



Invertir en la población rural

## Junta Ejecutiva

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# Evaluación de la estrategia y el programa en el país para la República Democrática Federal de Etiopía

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**Medida:** Se invita a la Junta Ejecutiva a que examine la evaluación de la estrategia y el programa en el país para la República Democrática Federal de Etiopía.

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## Resumen

### A. Antecedentes

1. La Oficina de Evaluación Independiente (IOE) del Fondo Internacional de Desarrollo Agrícola ha llevado a cabo una evaluación de la estrategia y el programa en el país (EEPP) para la República Democrática Federal de Etiopía, conforme a lo aprobado por la Junta Ejecutiva del FIDA en 2021, durante su 134.º período de sesiones. La EEPP abarcó el período comprendido entre 2015 y 2022 y se ajustó a la Política de Evaluación del FIDA revisada (2021). En consonancia con la versión del Manual de Evaluación del Fondo de 2022, los principales objetivos de la EEPP fueron i) evaluar los resultados y el desempeño de la estrategia y el programa del FIDA, y ii) extraer hallazgos y formular recomendaciones para la futura asociación entre el FIDA y el Gobierno de Etiopía con vistas a mejorar la eficacia de las actividades de desarrollo y lograr un desarrollo rural sostenible. Los hallazgos, las enseñanzas y las recomendaciones de la evaluación se tuvieron en cuenta al preparar el nuevo programa sobre oportunidades estratégicas nacionales (COSOP) relativo al país.
2. **Contexto nacional.** Etiopía es un país sin litoral que tiene una superficie total de 1 104 300 km<sup>2</sup> y una población de unos 117 millones de habitantes. Limita con Eritrea al norte, Djibouti al noreste, Somalia al este, Kenya al sur, y Sudán del Sur y el Sudán al oeste. Además, está clasificado como país de ingreso bajo, y su producto interno bruto (PIB) per cápita fue de USD 936 en 2020. La inseguridad alimentaria y la malnutrición siguen siendo motivo de gran preocupación en todo el país, ya que se estima que 20,4 millones de personas necesitan asistencia y, por lo que respecta al índice de consumo de alimentos, más del 30 % de los hogares no llegan a cubrir las necesidades nutricionales mínimas diarias. En 2022, la inseguridad alimentaria del país se vio agravada por los conflictos y las sequías.
3. Etiopía cuenta con una población joven: alrededor del 41 % de los habitantes tienen menos de 15 años y el 71 %, menos de 30 años. Casi el 80 % de la población etíope reside en zonas rurales y depende de medios de vida relacionados con la agricultura. Las mujeres representan la mayor parte de la mano de obra del sector agrícola. En este sector, predominan los agricultores en pequeña escala, que generan entre el 90 % y el 95 % de la producción agrícola del país. Etiopía tiene el mayor número de cabezas de ganado de África, y los medios de vida de más de 12 millones de personas están relacionados con el pastoreo y el agropastoreo.
4. En el sector agrícola, la desigualdad de las normas de género sigue limitando la capacidad de las mujeres etíopes para introducir innovaciones, poseer tierras, controlar los recursos e ingresos, acceder a créditos y realizar actividades de ocio. El país es muy vulnerable a la variabilidad del clima y al cambio climático debido a su gran dependencia de la agricultura de secano y los recursos naturales. Los agricultores en pequeña escala de Etiopía tienen un acceso limitado a los créditos agrícolas y la financiación islámica es escasa, pese a la gran demanda.
5. **Estrategia y operaciones del FIDA en el período examinado.** La meta general del COSOP de 2016 consistía en incrementar los ingresos, la seguridad alimentaria y la prosperidad de los hogares rurales alcanzando dos objetivos estratégicos: i) una mayor resiliencia y productividad de los ecosistemas y medios de vida mediante una mejor gestión de los recursos naturales, en particular del agua, y ii) la consolidación de los vínculos con el sector privado a fin de asegurar un acceso mayor y continuo a los mercados, la financiación y la tecnología agrícola. Las principales esferas temáticas del programa fueron los recursos naturales, el acceso a la financiación y la producción e innovación agrícolas. El programa que abarca la presente evaluación incluyó nueve proyectos financiados mediante préstamos (cinco concluidos y cuatro en curso, entre ellos uno aprobado a finales de 2022) y tres proyectos financiados mediante donaciones.

## **B. Resultados de la estrategia y el programa del FIDA en el país**

6. **Pertinencia.** La pertinencia de la estrategia y el programa en el país ha sido calificada de satisfactoria. La estrategia del FIDA en el país se ajustó adecuadamente a las estrategias de Etiopía en materia de desarrollo y agricultura que se describen en el segundo Plan de Crecimiento y Transformación. La estrategia del Fondo tuvo en cuenta las prioridades nacionales, entre ellas la inversión en el desarrollo agrícola en las tierras altas, la gestión de los recursos naturales, la financiación rural y el fomento de los medios de vida relacionados con el agropastoreo. El programa respaldado por el FIDA también se ajustó a la Estrategia Nacional de Inclusión Financiera y las políticas sectoriales, con la excepción de la política de fomento de la comercialización y la agroindustria. Los diseños de los proyectos de la cartera fueron coherentes con las estrategias del FIDA, el COSOP de 2016 y el Marco Estratégico del Fondo (2016-2025). Además, el programa respondió a las necesidades de los agricultores en pequeña escala, especialmente en las regiones expuestas a los desastres naturales y otras perturbaciones.
7. La cobertura geográfica y los enfoques de focalización fueron pertinentes y coherentes con el enfoque que utiliza el Gobierno de Etiopía para definir a los grupos vulnerables. Los proyectos adoptaron enfoques congruentes con la situación de fragilidad de los hogares objetivo y aplicaron principios participativos a través del enfoque de desarrollo impulsado por la comunidad para la realización de las intervenciones en las zonas de las tierras altas y bajas. No obstante, el uso de los enfoques orientados específicamente a los pastores, conocidos por sus desplazamientos frecuentes, fue limitado, debido a que en los mecanismos de apoyo de los proyectos se englobó a los agropastores y los pastores en un único grupo. Las disposiciones relativas a la ejecución de los proyectos fueron adecuadas, ya que las unidades de gestión de los proyectos se establecieron correctamente en el marco institucional público, en consonancia con los mandatos de los ministerios correspondientes. Los cambios introducidos durante la ejecución de los proyectos también fueron pertinentes y tuvieron en cuenta las recomendaciones de las misiones de supervisión o los exámenes de mitad de período.
8. **Coherencia.** La coherencia se considera moderadamente satisfactoria. La mayoría de los interesados reconocieron explícitamente la ventaja comparativa del FIDA en relación con el desarrollo del riego en pequeña escala y la financiación rural inclusiva. El diseño y la ejecución del COSOP de 2016 se ajustaron al Marco de Asistencia de las Naciones Unidas para el Desarrollo (2016-2020). El apoyo del FIDA se basó en las prioridades del Gobierno de Etiopía y sus iniciativas orientadas a mejorar los medios de vida y mitigar la pobreza. Los datos indican que hay una buena sinergia entre el programa del FIDA y el Banco Mundial a la hora de promover el enfoque de desarrollo impulsado por la comunidad en las tierras bajas. Pese a la convergencia temática que existía entre el apoyo del Fondo y los programas de otros asociados en el sector rural, las sinergias y la coordinación de las intervenciones siguen siendo escasas. El Fondo participó activamente en el Grupo de Trabajo para el Sector Agrícola, pero esto aún no ha contribuido a lograr que el Ministerio de Agricultura coordine eficazmente las intervenciones en el sector rural. Si bien el programa respaldado por el FIDA ha demostrado que se han consolidado enseñanzas extraídas de la fase de un proyecto en la fase siguiente del mismo proyecto, existen deficiencias en cuanto al aprendizaje y la creación de sinergias entre los tres tipos de proyectos, lo que ha supuesto que se pierdan oportunidades para consolidar los logros del programa.
9. En cuanto a las subesferas que abarca el criterio de la coherencia, la **gestión de los conocimientos** se considera moderadamente satisfactoria, mientras que **las asociaciones y la colaboración en el ámbito de las políticas** se han calificado como satisfactorias. Se llevaron a cabo iniciativas de colaboración para crear conocimientos por medio de estudios de diagnóstico, evaluaciones e

investigaciones orientadas a la acción. Además, hay datos que indican que realmente se han difundido conocimientos e intercambiado información entre los interesados de los distintos proyectos a través de diversos medios. Sin embargo, el programa no cuenta con el enfoque estructurado y sistemático para utilizar eficazmente los conocimientos en los diferentes proyectos como fuera del ámbito de estos que sería necesario a fin de llegar a otros actores clave en el sector rural. El programa ha contribuido de forma significativa a la elaboración de un sistema de información de gestión desde 2019, que el Ministerio de Agricultura aún no utiliza plenamente. La asociación estratégica eficaz establecida con el Gobierno por conducto de varios ministerios se tradujo en un firme compromiso gubernamental y permitió que el programa aprovechara diversas asociaciones operacionales y de financiación, que dieron lugar a la ampliación de las zonas que abarcan las intervenciones. Sin embargo, las asociaciones forjadas con los actores del sector privado solo fueron eficaces en lo que respecta a la inclusión financiera, y no para favorecer un mejor acceso de los pequeños productores a los mercados. En cuanto a la colaboración en el ámbito de las políticas, hay pruebas de que se han realizado cambios en las políticas a raíz de los resultados de los proyectos respaldados por el FIDA, ya que las direcciones gubernamentales competentes han utilizado los resultados de los proyectos para preparar directivas relacionadas con las políticas. Algunos ejemplos son la publicación oficial de las asociaciones de usuarios de agua para riego; la revisión de las directivas sobre las cooperativas, y la mejora de los procedimientos de regulación y supervisión de las instituciones de microfinanciación establecidos por el Banco Nacional de Etiopía.

10. **Eficacia.** La eficacia se considera satisfactoria. El programa facilitó un mayor acceso de los hogares pobres de las zonas rurales a diversos servicios financieros por medio de instituciones de microfinanciación y cooperativas rurales de ahorro y crédito. Los clientes de las instituciones de microfinanciación se duplicaron con creces, de 4,7 millones en 2012 a 11,9 millones en 2019, y el valor acumulado de la cartera de préstamos de estas instituciones en cifras brutas aumentó de ETB 9,59 millones en 2013 a ETB 46 800 millones. La línea de crédito del programa permitió que las instituciones de microfinanciación adoptaran tasas de interés basadas en el riesgo y diversificaran su oferta en préstamos agrícolas, préstamos particulares, préstamos basados en el sueldo destinados a los empleados públicos, préstamos para las etapas posteriores a la cosecha, préstamos para la gente joven y préstamos para vivienda, entre otros. Se observaron deficiencias en la elaboración del sistema de información de gestión relativo a las instituciones de microfinanciación y en el fomento de la capacidad del personal de los asociados en la ejecución. Pese a haberse formulado e introducido directrices para la protección de los usuarios de servicios financieros, estas aún no se aplican efectivamente, y la banca islámica sigue en una etapa inicial de desarrollo. En general, el apoyo del FIDA contribuyó a mejorar el marco de gobernanza de las instituciones de microfinanciación.
11. Las operaciones respaldadas contribuyeron en gran medida a mejorar el acceso de las comunidades de pastores y agropastores a la infraestructura social. Las inversiones sociales abarcaron, entre otras cosas, 1 481 unidades destinadas al suministro de agua, 2 236 escuelas, 897 puestos sanitarios y 1 394 kilómetros de carreteras rurales. La cartera de proyectos promovió la formación de distintas cooperativas y grupos comunitarios (asociaciones de usuarios de agua para riego, comités para la gestión de las cuencas hidrográficas o la infraestructura social), que desempeñaron funciones cruciales en las estrategias de fomento de la resiliencia, aunque la funcionalidad de estos grupos es muy dispar. El programa promovió satisfactoriamente prácticas de gestión sostenible de los recursos naturales, aunque a una escala limitada. Además, se implantaron sistemas de riego en pequeña escala en un total de 38 400 hectáreas, que contribuyeron a mejorar la capacidad de absorción y adaptación de los agricultores y, por ende, a aumentar su producción, lo que ha dado lugar a una mejora de la resiliencia económica. No

obstante, las medidas encaminadas a establecer vínculos entre los agricultores y los actores del sector privado en aras del acceso continuo a los mercados resultaron eficaces solo en parte.

12. **Innovación.** La innovación se considera satisfactoria. El programa fomentó diversas innovaciones en materia social, tecnológica y financiera. Las innovaciones en el ámbito social, como la oferta de incentivos (en forma de derechos de corte y transporte de forraje de tierras comunales) para restaurar los recursos naturales degradados y crear alianzas para el acceso a los mercados, contribuyeron significativamente a afrontar los desafíos relacionados con la gestión sostenible de los recursos naturales, así como a facilitar el acceso de los pequeños productores a los mercados. Las innovaciones tecnológicas, como el fomento del uso del biogás, las cocinas mejoradas, el riego a presión y los aspersores, ayudaron a aumentar la resiliencia de los ecosistemas y los medios de vida. En el subsector de la inclusión financiera, se han introducido innovaciones, como por ejemplo el enfoque de supervisión basada en el riesgo que ha elaborado el Banco Nacional de Etiopía, y el nuevo concepto de banca básica común, que fueron de utilidad para afrontar las dificultades relativas a la supervisión y la asequibilidad, respectivamente.
13. **Eficiencia.** La eficiencia se ha calificado como moderadamente satisfactoria. La puntualidad (el tiempo transcurrido entre la fecha de aprobación y la fecha de entrada en vigor) de los proyectos de la cartera se ajustó a la media de las operaciones del FIDA en la región de África Oriental y Meridional (de 6,6 meses), así como a la media subregional (de 6,56 meses). Además, el tiempo transcurrido entre la aprobación y el primer desembolso fue, en promedio, de 15,5 meses, una cifra ligeramente inferior a la media subregional, de 17,33 meses. Sin embargo, se observaron diferencias en cuanto a los retrasos en la ejecución de los distintos proyectos, que, en algunos casos, fueron considerables debido a ineficiencias (por ejemplo, en el establecimiento de la unidad de gestión o el órgano de gobernanza, o retrasos en las actividades de puesta en marcha). En general, la tasa de desembolso fue alta, y ascendió a alrededor del 100 % en todos los proyectos concluidos. Salvo algunas excepciones, las adquisiciones y contrataciones representaron una dificultad reiterada en toda la cartera, lo que entorpeció la buena ejecución de los proyectos, aunque ha habido una mejora notable con la implantación de un sistema en línea en 2021. Los costos de gestión se mantuvieron en un nivel aceptable, y los costos unitarios de las inversiones fueron congruentes con los niveles de referencia disponibles. Por último, solo se realizó un análisis económico y financiero *ex post* de uno de los proyectos concluidos. Por este motivo, no se dispone de suficientes datos para evaluar los resultados económicos del programa en el país en su conjunto durante el período examinado.
14. **Impacto.** El impacto se considera satisfactorio. Los proyectos contribuyeron de manera evidente a aumentar los ingresos de los beneficiarios, pero hay pocas pruebas de que hayan ayudado a incrementar los activos. Los sistemas de riego contribuyeron a aumentar los ingresos, principalmente mediante el incremento de la producción. Hay indicios de que la seguridad alimentaria y la nutrición han mejorado, aunque se dispone de escasos datos empíricos sólidos al respecto (derivados de las evaluaciones del impacto). En cuanto al fortalecimiento del capital humano y social, los datos indicaron una contribución positiva al capital humano gracias a las inversiones en las escuelas y los servicios sociales básicos, como los de agua, saneamiento y salud humana, y a la capacitación estructurada en todo el sector de la financiación rural. Hay información que demuestra que el enfoque de desarrollo impulsado por la comunidad contribuyó a reforzar la cohesión y los mecanismos sociales, lo que mejoró el sentido de apropiación de la infraestructura en las comunidades de pastores y agropastores, así como de los sistemas de riego. Los datos relativos a las actividades sobre el terreno confirman los hallazgos documentados de que la mejora del capital social había contribuido a fortalecer la resiliencia de las comunidades de beneficiarios.

