGRAMME TRUST FUND

Alvario Lario Hervas
President of the International Fund for Agricultural
Development in its capacity as Trustee of the
Adaptation for Smallholder Agriculture Programme
Trust Fund

Date: _____

Schedule 1

Programme Description and Implementation Arrangements

I. Programme Description

1. *Target Population.* The Programme will benefit 150,000 households, with the targeted participation of women (50 per cent), youth (40 per cent) and persons with disabilities (5 per cent). The primary target group will include: (i) poor households (with land holdings of less than two hectares of cultivable land with limited livestock); (ii) pastoralists; (iii) agro-pastoralists engaged in less-diversified traditional livelihood systems; (iv) persons with disabilities in rural areas; (v) underemployed and unemployed rural youth owning little or no land; and (vi) female-headed households.
2. *Programme area.* The Programme shall be implemented in the following regional states of Ethiopia: (i) Oromia; (ii) Southern Nations; (iii) Nationalities, and Peoples' Region; (iv) Sidama; (v) Somali; and (vi) South West Ethiopia (*the "Programme Area"*).
3. *Goal.* *The goal of the Programme is to contribute to poverty reduction and improved resilience in selected landscapes/woredas.*
4. *Objectives.* The objective of the Programme is to enable 150,000 vulnerable rural households (men, women, youth and persons with disabilities) in selected *kebeles* to sustainably improve incomes, food and nutrition security and build resilience to climate shocks.
5. *Components.* The Programme shall consist of the following Components:
 - 5.1 *Component 1: Community-led, climate-smart productive landscapes* - This component will support: (i) community-led equitable access and sustainable use of natural resources; (ii) development of inclusive and equitable water and local market-related infrastructure; (iii) market-led, climate-adapted enhancement of smallholder and pastoral productivity and production of target crop and livestock commodities; and (iv) improved dietary diversity.

The expected outcome will be sustainable access and utilization of natural resources, better nutrition and increased agricultural productivity.
 - 5.2 *Component 2: Agribusiness development* - This component will support: (i) market access linkages; and (ii) tailored business support to young women and men agro-entrepreneurs.

The expected outcomes will be strengthened capacities of farmers' and pastoralists' organizations to improve access to finance; access to remunerative markets; and job creation for small-scale farmers and pastoralists, including women, men, youth and persons with disabilities.
 - 5.3 *Component 3: Institutional and policy strengthening and implementation support services* - This component will be a cross-cutting, servicing the technical components and facilitating pathways for effective and inclusive functioning of the target value chains, from production to consumption. The component will support: (i) institutional strengthening; (ii) policy support; and (iii) implementation support services.

II. Implementation Arrangements

6. *Lead Programme Agency.* The Ministry of Agriculture will be the Lead Programme Agency.

7. *Programme Management Unit.* Programme institutional arrangements for coordination will be specified at three levels – federal, regional, and *woreda*. The Ministry of Agriculture as the Lead Programme Agency will establish a Federal Programme Coordination Unit (FPCU) to be established at the federal level. At the regional level, Regional Programme Coordination Units (RPCUs) will be established. The RPCUs will report to the FPCU and will be responsible for overseeing operations at the *woreda*. The roles of the different entities will be clearly spelt out in the PIM.

To facilitate the effective implementation of the Programme, Memorandums of understanding (MoUs) will be entered into by and between the Federal Government and participating regions, and between regions and *woredas*. These MoUs will govern the responsibilities of each party at each level and ensure that the roles are clear and formalized. MoUs execution will be a condition precedent for disbursements of funds to the regions and *woredas*.

8. *Financial Management.* The FPCU will be responsible for the overall financial management of PACT. It will be responsible for releasing funds against agreed annual workplans and budgets (AWPBs), disbursing funds to implementing entities and coordinating financial reporting for PACT. The RPCUs will be responsible for overseeing the financial operations of *woreda* offices as well as regional expenditure. Implementation will be reported in the Integrated Financial Management System. Harmonized financial reporting templates for all co-financiers will be prepared at start-up.
9. *Implementing partners.* The Programmes implementing partners are:
- a. The *woredas* administrations; and
 - b. The Regional governments of: (i) Oromia; (ii) Southern Nations, (iii) Nationalities, and Peoples' Region; (iv) Sidama; (v) Somali and (vi) South West Ethiopia.
 - c. Vita;
 - d. Rabobank/Acorn;
 - e. Agriculture Transformation Institute;
 - f. Ethiopian Institute of Agriculture Research

10. *Planning Monitoring and Evaluation.* The Monitoring and Evaluation (M&E) process will be coordinated by the Ministry of Agriculture and the FPCU and supported by the RPCUs. The M&E system will conform to IFAD's Operational Results Management System, updated SECAP guidelines and Core Outcome Indicators Measurement Guidelines, as well as the existing Ministry of Agriculture monitoring and evaluation arrangements.

A detailed monitoring and evaluation plan will be prepared at the beginning of implementation. The approved AWPB will be the only mechanism through which Programme resources will be spent and will serve as the basis for monitoring progress.

11. *Knowledge Management.* To facilitate the dissemination of knowledge products, PACT will develop a website and a knowledge management portal with links to the Ministry of Agriculture website and social media, and short messaging services will be implemented. Knowledge management activities will be aligned with the monitoring and evaluations system and outline the strategy for how information is to be obtained, analysed, and disseminated.
12. *Programme Implementation Manual.* A comprehensive Project Implementation Manual will be prepared, together with an AWPB, procurement plan and terms of reference for various service providers to be procured, and to ensure implementation readiness. Any revisions to the PIM and AWPB shall require prior approval by the Fund.