15. En cuanto a las instituciones y políticas rurales, el apoyo del FIDA posibilitó cambios institucionales positivos en ámbitos como la planificación local del desarrollo, en la que las asociaciones de usuarios de agua para riego, las cooperativas rurales de ahorro y crédito y de otra índole están pasando a ser actores institucionales clave en los *kebele* (la unidad administrativa de menor rango del país). Además, el programa contribuyó a varios cambios relacionados con las políticas, que dieron lugar a la mejora de i) la coordinación interinstitucional por el Gobierno en las regiones; ii) el enfoque de supervisión de las instituciones de microfinanciación empleado por el Banco Nacional de Etiopía, y iii) los marcos de supervisión y auditoría para las cooperativas rurales de ahorro y crédito y de otra índole.
16. **Igualdad de género y empoderamiento de la mujer.** Las esferas de la igualdad de género y el empoderamiento de la mujer se consideran moderadamente satisfactorias. El programa ha integrado estrategias y directrices para incorporar las cuestiones de género, aunque con una eficacia relativa. En la mayoría de los proyectos (5 de 8) se incluyeron metas relacionadas con el género en la etapa de diseño, pero no todos han sido coherentes en lo que respecta a la reunión de datos desglosados por sexo. Todos los proyectos alcanzaron las metas previstas en cuanto a la participación de las mujeres en las actividades. Pese al apoyo que prestó el FIDA para que adoptara y aplicara una perspectiva de género, casi todas las unidades de gestión de los proyectos apenas tenían personal femenino o carecían por completo de este. En cuanto al empoderamiento económico de las mujeres, el aumento del acceso a la financiación rural contribuyó a incrementar sus ingresos, aunque la propiedad de los activos por las mujeres sigue siendo limitada. El programa facilitó una mayor participación de las mujeres en las instituciones comunitarias, pero, al parecer, sus opiniones en esas instituciones se tenían escasamente en cuenta. En general, pese a haber alcanzado las metas relativas a la participación de las mujeres en el marco de los proyectos, la situación contextual de estas en las zonas de intervención sigue dificultando la realización de cambios importantes en las normas sociales que sustentan las desigualdades de género. Con todo, según los datos de las actividades sobre el terreno, el programa había contribuido a aliviar las cargas de trabajo de las mujeres y había casos anecdóticos de cambios positivos en las normas y actitudes.
17. **Sostenibilidad.** La sostenibilidad se considera moderadamente satisfactoria. Los proyectos están bien integrados en las instituciones gubernamentales y financiados con cargo al presupuesto público ordinario. Además, los enfoques participativos que adoptaron los proyectos respaldados por el FIDA han mejorado el marco de organización social (el sentido de apropiación, la movilización comunitaria y los mecanismos) para gestionar las inversiones, pero siguieron planteándose dificultades para que las organizaciones comunitarias accedieran a la financiación de manera sostenible. La sostenibilidad del apoyo técnico orientado a promover el enfoque de desarrollo impulsado por la comunidad una vez concluido el período de ejecución del proyecto depende del apoyo presupuestario que el Gobierno proporcione a estas organizaciones comunitarias, para el cual, hasta ahora, no se ha establecido una reserva. Las asociaciones de usuarios de agua para riego tienen dificultades para garantizar el mantenimiento técnico de los sistemas de riego. Asimismo, también sigue siendo difícil mantener las líneas de crédito destinadas a las instituciones de microfinanciación y las cooperativas rurales de ahorro y crédito para que, a su vez, los servicios financieros que prestan sigan siendo sostenibles.
18. **Resultados de la ampliación de escala.** Los resultados de la ampliación de escala se consideran satisfactorios. La eficacia de los vínculos establecidos con los programas gubernamentales posibilitó la ampliación de escala por el Gobierno para pasar de un enfoque práctico a otro basado en las políticas en las esferas del riego en pequeña escala, la inclusión financiera y la gestión de los sistemas agropastorales. Los actores privados pudieron aumentar la financiación rural



inclusiva por medio de las instituciones de microfinanciación y los bancos comerciales. Aunque se dispone de poca información al respecto, hay indicios de que otros asociados para el desarrollo también han ampliado la escala de las actividades. Por ejemplo, se ha informado de que otros asociados para el desarrollo (como el Banco Mundial, la Agencia Alemana de Cooperación Internacional y el Banco Africano de Desarrollo) se han basado en el modelo de financiación del Programa de Intermediación Financiera Rural (RUFIP) para diseñar nuevos proyectos de financiación rural.

19. **La gestión de los recursos naturales y la adaptación al cambio climático.** La gestión de los recursos naturales y la adaptación al cambio climático se consideran moderadamente satisfactorios. Se promovieron medidas de conservación del suelo y el agua a fin de reducir la degradación de los recursos naturales, lo que permitió mejorar la cobertura vegetal. Los sistemas de gestión comunitaria de los pastizales favorecieron el acceso a los recursos de los pastos y contribuyeron a su accesibilidad, lo que también abarcó la gestión de los conflictos y dio lugar a un marco de gobernanza mejorado. La promoción de prácticas de agricultura climáticamente inteligente arrojó beneficios positivos, pero, en los estudios de viabilidad realizados antes de construir los sistemas de riego, no quedaron plenamente integrados análisis del riesgo que plantea el cambio climático. Debido a la escala limitada de las intervenciones (de gestión de las cuencas hidrográficas y los pastizales), se perdieron oportunidades para mejorar la capacidad de adaptación al cambio climático.
20. **Desempeño de los asociados.** El desempeño de los asociados del FIDA se considera satisfactorio, mientras que el del Gobierno se considera moderadamente satisfactorio. El diseño de la estrategia en el país y los proyectos de la cartera fue adecuado, y los interesados han encomiado al FIDA por el enfoque inclusivo que ha adoptado para elaborar el COSOP y los proyectos. El nicho estratégico del Fondo en relación con el fomento de los sistemas de producción agrícola en pequeña escala ha sido bien reconocido por el Gobierno del país y otros asociados para el desarrollo rural. Se ha encomiado el apoyo proporcionado por el FIDA para garantizar la eficacia de los proyectos y la obtención de resultados positivos en el marco de estos, especialmente en las esferas de los sistemas de riego en pequeña escala y la financiación rural inclusiva. A pesar de que el apoyo a la ejecución ha sido, en general, positivo, se han detectado deficiencias en ámbitos como la financiación rural, en el que las recomendaciones formuladas no siempre se ajustaban a los problemas señalados.
21. El Gobierno de Etiopía demostró un sólido sentido de apropiación y orientación en el establecimiento de las prioridades estratégicas para el programa del FIDA. También estableció un marco para celebrar consultas con diversas organizaciones, por medio de un grupo de trabajo sectorial, que contribuyó a movilizar recursos externos a fin de apoyar las iniciativas del Gobierno en materia de desarrollo rural. Sin embargo, esto aún no ha favorecido el intercambio eficaz de enseñanzas clave ni el aprendizaje mutuo entre los principales actores nacionales e internacionales del sector rural. Al parecer, el buen desempeño de las instituciones públicas que tenían una función crucial en la realización de las actividades de los proyectos fue un importante factor que contribuyó a la eficacia. No obstante, en diversos informes (como los exámenes de mitad de período y los informes finales de los proyectos) se puso de relieve que el apoyo del Gobierno a las actividades de seguimiento y evaluación (SyE) del Programa de Intermediación Financiera Rural – Fase III (RUFIP III) era insuficiente.

## C. Conclusiones

22. Durante el período evaluado (2015-2022), el contexto del país estuvo caracterizado por un alto nivel de pobreza rural, agravado por la gran exposición y vulnerabilidad de las comunidades rurales a las perturbaciones naturales (especialmente, las sequías), y los conflictos. En consonancia con el segundo Plan de Crecimiento y

Transformación (2015-2020), el diseño de la estrategia y el programa del FIDA en el país incluyó enfoques y objetivos estratégicos que tenían por finalidad afrontar las principales causas de la fragilidad en las zonas rurales (entre ellas, la inseguridad alimentaria, la falta de acceso a servicios socioeconómicos y la pobreza) abordando cuatro temas principales: la financiación rural, los servicios sociales impulsados por la comunidad, la resiliencia de los ecosistemas y la resiliencia económica. Se ha reconocido debidamente la ventaja comparativa del FIDA en la prestación de apoyo a la agricultura en pequeña escala, en general, y a la financiación rural inclusiva y los sistemas de riego en pequeña escala, en particular. Además, se reconoce el apoyo que han brindado el Fondo y el Banco Mundial al enfoque de desarrollo impulsado por la comunidad.

23. **El Gobierno de Etiopía demostró un compromiso y un sentido de apropiación firmes del programa respaldado por el FIDA.** Pese a ello, la colaboración del Fondo con el sector privado se vio dificultada. Las disposiciones relativas a la ejecución fueron adecuadas, ya que las unidades de gestión de los proyectos se integraron plenamente en el marco institucional público a todos los niveles. Gracias a ello se fomentó el sentido de apropiación, que se vio complementado con un apoyo institucional y presupuestario apropiado del Gobierno. Estas disposiciones tuvieron un impacto positivo en la sostenibilidad de los logros del programa.
24. **El programa obtuvo importantes resultados en materia de políticas, que se ampliaron al pasar de un enfoque práctico a otro basado precisamente en las políticas, y contribuyó a introducir numerosos cambios institucionales y de políticas,** gracias a la aplicación directa de los resultados y conocimientos especializados de los proyectos por parte de los actores gubernamentales. Algunos resultados importantes en relación con las políticas fueron i) la institucionalización de las asociaciones de usuarios de agua para riego por medio de la publicación oficial del Gobierno a tal efecto; ii) la revisión de la declaración sobre la supervisión bancaria para posibilitar un aumento de la financiación inclusiva y una mejora del marco de gobernanza conexo, y iii) la elaboración de diversas directivas relacionadas con distintos tipos de cooperativas, como las de ahorro y crédito, producción, comercialización, consumidores y fines múltiples.
25. **Las operaciones respaldadas por el FIDA contribuyeron a fortalecer la resiliencia económica de los agricultores en pequeña escala fomentando la resiliencia económica y de los ecosistemas en las regiones en situación de fragilidad,** por medio del aumento de la productividad agrícola y del acceso a los servicios financieros y a la infraestructura social y económica en las comunidades de pastores y agropastores. No obstante, pese a los resultados positivos, se registraron deficiencias en materia de eficacia en los ámbitos de la financiación rural y los sistemas de producción agrícola. Algunas deficiencias importantes eran el acceso sesgado a las líneas de crédito, ya que era más fácil acceder a las grandes instituciones regionales de microfinanciación (principalmente, gubernamentales) que a las instituciones de menor tamaño y las cooperativas rurales de ahorro y crédito; la escasa disponibilidad de productos financieros de la banca islámica; cooperativas que presentan deficiencias y que aún no están capacitadas para prestar servicios de agregación primaria a fin de lograr el acceso a los mercados, y deficiencias que no permiten hacer un uso óptimo de los sistemas de riego.
26. **El apoyo del FIDA contribuyó a aumentar los conocimientos y las competencias de las instituciones de microfinanciación y los actores participantes,** lo que dio lugar a la mejora de los procesos institucionales, el liderazgo y los conocimientos técnicos. El programa ayudó también a reforzar la cultura del ahorro en las comunidades rurales. En las zonas de pastoreo remotas, las inversiones en la infraestructura social (cofinanciadas por el Banco Mundial) han contribuido a mejorar el acceso a la educación, el agua potable, los servicios de

salud y el saneamiento. El enfoque de desarrollo impulsado por la comunidad que se ha aplicado contribuyó a reforzar los mecanismos sociales, y las organizaciones comunitarias están pasando a ser agentes institucionales clave en el plano local, aunque su capacidad para movilizar recursos financieros y garantizar el mantenimiento eficaz de los sistemas de riego es escasa.

27. El apoyo del FIDA complementó los esfuerzos del Gobierno de Etiopía por mejorar la igualdad de género y el empoderamiento de las mujeres, pero sigue habiendo un amplio margen de mejora. En general, el programa contribuyó a i) el aumento de los ingresos de las mujeres beneficiarias; ii) un mejor acceso a los recursos productivos; iii) el alivio o la reducción de las cargas de trabajo, y iv) cambios positivos en el reparto de las responsabilidades domésticas y las relaciones familiares (especialmente entre esposos y esposas). Sin embargo, todos estos cambios positivos se lograron en unas pocas comunidades, y la aplicación del enfoque transformador de "familia modelo en cuestiones de género" siguió limitándose a un proyecto.
28. Por último, el programa respaldado por el FIDA ha obtenido buenos resultados en cuanto a la producción, difusión y utilización de conocimientos, y en el aprendizaje entre las distintas fases de un proyecto, aunque no así entre los diferentes tipos de proyectos. De hecho, se perdieron oportunidades para consolidar los logros de todo el programa, debido a que no hubo ningún mecanismo de extracción de enseñanzas entre proyectos. Además, el intercambio de enseñanzas a nivel de todo el sector rural aún no se ha hecho efectivo, aparte de la armonización del apoyo que brinda la comunidad de donantes.

#### **D. Recomendaciones**

29. Teniendo en cuenta los hallazgos derivados de la EEPP, se formularon las siguientes recomendaciones dirigidas a consolidar los logros e introducir mejoras en las esferas que requieren una mayor atención.
30. **Recomendación 1: Incluir explícitamente en los objetivos estratégicos que se fijan en el futuro aspectos relativos al fomento de cadenas de valor en favor de los pobres.** Esta medida será especialmente importante cuando se registren excedentes agrícolas (y ganaderos considerables. En consonancia con este objetivo, se debería ofrecer más apoyo para i) fomentar la capacidad de las cooperativas de agricultores que se han promovido para que desempeñen funciones principales, como facilitar el acceso a los insumos y la agregación primaria; ii) establecer vínculos entre las cooperativas de producción y las cooperativas financieras o las instituciones de microfinanciación para asegurar el acceso al crédito, y iii) establecer asociaciones beneficiosas para todas las partes con actores del sector privado a fin de garantizar un acceso efectivo y continuo a los mercados. También se necesitaría promover plataformas de múltiples partes interesadas a fin de que los pequeños productores puedan colaborar y participar eficazmente en funciones clave de las cadenas de valor, al tiempo que se facilita el aprendizaje y la participación en los debates sobre las políticas.
31. **Recomendación 2: Mejorar el fomento de la resiliencia, especialmente en las zonas rurales remotas en situación de fragilidad, centrandó la atención en el desarrollo de la capacidad de absorción y adaptación.** Esta medida entraña fortalecer los sistemas agrícolas y dotarlos de mecanismos eficaces de respuesta y soluciones alternativas a fin de mejorar y mantener los medios de vida. Se debe prestar más apoyo en esferas como la garantía de la calidad en la construcción de los sistemas de riego; el aumento de la eficiencia en el uso de los recursos hídricos y la mejora de las técnicas de cultivo en parcelas de regadío; el fomento de las capacidades técnicas, de gestión y financieras de las organizaciones comunitarias; la promoción de sistemas de pastoreo sostenibles; la diversificación de las oportunidades económicas, y el acceso a los mercados. Además, es

fundamental aprovechar los recursos de la comunidad de donantes para implantar la gestión de las cuencas hidrográficas y los pastizales a gran escala, sin dejar de fomentar la sostenibilidad y la adaptación al cambio climático.

32. **Recomendación 3: Consolidar y mantener los avances logrados en relación con la inclusión financiera**, posibilitando una mayor implicación de agentes nacionales clave para hallar soluciones innovadoras, como servicios de finanzas digitales, protección del cliente y microseguros. Otras tareas clave serán i) el examen y la revisión de los criterios para obtener una línea de crédito, de modo que sea más accesible para las instituciones de microfinanciación pequeñas y las cooperativas rurales de ahorro y crédito, ii) la aplicación de sistemas eficaces de SyE que reflejen los productos y efectos directos, tanto desde el punto de vista cuantitativo como cualitativo, y iii) la sostenibilidad de la línea de crédito para conceder préstamos a microempresas y pequeñas y medianas empresas, prestando especial atención al desarrollo rural y la agricultura. Por último, resulta esencial eliminar los obstáculos a la ampliación de la financiación islámica.
33. **Recomendación 4: Ampliar la escala o reproducir la aplicación del enfoque de transformación en materia de género en otros proyectos**, ya sea en el marco del programa en el país o en el Ministerio de Agricultura, para afrontar a gran escala las causas fundamentales de la desigualdad de género. Es preciso redoblar los esfuerzos para mejorar i) la inclusión de las mujeres en las cooperativas rurales de ahorro y crédito, y ii) la eficacia del papel de las mujeres en los comités de gestión de las organizaciones comunitarias, sin limitarse únicamente a alcanzar las cuotas de afiliación.
34. **Recomendación 5: Facilitar el intercambio de enseñanzas para mejorar la consolidación de los resultados obtenidos en el marco del programa y el sector agrícola nacional**. Para ello, se necesita el apoyo del FIDA a fin de garantizar mecanismos adecuados de aprendizaje mutuo en todo el programa, por ejemplo mediante la organización de actividades nacionales de aprendizaje y sobre los temas transversales o sobre cualquier tema que sea de interés para el aprendizaje mutuo. También se requiere el apoyo del Fondo para facilitar, en consulta con otros agentes clave, la realización de actividades periódicas de aprendizaje que abarquen a todo el sector, como el examen de los resultados de la cartera o presentaciones y debates temáticos sobre, por ejemplo, temas relativos a las ventajas comparativas.