Schedule 2

Allocation Table

1. *Allocation of Loan/Grant Proceeds.* (a) The Table below sets forth the Categories of eligible expenditure to be financed by the Grants and the allocation of amounts to each category :

Category	IFAD Grant (expressed in USD)	ASAP+1 Grant (expressed in USD)	ASAP+2 Grant (expressed in USD)
Component 1. Community led climate-smart productive landscapes	51 120 000		
Component 2. Inclusive and equitable market access	4 860 000		
Component 3. Institutional & policy strengthening, implementation support services	14 220 000		
Unallocated	7 800 000		
TOTAL	78 000 000	7 000 000	3 500 000

The amounts shown in the Table above are net of taxes, Government contributions and contributions of other co-financiers.

2. *Disbursement arrangements*

- (a) *Start-up Advance.* Withdrawals in respect of expenditures for start-up costs incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of USD 400,000 under component 3. Activities to be financed by the Start-up Advance will require the no objection from IFAD to be considered eligible.

Schedule 3

Special Covenants

I. General Provisions

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Recipient to request withdrawals from the Grant Account if the Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Programme:

1. Within twelve (12) months of entry into force of the Financing Agreement, the implementing partners will enter into Memorandums of Understandings (MoU) that will structure the collaboration, define roles, responsibilities and duties with regards to implementation, financial management, accounting and reporting.

3. *Planning, Monitoring and Evaluation.* The Recipient shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.

4. *Gender.* The Recipient shall ensure that it develops a gender and youth strategy and action plan to facilitate equitable participation of women and men to the economic opportunities and benefits generated by the Programme.

5. *Indigenous People Concerns.* The Recipient shall ensure that the concerns of IPs are given due consideration in implementing the Programme and, to this end, shall ensure that:

- (a) the Programme is carried out in accordance with the applicable provisions of the relevant IP national legislation;
- (b) indigenous people are adequately and fairly represented in all local planning for Programme activities;
- (c) IP rights are duly respected;
- (d) IP communities, participate in policy dialogue and local governance;
- (e) The terms of Declarations, Covenants and/or Conventions ratified by the Borrower on the subject are respected;
- (f) The Programme will not involve encroachment on traditional territories used or occupied by indigenous communities.

6. *Land tenure security.* The Recipient shall ensure that if applicable, the land acquisition process has already been completed and that compensation processes were consistent with international best practice and free prior and informed consent principles.

7. *Anticorruption Measures.* The Recipient shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.

8. *Sexual Harassment, Sexual Exploitation and Abuse.* The Recipient and the Programme Parties shall ensure that the Programme is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.

9. *Use of Programme Vehicles and Other Equipment.* The Borrower shall ensure that:
(a) all vehicles and other equipment procured under the Programme are allocated to the Ministry of Agriculture and other Implementing Agencies for Programme implementation;

- (b) The types of vehicles and other equipment procured under the Programme are appropriate to the needs of the Programme; and
- (c) All vehicles and other equipment transferred to or procured under the Programme are dedicated solely to Programme use.

10. IFAD Client Portal (ICP) Contract Monitoring Tool. The Recipient shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Recipient shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Recipient shall ensure that the contract data is updated on a quarterly basis during the implementation of the Programme.

11. The Key Project Personnel are: Programme Manager, Financial Specialist, Officer for Monitoring and Evaluation, Knowledge Management Officer, Procurement Officer, Social Inclusion and Gender Specialist, and Environment, Climate Assessment Specialist and Safeguards Specialist. In order to assist in the implementation of the Project, the PMU, unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. Key Project Personnel shall be seconded to the PMU in the case of government officials or recruited under a consulting contract following the individual consultant selection method in the IFAD Procurement Handbook, or any equivalent selection method in the national procurement system that is acceptable to IFAD. The recruitment of Key Project Personnel is subject to IFAD's prior review, as is the dismissal of Key Project Personnel. Key Project Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance. Any contract signed for Key Project Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated SECAP. Repeated short-term contracts must be avoided, unless appropriately justified under the Programmes' circumstances.

II. SECAP Provisions

1. The Borrower/Recipient shall carry out the preparation, design, construction, implementation, and operation of the Project/Programme in accordance with the nine standards and other measures and requirements set forth in the Updated Social, Environmental Climate Assessment Procedures of IFAD ("SECAP 2021 Edition"), as well as with all applicable laws and regulations to the Borrower/Recipient and/or the sub-national entities relating to social, environmental and climate change issues in a manner and substance satisfactory to IFAD. The Borrower/Recipient shall not amend, vary or waive any provision of the SECAP 2021 Edition, unless agreed in writing by the Fund in the Financing Agreement and/or in the Management Plan(s), if any.

2. For programmes presenting high or substantial social, environmental and climate risks, the Borrower/Recipient shall carry out the implementation of the Programme in accordance with the measures and requirements set forth in the Environmental and Social Impact Assessments (ESIAs)/Environmental, Social and Climate Management Frameworks (ESCMFs) and/or Resettlement Action Plans/Frameworks (RAPs/Fs) and Environmental, Social and Climate Management Plans (ESCMs) for high risk projects and Abbreviated ESIAs and/or Abbreviated RAP/F and ESCMs for substantial risk projects and Free, Prior and Informed Consent (FPIC) Plans, FPIC Implementation Plans, Indigenous Peoples Plans (IPPs), Pesticide Management Plans, Cultural Resources Management Plans and Chance Finds Plans (the "Management Plan(s)"), as applicable, taken in accordance with SECAP requirements and updated from time to time by the Fund.

The Borrower/Recipient shall not amend, vary or waive any provision of the ESCMPs and Management Plan(s), unless agreed in writing by the Fund and if the Borrower/Recipient has complied with the same requirements as applicable to the original adoption of the ESCMPs and Management Plan(s).

3. The Borrower/Recipient shall not, and shall cause the Executing Agency/ lead Programme Agency, all its contractors, its sub-contractors and suppliers not to commence implementation of any works, unless all Project/Programme affected persons have been compensated and/or resettled in accordance with the specific RAP/Abbreviated RAP, FPIC and/ or the agreed works and compensation schedule.

4. The Borrower/Recipient shall cause the Lead Programme Agency to comply at all times while carrying out the Programme with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.

5. The Borrower/Recipient shall disclose the draft and final ESIA reports and all other relevant Management Plan(s) with Programme stakeholders and interested parties in an accessible place in the Programme-affected area, in a form and language understandable to Programme-affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).

6. The Borrower/Recipient shall ensure or cause the Executing Agency and Implementing Agency to ensure that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Programme with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the Management Plan(s), if any.

7. The Borrower/Recipient will ensure that a Programme-level grievance mechanism is established that is easily accessible, culturally appropriate, available in local languages, and scaled to the nature of the Programmes activity and its potential impacts to promptly receive and resolve concerns and complaints (e.g. compensation, relocation or livelihood restoration) related to the environmental and social performance of the Programme for people who may be unduly and adversely affected or potentially harmed if the Programme fails to meet the SECAP standards and related policies. The Programme-level grievance mechanism needs to take into account indigenous peoples, customary laws and dispute resolution processes. Traditional or informal dispute mechanisms of affected indigenous peoples should be used to the greatest extent possible.

8. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Project/Programme implementation that, with respect to the relevant IFAD Programme:

- (i) has direct or potential material adverse effect;
- (ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or
- (iii) gives rise to material potential liabilities.

In the occurrence of such event, the Borrower/Recipient shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;

- Consult with Project/Programme-affected parties on how to mitigate the risks and impacts;
- Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements; and
- Adjust, as appropriate, the Project/Programme-level grievance mechanism according to the SECAP requirements; and
- Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

Serious ESHS incident means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in loan or within the Borrower/Recipient's activities. Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Borrower/Recipient (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and -violence involving Project/Programme workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegation that require intervention by the police/other law enforcement authorities, such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

9. The Borrower/Recipient shall ensure or cause the Executing Agency, Implementing Agency, contractors, sub-contractors and suppliers to ensure that the relevant processes set out in the SECAP 2021 Edition as well as in the ESCMPs and Management Plan(s) (if any) are respected.

10. Without limitation on its other reporting obligations under this Agreement, the Borrower/Recipient shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semiannual basis - or such other frequency as may be agreed with the Fund;
- Reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Programme and propose remedial measures. The Borrower/Recipient will disclose relevant information from such reports to affected persons promptly upon submission of the said reports ; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

11. The Borrower/Recipient shall fully cooperate with the Fund concerning supervision missions, midterm reviews, field visits, audits and follow-up visits to be undertaken in accordance with the requirements of SECAP 2021 Edition and the Management Plan(s) (if any) as the Fund considers appropriate depending on the scale, nature and risks of the Project/Programme.

12. In the event of a contradiction/conflict between the Management Plan(s), if any and the Financing Agreement, the Financing Agreement shall prevail.

Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach	1 Persons receiving services promoted or supported by the project				Progress reports/MIS	Annually	PACT-PCUs	1) 50% of persons receiving project support are women (based on National stat), 2) 40 % of persons receiving project support are the youth (50% of them are women, National Stat). 3) Pastoralists are assumed to be 15% of the target group 4) HHs that receive project support are 20% female headed (based on National Stat). 5) 5 members on average in one HH
	Males - Males	0	37500	75000				
	Females - Females	0	37500	75000				
	Young - Young people	0	30000	60000				
	Total number of persons receiving services - Number of people	0	75000	150000				
	Persons with disabilities - Number		3750	7500				
	1.b Estimated corresponding total number of households members				Progress reports/MIS	Annually	PACT-PCMUs	
	Household members - Number of people	0	375000	750000				
	1.a Corresponding number of households reached				Progress reports/MIS	Annually	PACT-PCUs	
	Women-headed households - Households	0	15000	30000				
Non-women-headed households - Households	0	60000	120000					
Households - Households	0	75000	150000					
Project Goal Contribute to poverty reduction and improved resilience in selected landscapes/woredas	Number of persons/households whose combined resilience has increased (CRI)				PCUs and PARM	Baseline, Midline and endline survey	PCUs and PARM	
	Total persons - Percentage (%)		40	75				
	Females - Percentage (%)		50	50				
	Males - Percentage (%)		50	50				
	IE.2.1 Individuals demonstrating an improvement in empowerment				COI Surveys	Baseline, Midline and endline survey	PCUs	
	Total persons - Percentage (%)		13	25				
	Females - Percentage (%)		13	25				
	Males - Percentage (%)		13	25				
Outcome Outcome 1: Enhanced sustainable and equitable access to natural resources and increased agricultural productivity	3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered				FAO Exact tool	Baseline and Endline	PCU and validated by ECG	Infrastructure is operational and well maintained (A) Community leaders and institutions embrace gender transformative approaches (A) All project beneficiaries will participate in SBCC interventions
	Hectares of land - Area (ha)		50000	100000				
	tCO2e/20 years - Number			11900000				
	tCO2e/ha - Number			-119.9				
	tCO2e/ha/year - Number			-6				
	1.2.4 Households reporting an increase in production				COI Surveys	Baseline, Midline and endline	PCU	
	Households - Percentage (%)		38	75				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				COI Surveys	Baseline, Midline and endline	PCU	
	Household members - Number of people		281250	562500				
	Households (%) - Percentage (%)		38	75				
Households (number) - Households		56250	112500					
Output Output 1.1 Community led	3.1.4 Land brought under climate-resilient practices				Progress Reports/MIS	Annually	PCU	Based on 15000ha under irrigation and 45000 from rainfed area and a ratio of 1 to
	Hectares of land - Area (ha)		50000	100000				