# Main report

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## Currency equivalent, weights and measures

### Currency equivalent

Currency unit = Ethiopian Birr (ETB)  
US\$ 1.0 = ETB 52.537 (October 2022)

### Weights and measures

|                   |   |                   |
|-------------------|---|-------------------|
| 1 kilogram (kg)   | = | 1000 grams        |
| 1 000 kg          | = | 2.204 lb.         |
| 1 quintal         | = | 100 kg            |
| 1 metric ton (MT) | = | 1000 kg           |
| 1 kilometre (km)  | = | 0.62 mile         |
| 1 metre           | = | 1.09 yards        |
| 1 square metre    | = | 10.76 square feet |
| 1 acre            | = | 0.405 hectare     |
| 1 hectare (ha)    | = | 2.47 acres        |

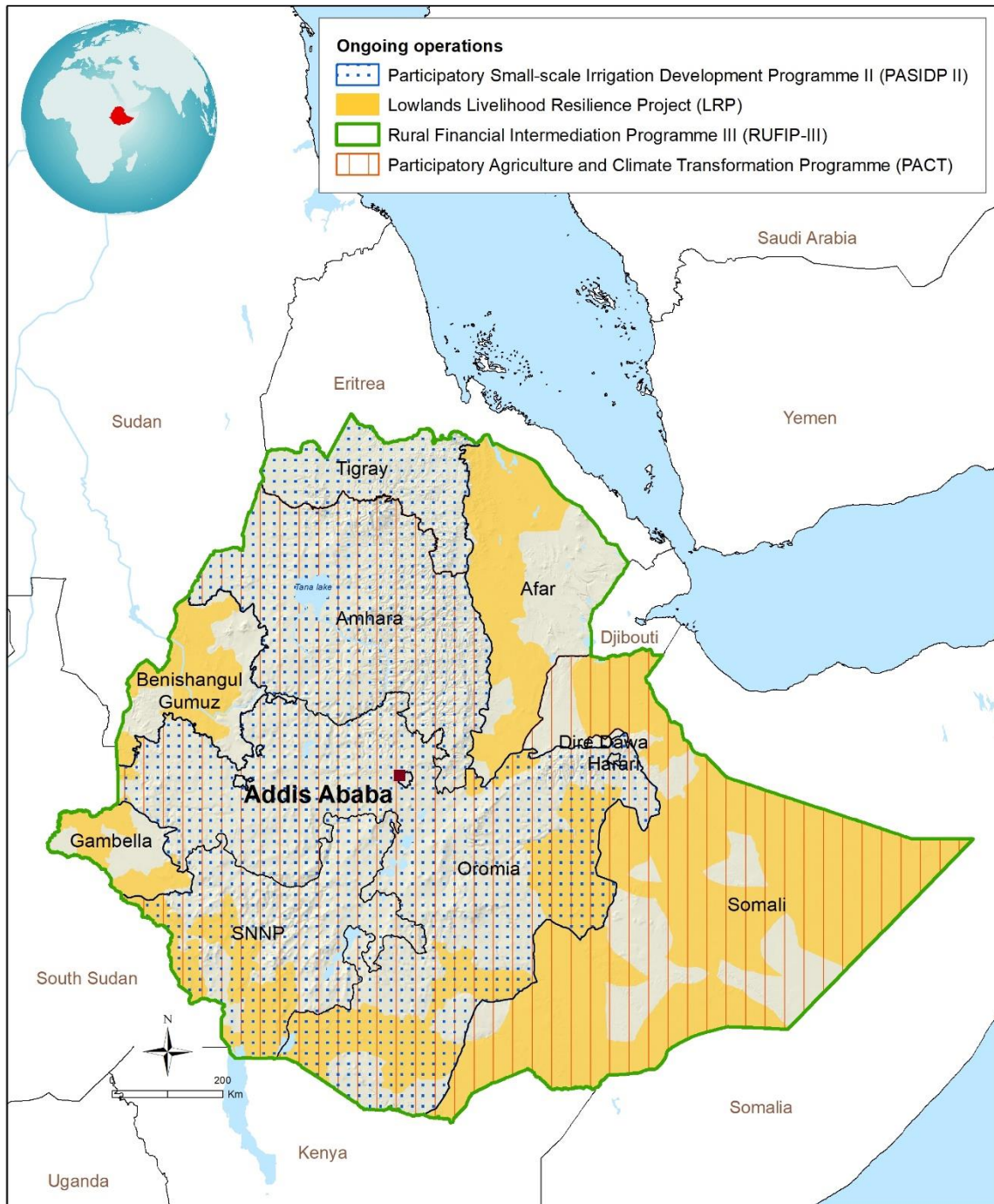
## Abbreviations and acronyms

|          |   |
|----------|---|
| AEMFI    | Association of Ethiopian Microfinance Institutions              |
| AfDB     | African Development Bank  |
| AGRA     | Alliance for Green Revolution in Africa                         |
| ARDP     | Agriculture and Rural Development Policy                        |
| CBINReMP | Community-based Integrated Natural Resources Management Project |
| CCA      | Climate Change and Adaptation                                   |
| CD       | Country Director  |
| CDD      | Community Driven Development                                    |
| CIFOR    | Centre for International Forestry Research                      |
| COSOP    | Country strategic opportunities paper/programme                 |
| CPE      | Country Programme Evaluation                                    |
| CSA      | Climate-smart agriculture                                       |
| CSPE     | Country strategy and programme evaluation                       |
| DBE      | Development Bank of Ethiopia                                    |
| EC       | European Commission   |
| ECC      | Ethiopian Cooperative Commission                                |
| EIB      | European Investment Bank  |
| EFA      | Economic and Financial Analysis                                 |
| ESS      | Ethiopian Statistics Service                                    |
| EU       | European Union  |
| FAO      | Food and Agriculture Organization of the United Nations         |
| FCA      | Federal Cooperative Agency                                      |
| GDP      | Gross Domestic Product  |
| GEWE     | Gender Equality and Women's Empowerment                         |
| GIZ      | German Agency for International Cooperation                     |
| GoE      | Government of Ethiopia  |
| GMF      | Gender Model Family   |
| GTP      | Growth and Transformation Plan                                  |
| HDI      | Human Development Index   |
| ICRR     | Implementation and Completion Results Report                    |
| ICO      | IFAD country office   |
| IE       | Impact Evaluation   |
| IFAD     | International Fund for Agricultural Development                 |
| IFI      | International Financial Institution                             |

|          |  |
|----------|--|
| IOE      | Independent Office of Evaluation of IFAD                       |
| IRR      | Internal Rate of Return  |
| IWUA     | Irrigation Water User Associations                             |
| KM       | Knowledge Management   |
| LLRP     | Lowlands Livelihood Resilience Project                         |
| MAA      | Market Access Alliances  |
| MCO      | Multi-Country Office   |
| MIS      | Management Information Systems                                 |
| MOA      | Ministry of Agriculture  |
| MoANR    | Ministry of Agriculture and Natural Resources                  |
| MOFA     | Ministry of Federal Affairs                                    |
| MFI      | Microfinance institutions                                      |
| MTR      | Mid-term Review  |
| NBE      | National Bank of Ethiopia                                      |
| NGO      | Non-governmental Organization                                  |
| NRM      | Natural Resources Management                                   |
| ODA      | Official Development Assistance                                |
| PACT     | Participatory Agriculture and Climate Transformation Programme |
| PASIDP   | Participatory Small-scale Irrigation Development Programme     |
| PBAS     | Performance-Based Allocation System                            |
| PCDP     | Pastoral Community Development Project                         |
| PCR      | Project Completion Report                                      |
| PCR/V    | Project Completion Report Validation                           |
| PPA      | Project Performance Assessment                                 |
| PROSEAD  | Promotion of Sustainable Ethiopian Agro-Industrial Development |
| PSNP     | Productive Safety Net Programme                                |
| RBA      | Rome-based Agencies  |
| RB-COSOP | Results-based COSOP  |
| RUFIP    | Rural Financial Intermediation Programme                       |
| RUSACCO  | Rural Savings and Credit Cooperative                           |
| SSTC     | South-south and Triangular Cooperation                         |
| SWC      | Soil and Water Conservation Measures                           |
| ToC      | Theory of Change   |
| TPLF     | Tigray People's Liberation Front                               |
| UNCT     | United Nations Country Team                                    |
| UNDP     | United Nations Development Programme                           |
| USAID    | United States Agency for International Development             |
| WB       | World Bank   |
| WFP      | World Food Programme   |

# Map of IFAD-supported operations in Ethiopia

## Ongoing operations

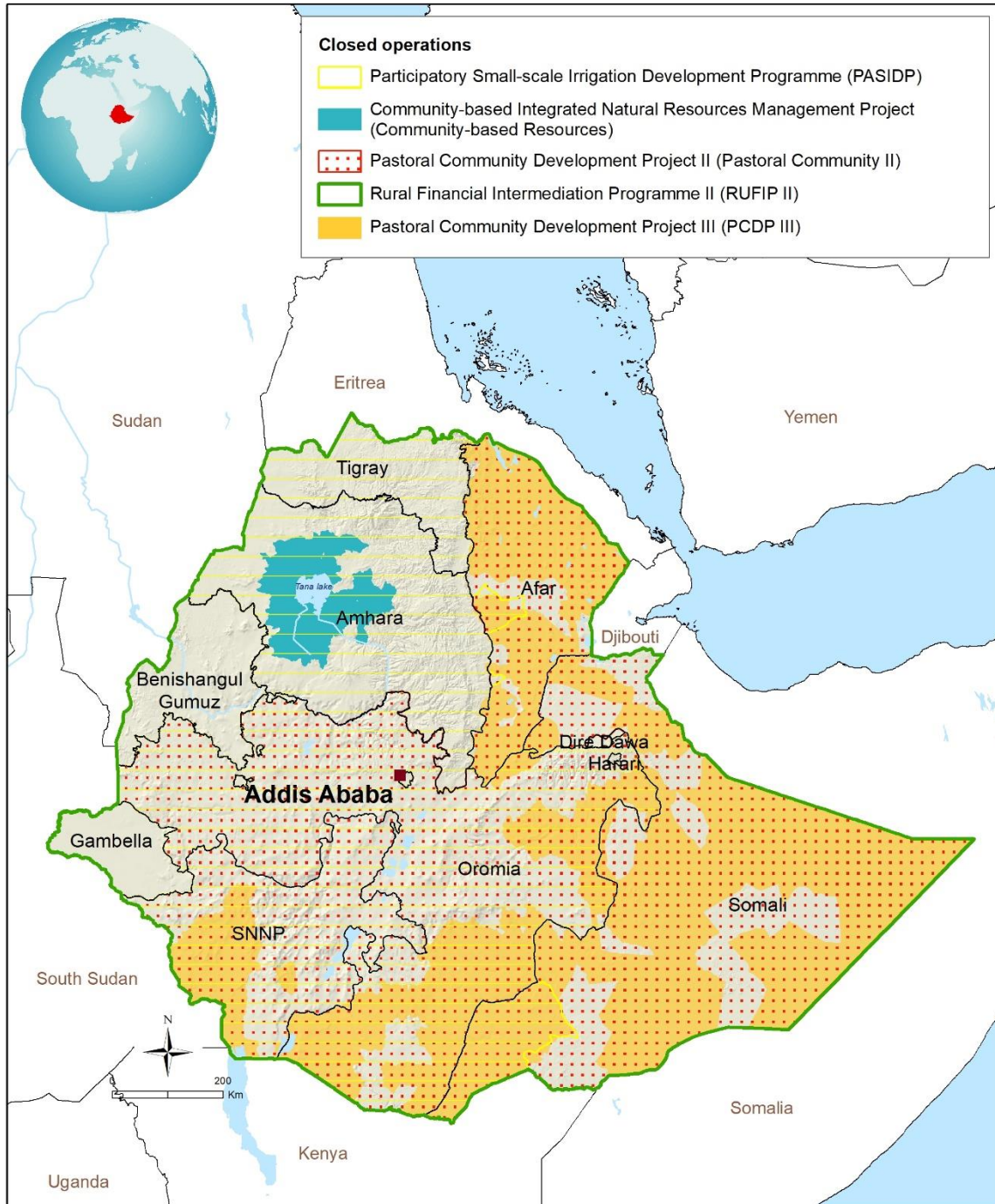


The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 18-04-2023



## Closed operations



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.  
 Map compiled by IFAD | 18-04-2023

# valuación de la estrategia y el programa en el país para la República Democrática Federal de Etiopía

## I. Background

### A. Introduction

1. In line with the Evaluation Policy of the International Fund for Agricultural Development (IFAD), the Independent Office of Evaluation (IOE) undertook a country strategy and programme evaluation (CSPE) in the Republic of Ethiopia, as approved by the IFAD Executive Board in 2021 during its 134<sup>nd</sup> Session.<sup>1</sup> This CSPE was the third country-level evaluation conducted in Ethiopia, the last country programme evaluation (CPE) was conducted in 2015. The CSPE covered the period 2015-2022 and will inform the next country strategic opportunities programme (COSOP).
2. The main objectives of the CSPE, in accordance with the IFAD Evaluation Manual (2022), were to: (i) assess the results and performance of the IFAD strategy and programme; and (ii) generate findings and recommendations for the future partnership between IFAD and Ethiopia for enhanced development effectiveness and sustainable rural development. The evaluation provided an opportunity to assess the extent to which the programme performed, following the last CPE, as a result of better strategic focus and operational oversight. Thus, findings, lessons, and recommendations are useful to inform the preparation of the new COSOP for Ethiopia, in 2023.
3. Since the inception of IFAD operations in Ethiopia in 1980, the Fund has approved 21 loan funded projects with a total cost of US\$ 2.339 billion, of which IFAD has financed US\$839.5 million (see details in Annex II). The total estimated cost of the nine investment projects approved between 2007 and 2022, and covered by the CSPE amounts to US\$ 1.805 billion, of which US\$ 654.1 million was financed by IFAD. The remaining funds came from the Government, other co-financiers, and the beneficiaries, as presented in Table 1.

Table 1  
**Snapshot of IFAD operations in Ethiopia since 1980**

| <i>Snapshot of IFAD operations in Ethiopia since 1980</i> |  |
|---|--|
| First IFAD-funded project                                 | 1980   |
| Number of approved loans since 1980                       | 21   |
| Ongoing projects  | 4  |
| Total amount of all lending projects since 1980           | US\$2 339 371 896  |
| Amount of IFAD's lending since 2009 (9 projects)          | US\$ 654 193 479   |
| Government funding since 2009 (9 projects)                | US\$ 123 418 505   |
| Beneficiary contributions since 2009 (9 projects)         | US\$ 66 165 694  |
| International Co-financing amount since 2009              | US\$ 786 169 742   |
| Lending terms   | Highly concessional, DSF                                       |
| Main co-financiers  | World Bank, European Investment Bank, African Development Bank |
| COSOPs  | 1999, 2008, 2016   |

Source: IFAD Oracle Business Intelligence

<sup>1</sup> See <https://webapps.ifad.org/members/eb/134/docs/EB-2021-134-R-12-Rev-1.pdf>

## B. Objectives, methodology and processes

4. **Scope.** The evaluation assessed the performance of the IFAD strategy and programme since 2016, after the conclusion of the last CSPE (conducted in 2015). It covered the full range of IFAD investments, including: (i) IFAD's strategic orientation; (ii) the portfolio of lending operations; (iii) the non-lending activities (knowledge management, partnership-building, country-level policy engagement and grants); and (iv) the performance of partners (Government and IFAD) that have managed the country strategy and programme.
5. **Evaluation questions.** The CSPE answered the following overarching question: to what extent did the IFAD country strategy and programme, through the lending and non-lending operations and activities, contribute to positive inclusive and sustainable development for smallholder farmers and their communities, with potential for rural transformation? Linked to this overarching question, the CSPE defined specific questions in line with evaluation criteria, as presented in Annex I.
6. **Evaluation criteria.** Aligned with the IFAD evaluation manual (2022), the CSPE applied the following criteria for the assessment: relevance; coherence (including knowledge management, partnership development and policy dialogue); efficiency; effectiveness (including innovations); sustainability of benefits; impact on rural poverty; gender equality and women's empowerment; sustainability and scaling up (including environment and natural resources management, as well as adaptation to climate change). Table A1 in Annex I includes the definition of each criterion, which performance is rated on a scale of 1 (lowest) to 6 (highest).<sup>2</sup> The evaluation matrix in Annex IV presents key evaluations questions and information sources for the evaluation criteria.
7. **Theory of change (ToC).** The evaluation adopted a theory-based approach to assess possible causal relationships between different elements of the country strategy and programme. For that purpose, the evaluation team reconstructed a ToC, using information available in the programme documents, which was discussed with the key programme actors at inception stage, subsequently updated after (as deemed necessary) throughout the evaluation process, in order to have the final version presented in Annex V. The logic supporting the changes appears straightforward on paper, but was more complex in reality. Indeed, the intended development impact, reduced rural poverty and increased prosperity in rural areas, will be achieved by increasing and sustaining the incomes of smallholders, as well as, by enhancing the resilience of rural livelihoods. IFAD supported interventions contribute to these impacts through four medium to long term outcomes, each corresponding to an impact pathway: (i) increased access of rural households to a wide range of financial services; (ii) improved and increased access to social and economic services; (iii) enhanced resilience and productivity of ecosystems; and (iv) improved household income and food security. These four outcomes are embedded within the two strategic objectives of the COSOP 2016.<sup>3</sup> Key critical conditions for achieving these changes include the capacity of the government to provide adequate resources and to elaborate and implement policies that are favourable for smallholders. Prevailing inter-regional conflicts in the country and natural factors (droughts especially) were identified as critical risks.
8. **Topics for in-depth analysis.** Considering the focus of the country programme, five key thematic areas emerged, which required specific analytical attention. They were community driven development (CDD), inclusive rural finance, resilience of pastoral communities, ecosystem resilience, and youth. These themes, as presented in Box 1, were discussed at the inception stage of the CSPE with the key

<sup>2</sup> 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory.

<sup>3</sup> (i) Enhanced resilience and productivity of ecosystems and livelihoods through improved management of natural resources, particularly water; and (ii) Enhanced linkages with the private sector to ensure increased and sustained access to markets, finance, and agricultural technology. See next chapter.

stakeholders (representatives of the Government and the country team). They are aligned with the macro investment areas of the portfolio (see Annex VI).