climate-resilient and natural resources management	ASAP+ 1. Poor smallholder household members supported in coping with the effects of climate change				Progress Reports/MIS	Annually	PCU	3. 150 communities from 90 targeted Woredas. 1 Woreda is expected to have at least 2 Kebeles benefiting
	Total household members - Number		75000	150000				
	Males - Number		37500	75000				
	Females - Number		37500	75000				
Young - Number		30000	60000					
Output Output 1.2 Climate resilient infrastructure developed	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated				Progress Reports/MIS	Annually	PCU	Irrigation development acceptable in pastoral areas (A), Adequate water sources in dry areas(A)
	Hectares of land - Area (ha)		5000	15000				
	2.1.6 Market, processing or storage facilities constructed or rehabilitated				Progress Reports/MIS	Annually	PCU	
Total number of facilities - Facilities		130	260					
Output Output 1.3: Market-Oriented and Nutrition-sensitive Climate-resilient Food Production and Productivity improved	1.1.4 Persons trained in production practices and/or technologies				Progress Reports/MIS	Annually	PCU	All project beneficiaries will access training on production practices and or technologies All project beneficiaries will participate in SBCC interventions
	Total persons trained in crop - Number of people		75000	150000				
Outcome Outcome 2: Increased access to remunerative markets of targeted value chains	2.2.1 Persons with new jobs/employment opportunities				COI Surveys	Baseline, Midline and Endline	PCU	Banks are willing to finance smallholder farmers (A), Young agripreneurs are reliable economic agents(A) No. of members in a cooperative Groups with partnership/agreements (A) 300 Youth supported enterprises can access funding (A)
	Young - Young people		3000	6000				
	Total number of persons with new jobs/employment opportunities - Number of people		7500	15000				
Output Output 2.1: Market Access and Business to Business linkages established	2.1.3 Rural producers' organizations supported				Progress report/MIS	Annually	PCU	Based on 150 primary Cooperatives and 12 Unions.
	Rural POs supported - Organizations		81	162				
	Rural POs supported that are headed by women - Organizations		20	40				
Output Output 2.2: Access to Financial Services for Producers and Agri-businesses improved	2.1.1 Rural enterprises accessing business development services				Progress reports/MIS	Annually	PCU	Includes 300 Youth Led enterprises and 150 Cooperatives and unions Members Funding available for the entrepreneur training
	Rural enterprises - Enterprises		225	450				
	Women in leadership position - Females		15300	30600				
Outcome Outcome 3: Institutions and policy capacity strengthened	SF.2.1 Households satisfied with project-supported services				COI Surveys	Baseline, midline and endline	PCU	New agriculture and rural development policies are approved (A)
	Household members - Number of people		318750	637500				
	Households (%) - Percentage (%)		43	85				
	Households (number) - Households		63750	127500				
	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment				MoA Records	Completion	MoA and PCU	
Number - Number			2					
Output Output 3.1: Policy support & engagement in PACT-related focused areas strengthened	Policy 1 Policy-relevant knowledge products completed				Progress reports/MIS	Annually		
	Number - Knowledge Products		2	4				
Output Output 3.2: Institutions strengthened	Supported Rural and Government Institutions				Progress Reports/MIS	Annually		
	Institutions - Number		150	300				

Integrated programme risk matrix

Risk categories and subcategories	Inherent	Residual
Country context	High	Substantial
Political commitment	High	Moderate
Risk(s): The current political instability expected to remain high for some time in 2022, given the ongoing civil conflict in Tigray, Amhara and Afar regions. There is also localized conflict between unidentified armed groups and federal government in Oromia and Benshangul Gumuz regions. This will lead to inaccessibility of these regions and stoppage of project design and implementation.		
Mitigations: The African Union is forging ahead with mediation talks in Ethiopia to resolve the issues. There is also initiative from the Government of Ethiopia side to have a national dialogue which is believed to maintain peace, justice, democracy, national unity, consensus and reconciliation among the Ethiopian peoples. PACT will take a phased and gradual approach to implementation, and will assess risks before expanding to conflict-affected areas.		
Governance	Moderate	Low
Risk(s): Governance structures of government, community stakeholders, private sector and other stakeholders engaged in project activities may not equally benefit all segments of the community, resulting in elite capture.		
Mitigations: The project will foster collaboration between government institutions, private sector players and farmers; supporting the development of mutually beneficial partnerships. Adequate planning, implementation and monitoring of activities will ensure stakeholders' engagement in the development of financially viable irrigation schemes and to promote farming as a business. Adherence to the PIM (a tool for transparency that provides, inter alia, the criteria and procedures for selecting the beneficiaries of the Project activities) through on-going implementation support and supervision, will ensure full inclusivity and good governance.		
Macroeconomic	High	High
Risk(s): Unstable macro-economic fundamentals. According to African Economic Outlook (AOE) 2021, Ethiopia's economy grew by 6.1 percent in 2020. The fiscal deficit, including grants, increased slightly during 2020, financed mainly by treasury bills. In 2021, the average inflation rate in Ethiopia was 26.78 percent as compared to the previous year. The official exchange rate is under pressure and devaluing steadily. Service sector exports declined by about six percent, mostly because of lower revenue from Ethiopian Airlines. Foreign direct investment (FDI) fell 20 percent to 2.2 percent of Gross Domestic Product (GDP), and personal remittances declined by 10 percent to 5.3 percent of GDP. The current conflict in country and the war in Ukraine, will worsen the situation.		
Mitigations: The Monetary policy is expected to remain flexible in response to the government's financing requirements. The government is expected to do further reforms in public finance and investment management to improve the efficiency of public expenditures and managing inflation. IFAD will set price contingencies at higher levels to mitigate potential price increases due to higher inflation.		
Fragility and security	High	Substantial
Risk(s): The conflict in North Ethiopia is not yet been resolved. There are internal conflicts in some areas in Oromia, Benshangul Gumuz. Furthermore, there were clashes between government and Al-Shabaab in Somali regions. The country is also vulnerable to recurrent drought and flooding with devastating impacts.		

Risk categories and subcategories	Inherent	Residual
Mitigations: There is a hope that the current effort by African Union to mediate talks between the federal government and Tigray People's Liberation Front will end the conflict. Moreover, the initiative from the Government of Ethiopia to have a national dialogue which is believed to maintain peace, justice, democracy, national unity, consensus and reconciliation among the Ethiopian peoples will address localized conflict. PACT will be implemented in regions that are not highly impacted by the internal war. Climate screening was undertaken and climate resilience measures are included in the programme to reduce, if not avoid, climate impacts.		
Sector strategies and policies	Moderate	Moderate
Policy alignment	Moderate	Moderate
Risk(s): Primarily, there is the Ten-Year perspective plan of Ethiopia (2021-2030) guiding the overall country's plan for five years. Specifically, there is also Agriculture & Rural Development Policies & Strategies to guide efforts and investments in smallholder focused investment. There is a regulatory framework to promote private sector engagement. However, the actual implementation of these policies is lagging behind in some regions because of the current situation in the country.		
Mitigations: In order to address the risk associated with implementation of the policies, the project will assist the Government in setting up a vibrant monitoring tool to see how effectively the policies are implemented.		
Policy development & implementation	Moderate	Low
Risk(s): The Ten Years Agriculture & Rural Development Policies & Strategies are not well familiarised and getting implemented because resource constraints and lack of focus as there was competing priorities in the past one year (security issues).		
Mitigations: The project will support the Rural Economic Development and Food Security Sector working Group platform to frequently assess the progress of the implementation of the policies. The project will also implement some of the interventions defined in the policies and strategies. The World Bank will be supporting the government in developing new policies following the approval of a new policy framework.		
Environment and climate context	Substantial	Moderate
Project vulnerability to environmental conditions	Substantial	Moderate
Risk(s): Land degradation is increasing at an alarming rate. The most important forms of land degradation are soil erosion, nutrient depletion, soil compaction, and increased salinization and acidity. The annual net erosion is 940 million tons a year, or 18 tons/ha/year and it may be increased by 7-10 percent per year. Approximately 11 million ha of land are salt affected soils. The current rate of deforestation is estimated at 150,000 to 200,000 hectares per year.		
Mitigations: Integrated Natural Resource Management activities will be implemented by the project as well as through the finance from IGREENFIN and ASAP+. The most important and appropriate mitigation actions will be physical and biological soil and water conservation activities, climate smart agriculture, landscape management including forestation and afforestation activities. Good lessons from PASIDP II (ASAP) will be scaled up.		
Project vulnerability to climate change impacts	Substantial	Moderate
Risk(s): Ethiopia is the most vulnerable country to the impact of climate change. According to World Vulnerability Index and Notre Dame Global Adaptation Initiative (ND-GAIN) Matrix, Ethiopia is the 19th most vulnerable and 34th least ready country to the impact of climate change in the world. Climate variabilities, in the form of flood and drought, have long been affecting crop, livestock and forestry productivity, infrastructures, livelihood, water availability.		