9. **Methodological steps.** The CSPE applied a mixed-methods approach, using both qualitative and quantitative information, collected from various sources, which were analysed to generate findings and conclusions. The methodological building blocks (presented in Table A8, Annex VII) included series of activities from the desk review to reporting, which are not strictly sequential.
10. An important aspect was the availability of monitoring and self-evaluation data and information on results of the IFAD supported country programme. Thus, from the inception phase, the CSPE team has had access to several self-evaluation reports and rigorous impact evaluation / assessments (of IOE and RIA) documents (see Table A6 in Annex VI); as well as to monitoring databases. Additionally, because Ethiopia has been subject in the past to two case studies for higher IOE evaluations – the thematic evaluation (TE) on climate change adaptation (2020) and the corporate level evaluation (CLE) on IFAD decentralization (2022), specific reports for these case studies were made available to the CSPE team. All these provided a good analytical and evidence basis for the evaluation.
11. Lastly, two other IOE evaluations were implemented in parallel with the CSPE, the TE on gender and the project cluster evaluation on rural finance. The CSPE data-gathering process was therefore carried out in synergy with these two evaluation teams to inform their cases studies. This contributed to providing deeper insights on these two topics for the CSPE.
12. **Evaluation processes.** The exercise started effectively in September of 2022 with the sharing of the final approach paper. The inception was completed at end of October 2022.<sup>4</sup> The CSPE team, comprising seven members,<sup>5</sup> implemented the main mission for field data collection from 31 October to 17 November 2022, during which the team interviewed various stakeholders (through focus group discussions and key informant interviews) and visited projects' sites in three regions of the country, Amhara, SNNPR and Somali (see details in Table A9 in Annex VII). At the end of the mission, the evaluation team presented the preliminary findings during a wrap up in-person meeting on 17 November 2022. The State Minister in charge of agriculture attended and chaired the two-hour session. Thereafter, the CSPE team proceeded with the analysis of data and drafting of the evaluation report, which went through an IOE internal peer review process. IOE shared the report with the Eastern and Southern Africa (ESA) division of IFAD and the Government of Ethiopia and comments received were used to finalize the report.
13. **Limitations.** A first limitation was the poor quality and comparability of findings in the baseline and end-line survey reports (conducted by project teams), due to the lack of methodological rigor. A second limitation was the impossibility to visit interventions site in several regions and woredas where insecurity due to conflicts was prevailing. The CSPE addressed this limitation by triangulating using sources of information, as presented earlier in the methodological steps.

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<sup>4</sup> IOE finalized and shared the CSPE approach paper at the beginning of September 2022, and the inception phase started with the conduct of virtual meetings to discuss and interview stakeholders of the country programme, complemented by an extensive desk review and secondary data analysis.

<sup>5</sup> The team leader was Kouessi Maximin Kodjo, lead evaluation officer at IOE; International consultants were: Precious Tirivanhu, Hope Kabuchu, Matteo Borzoni, Teresa Maru; Evaluation analysts: Antonio Cesare, Marco Costantini and Alice Formica; and National consultants: Elsa Abebe and Abebe Mengistu.

**Key points**

- This CSPE is the third country-level evaluation in Ethiopia since the previous one conducted in 2015. The evaluation covered the period 2015-2022.
- The total cost of the portfolio evaluated amounted to US\$ 654.2 million.
- This CSPE covered all evaluation criteria in line with the IFAD evaluation manual (2022).
- A theory-based evaluation approach was adopted. Data (both qualitative and quantitative) were collected through a mixed-methods approach, from various sources.
- The evaluation took place from September 2022 to March 2023, with the main mission in the country implemented from 31 October to 17 November 2022.
- Preliminary findings were presented by the evaluation team during a wrap up in-person meeting chaired by the State Minister in charge of Agriculture on 17 November 2022, at the end of the mission.
- Limitations of the CSPE were: (i) the poor quality and comparability of findings in the baseline and end-line survey reports; and the impossibility to visit project sites in areas where conflicts were prevailing. These limitations were addressed through triangulation of information from various sources.

## II. Country context and IFAD's strategy and operations for the CSPE period

### A. Country context

#### Socio-economic and social development indicators

14. **Geography and demography.** Ethiopia is a landlocked country, surrounded by Eritrea to the north, Djibouti to the northeast, Somalia to the east, Kenya to the south, and South Sudan and Sudan to the west. The country has a total area of 1,104,300 km<sup>2</sup>, with a population of approximately 117 million and an average population density of 104 people per km<sup>2</sup>. This makes Ethiopia the second most populous nation in Africa after Nigeria.<sup>6</sup> The population annual growth rate in 2021 was at 2.6 per cent.<sup>7</sup>
15. **Administrative setup.** Ethiopia is a federation comprising the federal government, eleven regional state governments and two chartered cities (Addis Ababa and Dire Dawa). The eleven regions are commonly classified as "big regions", and the so-called "emerging regions" according to their level of economic and social development. The former include Amhara, Oromia, the Southern Nations, Nationalities and Peoples' Region (SNNPR) and Tigray. The emerging regions include Benishangul-Gumuz and Gambella in the western part of the country, and the Afar and Somali regions in the east.<sup>8</sup>
16. **Economy.** Ethiopia is categorized as a low-income country with a Gross Domestic Product (GDP) per capita of US\$936 in 2020 (see Table 2). It has experienced rapid economic growth in the last two decades, with the GDP expanding at an average rate of 10.3 per cent during 2004-2019 (Table 2 below). That explains rapid increase in GDP per capita from less than \$200 in 2000 to over \$900 by the end of the year 2020. The International Monetary Fund (IMF) estimated the Ethiopian GDP per capita to be US\$1230 in 2023.<sup>9</sup> The GDP growth rates did not translate into other favorable economic indicators (World Bank, 2021). For example, revenue collection deteriorated mainly due to the drop in indirect tax collections as demand weakened, and exports of goods and services, as percentage of GDP, declined from 9.4 per cent in 2015 to 7.1 per cent in 2020. The Gini Index increased from 33.2 to 35 within the five-year period (2010 -2015), reflecting rising inequalities due to disparities in welfare between urban and rural areas (World Bank, 2021). Between 2019 and 2023, the economy, as many other countries worldwide, faced the negative incidence of the COVID-19 pandemic, exacerbated by the Ukraine crisis, triggering high levels of inflation that reduced the purchasing power in the country.
17. **Poverty.** Ethiopia achieved substantial poverty reduction between 2004 and 2015/16, with the share of the population below the national poverty line falling from 39 per cent in 2004 to 24 per cent in 2016 (World Bank, 2022). Poverty reduction was also rapid in rural areas, where the majority of the poor live, though it slowed from 2010-2015 when rural consumption growth was less than 1 per cent per year (compared to six per cent in urban areas). Despite significant poverty reduction, the poorest segment of the population, concentrated in remote rural areas, did not experience real consumption growth between 2004 and 2015. As a

<sup>6</sup> <https://www.worldbank.org/en/country/ethiopia/overview#1>

<sup>7</sup> <https://data.worldbank.org/indicator/SP.POP.GROW?locations=ET>

<sup>8</sup> According to IFAD - COSOP (2016): Emerging regions are subject to (i) remoteness from the centre and proximity to often fragile neighbouring states; (ii) predominance of pastoral and agro-pastoral livelihoods; and (iii) limited access to public services (including schools and clinics) and infrastructure (including roads); resulting in (iv) low levels of literacy, formal education and public health, and widespread poverty. All these issues underpin a fragility situation and threaten peace and security in those regions.

<sup>9</sup> Entailing an increase of 5.3% compared to 2022. IMF, World Economic Outlook, October 2022.

result, the depth of poverty, was higher in 2015 than in 2004.<sup>10</sup> According to the World Bank (2020), there is a need to transition to non-farm livelihoods and address the disparity in access to education between rural and urban households, which widens the gap in wage earning opportunities.

Table 2  
**Key Economic Development Indicators**

| Indicator   | 2000  | 2005   | 2010   | 2015    | 2019    | 2020   |
|---|-------|--------|--------|---------|---------|--------|
| GDP per capita (Current US\$)                               | 124.5 | 162.4  | 341.6  | 640.5   | 855.8   | 936.3  |
| GDP growth (annual %)                                       | 6.1   | 11.8   | 12.6   | 10.4    | 8.4     | 6.1    |
| Tax Revenue (% of GDP)                                      | 8.1   | 8.7    | 8.1    | 8.3     | 6.7     | 6.2    |
| Exports of goods and services (% of GDP)                    | 12.3  | 15.3   | 13.0   | 9.4     | 8.0     | 7.1    |
| Imports of goods and services (% of GDP)                    | 23.0  | 35.0   | 33.0   | 30.3    | 20.9    | 16.9   |
| Manufacturing, value added (% of GDP)                       | 5.6   | 4.8    | 4.0    | 4.4     | 5.6     | 5.3    |
| Foreign direct investment, net inflows (% of GDP)           | 1.6   | 2.1    | 0.96   | 4.1     | 2.7     | 2.2    |
| Total Value of External Public Debt (Current US\$) Billion  | 5.4   | 5.9    | 5.6    | 18.6    | 28.9    | 30.5   |
| Inflation (Consumer Prices) %                               | 0.7   | 13.0   | 8.1    | 9.6     | 15.8    | 20.0   |
| Net trade in goods and services (BoP, current US\$) Million | -629  | -2,965 | -5,270 | -13,854 | -10,300 | -8,510 |

Sources: African Development Bank (2022); World Bank (2022)

18. **Human Development Index (HDI).** The HDI improved from 0.292 in 2000 to 0.485 in 2019, placing the country in the low human development category (with a position of 173 out of 189 countries and territories), below the average of 0.513 for countries in the low human development group and below the average of 0.547 for countries in Sub-Saharan Africa (UNDP, 2021). The improvements of social indicators resulted in increased HDI. For example, between 1990 and 2019, Ethiopia's life expectancy at birth increased by 19.5 years, while mean years of schooling increased by 1.4 years and expected years of schooling increased by 5.7 years. (UNDP, 2020).
19. **Nutrition and food security.** Food insecurity and malnutrition remain a major concern across the country, with an estimated 20.4 million people in need of assistance. More than 30 per cent of the households consume below the minimum daily nutritional requirements, with 24 per cent located in urban areas and 33 per cent in rural areas. The state of chronic food insecurity and malnutrition in Ethiopia, as measured by the Global Hunger Index (GHI), is classified as serious with a score of 27.6, ranks 104th out of 121 countries (Global Hunger Index, 2022), including 4.9 per cent child mortality and 6.8 per cent stunting. Key determinants of household food and nutrition security include age of household head, literacy level, and incidence of drought, existence of non-agricultural activity, dependency ratios, and livestock ownership.<sup>11</sup>
20. **Gender:** Ethiopia has shown a firm political commitment to the advancement of gender equality and women's rights.<sup>12</sup> For example, at national level, there has been significant increase of women's political participation with women occupying 50 per cent of cabinet ministerial positions and 38.8 per cent of seats of the House of Peoples' Representatives. Within the Ethiopian agricultural sector, unequal gender norms limit Ethiopian women's ability to innovate, own land, control

<sup>10</sup> According to Mekasha and Tarp (2021), shocks related to food and fuel prices, heavy reliance on rain-fed agriculture, recurrent droughts, internal conflicts will likely increase the vulnerability of households, particularly those living in rural areas, and drive households into poverty.

<sup>11</sup> According to Mengistu, 2022. Other factors include land ownership/access, level of fertilizer application in crop production systems, and focus on staples with limited supply of fresh nutritious foods such as fruits and vegetables region of the households (WFP, 2021; Feyisa, 2018; Abegaz, 2017).

<sup>12</sup> IMF Country Report No. 18/355; the Federal Democratic Republic of Ethiopia

resources and income, access credit, and engage in leisure pursuits. The gender productivity gap is 23 per cent, and this gap is explained by unequal access to extension services, the distance from houses to fields, reduced use of technical inputs (e.g. fertilizers), inability to use livestock, small land sizes, and lack of product diversification. An additional explanatory factor is the women's lower access to male labor to help work their plots of land. In most cases of divorce, separation, and widowhood, women have reduced access to male family labor. In addition, income constraints limit women smallholders' ability to hire male wage labor (UN Women, 2018).

21. **Youth.** The country has the 14<sup>th</sup> highest youth bulge in the world<sup>13</sup>, as approximately 41 per cent of Ethiopia's population is under the age of 15, and 71 per cent is under 30.<sup>14</sup> Strategies that harness the potential of youth will help Ethiopia attain a demographic dividend and foster sustainable development. However, Ethiopia faces chronic youth unemployment with approximately three million young people entering the labor force every year.<sup>15</sup> In both rural and urban areas, many young people, particularly young women, are unemployed or working in the informal sector. Most young people live in rural areas, where livelihood opportunities are increasingly scarce. Increase in farmland scarcity in the highlands of Ethiopia coupled with lack of non-farm employment opportunities in the rural areas have pushed youth away from their agricultural livelihoods and rural villages.<sup>16</sup>
22. **Emergency situations. In 2022**, the country has dealt with two simultaneous emergencies exacerbating the country's food insecurity. First, over a year into the conflict (in Tigray, Amhara and Afar), about 9 million people in Northern Ethiopia required immediate food aid. Second, the country has experienced the driest circumstances recorded since 1981, with severe drought threatening an estimated 5.7 million people in Regions of Somali, Oromia, and Southern Nations, Nationalities, and Peoples' Region (SNNP) in the first quarter of 2022 (WFP, 2022).
23. **Conflict and security situation.**<sup>17</sup> The security crisis is taking hold in different parts of the country. Oromia Region's security situation remains highly volatile, with devastating humanitarian effects since 2018. As a result, hundreds of thousands of people have been forced to flee their homes in western Oromia, including across the border to Amhara Region.<sup>18</sup> The conflict between the Ethiopian federal government and the political administration of the northern Tigray region (the Tigray People's Liberation Front, TPLF) resulted in 2021 in the highest level of political violence in Ethiopia since the end of the Ethiopian-Eritrean War in June 2000.<sup>19</sup> The conflict led to displacements, widespread sexual violence and attacks on schools and hospitals in multiple regions of the country, including Tigray, Amhara, Afar and Oromia. By mid-2021, these abuses had left an estimated 350,000 people facing starvation (Human Rights Watch, 2022). Positively, after two years of conflict, on 2 November 2022, the Ethiopian federal government and the TPLF signed an agreement for lasting peace through a permanent cessation of

<sup>13</sup> USAID (2017). Ethiopia Development Trends Assessment -Ethiopia Performance Monitoring and Evaluation Service (EPMES). <https://issafrica.s3.amazonaws.com/site/uploads/ethiopia-assessment.pdf>.

<sup>14</sup> Tegenu, T. (2016). Youth Bulge, Policy Choice, Ideological Trap and Domestic Political Unrest in Ethiopia. <http://aigaforum.com/article2016/Youth-Bulge-Consequences-in-Ethiopia.pdf>.

<sup>15</sup> The National unemployment rate is more than 6 per cent; urban unemployment is 6.5 per cent, and rural unemployment is 2.5 per cent. Urban youth unemployment among groups aged 20–24 and 25–29 is significantly high at 30.2 per cent and 24.2 per cent, respectively (African Development Bank Group, 2017). Youth unemployment is associated with rural - urban and external (cross country) migrations.

<sup>16</sup> Other challenges for youth include limited access to land and capital (especially rural finance), poor access to agricultural inputs, inadequate training opportunities, and limited entrepreneurial and business skills.

<sup>17</sup> The World Bank listed Ethiopia as in a situation of medium-intensity conflict in the fragility index of 2022.

<sup>18</sup> <https://reliefweb.int/report/ethiopia/ethiopia-situation-report-18-jan-2023#:~:text=In%20eastern%20and%20southern%20Ethiopia,protracted%20drought%20is%20already%20devastating>

<sup>19</sup> <https://acleddata.com/10-conflicts-to-worry-about-in-2022/ethiopia/>



hostilities.<sup>20 21</sup> The peace agreement is a first step key towards ending the devastating conflict that has taken so many Ethiopian lives and livelihoods.

### **Agriculture and rural sector**

24. **Rural population.** Almost 80 per cent of the Ethiopian population reside in rural areas, are dependent on agricultural-based livelihoods, and women provide most of the agricultural labor.<sup>22</sup> Ethiopia's rural population keeps increasing at an average growth rate of 2.3 per cent per annum. For example, in 2017 the rural population was estimated at 84,790,101, a 2.13 per cent increase from 2016, while in 2021 it was estimated at **91,738,352**, a 3.91 per cent increase from 2019.<sup>23</sup>
25. **Agricultural production.** The agricultural sector is dominated by small-scale farmers who practice rainfed, mixed crop-livestock production systems. They mainly rely on traditional technologies through a low-input and low-output production system. Ethiopian smallholder farmers produce 90 to 95 per cent of the country's agricultural output (IFAD, 2022). The agricultural sector has recorded remarkable growth in the last decade (growing on average by 7.6 per cent per year), through substantial rise in agricultural productivity (Bachewe, Berhane, Minten and Taffesse, 2015). According to USAID, 2021, agriculture accounts for 40 per cent of the GDP, 80 per cent of exports, and an estimated 75 per cent of the country's workforce.<sup>24</sup> On average, crop production makes up to 60 per cent of the sector's outputs, livestock accounts for 27 per cent and other areas contribute 13 per cent of the total agricultural value added. The land under small-scale agricultural production accounts for 95 per cent of the total agricultural land. Five major cereals (teff, wheat, maize, sorghum, and barley) occupy almost three-quarters of total area cultivated.<sup>25</sup> Other crops include coffee, oilseeds, vegetables, pulses, and root crops. Recently, Ethiopia boosted its cultivated areas of wheat production from 50,000 hectares in 2018 to 167,000 hectares in 2021. The country harvested 25 million quintals of wheat from 405,000 hectares alone in the summer of 2022, helping the nation to halt the wheat import.<sup>26</sup>
26. **Livestock production.** Ethiopia has the largest livestock population in Africa. In 2020, the country had 65 million cattle, 40 million sheep, 51 million goats, 8 million camels, and 49 million chicken (Central Statistics Agency, CSA, 2020). Pastoralism and agropastoralism provide livelihoods for more than 12 million Ethiopians who earn the majority of their income from livestock, supplemented by farming for agropastoralists. Afar, Somali, Oromia, and Gambella Regions, as well as the Southern Nations, Nationalities, and Peoples' Region (SNNPR), are the major pastoral areas.<sup>27</sup> Estimates for 2021 indicate that the livestock sector contributes about 15 to 17 per cent of the GDP and 37 - 87 per cent of household incomes (Mengistu, et. al., 2021). The livestock population is almost composed of indigenous animals, for example, 97.8 per cent, 1.9 per cent, and 0.3 per cent of cattle are indigenous, hybrid, and exotic breeds, respectively. The 2022 drought significantly affected livestock population in Ethiopia. For example, in April 2022, estimates from regional Governments reported more than 1.46 million livestock

<sup>20</sup> <https://www.peaceau.org/en/article/cessation-of-hostilities-agreement-between-the-government-of-the-federal-democratic-republic-of-ethiopia-and-the-tigray-peoples-liberation-front-tpf>

<sup>21</sup> In this peace treaty, mediated by the African Union (AU) in Pretoria, South Africa, the Ethiopian federal government and the TPLF released a joint statement stating that they had agreed to permanently silence the guns and end the conflict. Further, the agreement will also include systematic, orderly, smooth, and coordinated disarmament. See <https://www.peaceau.org/uploads/joint-statement-gov-fdre-tpf-11-02-2022-19-38-33.pdf>.