Risk categories and subcategories	Inherent	Residual
Mitigations: Climate resilient infrastructure development, crop and livestock productivity enhancement through the application of climate smart agriculture such as conservation agriculture, landscape management activities, awareness and capacity development will enhance resilience of the community and ecosystem.		
Project scope	Moderate	Moderate
Project relevance	Low	Low
Risk(s): The project is designed based on the available national policies and strategies on agriculture, climate change and water and energy. It has also adequately aligned to the recently approved ten-year strategic plan.		
Mitigations: Further alignment with the national adaptation plan (NAP), Nationally Determined contributions (NDCs), Climate Resilient Green Economy Strategy (CRGE) is needed.		
Technical soundness	Substantial	Moderate
Risk(s): The project design will include new technical elements in carbon trading, private irrigation scheme management and potential joint ventures and contract farming, and ICT4D in mechanisation.		
Mitigations: Stronger partnership with expert organisations such as Vita and hello tractor will be developed, for knowledge exchange and expertise.		
Institutional capacity for implementation and sustainability	Substantial	Moderate
Implementation arrangements	Moderate	Moderate
Risk(s): Institutions are available but there might be a lack of adequate capacity in terms of manpower, skill, infrastructure as well as systems particularly at Region and Woreda level		
Mitigations: Capacity need assessment and tailored capacity development program, experience sharing, lessons from similar projects such as PASIDP II.		
M&E arrangements	Substantial	Low
Risk(s): The inclusion of new elements may stretch the capacity of the M&E for the MoA.		
Mitigations: PASIDP II has had strong performance in M&E over the years. They have also included GIS and data dashboards as part of their M&E framework. To assist with new elements, the project will include capacity for ICT4D and carbon trading in the project staff. These will be supported by expert partnerships.		
Procurement	Moderate	Low
Legal and regulatory framework	Moderate	Low
Risk(s): (i) Most of the central government institutions do not maintain databases or records for contracts including data on what has been procured, the value of procurement, and who has been awarded contracts. They prepare the performance report directly from the source document at the end. In addition, all central government institutions do not submit their procurement performance reports on time to the Federal Public Procurement and Property Administration Agency (FPPA). (ii) Out of six key procurement information (1. Legal and regulatory framework for procurement, 2. Government procurement plan, 3. Bidding opportunities, 4. Contract awards, 5. Data on resolution of procurement complaints, 6. Annual procurement statistics) only legal and regulatory framework for procurement and bidding opportunities are made available to the public through appropriate means.		
Mitigations: IFAD can strongly encourage government through policy dialogue to accelerate the creation of a reliable record/database for monitoring procurement management, ensuring that central government institutions prepare accurate reports and submit them to the FPPA, so that the latter can populate the database. It is also important to ensure that accuracy and		

Risk categories and subcategories	Inherent	Residual
<p>completeness of reports are verified by the FPPA or by an external auditor. At project level, the systematic use of the Contract Monitoring Tool should be ensured so as to improve procurement monitoring.</p> <p>In addition, policy dialogue between IFAD and the Government should encourage the latter to improve the completeness of procurement information available to the general public. For example, the FPPA website could be used to ensure access to such information, as it is already the case for the legal and regulatory framework and bidding opportunities.</p>		
Accountability and transparency	Moderate	Low
<p>Risk(s): (i) Complaints are not reviewed by a body which is not involved in any capacity in procurement transactions or in the process leading to contract award decisions. Indeed, out of five members, only one is seen as independent, while the others are directly involved in procurement activities.</p> <p>(ii) Ethiopia has a score of 38/100 in 2020 in the Corruption Perception Index and ranked 96/198.</p>		
<p>Mitigations: The Government should be encouraged to ensure that national provisions on complaint system are applied, according to which and independent and functional system should be available. Members of the Complaint Review Board should be selected accordingly.</p> <p>(ii) Programme and the Lead executing agency to ensure that any individuals, firms and Government stakeholders involved in the implementation of PACT are well informed of the Revised IFAD's Policy on Preventing Fraud and Corruption in its activities and operations.</p>		
Capability in public procurement	Moderate	Low
<p>Risk(s): Within the Lead Implementing Agency, there is one Senior Procurement Officer at federal level and five Procurement Officers at regional level – one in each of the 5 target regions, handling IFAD project (PASIDP II) and World Bank project (Lowlands Livelihood Resilience Project in Somali region).</p>		
<p>Mitigations: Recruitment of additional procurement officers for the PACT programme and ensure sharing of knowledge and experience between new and existing procurement staff. IFAD will also provide training on Project procurement policies for the new staff.</p>		
Public procurement processes	Moderate	Low
<p>Risk(s): (i) The PP for the current IFAD project (PASIDP II) was significantly delayed by late preparation of the AWPB.</p> <p>(ii) In the current IFAD project (PASIDP II), there are pseudo packaging as lotted activities are conducted separately in different implementing regions and there are instances where the planned procurement method has not been put to use.</p>		
<p>Mitigations: Mitigations: (i) The Lead executing agency to ensure that procurement planning and AWPB are joint activities between the procurement, finance and technical officers to ensure consistence and alignment of activities, guided by programme technical delivery to inform procurement plan and financial flow projections.</p>		
Financial management	Substantial	Substantial
Organization and staffing	Substantial	Moderate
<p>Risk(s): There are three administrative levels of implementation of the programme which will have fiduciary responsibilities namely federal level that will have Federal Programme Coordination and Unit (FPCU), regional levels for each participating regional government that will have RPCUs and Woredas (districts) at lower levels where ground activities are actually carried out. Previous IFAD funded projects implemented through similar structures have had issues with timeliness and quality of financial reports from Woreda to the regions which has consistently led to delays in financial reports to RPCMUs and subsequent delays also to FPCMU. Another risk is that PACT also is a</p>		

Risk categories and subcategories	Inherent	Residual
complex programme due to multiple financiers. While PMU shall be made up of relevantly qualified personnel with appropriate expertise in their chosen fields, there may be lack of staff familiarity with IFAD, EU and GCF procedures.		
Mitigations: In order to mitigate the risk of quality and timeliness of financial reporting from Woreda, there are Woreda accountants proposed who will ensure accuracy, completeness and timeliness of financial reports from Woreda and ensuring the programme bank account at Woreda is well reconciled. There will be MoUs between Federal Government and participating Regional Governments and also between the participating Regional Governments and their participating Woredas which will stipulate requirement on financial reporting. Any non-compliance RPCUs/Woredas may have their disbursements suspended as a penalty for non-compliance. Regarding familiarity with IFAD, EU and GCF procedures, FMD will provide capacity building training to the Finance Staff who will be selected competitively. The capacity building will include familiarization with procedures on financial reporting, expenditures categorizations across components, categories, financial reporting timelines and other financial management related to the Programme.		
Budgeting	High	Substantial
Risk(s): The programme has multiple financiers namely IFAD, ASAP+, GTM, EU; IGREENFIN (GCF), Government Contribution, Beneficiaries contribution and potential carbon credit finances. There is a risk of mix-up in budgeting and expenditure allocations to these multiple financiers. There may also be a risk that annual work plans and budgets are not prepared or revised on a timely basis, and not executed in a coherent manner, resulting in funds not being available when needed, ineligible costs and reallocation of Programme funds and slow implementation progress.		
Mitigations: The Costables, PDR and PIM have adequate details on key activities to be implemented and sources of finances for these costs. Subsequently, the AWPB will be prepared with adequate details on financing for key activities to ensure adequate guidance to the accounting team in booking of the expenditure. The Ms-Excel AWPB will have a column to show financiers and proportion of financing should the activity be financed from several sources. The FPCU will coordinate the budget preparation processes with close coordination with RPCU and Woredas. Budget monitoring will be carried out periodically, at least on quarterly basis and any significant deviations discussed within the project for remedial actions. Approved budget will be mapped in the accounting system for ease of monitoring and aligning expenditure when posting.		
Funds flow/disbursement arrangements	Substantial	Moderate
Risk(s): There is a risk of commingling of funds at the entity which will be provided with advances for implementation of programme activities. These includes Ministry of Finance which will receive advances from IFAD and Ministry of Agriculture through FPCU, RPCU and Woredas. Also, in addition to external development partners financing, there are Counterpart finances expected to be received from the Government of Ethiopia.		
Mitigations: To mitigate on risks of commingled funds and ease of accounting of any advance provided, funds will be held in Programme dedicated accounts for which there will be monthly bank accounts reconciliation and financial reports. All partnering institutions that will receive project funds will have sub-programme accounts for segregating the funds received. There will be monthly financial reports to FPCU for monitoring operations of sub-accounts and consolidation. All partnering institutions will sign MoUs clearly highlighting the requirements for a separate bank account and financial reporting requirements.		
Internal controls	Substantial	Moderate

Risk categories and subcategories	Inherent	Residual
Risk(s): The FPCU will be responsible for overall financial management of the Programme. It will be responsible to release funds against agreed plans, drawn out of the approved AWPBs, disburse funds to implementing agencies and coordinate monitoring and financial reporting for the Programme as a whole. There may be a risk that appropriate controls over Programme funds are not in place, leading to the inefficient or inappropriate use of Programme resources.		
Mitigations: Internal controls have been instituted in the whole framework of financial and administrative procedures. The identified controls range from; proper record keeping and posting, authorization of accounting, procurement and administrative documents, balancing and checking, physical security of assets, double signing (approval) arrangements, to financial reporting and monitoring. There will be internal audit function to check overall compliance to internal controls and provide support towards improving systems, procedures and processes.		
Accounting and financial reporting	High	Substantial
Risk(s): There is a risk of delays in consolidation of programme financial reports at FPCMU which will be preparing consolidated financial reports for the program and inaccurate financial reporting due to the complex nature of the programme which has multiple financiers, categories and components. There are also possibility of delays and inaccuracies in financial reporting due to multiple administrative levels of project implementation that have fiduciary responsibilities i.e. FPCU, RPCU and Woredas (districts) at lower levels.		
Mitigations: To mitigate on risks on financial reporting an appropriate accounting system will be acquired capable of networking and inputting at regional levels with multiple analysis code for reporting on component, categories, financiers, for reporting quarter, cumulative for the year and cumulative since start of the programme including recording of memorandum data on in kind contribution (IKC). The system will be networked for direct entry at regional levels to ease reporting at FPCU. There will be harmonised financial reporting template for all financiers to ease financial reporting.		
External audit	Substantial	Moderate
Risk(s): The project will be audited by the Audit Service Corporation (ASC), the Supreme Audit Institution of Ethiopia. There is a risks of inadequate audit coverage of the programme audit considering there are multiple regions and many Woredas which will be implementing the programme.		
Mitigations: A comprehensive audit coverage plan has been prepared which will ensure adequate audit coverage. The plan provides for adequate annual audits at FPCU, RPCUs and adequate proportions of Woredas under each RPCU which will be alternating to ensure regular reviews throughout the programme implementation of the project. The project will be audited by the Audit Service Corporation (ASC), which is the Supreme Audit Institution of Ethiopia. The auditor will prepare a work plan to ensure adequate coverage of the various institutions that receive Programme funds and cover all the major risk areas and adequate coverage as per coverage plan. The audit terms of reference will be approved by IFAD in advance in line with the guidance provided in the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed projects.		
Environment, social and climate impact	Moderate	Low
Biodiversity conservation	Moderate	Low
Risk(s): Climate change, use of agrochemicals as well as use of forest clearance may cause loss of biodiversity.		
Mitigations: Budgeted Climate adaptation and mitigation measures are adequately integrated into project components. As part of the ESCMF, Integrated Pest Management Plan is prepared to ensure environmentally friendly applications of agrochemicals. screening and implementation of		