<sup>22</sup> <https://www.usaid.gov/ethiopia/gender-equality-and-womens-empowerment>

<sup>23</sup> <https://www.macrotrends.net/countries/ETH/ethiopia/rural-population#:~:text=Ethiopia%20rural%20population%20for%202020.a%202.07%25%20increase%20from%202017.>

<sup>24</sup> <https://www.usaid.gov/ethiopia/agriculture-and-food-security#:~:text=Ethiopia's%20economy%20is%20dependent%20on,percent%20of%20the%20country's%20workforce.>

<sup>25</sup> <https://www.ifpri.org/publication/crop-production-ethiopia-regional-patterns-and-trends#:~:text=Ethiopia's%20crop%20agriculture%20continues%20to,quarters%20of%20total%20area%20cultivated.>

<sup>26</sup> <https://furtherafrica.com/2022/10/12/ethiopia-target-52m-quintals-of-wheat-from-summer-production/>

<sup>27</sup> Historically, Ethiopia's pastoralist areas have seen a lack of development efforts focused primarily on human capital development interventions. (Gebremeskel et al, 2019)

- deaths [67 per cent in Somali, 31 per cent in Oromia, and 7 per cent in Southwest and Southern Nations, Nationalities, and Peoples' Region (SNNP) regions]<sup>28</sup>.
27. **Pasture management.** The grassland region of Ethiopia accounts for some 30.5 per cent of the area of the country and 57.5 per cent of animal feed is obtained from natural grazing (Gurmessa, 2021). The natural pastures in Ethiopia are characterized by seasonal fluctuations in total dry matter production and nutritional quality due to distinct seasonal variations in plant growth. Communal grasslands contribute significantly to multiple ecosystem services, including infiltration of rainfall, prevention of erosion, carbon storage in soils and root biomass, and habitat that sustains indigenous biodiversity (Rossiter et al. 2017). Most communal grasslands have weak or non-existent management and governance systems – they are open access resources, resulting in overuse. Unlike individual land holdings, landholding certificates are not provided for communal grazing lands (Crewett et al. 2008).
  28. **Natural resources and climate change.** The pressure on land and forest resources and its biological and physical impacts are linked to the country demography and the great importance of agriculture (crops and animal production), largely dependent on natural resources, for economic livelihoods. Thus, Ethiopia is highly vulnerable to climate variability and climate change, due to its high dependence on rainfed agriculture and natural resources. The country has relatively low adaptive capacity to deal with these expected changes (World Bank, 2021b). Approximately 90 per cent of the country is vulnerable to severe or extreme climate stresses (Pacillo et al., 2021), and is susceptible to numerous hazards including droughts, floods, volcanoes, and earthquakes. Additionally, the country has a long history of recurring droughts, which have increased in magnitude, frequency, and impact since the 1970s.<sup>29 30</sup>
  29. **Rural Finance.** According to Waje (2020), 36.5 per cent of smallholder farmers had access to agricultural credit in 2019. Financial cooperatives and microfinance institutions (MFIs) are the two major sources of rural finance in Ethiopia.<sup>31</sup> The Ethiopian National Financial Inclusion Strategy (2017)<sup>32</sup> identified specific challenges underpinning the low financial inclusion and thereby developed four strategic orientations to address them, and these guide all actions in this domain, including within the agricultural sector.<sup>33</sup> Other challenges relate to the limited availability of Islamic financing, thus restricting access to rural finance products to most members of the Muslim society in Ethiopia, who constitute about 30-35 per cent of the population (Suadiq, and Yattoo, 2021). The establishment of full-fledged Islamic banking was permitted in May 2020 following years of advocacy by the Muslim society. However, according to Ahmed (2020) the challenges in accessing Islamic financial services are a result of utilising the same legal framework for both Islamic banking and conventional banking, which undermines the proper functioning of Islamic banking.

### **Agricultural policy and institutional framework**

30. **Strategic framework.** Since the 1990s, agricultural strategies in Ethiopia have been economy-wide and robust, aiming at attaining food self-sufficiency at national level by increasing productivity of smallholders. For the review period, the second Growth and Transformation Plan (GTP II), 2015/16-2019/20, provides an ambitious

<sup>28</sup> <https://reliefweb.int/report/ethiopia/ethiopia-drought-update-no-3-april-2022>

<sup>29</sup> <https://www.preventionweb.net/publication/climate-risk-country-profile-ethiopia>

<sup>30</sup> There are more specific environmental challenges presented in Box A2 (Annex VI).

<sup>31</sup> IFPRI Discussion Paper 01422 (2015): Rural Finance and Agriculture Technology Adoption in Ethiopia

<sup>32</sup> The National Financial Inclusion Strategy (2017-2022) – A five-year strategy to reach out to a vast majority of unbanked communities across the country. It recognizes the role of access to finance in contributing to rapid economic growth and poverty reduction.

<sup>33</sup> The strategic orientations relate to the four challenges identified, namely: underdeveloped financial infrastructure; inadequate supply of financial products, services and access points; inadequate financial consumer protection; and low level of financial capabilities and awareness.

and solid basis for investment planning in the country. In 2021, the Government of Ethiopia unveiled a Ten-Year Development Plan 'Ethiopia: An African Beacon of Prosperity' (a successor of GTP II), which will run from 2020/21 to 2029/30.<sup>34</sup> The Goal of this successive plan is to achieve lower-middle-income status by 2025, by targeting an annual average real GDP growth rate of 11 per cent within a stable macroeconomic environment, rapid industrialization, and structural transformation. According to the COSOP 2016, there are three pillars of GTP II with a direct relevance to the partnership between Ethiopia and IFAD in the medium term, these are: (a) sustaining rapid, broad-based, and equitable economic growth and development; (b) increasing productive capacity and efficiency through improving the quality, productivity and competitiveness of agriculture and manufacturing industries; and (c) promoting empowerment of women and youth. In 2021, Ethiopia organized a national UN Food Systems Summit (UNFSS) and this led to positive outcomes as presented in Box A4, Annex VI.

31. **Institutional framework.** The IFAD country programme was managed, at the time of the CSPE implementation, by the Ministries in charge of: (i) Finance and Economic Cooperation (MoFE); (ii) Agriculture (MoA); and (iii) Irrigation and Lowlands (MILLS).<sup>35</sup> IFAD also has a close relationship with the National Bank of Ethiopia (NBE), the Development Bank of Ethiopia, the Association of Ethiopian Microfinance Institutions (AEMFI), and the Ethiopian Cooperative Commission (ECC), which former name was the Federal Cooperative Agency. Other ministries that are stakeholders include: the ministries in charge of: industry, livestock and fisheries; and environment, forestry and climate change.<sup>36</sup>
32. **Agricultural sector financing.** Ethiopia is one of the eight African countries that have allocated more than 10 per cent of the budget to the agriculture sector over the decade of 2003/2004–2012/2013, which was in line with the Maputo declaration. Globally, Ethiopia is the second largest recipient of ODA to health, agriculture, and food security. It is also the fourth largest recipient of humanitarian assistance, provided mostly as commodities and food aid. The latest ODA statistics released by Ministry of finance and economic cooperation in 2018 indicate that agriculture sector had the highest ODA allocation of 37.4 per cent.<sup>37</sup> Further available data on agriculture indicates that approximately 9 per cent of donor funding goes to the production sector – within this, between 2006 and 2010, agriculture amounted to US\$789 million.

## **B. IFAD's strategy and operations for the reviewed period**

33. **Past country strategies and evaluations.** Under the first COSOP of 1999, four investment projects were approved and key interventions were in the thematic areas of rural finance, small-scale irrigation, pastoral community development, and agricultural marketing. Performance over this period was assessed in the first Country Programme Evaluation (CPE) conducted in 2008.<sup>38</sup> The 2008 COSOP followed and covered a period of seven years (2008-2015). The 2016 CPE assessed the 2008 COSOP and concluded that the programme performed satisfactorily, and "IFAD has built trust and confidence with the Government of Ethiopia, based on the solid results on the ground and the constructive way of engaging" (IFAD-IOE 2016,

<sup>34</sup> It focuses on agriculture, manufacturing, mining, tourism, urban development, innovation, energy, and technology as crucial development sectors. It ensures a key role by the private sector in the economy by creating a conducive investment climate, providing incentives, and building public-private partnerships.

<sup>35</sup> These ministries are represented in the regions through regional bureaux. Each regional bureau is further decentralized to woreda (district) and kebele (subdistrict) levels.

<sup>36</sup> Also, the Agricultural Transformation Agency (ATA) is a partner for collaboration on agribusiness issues.

<sup>37</sup> More details in Box A3 are in Annex VI.

<sup>38</sup> The main recommendation of the evaluation was to limit and concentrate its support on the areas where IFAD had stronger comparative advantage and performance i.e., pastoral community development, small scale irrigation and rural finance. This focus would have enabled to reduce the deficiencies that were identified for improvement, particularly: policy dialogue, knowledge management and M&E.

CPE, p.X). The evaluation made recommendations presented in Box A1 in Annex VI.

34. **The 2016 COSOP's** overall goal was to raise incomes, food security, and prosperity of rural households through two strategic objectives: (i) Enhanced resilience and productivity of ecosystems and livelihoods through improved management of natural resources, particularly water; and (ii) Enhanced linkages with the private sector to ensure increased and sustained access to markets, finance, and agricultural technology (see Table A4, Annex VI). Its main themes were: natural resources, access to finance, and agricultural production innovation. The 2016 COSOP highlights the weakness in non-lending activities in the previous COSOP of 2008, and thus, aimed at taking a leadership position in promoting small-scale irrigation, rural finance, and pastoral community development.
35. **Loan portfolio.** The projects covered by the evaluation (see Table 3) are those completed from 2015 onward and those that are on-going.<sup>39</sup> The first five projects in the Table XX, were designed before the 2016 COSOP and are completed. Four projects were approved under this COSOP: (i) Participatory Small-scale Irrigation Development Programme II (PASIDP II), (ii) Lowlands Livelihood Resilience Project (LLRP) and (iii) Rural Financial Intermediation Programme III (RUFIP III) and PACT (Participatory Agriculture and Climate Transformation Programme). Box 1 presents highlights of on-going projects.

Box 1

Highlights of projects on-going at the time of the evaluation

PASIDP II is the second phase of PASIDP, which addressed infrastructure development, creation of Irrigation Water User Associations (IWUAs), and market linkages. Thus, PASIDP II was designed not only for the development of smallholder irrigation schemes and IWUAs, but also for better management of watersheds adjacent to irrigation schemes, with an additional focus of investing in agribusiness linkages and market access.

The Lowlands Livelihood Resilience Project (LLRP), which is co-financed by the World Bank (WB), was designed based on an assessment led by the World Bank and IFAD from PCDP III. The design adopted was based on community driven development (CDD) approach, and expanded its outreach to the Benishangul-Gumuz Region.

With RUFIP in its third phase, IFAD aimed at creating a financing hub for clients served by the other IFAD financed projects / programmes in Ethiopia. RUFIP I and II played an important role in providing strong basis for the expansion and outreach of MFIs and RUSACCOs by implementing credit lines and technical capacity building measures.

PACT is the most recent project approved in December 2022, in order to consolidate achievements of PASIDP II.

Source: Design reports PASIPII, LLRP, RUFIP III and PACT

<sup>39</sup> Meaning that the list includes projects designed under the 2008 COSOP and under the 2016 COSOP.

Table 3  
List of projects covered by the CSPE

| ID         | Name   | Approval   | Effective  | Completion | Closing    | Evaluability                                   |
|------------|--|------------|------------|------------|------------|--|
| 1100001370 | Participatory Small-scale Irrigation Development Programme (PASIDP I)      | 18/04/2007 | 10/03/2008 | 30/09/2015 | 14/02/2017 | All criteria                                   |
| 1100001424 | Community-based Integrated Natural Resources Management Project (CBINReMP) | 30/04/2009 | 17/03/2010 | 30/09/2018 | 31/03/2019 | All criteria                                   |
| 1100001458 | Pastoral Community Development Project II (PCDP II)                        | 15/09/2009 | 14/07/2010 | 30/09/2015 | 14/04/2016 | All criteria                                   |
| 1100001521 | Rural Financial Intermediation Programme II (RUFIP II)                     | 15/09/2011 | 12/06/2012 | 31/12/2020 | 30/06/2021 | All criteria                                   |
| 1100001522 | Pastoral Community Development Project III (PCDP III)                      | 11/12/2013 | 25/04/2014 | 08/07/2019 | 08/11/2019 | All criteria                                   |
| 2000001134 | Participatory Small-scale Irrigation Development Programme II (PASIDP II)  | 22/09/2016 | 13/02/2017 | 31/03/2024 | 30/09/2024 | All criteria except, Impact and sustainability |
| 2000001598 | Lowlands Livelihood Resilience Project (LLRP)                              | 12/09/2019 | 20/05/2020 | 10/10/2025 | 10/04/2026 | All criteria except, Impact and sustainability |
| 2000002344 | Rural Financial Intermediation Programme III (RUFIP III)                   | 29/11/2019 | 08/01/2020 | 31/03/2026 | 30/09/2026 | Relevance, efficiency and effectiveness        |
| 2000003447 | Participatory Agriculture and Climate Transformation Programme (PACT)      | 28/12/2022 | /          | /          | /          | Relevance                                      |

Source: IFAD Oracle Business Intelligence and CSPE team (for the evaluability)

36. **Non lending activities.** The COSOP identified the following themes for non-lending activities: (i) partnerships with the private sector and research institutions; (ii) engagement of IFAD in existing forums for policy engagement, partnership and coordination; (iii) technical analyses to generate and document lessons and knowledge to be fed into policy processes; (iv) M&E and knowledge management as a basis for scaling up and policy engagement; and (v) knowledge exchange in the context of South-South and Triangular Cooperation.
37. **Grant portfolio.** Since 2000, a total of 27 IFAD-funded and/or managed grants were implemented in Ethiopia with a total cost of US\$21.83 million (see Annex II). The main thematic areas of those grants included value chain development, financial services, and land governance, and the main grant recipients were Inter-Governmental Organizations, Research Institutions and United Nations Agencies. For this CSPE and aligned with the review period, grants that have been reviewed include three country specific grants; (i) Improving the performance of pro-poor value chains of sheep and goats for enhanced livelihood, food and nutrition security in Ethiopia, (ii) the rural poor stimulus facility project implemented by PASIDP II; and (iii) the SSTC grant to enhance learning. Additionally, a rural finance regional / global grant has also been reviewed.
38. **Country programme management.** IFAD established its field presence in Addis Ababa in 2005 with the opening of a country office, and the CPM was out-posted in 2010. In 2012, the post of CPM was elevated to the rank of a Country Director, with additional responsibility for managing programs of other countries (Angola and South Sudan). The IFAD country office (ICO) became a multi-country office (MCO)

in 2021, covering the portfolios of Ethiopia, Eritrea and South Sudan. The country director (CD) also acts as MCO head. According to data obtained from the MCO,<sup>40</sup> three CDs have been in charge of managing the country programme over the evaluated period, supported by one programme officer, one country programme officer and other staff members.

### Key points

- Ethiopia experienced rapid economic growth, with the GDP expanding at an average rate of 10.3 per cent during 2004-2019. However, the poorest segment of the population in rural areas did not experience real consumption growth in the same period, resulting in depth of poverty being higher in 2015 than in 2004.
- Food insecurity and malnutrition remain a major concern across the country, with an estimated 20.4 million people in need of assistance.
- The country faces high levels of unemployment. Almost 80 per cent of the Ethiopian population reside in rural areas and are dependent on agricultural-based livelihoods.
- Ethiopia is highly vulnerable to climate variability and change, due to its high dependence on rain-fed agriculture and natural resources. It has low levels of financial inclusion with only 36.5 per cent of smallholder farmers having access to agricultural credit in 2019.
- The second Growth and Transformation Plan (GTP II), 2015/16-2019/20 was the main country strategic document that guided IFAD's engagement over the reviewed period.
- The 2016 COSOP's overall goal was to raise incomes, food security, and prosperity of rural households through two strategic objectives: (i) Enhanced resilience and productivity of ecosystems and livelihoods through improved management of natural resources, particularly water; and (ii) Enhanced linkages with the private sector to ensure increased and sustained access to markets, finance, and agricultural technology.
- The portfolio of projects reviewed included nine projects of which five completed between 2015 and 2020, three are on-going (of which one midterm reviewed) and the one was approved in December 2022.