Risk categories and subcategories	Inherent	Residual
mitigation measures, integrated pest management system and compliance to SECAP and national law on environment.		
Resource efficiency and pollution prevention	Substantial	Moderate
Risk(s): Wasteful/in-efficient use of water for irrigation and drinking. Construction of infrastructures such as irrigation schemes, storage facilities, market and application of pesticides and fertilizers will lead to pollution of environmental media such as water, soil and air.		
Mitigations: Capacity building and awareness creation will be organized for the Landscape Committees, Irrigation Water User Associations (IWUAs) and farmers to ensure efficient use of water. Furthermore, water use regulations and bylaws will be prepared and implemented. Compliance to SECAP and national law on pollution prevention and precautionary approaches and increase use of organic fertilizer.		
Cultural heritage	Moderate	Low
Risk(s): Some construction activities may impact historical, religious or cultural resources.		
Mitigations: Appropriate screening of project/sub project, consultation with responsible government representatives and communities as well as SECAP compliance.		
Indigenous peoples	Low	Low
Risk(s): All people in Ethiopia are considered indigenous. Pastoralist, vulnerable, and disadvantaged people may be impacted by project activities.		
Mitigations: Strictly follow IFAD's guidelines on targeting. The PASIDP II targeting strategy will ensure adequate number of vulnerable and disadvantage people have access to irrigation water. Geographical targeting, self and direct targeting will be applied in the project intervention areas. FPIC Plan was prepared and will be implemented to avoid or reduce adverse physical, social, or economic impacts on pastoralists. Furthermore, pastoral and agro-pastoral communities will be consulted during the LDIPs preparation.		
Community health and safety	Moderate	Low
Risk(s): Construction activities and use of agrochemicals, may have a negative impact on community health and safety. Furthermore, some project activities such as water ponds/diversions may cause water-borne or other vector-borne diseases (e.g., temporary breeding habitats), and/or communicable and non-communicable disease. COVID-19 is still potential health threat.		
Mitigations: Provision of PPE, Integrated Pest management practises and also deploying of COVID-19 preventing measures as well as SECAP compliance.		
Labour and working conditions	Substantial	Moderate
Risk(s): Project activities may cause forced or child labour, gender-based violence, discriminatory and unsafe/unhealthy working conditions.		
Mitigations: Awareness creation and capacity development to ensure project activities are conducted in a safe working environment. Contractor contracts will include clauses to ensure adequate working conditions. Furthermore, GRM system will be established/strengthened so that affected people have access to address and resolve their complaints. Sensitisation will also be done in collaboration with relevant authorities to prevent Gender-Based-Violence. As part of the ESCMF, Labour Management Plan is prepared and will be implemented to ensure presence of conducive working environment and avoid/reduce exploitative labour practices.		
Physical and economic resettlement	Moderate	Moderate
Risk(s): The proposed infrastructure development such as irrigation schemes, warehouses, rural roads may cause physical, economic and involuntary resettlement and limit access to natural resources.		

Risk categories and subcategories	Inherent	Residual
Mitigations: Adherence to SECAP and national laws entails screening of project activities and elaborating ESCMPs for the infrastructure development. FPIC plan is drafted. Resettlement Action Framework (RAF) will be prepared to guide the identification and consultations of Project Affected People (PAP), quantification of physical and economic resettlements as well as estimate compensations. Depending on the number of PAPs, RAF will also guide the preparation of RAP. Furthermore, PMUs will work hand in hand with Woreda and Kebele administrations to ensure that PAPs are adequately consulted and compensations effected prior to commencement of any physical activities. GRM should be strengthened to ensure timely and satisfactory responses to complaints.		
Greenhouse gas emissions	Low	Low
Risk(s): Use of chemical fertiliser and livestock fattening may cause emission of small amounts of GHGs. Generally, the project's contribution to GHG emission is minor.		
Mitigations: The programme will not cause deforestation to increase arable land for crop production. Rather, it will create mitigation potential of 11.9 Mt CO2 eq. over the project lifetime (EX-ACT Carbon Balance tool). These potentials are because of the intensive Integrated Natural Resource Management, Climate-smart Agriculture, Improved cookstoves and biogas. Furthermore, as per Ethiopia's climate policy, much focus will be given to low emitting animals such as poultry, sheep and goats.		
Vulnerability of target populations and ecosystems to climate variability and hazards	Moderate	Low
Risk(s): Programme interventions may increase exposure of communities, ecosystems and infrastructure to climate shock.		
Mitigations: PACT will support interventions that will enhance resilience of communities, infrastructure and ecosystem to the impact of climate change. Sub projects will be screened against climate impacts and appropriate mitigation/adaptation measures will be adequately integrated into project design.		
Stakeholders	Substantial	Moderate
Stakeholder engagement/coordination	High	Moderate
Risk(s): All stakeholders may not be adequately identified and engaged during project and implementation. Lack of budget and COVID related restrictions may affect stakeholder participation as needed.		
Mitigations: Budgeted stakeholder engagement plan will be prepared to ensure (i) adequate mapping of stakeholder and beneficiaries, (ii) their demands are incorporated in the design, (iii) compliments are resolved in fair and timely manners and (iv) required capacity and awareness are in place.		
Stakeholder grievances	Moderate	Low
Risk(s): Targeting of landscapes and beneficiaries, construction activities, water and distributions, poor quality service are potential sources of grievances. GRM system may be non-existent or not functioning well and the GRM committees may not have the required capacity to resolve complaints in fair and timely manner.		
Mitigations: Proper implementation of the targeting strategy/criteria, provision of quality services and establishment/strengthening of GRM system, awareness creation to complainants, capacity development/training to GRM committee.		