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<sup>40</sup> see Table A7 Annex VI

### III. Performance and rural poverty impact of the country programme and strategy

#### C. Relevance

39. This criterion assesses the adequacy of IFAD strategies and interventions in line with: (i) the Government's development strategy and policies, (ii) IFAD's global strategy, and (iii) the priorities and needs of beneficiaries. It also analyses the quality and targeting approaches in projects.

#### **Alignment with national priorities, IFAD's strategy and beneficiaries' needs**

40. IFAD country strategy was in good alignment with the development and agriculture strategies in Ethiopia, over the reviewed period. The COSOP 2016 was highly relevant and aligned to the second Growth and Transformation Plan (GTP II). It was found to be addressing national priorities, including, investment in agricultural development in the highlands, natural resource management, rural finance and agro pastoral livelihoods development.
41. **IFAD supported programme in Ethiopia was consistent with and addressed key strategic governmental priorities.** Aspects in the GTP II strategic areas of focus by the programme (all projects) include: agriculture and livelihood improvement in fragile areas vulnerable to shocks (especially in pastoral and semi-arid areas), natural resources conservation, demand driven agricultural research, expansion of potable water supply for humans and livestock, development of small-scale irrigation using surface and ground water, and watershed management. Moreover, investments were also in alignment with the Pastoral Development Policy and Strategy 2020<sup>41</sup> (through CBINReMP, PCDPII and III, and LLRP), which promoted holistic approaches focusing on people, their animals, rangeland development, and supporting infrastructure for access to basic social services.<sup>42</sup>
42. The IFAD's programme was in alignment with sectoral policy objectives, except for commercialization and agro-industry development goals. The Ethiopia Agricultural Sector Policy and Investment Framework (PIF) 2010-2020, complementary to GTP II, intended to address the nexus between rural poverty, natural resource management and climate change. This was well covered by the programme,<sup>43</sup> with its focus on increasing agricultural productivity and production, improving natural resources management, strengthening food security, protecting vulnerable households and strengthening their resilience to shocks. The PIF acknowledged that productivity enhancement alone could not necessarily enable reduction in rural poverty and therefore did foresee the development of commercial supply chains for agricultural inputs, outputs, the development of post-harvest storage, and market information services. These areas were poorly addressed in the designs of the portfolio projects,<sup>44</sup> although the second strategic objective of the COSOP 2016 aimed to ensure increased and sustained access to markets through linkages with the private sector (see further elaboration in the coherence section).
43. **IFAD supported programme was also aligned with the National Financial Inclusion Strategy,<sup>45</sup> which articulates the country's vision for financial inclusion.** The designs of projects (RUFIP II and III) identified financial access

<sup>41</sup> Prior to the Pastoral Development Policy and Strategy, IFAD investments were in line with the pastoral development policy framework which was guided by the Ethiopian constitution and incorporated issues of pastoralists by forming a separate department for pastoralist issues under the Ministry of Federal Affairs which coordinated and facilitated development in pastoral areas and set up Ethiopian Parliament Pastoralist Affairs Standing Committee (EPPASC) which oversaw pastoral development activities in the country (Mohamed 2019).

<sup>42</sup> Education, potable water, sanitation, health and road infrastructure.

<sup>43</sup> CBINReMP, PCDPII, PCDPIII, PASIDP, PASDP II and LLRP

<sup>44</sup> Almost absent for projects designed under the previous COSOP, focused mostly to upstream of the value chain, leaving gaps in terms of post harvesting, processing, marketing and access to markets,

<sup>45</sup> NBE, 2017, April. Ethiopia National Financial Inclusions Strategy, 2017-2022

deficit in rural regions especially pastoral and agro-pastoral areas, with deliberate focus on youth and women. There was a lack of clarity on how the selection of operation areas (including regions, woredas and kebeles) would be done. On the one hand, the design indicates that the programme would be national and on the other hand, the selection of specific areas for interventions were to be based on poverty indicators, but there is no evidence that this actually happened in practice. In fact, both phases of the programme were implemented through partners who did the selection of intervention areas, and ultimately the beneficiaries.

44. **Designs of portfolio projects were consistent with IFAD strategies**, in particular the COSOP 2016 and global IFAD strategies (2016-2025). The COSOP 2016 was designed in alignment with the IFAD Strategic Framework 2016-2025.<sup>46</sup> The four earlier projects reviewed (designed under the COSOP 2008, but closed after 2015)<sup>47</sup> were aligned with the COSOP 2016. The recent ones,<sup>48</sup> are directly consistent with the COSOP 2016 objectives (see Table XX), as designed under it.
45. **The programme also responded to the needs of smallholder farmers in regions prone to natural disasters and other shocks.** The designs were highly relevant because they included support to households and measures for natural resources management that strengthened livelihood and ecosystem resilience of the farmers and poor households. First, interventions integrated the provision of social services and infrastructure (related to roads, health, education, markets), which were fundamental basic needs in targeted pastoral areas and hard to reach populations.<sup>49</sup> Second, program designs included the development of small irrigation schemes that are among critical measures for reducing the vulnerability of smallholder farming systems to climate burdens, leading to increase in agricultural production.<sup>50</sup> Finally, designs incorporated actions for improving access to credit and other financial services by smallholder farmers, which were among critical rural development challenges in the targeted areas (RUFIP II and III).

#### **Relevance of approaches, institutional arrangements and changes**

46. The geographic coverage and targeting approaches were relevant and aligned with the GoE's approach to identify vulnerable groups (see Box 2). The IFAD supported programme over the reviewed period prioritized vulnerable groups, poor farmers that are highly exposed to natural disasters and shocks.<sup>51</sup> A geographical targeting approach was applied to select regions, woredas and kebeles with high levels of vulnerability and poverty. In fact, the IFAD supported programme targeted: (i) smallholder farmers in the highland areas, highly vulnerable to climate change, where rainfed or irrigated crop production are possible; (ii) pastoralists and agro-pastoralists in the dry lowland areas, more exposed to natural disaster like droughts. The selection of intervention areas (woredas and kebeles) in the regions was done in alignment with the GoE criteria. In terms of rural finance, taking cognizance of the independence of the MFIs, RUFIP III has adopted a combination of self-targeting done by the partners,<sup>52</sup> and self-targeting where the partners (MFIs and RuSACCOs) were capacitated and incentivized to reach the marginalized and vulnerable groups.

<sup>46</sup> IFAD 2016. IFAD Strategic Framework 2016-2025, Enabling Inclusive and Sustainable Transformation. Priority area of focus is on overcoming poverty, achievement of food security, and sustainable and resilient livelihoods

<sup>47</sup> CBINReMP, PASDP I, PCDP II, RUFIP II, PCDP III.

<sup>48</sup> PCDPII, RUFIP III 2019-2026, and LLRP 2019-2025

<sup>49</sup> PCDPII, PCDPIII, LLRP invested in: schools, access to potable water resources, veterinary services and human health centres were highly relevant to the populations.

<sup>50</sup> CBINReMP, PASIDP, PASIDPII

<sup>51</sup> For example, targeting for the Participatory Small-scale Irrigation Development Programme II (PSIDP II) focused on food insecure farmers with 0.5 ha of land, with deliberate focus on youth and female headed households.

<sup>52</sup> The MFI/RuSACCO partners use their own criteria, and not the project criteria



## Box 2

## Alignment of IFAD targeting to GoE approach

For instance, PASIDP I and II as well as PCDP II, III and LLRP were implemented in regions where the Productive safety Net Programme (PSNP)<sup>53</sup> of the GoE, a national social protection program targeting highly food-insecure households affected by climate shocks, was deployed. The purpose of such an overlap was to complement with the GoE efforts in supporting those communities using participatory approaches. Interventions included strengthening economic activities and improving income for women and men beneficiaries, participatory forest management and rehabilitation of irrigated land (CBINReMP), accessing benefits of small scale irrigation schemes, soil and water conservation activities, diversification of economic activities (PASDP I and II), as well as providing basic social infrastructure and services (PCDP II, PCDP III and LLRP).

Source: CSPE elaboration

47. **Approaches applied by projects were consistent with the context of operations.** Participatory approaches and mechanisms were deployed for all interventions directly involving smallholder farmers (in both upland and lowland areas), and these were very relevant, considering contextual aspects of vulnerability. A main approach is the community driven (or based) development approach (CDD or CBD) deployed in agro-pastoral communities, which was crucial to enhancing local ownership, leadership, and responsibility. The design of projects (e.g. PCDP, LLRP, and PASIDP) prioritized promoting grassroots organizations and/or local institutions, to be the cornerstone of interventions. For instance, the selection of sites was led by the local communities using criteria set by themselves.<sup>54</sup> Most projects had mechanisms for in-kind contributions. In PASDP II, communities developed tertiary canals on their own, and contribute 5% free labour (trench excavation) and material for construction, and collect users' fees to cover scheme administration costs.<sup>55</sup> <sup>56</sup> Nevertheless, it appears that specific approaches for pastoralists (*sensu stricto*),<sup>57</sup> known for their frequent movements, have been absent due to the merging of both agro-pastoralist and pastoralist interventions.<sup>58</sup>
48. **Institutional arrangements were appropriate to facilitate the deployment of actions.** Interventions were well anchored within the government institutional framework in line with mandates of relevant ministries. This contributed to ensuring that implementation was cascaded down to the beneficiaries, spearheaded by the regional and local government administrations (at woreda and kebele levels). All the projects were led by the relevant sectoral ministries, key among them, and the partnership with Ministry of Agriculture (MoA). For instance, PASIDP I and II worked with regional and woreda administrations to roll out some components of the programme. PCDP II and PCDP III phases, as well as LLRP were designed with the Ministry of Federal Affairs (MoFA) as the lead agency, in partnership with other government counterpart institutions on the different technical elements of the programs, which was good for delivering a holistic

<sup>53</sup> Additionally, Woredas prioritize Kebeles in need of more facilities and assistance than others, guided by community priorities.

<sup>54</sup> For example, selection of sites for schools, human and animal health posts in PCDP were conducted by the community. Some of the sites considered central locations to ensure access by most community members.

<sup>55</sup> All projects with an infrastructure components (CBINReMP, PCDP, PASIDP and LLRP) applied both in kind and cash contributions from communities.

<sup>56</sup> See more details in the effectiveness section.

<sup>57</sup> According to A. Eneyew (2012), Pastoralists are households where more than 50% household income / consumption is derived from livestock or livestock related activities, either as a result of sales of livestock products or of direct consumption, and agro-pastoralists as deriving 25-50% income/ consumption from livestock produce. The pastoralist management system involves a complex set of elements that are linked together by a requirement for land and a responsibility to safeguard it. They include: Mobility, keeping or possessing large herds of livestock, herd diversification and splitting, and focused mutual assistance systems

<sup>58</sup> LLRP made an explicit focus on pastoralists, but without a tailored approach. Indeed the component one supported the overall management of rangelands where pastoralist and agro-pastoralist (PAP) production systems operate. It insured that pastoralists have secure access to and use of key natural resources in several ways, including through conflict management.

approach to interventions. Although some host institutions of projects changed due to changes in structures and names of government ministries, the IFAD investments were minimally affected by these changes.<sup>59</sup> The identified implementing agencies for RUFIP II and III were appropriate in light of their operational focus.<sup>60</sup> These are the main players in financial inclusion.

49. **Changes made during projects' implementation were relevant.** Most projects made changes during their implementation, in response to recommendations from supervision missions and/or mid-term reviews. The changes were relevant to reduce significant delays in implementation, improve operational efficiency, reduce reporting workload, respond to administrative and governance restructuring, and improve development outcomes (see details in the efficiency section). Considerable changes were made for CBRINMeP, PCDP II, and PCDP III, while minor changes were made for RUFIP II and PASIDP.<sup>61</sup> Some projects extended their completion, and closing dates (PCDP III, CBRINMeP), while others made reallocation of funds (PCDP III, RUFIP II) in order to adapt to contextual circumstances during their implementation.

**Summary: relevance**

50. **The CSPE rates relevance as satisfactory (5).** In fact, the country programme was well aligned with national strategies, to GoE priorities and approaches, as well as with beneficiary needs. Approaches identified, institutional arrangements applied and implementation changes made were appropriate, and well aligned with the context of operations. Nevertheless, a gap identified was the fact that the programme did not include GoE priorities related to commercialization and agro-industry development.

**D. Coherence**

51. This section assesses coherence, which covers external and internal coherence. External coherence relates to the consistency of the strategy and programme with other partners' interventions in the same context. Internal coherence refers to the internal logic, synergies, and linkages among different elements of the country strategy and programme. Aligned with the IFAD manual (2022 version), the section also assesses aspects pertaining to knowledge management, partnership building, and policy engagement.

**External coherence**

52. **IFAD's comparative advantage was acknowledged in relation to small scale irrigation development and inclusive rural finance.**<sup>62</sup> Most of the key stakeholders interviewed acknowledged this explicitly. For instance, on small scale irrigation development IFAD's support (continuous for more than 10 years) has gained momentum in food insecure and marginalized areas, aligned with the GoE's

<sup>59</sup> For example, while the different PCDP phases were implemented within the MoFA, the LLRP as a successor programme transitioned to the Ministry of Peace (MoP) with some components spearheaded by Ministry of Water Irrigation. While the RUFIP phases were designed with the DBE as the main implementing agency, the partnership includes the Association of Ethiopian Microfinance Institutions and the Federal Cooperative Agency (FCA)

<sup>60</sup> These are the main players in finance inclusion. Development Bank of Ethiopia (DBE), the National bank of Ethiopia (NBE) which is the regulator of commercial banks and MFIs, Federal Cooperatives Authority now referred to as the Ethiopian Cooperative Commission (ECC), Association of Ethiopian Microfinance Institutions (AEMFI), is a member organization established to promote information exchange and best practices among its membership.

<sup>61</sup> The changes included review of project activities, rationalising project components, and modification of project targets (CBRINMeP); revision of project development objective (PDO) indicators (PCDP II, RUFIP II); and adjustment in amounts allocated for community subprojects (PCDP II). Other changes included adjustment of cash contributions from the communities (PCDP II); and adjustments to the ceiling amount for government contribution to civil works and goods (PASIDP I).

<sup>62</sup> The smallholder irrigation development ecosystem in Ethiopia is dominated by government actors in the diffusion of small scale irrigation (SSI) at both the national and regional levels, while international development partners, private sector and NGO actors remain in the periphery. NGOs include Farm Africa, German Agro-action, World Vision, Save the Children, and Catholic Relief Services. International development partners include European Union, China Foundation for Poverty Alleviation, DANIDA, Sweden SIDA, African Development Bank, USAID, JICA, World Food Program, and United Nations Development Programme. (Bryan, Hagos, Mekonnen, Abera, and Yimam, 2020).

priorities for rural areas.<sup>63</sup> IFAD's support has created a niche in small-scale irrigation development through design and construction of community irrigation structures and watershed management. Also, at the macro level, IFAD has played a key role in the institutionalization and proclamation of Irrigation Water User Associations (IWUAs). In relation to inclusive finance, IFAD has been a major contributor to improving rural finance development in Ethiopia for about 16 years, and this support has resulted in broadening of financial services and products offered to rural communities by Microfinance Institutions (MFIs) and Rural Savings and Credit Cooperatives (RuSSACOs).

53. IFAD support was driven by the demands of the GoE and its initiatives to enhancing livelihood improvement and poverty alleviation. IFAD's critical role is not by virtue of fund size, but rather its approach and experience. IFAD for example is considered a modest funder compared to the World Bank or the European Union, but is recognized by various stakeholders as a leader in the mentioned areas. The leadership role was attributed to several factors including; i) IFAD was the first to introduce a comprehensive rural finance project in Ethiopia, enabling rural financial inclusion through RuSSACOs ii) unique design/inclusive approach and experience from other countries; iii) ability to broker relationships for co-financing; and iv) strong implementation support.<sup>64</sup>
54. Evidence suggests a good synergy between the IFAD programme and the World Bank (WB), in promoting the community driven development (CDD) approach in lowland areas. Together with the WB, IFAD promoted the CDD approach through several projects (CBINReMP, PCDP II and III and LLRP). The co-financing arrangement took into consideration the government's ongoing focus on the development of the lowland pastoral and agro-pastoral areas, which has been beneficial, for instance in terms of expansion of socioeconomic services, control of livestock disease, and enhanced trading opportunities.<sup>65</sup>
55. There was a thematic convergence of IFAD's support with programs of other partners in the rural sector, but synergy is not yet optimal. The IFAD's programme is convergent with other existing programs of international partners, as presented in the Box 3. However, the coordination of interventions among partners is still weak to enable effective synergies within the rural sector, as confirmed by outcomes of key-informant interviews. In fact, the CSPE team found no evidence of joint planning (strategic or operational), nor joint reviews between IFAD and other international partners.

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<sup>63</sup> Most of IFAD financed projects are focusing to support rural communities in Productive Safety Net Programme (PSNP) woredas (food insecure areas) that differentiates IFAD from World Bank (WB).

<sup>64</sup> Emerging areas with a great opportunity for IFAD to position itself include: the gender model family and pastoral development to a limited extent, and carbon markets in which IFAD is currently leading the discussions. Another area is data analytics especially with MoA, where started to support for better decision making, and possibly the Ministry of Development planning. Several stakeholders interviewed confirmed these points.

<sup>65</sup> Over the past five decades, the GoE, with the support from key development partners, has made efforts to develop the lowland PAP areas of Ethiopia. Notable achievements have been compromised by various factors; i) lack of clear policies and strategies and inadequate investment and support systems; ii) institutional fragmentation; iii) civil unrest and conflicts, and iv) recurrent droughts. Competition for natural resource use and land alienation has intensified and curtailed mobility, the essence of pastoral livelihoods (according to Gebremeskel, Desta and Kassa 2019). Gebremeskel, E.N., Desta, S. and Kassa, G.K. 2019. Pastoral Development in Ethiopia Trends and the Way Forward. International Bank for Reconstruction and Development/The World Bank. <http://www.celep.info/wp-content/uploads/2019/07/2019-Esayas-et-al-Pastoral-devt-in-Ethiopia.pdf>

## Box 3

## Sample of themes addressed by other development partners

FAO: has programs focusing on food and nutrition security, support to smallholder irrigation through water management information systems, resilience building, and technical assistance to GoE

African Development Bank (AfDB): supports programmes on drought resilience and sustainable livelihoods

UNDP: supports food system and ecosystems resilience, and livestock sector development.

USAID: supports agricultural value chain development in areas that include Tigray, Afar, Amhara, Oromia, Somali and SNNPR.

World Vision and CARE support food security projects in Oromia, Amhara, SNNPR, and Tigray.

Source: CSPE elaboration from desk review

56. IFAD's played an active role in the agriculture Sector Working Group (SWG), but this has not yet enabling an effective coordination by the MoA of rural sector interventions. Since 2021, IFAD has been co-chairing the Rural Economic Development and Food Security (REDFS) SWG, a platform that brings together the GoE with development partners who are active in the agriculture, and food security. It facilitates dialogue between the government and development partners, mobilizes and directs development investments towards the GoE's development priority areas, and ensures that those investments are harmonized for effective use of resources. In order to achieve this, REDFS is working towards elevating an Agriculture Management Information System to enhance coordination of activities within the agriculture, natural resource management, and food security sector, to avoid duplication.<sup>66</sup> The IFAD country office has contributed to these efforts through its Management Information System (discussed in detail under Knowledge Management).
57. The COSOP 2016 design and implementation was in line with the United Nations Development Assistance Framework (UNDAF) 2016-2020. Although not explicitly outlined in the document, the COSOP 2016 strategic objectives were aligned with the UNDAF 2016-2020 (see Box A6, Annex VIII), which represented the strategic response of the UN Country Team to the national development priorities articulated in the second Growth and Transformation Plan (GTP II).<sup>67</sup> The IFAD country director has also been an active member of United Nations Country Team (UNCT), taking a partial leadership role in coordinating stakeholders for the main purpose of leveraging investments for rural and agriculture development.

### Internal coherence

58. Over the evaluated period, the **IFAD supported programme has shown consolidation of lessons learned from different projects' phases.** Except for Community-based Integrated Natural Resources Management Project (CBINReMP), all projects were implemented in different phases, enabling internal coherence and a systematic process in applying lessons learned from one phase to the next.<sup>68</sup> For example, the LLRP builds from over 15 years of investments in the pastoral communities, through three PCDD phases, of promoting the community-driven development (CDD) approach. This strengthened the capacity of community institutions to develop inclusive community development plans (CDPs) for improved service delivery at the kebele, woreda, and regional levels. These previous

<sup>66</sup> . The REDFS Secretariat is supporting the existing efforts of Planning Monitoring and Evaluation Directorate of MoA in its effort of developing an effective MIS. MoA 2022. Newsletter, Volume 2, 2<sup>nd</sup> Edition, 1 September 2022. <http://www.moa-redfs.gov.et/mdocuments-library/#>

<sup>67</sup> There is need to recognise the Government of Ethiopia Ten-Year Development Plan 'Ethiopia: An African Beacon of Prosperity' which will run from 2020/21 to 2029/30'. It is a successor to the country's five-year Growth and Transformation Plan II (GTP II).

<sup>68</sup> The COSOP 2016 builds from experience and lessons from previous investments IFAD, highlighting coherence in its design, and indicates horizontal integration of projects. For example, PASIDP II is highlighted as aiming to fine-tune the models developed under PASIDP I, while integrating good practices from RUFIP and CBINReMP

- investments informed the design of LLRP based on an integrated and holistic approach to address livelihoods of pastoral communities. RUFIP has also been implemented over a 15-year period, and is now in its third phase, with each phase building on lessons of its predecessor (presented in Box A8 in Annex VIII).
59. Evidence suggests gaps of learning and synergy across (inter) projects, leading to missed opportunities in consolidating programme achievements. The COSOP 2016 was explicit on the need for synergies among IFAD projects, however interlinkages and synergies across projects was a key challenge over the reviewed period. Interlinkages among the three groups of projects (PCDP, PASIDP and RUFIP) were non-existent (through the review of documentation), and this was further confirmed by stakeholders interviewed during the field mission. There was an attempt in recent years to create synergies,<sup>69</sup> but this is yet to bear fruit. Some members of projects' management units (PMUs) acknowledged the need to strengthen synergies and inter-linkages among projects, as this would allow a meaningful appreciation of change aligned with impact pathways of the ToC. Additionally, in the absence of synergies, the valuable opportunity for cross learning and sharing of strategies and approaches is lost, e.g. with regard to a gender transformative approach.<sup>70</sup>
  60. Finally, there was a challenge in monitoring the overlap of beneficiaries of different projects implemented in parallel in the same areas, further limiting the building of synergies. It is worth noting that RUFIP (II and III) was/is a nation-wide project, while the other projects are based in specific regions, resulting in limited opportunities for synergies or overlap. Key informants pointed out that the issue of synergies would be better addressed at design, because it is not realistic or even practical to expect the project staff to redesign synergistic opportunities during implementation, the CSPE concurs with this view.
  61. **Contribution of grant financed operations.** National grants achieved positive results overall, although there were few challenges. Under the national windows, a successful grant was the Rural Poor Stimulus Facility implemented between April 2020 and June 2022. The grant, directly linked to PASIDP II, reached out to 15,240 smallholder farmers through provision of inputs, enabled job creation for 2630 youths (616 females), and constructed 29 storage facilities to benefit 6542 smallholder farmers; all these contributed towards strengthening of the economic resilience during the pandemic period. Also positive, was the SSTC grant (2019-2022) which supported four PASIDP II selected irrigation sites with technical assistance for transformation into pressurized irrigation systems, using sprinkler and drip technologies, and developed cost-effective water harvesting infrastructure. It also provided technical support to Irrigation Water Users' Associations through (IWUAs) through South-South knowledge exchange. An experience sharing visit to Kenya was facilitated for farmers, policy makers and experts to share experience on efficient irrigation, IWUA capacity, and natural resource management.
  62. The sheep and goat value chains grant funded project was implemented between 2015 and 2018, by ICARDA, focusing on improving livelihoods and assets, through increased incomes.<sup>71</sup> It reduced risk and improved market access in selected sheep and goat meat value chains. The grant achieved its goal, however, it has no

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<sup>69</sup> For example, there was an attempt to build some synergy between PCDP II and RUFIP II, but this did not take off because rural finance is based on a business model, and PCDP beneficiaries were unable to meet financial service access criteria set by supported MFIs. This point was corroborated by some government stakeholders who informed the CSPE that attempts to link RUFIP III and PASIDP II are failing to take off because of the collateral requirements by MFIs, and lack of adequate liquidity on the part of RuSACCOs. Secondly, some of the households did not belong to any RuSACCO which was one of the main vehicles or platforms to access financial services under RUFIP II in the rural areas. Because of these challenges PASIDP II has decided to support formation of parallel RuSACCOs.

<sup>70</sup> See gender section below.

<sup>71</sup> <https://www.slideshare.net/ILRI/ethiopia-sip-rischkowsky>

linkage with the loan portfolio. Global grants financed operations also led to mixed results, as presented in Box 4.

#### Box 4

Results achieved by the global / regional grants on rural finance

Grant under global/regional windows achieved mixed results in the area of rural finance. IFAD co-financed the Micro insurance Centre (2017-2020), for the development of innovative micro-insurance. With this support, a pilot on weather index insurance was done in 3 regions, and the results showed that not all agriculture risks were transferable, and more work needed to be done to expand both the number of transferable risks and areas of coverage. Additionally, the improving rural finance through cooperatives (IRFITCO) grant (2017-2021), made progress by developing a strategy, action plan, and subsequent establishment of two federations or regional networks. However, the extent to which the grant contributed towards effectiveness and sustainability of RUFIP II and III is unclear. The CSPE was unable to verify whether the grant supported PASIDP II in the formation or strengthening of RuSACCOs as envisaged. In addition, the formation of the apex bodies, which was one of the foreseen outputs of the grant, has not been completely successful because of the conflicting expectations from the federal and regional governments.

Source: CSPE elaboration from desk review

### Knowledge management

63. A Knowledge Management (KM) strategy is available for the programme, operationalized through a yearly action plan, which focuses on three pillars: (i) the portfolio visibility and information;<sup>72</sup> (ii) learning at project and portfolio level (including a community of practice) and (iii) policy engagement activities to identify concrete policy outputs and processes to be supported.
64. The programme showed collaborative efforts to create knowledge through diagnostic studies, assessments and action-oriented researches. Collaborations were effective with various partners to conduct several research studies presented in Box 5.<sup>73</sup> The research studies were demand driven and addressed critical issues / themes that emerged from the project implementation. However, in some instances, some research findings were viewed as highly technical and there was a need to package them in ways that would allow utilization by project teams<sup>74</sup> The MoA acknowledged the contribution of IFAD supported projects to knowledge and information sharing platforms, and how this knowledge transfer within the ministry was useful to develop guidelines and directives (see below paragraphs on policy engagement).<sup>75</sup>

#### Box 5

Examples of collaborative research activities undertaken

The programme implemented a collaborative analytical study with the World Bank on pastoral development trends and possible future directions, which fed into implementation of LLRP.

IFAD programme collaborated with Biodiversity international in PASIDP II on nutrition mainstreaming in irrigation schemes. Additionally, there were collaborative technology transfer initiatives between PASIDP II and IWMI (where ICRAF and ICRISAT were identified as sub-contractors) in March 2019 for water management, instrumentation for water budget and implementation of the Land Degradation Surveillance Framework.

<sup>72</sup> Key outputs include projects' profiles and Power Point Presentations (PPTs), Generic Background Briefs, portfolio highlights, and Blogs

<sup>73</sup> They include: WB, Biodiversity international, ICRAF, ICRISAT, IFPRI, Somali Region Pastoral and Agro-pastoral Research Institute, Jigjiga University.

<sup>74</sup> For example these issues were raised by the LLRP project team in Jigjiga regarding some research outputs from the Agro-pastoral Research Institute, and Jigjiga University.

<sup>75</sup> Most recent knowledge studies were: (i) a joint socio-economic impact assessment to support the policy response to COVID-19, and ii) a policy analysis on the impact of the Ukraine crisis on rural livelihoods finalised in 2022

ILRI collaborated with PCDP III in conducting an impact assessment study, while a collaboration was forged with IFPRI for analysing gender scoring and development of a framework to understand the intersection of climate change, gender, youth, and nutrition. There was collaboration with the Somali Region Pastoral and Agro-pastoral Research Institute and Jigjiga University on the livelihood component of LLRP. This collaboration resulted in technology transfer through action research. Jigjiga University disseminated and promoted three different forage varieties. Additionally, Pastoral and Agro-pastoral Research Extension Groups (PAPREGs) were established to train other farmers, and conduct field days.

The programme is also working with CIFOR on the Global Gender Transformative Approaches Initiative for Women's land rights which aims at understanding the impacts of gender model family at individual, couples, and family levels.

Source: CSPE elaboration from desk review

65. Evidence suggests effective dissemination of knowledge and information sharing among projects' stakeholders through various means. The CSPE team identified various means of knowledge dissemination and sharing such as: websites, local radios, social media (numerous communities of practice through telegram groups), learning events and visits frequently organized for actors within project groups<sup>76</sup>. For instance, PASIDP has a comprehensive website<sup>77</sup>, while RUFIP III uses a newsletter,<sup>78</sup> DBE website, and sharing of success stories and videos through a telegram group<sup>79</sup>. IFAD country programme website has a knowledge platform with various resources including annual reports, e-learning, factsheets, research tools and guidelines, and publications. PASIDP II and LLRP have functional Telegram groups for knowledge sharing.<sup>80</sup> Learning events and visits have also been organized, including experience sharing visits to Kenya by PASIDP beneficiaries. Additionally, IFAD was also participating through RUFIP in the experience sharing for the Promotion of Sustainable Ethiopian Agro-Industrial Development (PROSEAD) programme.<sup>81</sup> PROSEAD coordinated by UNIDO under the umbrella of the Ministry in charge of industrialization.
66. In spite of the positive KM efforts, the programme lacks a structured and systematic approach for effective utilization of knowledge across the program and beyond. There appears to be a gap in collating knowledge and lessons from various stakeholders, sharing to the right audiences and these minimized the effective use of generated knowledge. On the one hand, and with the exception of the regional learning events organized by IFAD (annually), there is a gap in sharing experience across actors of all projects at national level. On the other hand, the CSPE found one initiative for experiences sharing between key actors of projects under the MoA.<sup>82</sup> However, there was no coordinated mechanism, at least partially, for functional knowledge sharing and learning involving IFAD and other key players of the agricultural sector of Ethiopia.<sup>83</sup> In fact, this should be facilitated by the MoA and IFAD could support the process, but this was not the case at the time of the evaluation, one explanatory factor being the insufficient availability of expertise

<sup>76</sup> These include research activities organized through Agro-pastoral Research and Extension Groups (PAPREGs) in LLRP, Field days, and experience sharing visit facilitated to Kenya for farmers through SSTC in PASIDP II.

<sup>77</sup> <https://pasidp-moa.gov.et/>

<sup>78</sup> The newsletter series can be accessed at: <https://www.dbe.com.et/index.php/publication/dev-t-news-letter>

<sup>79</sup> At the time of CSPE, the Telegram group had 32 members.

<sup>80</sup> As of 2 November 2022, Oromia had 311 members; Amhara -301 members; Federal-223 members; and SNNPR-65 members.

<sup>81</sup> The EU initiated programme, Promotion of Sustainable Ethiopian Agro-Industrial Development (PROSEAD) is the result of a joint effort of the Government of Ethiopia, EU, AfDB, IFAD, EIB, GiZ and UNIDO. The PROSEAD project has five components providing a substantial contribution to the integrated agro-industrial park (IAIPs) development in areas related infrastructure, value chain development, access to finance, and building the capacity of the workforce. ([https://www.unido.org/sites/default/files/files/2022-02/190001\\_Ethiopia\\_PROSEAD\\_Factsheet\\_Edited.pdf](https://www.unido.org/sites/default/files/files/2022-02/190001_Ethiopia_PROSEAD_Factsheet_Edited.pdf))

<sup>82</sup> A flagship program under the MoA, where projects' stakeholders meet quarterly to share experiences PASIDP II in this flagship program.

<sup>83</sup> The REFSDP working group, aiming at harmonising donors' supports, was discussed previously in terms of external coherence

within the IFAD country team. Additionally, there is also a challenge of finding local experts with KM experience.<sup>84</sup>

67. The programme made significant contributions to knowledge management through development of Management Information Systems (MIS) since 2019, which is yet to be fully utilized by the MoA. The IFAD country office developed the Global Portfolio Performance Dashboard which tracks financial and programmatic indicators. The dashboard is hosted on Power Business Intelligence (Power BI), and provides real time data, linking project level data from various IFAD projects (RUFIP, PASIDIP, and LLRP). It also allows uploading of gender disaggregated data (mostly from the PASIDP project). In addition, the country office conducts the Global Stakeholder Survey<sup>85</sup> and facilitates compilation of crop production data, in collaboration with the Ministry of Agriculture (MoA) and the Ethiopian Statistics Service (ESS). This allows scenario planning, prediction analysis and other relevant data outputs for decision making. The country office has conducted a series of training sessions within the MoA and ESS to ensure effective utilization of the dashboards. However, the functionality of the MIS is crippled by data security issues as the platform that hosts data collection at the project level (Kobo Toolbox) is not compatible with the IFAD platform (X-Desk), limiting the uploading of project level monitoring data. This has resulted in parallel MISs for the project level and the country office hosted system.

### Partnership development

68. **Effective strategic partnership with the GoE through several ministries, translated into strong commitment.** The IFAD country programme has been managed in close cooperation with several ministries including the Ministry of Finance and Economic Cooperation (Mock), Ministry of Agriculture (MoA), Ministry of Irrigation and Lowlands. IFAD supported programme also engaged closely with the National Bank of Ethiopia (NBE), the Development Bank of Ethiopia (DBE), the Association of Ethiopian Microfinance Institutions (AEMFI), and the Ethiopian Cooperative Commission (ECC). The partnerships with government institutions are generally viewed as cordial, while partnerships with non-government agents are viewed as useful. IFAD is generally regarded as a flexible and valuable organization, working to reduce rural poverty through innovative ways and solutions.
69. **The IFAD supported programme leveraged various financing and operational partnerships, allowing an expansion in scope of interventions.** IFAD has established critical co-financing partnerships with the GoE (including DBE and communities) and international partners in Ethiopia mainly the World Bank, the European Investment Bank (EIB) and the Development Bank of Ethiopia.<sup>86</sup> The World Bank has been the critical co-financier for the last 15 years, mainly focusing on lowland pastoral development and livestock development.<sup>87</sup> In this long partnership, the WB has relied on IFAD's comparative advantage in working with smallholder farmers.<sup>88</sup> Non alignment of disbursement timing negatively affected the co-financing arrangement, something that was happening with LLRP at the time of the field visit. However, IFAD has not had co-financing agreements with the African Development Bank (AfDB) in the last 6 years, and there were no specific

<sup>84</sup> For example, at the time of this evaluation, RUFIP III had prepared terms of reference for a knowledge management consultant to develop a KM strategy, but the procurement process had been stalled, because no appropriate companies or individuals had applied.

<sup>85</sup> The Stakeholder Survey is an opportunity for stakeholders to score IFAD's performance in country programmes and non-lending activities. It is a crucial component of assessing country programme implementation and impact, as well as improving IFAD's development effectiveness. <https://www.ifad.org/en/-/2022-stakeholder-survey>

<sup>86</sup> Table A9-Annex VIII presents external funds mobilized by the country programme over the evaluated period.

<sup>87</sup> The bulk of co-financing of PCDPII, PCDPII and LLRP has been by the World Bank/IDA with IFAD financing a smaller percentage, increasingly, the later designs of PCDPIII, and LLRP increased the contributions by the Government of Ethiopia, and the beneficiaries.

<sup>88</sup> Components of gender, nutrition, and M&E were assigned to IFAD and during the design of LLRP, although the WB brought its own corporate indicators, IFAD added more indicators on gender and nutrition.



reasons given for the lack of partnership with AfDB except, perhaps non-alignment of strategic focus and timing. The Global Environment Facility (GEF) and the Spanish Agency for Development Cooperation (AECID) were co-financiers for CBINReMP. Other co-financiers include the Alliance for Green Revolution in Africa (AGRA) and the European Investment Bank (EIB).

70. Operational partnerships have been developed with national and international development organizations including CGIAR Centers, particularly the International Crop Research Institute for the Semi-Arid Tropics (ICRISAT), the International Water Management Institute (IWMI), Centre for International Forestry research (CIFOR), and World Agroforestry Centre (ICRAF). These centres have a strong presence in Ethiopia and have been working closely with the GoE on multiple agricultural and environmental issues, including water productivity, watershed management, and modelling of local-level climate change scenarios. ICRISAT conducted rapid assessments at inception of PASIDP, in order to identify challenges and opportunities, and thus to prioritizing major interventions for each scheme. PASIDP also partnered with ICRISAT in conducting an assessment of nutrient deficiencies. This resulted in the introduction of nutrient rich vegetables to tackle vitamin A deficiencies. Also, leveraging the nutrition agenda of the MoA, the collaboration resulted in the establishment of a nutrition forum.
71. There were partnerships developed with private actors, which have not yet achieved the intended results. The low level of private sector engagement is linked to IFAD's deliberate targeting of PSNP Woredas in line with GoE's focus on food insecure and vulnerable communities. These targeted Woredas have low agricultural production levels, making it difficult to attract private sector investments. They require medium to long term investments in product development, storage, and aggregation to utilize economies of scale, and be attractive to private sector companies along the value chains. However, the CSPE found several project efforts of engagement with the private sector locally. For example, PASIDP II established linkages between farmers in irrigation schemes for access to inputs and output markets through private actors; but the results were limited to very few cases. LLRP established a business partnership with LUNAR, for production and marketing of Soya milk. Global Malting Services/Boortmalt entered into a partnership to facilitate access to markets by PASIDP II farmers for the malt barley. However, results from these partnerships are not yet visible. RUFIP appears to have been the IFAD supported project that has developed partnerships with private sector actors, namely the MFIs and commercial banks (as per details in the effectiveness section).
72. Partnerships between IFAD and other Rome-based Agencies (RBAs) have mostly been ad-hoc over the reviewed period. Although strategies for IFAD and FAO have commonalities, these could not be fully exploited and partnerships have been ad-hoc. Some joint actions have been implemented between IFAD and FAO, such as the FAO partnership with ICCO Terrafina Microfinance (ITM) which has contributed to improved access to financial services by farmers' organizations, including multipurpose cooperatives supported by IFAD projects. In Tigray, joint action between FAO and IFAD enabled the introduction of nutrient rich vegetables in irrigation schemes. FAO also supported fertilizer distribution and utilization under an IFAD programme in 8 Woredas in Tigray. Finally, IFAD partnered with FAO, WFP and UN Women in the Joint Programme on Accelerating Progress towards Rural Women's Economic Empowerment (JP-RWEE) in Afar and Oromia.<sup>89</sup> The programme was completed in 2018 and there has been no further activity involving IFAD programme in this regard in Ethiopia, thus missing the opportunity to build on

<sup>89</sup> Financed through a matching fund from governments of Sweden USD 1,442,774 and Norway USD 245,482 in addition to USD 1,500,000 from Spain Government through the SDG Fund. The JP is implemented by Ministry of Women and Children's Affairs (MoWCA), Federal Cooperatives Agency (FCA), Ministry of Agriculture and Livestock (MoAL), Ministry of Finance and Economic Cooperation (MoFEC) and their district level line offices in Afar and Oromia in collaboration with UN Women, FAO, WFP and IFAD.

results achieved.<sup>90</sup> Finally, it is worth noting that, since 2022, the heads of the three sister agencies (IFAD, FAO, and WFP) started to have monthly meetings, which will hopefully trigger better cooperation in the near future.

### **Policy engagement**

73. **The IFAD supported programme contributed to several policy related changes, favorable for smallholder agriculture.** These changes were possible thanks to the strong involvement of governmental institutions, over a long period of time (10-15 years),<sup>91</sup> which facilitated the usage of projects' results to develop directives and/or regulations, known as "from practice to policy". In this way, with the support from the World Bank, the programme made significant contributions to improving the MFI regulatory framework and enhancing the enabling environment in the following areas: (i) a new merger, acquisition and liquidation policy guidelines and manuals issued by NBE; (ii) a micro insurance directive for MFIs; (iii) revised Proclamation No. 626/2009 on Banking Supervision to incorporate elements specific for diaspora inclusion, application of Islamic banking and consumer protection; and iv) financial inclusion strategy and the directive on lease financing.<sup>92</sup> A main achievement is the policy shift that gave Irrigation Water User Associations (IWUAs) a formally legal status and enabled ownership of the schemes.<sup>93</sup> Programme results contributed to the revision of the water utilization policy framework,<sup>94</sup> and this view was confirmed by stakeholders interviewed during the field mission. Moreover, IFAD's support was instrumental to review the former proclamation on RuSACCOs and to develop various cooperative directives on saving and credit, consumers, marketing and multipurpose cooperatives.
74. Additionally, the National Bank of Ethiopia (NBE) enhanced its regulation and supervision procedures by introducing a risk-based supervision system. This entailed revision of the risk-based supervision policy and procedural manual, and the national financial education and consumer protection strategy. In addition, interview outcomes revealed that, with support from RUFIP II, the NBE developed and rolled out the agent and mobile banking framework and other policy related initiatives.<sup>95</sup> The CSPE further confirmed through discussions that, as a result of these new policies and strategies, specifically the risk-based supervision approach and the offsite surveillance system which was directly credited to RUFIP II, the NBE managed to increase numbers of MFIs supervised annually with smaller staff complement. More policy related activities and results are presented in Box 6.

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<sup>90</sup> The programme reached 30 000 people including rural women, their husbands and children and community members and carried out activities related to gender awareness and sensitization (information campaign on services available to women), interactive workshops on pastoralist women's access to common resources, 'community conversations' used to foster a fairer distribution of household work between women and their husbands.

<sup>91</sup> Entailing a programmatic approach with several phases for the same project, building on achievements.

<sup>92</sup> RUFIP II, PCR reported several achievements under policy;

<sup>93</sup> For instance, a policy brief was prepared in this regard, problematizing the lagging behind of the Southern Nations, Nationalities and Peoples Region (SNNPR) in the development of the IWUA Regulation, which had negative implications for the performance of the regions' IWUAs and thus irrigation schemes developed by PASIDP. The policy brief gathered lessons from the implementation of IWUAs policy in Tigray to provide inputs to the development of the IWUAs Proclamation and Regulation in Southern Nations, Nationalities and Peoples Region (SNNPR).

<sup>94</sup> Interview with the Senior Policy and Performance Advisor for the Minister of Agriculture.

<sup>95</sup> The CSPE learnt that some of the initiatives included in the RUFIP II design were implemented with support of the World Bank, for example Consumer protection, MFI integration with Credit Information Bureau and National Payment System.

## Box 6

## Examples of policy changes due to IFAD's work

- Amhara Regional Conservation Strategy has been endorsed by the government.
- Proclamation of IWUAs -engagement of the PASIDP programme team in the national Agricultural Water Management task force contributed to the development of recommendations for policy makers (specific contributions to the Watershed Users' Association Proclamation). RUFIP II made significant contributions to policy development at national level through contributing programme experiences and lessons through the MoA into the "National Home-grown Economic Reform" development, and into the draft Watershed Users' Association Proclamation
- Ethiopian Cooperative Commission supported the revision of previous proclamation (related to RuSSACOs) that led to the publishing of proclamation 985/2016.
- ECC developed different cooperative directives for different types of cooperatives including savings and credit, consumer, marketing, and multipurpose cooperatives.
- Strengthened institutional coordination of regional agencies that have complementary mandates on watershed management and irrigation
- The programme made significant contributions to rural cooperatives' enabling the regulatory environment transcending the central government to the regions. The RUFIP II PCR report indicates that a separate code for rural financial cooperatives including an audit framework was implemented. This has led to an increase in the number of audited RuSACCOs, but there still exists inadequacies with the number of auditors which the regional bureaux are working to resolve. Also developed with support of RUFIP II is a manual on Islamic Banking, which is being piloted in Oromia. If the pilot is successful the manual will be used to develop a proclamation.

Source: CSPE elaboration based on desk review

75. The secondment of an expert supported by IFAD,<sup>96</sup> for advisory support on policy matters, was a relevant approach to overcome the deficit of technical skills. A senior policy advisor was seconded by the IFAD country office to the MoA to support the revision of the Agriculture and Rural Development Policy (ARDP).<sup>97</sup> This enhanced the technical capacity of the MoA to drive the policy revision process. However, there is insufficient capacity for effective policy analysis, review and follow up within the IFAD country team, compared to the WB.<sup>98</sup> The ICO staff number is limited<sup>99</sup> with regard to the scope needed for effective policy analysis, review and follow up; which requires meaningful presence in terms of frequent representation at various events, greater engagement in technical collaboration and ability for knowledge production, evidence and the synthesis of lessons. However, IFAD has the potential to contribute towards policy reform through its projects' technical work, publications, and knowledge, especially on pastoral communities and smallholder irrigation schemes. Considering the anchorage of projects in governmental institutions and previous policy-related results achieved, the CSPE is of the opinion that this is achievable through further enhanced support to national partners (strategic and operational) for effective synthesis of lessons and dissemination.

### Summary: coherence

76. **The CSPE rated the coherence as moderately satisfactory (4).** External coherence was strong, while internal coherence was moderate. Indeed, positive

<sup>96</sup> The Senior Policy and Performance Advisor as a consultant was financed through the country level policy engagement budget.

<sup>97</sup> Ethiopia is pursuing a public dominated process of revising the ARDP and all sectors (government, private sector and civil society) will actively participate and contribute towards the process. The MoA is currently leading the process which started in 2020. The revised ARDP draft has 10 thematic areas including technology, water, irrigation, infrastructure and land use.

<sup>98</sup> For instance, the NBE found it easier to work with the World Bank in various policy areas because the latter, already had a broader partnership with NBE in regard to financial sector support. In addition, the process in accessing funds was easier and faster with the World Bank compared to IFAD.

<sup>99</sup> Review of the IFAD Country Office Profile (June 2022) indicated that the Multiple Country Office had a small technical staff complement that included one (1) Programme Officer and two (2) Country Programme Analysts, while the Country team consist only the Country Director and Country Programme Officer.

points include: IFAD's comparative advantage, its supports for the development of small scale irrigation and inclusive rural finance, the good synergy with the WB and the consolidation of lessons learned along project phases. Less positive points include the poor synergy and learning across the portfolio of projects.

77. **Knowledge management is rated moderately satisfactory, while partnership and policy engagement are rated satisfactory (5).** There were good efforts for knowledge creation and dissemination of knowledge and information to projects' stakeholders. The programme supported the development of Management Information Systems (MIS) for the MoA, which is yet to be fully utilized. Nevertheless, a gap identified was the lack of structured and systematic approach for effective utilization of knowledge across the program and beyond. In relation to partnership development, the strategic partnership with the GoE was strong, and the co-financing arrangements diversified. Moreover, operational partnerships were implemented with various actors, which were useful for programme delivery. The less positive point was the weak engagement with the private sector for access to inputs and output markets. In relation to policy engagement, the programme results contributed to numerous policy related changes, despite the low number of technical skills available at the ICO, explained by the anchorage of project within governmental institutions.

## E. Effectiveness

78. The effectiveness criterion assesses the extent to which the country strategy and programme achieved, or is expected to achieve its objectives and outcomes at the time of the evaluation, including any unplanned achievements. The ToC (see annex V) includes four long term outcomes,<sup>100</sup> against which the programme achievements are assessed. Only three of them are presented below in terms of effectiveness, the fourth (improved households' income and food security) is addressed in the impact section. They are:
- *Increased access of rural households to a wide range of financial services* through: an improved access to loanable funds by RuSACCOs and MFIs, an effective financial inclusion for marginalised people; and improved social protection for rural financial customers.
  - *Improved and increased access to basic and social economic services for pastoralists and agro-pastoralists* through investments in social and economic infrastructure managed by communities.
  - *Enhanced resilience and productivity of ecosystems* through increased adoption of sustainable practices for natural resources management (NRM), including management of irrigations schemes, rangelands and watersheds.
79. The section also assesses the effectiveness of supports directed to youth (identified as a main theme at inception) and innovations promoted by the programme.
80. **Increased access of rural households to a wide range of financial services**  
**The IFAD supported programme in Ethiopia facilitated increased access to a range of financial services by the rural poor households,** as presented in Table 4. For instance, RUFIP II supported 30 MFIs as targeted, but only 63.3 per cent were sustainable at completion.<sup>101</sup> Despite this fact, the MFIs more than doubled their clients, from 4.7M in 2012 to 11.9M in 2019; and their cumulative gross loan portfolio increased from ETB 9.59 million in 2013 to ETB 46.8 billion by 30 June 2019, while the annual savings growth target was surpassed by 5.7 per cent (32.7 per cent against a plan of 27 per cent). Regarding RuSACCOs and Unions, 92.2 per cent and 50 per cent respectively were sustainable at completion; their number of clients had increased exponentially from

<sup>100</sup> Corresponding to the four impact pathways presented in the methodology section

<sup>101</sup> As reported in the PCR, which attributes this performance to staff turnover, low access to credit and poor management and the fact the newly formed ones would require time to mature and be sustainable.

327,818 clients in 2013 to 2.25 million by June 2019, surpassing the planned annual growth rate of 37.8 per cent by a big margin. The capital of RuSACCOs increased from ETB 2.6 billion in 2013 to ETB 94.9 billion, enabling them to increase their portfolio by about 300 per cent.<sup>102</sup>

Table 4:  
Main achievements in the area of financial services<sup>103</sup>

|   | Unit   | PCDP II  | PCDP III  | PASIDP II | RUFIP II    | Total       |
|---|--------|----------|-----------|-----------|-------------|-------------|
| RuSACCO/PaSACCO established               | Number | 448      | 857       | 50        | 1000        | 2355        |
| Members of RUSACCO                        | Number | 30442    | 77881     | n/a       | 2250000     | 2358323     |
| Female members of RUSACCO                 | Number | 20202    | 43535     | n/a       | 1044000     | 1107737     |
| RUSACCO Saving account value              | ETB    | 21400000 | 114730372 | 7345422   | 3900000000  | 4043475794  |
| RUSACCO capital value                     | ETB    | 6300000  | 138617585 | 7066807   | 94900000000 | 95051984392 |
| Loan value provided by RUSACCO to members | ETB    | 23680000 | 265435482 | 8645570   | 7900000000  | 8197761052  |
| Members receiving loans from RUSACCO      | Number | 18487    | 52436     | 12211     | n/a         | 83134       |
| MFI saving account value                  | ETB    | n/a      | n/a       | n/a       | 36600000000 | 36600000000 |

Source: Compilation from RUFIP I and II completion report

81. Introduction of new financial products was enabled thanks mainly to the credit line under RUFIP, which was initially the only source of external funding for the majority of MFIs and RuSACCOs. Various reports and stakeholders interviewed reported that, the credit line enabled MFIs to diversify into agricultural loans, individual loans, and salary-based loans for government employees, risk-based interest rates, post-harvest loans, youth loans, housing loans among others. Thus, the credit enhanced innovation and diversification, reaching more people; especially so for the bigger and more established MFIs. With these new offerings, the MFIs were able to vary terms and conditions based on business type and harvest cycles. Some RuSACCOs introduced additional specific purpose savings, like child, education, and farm input accounts. The CSPE found that in both MFIs and RuSACCOs, there was a mix of group and individual loan methodologies, as well as collateralized and non-collateralized loans. At the time of evaluation, the MFIs were already implementing credit life insurance, but they were yet to introduce micro insurance products which are not attached to loan balance in case of death, and in this regard, regulation was way ahead of practice.
82. Gaps occurred in the development of MIS for MFIs, and in the capacity building of implementing partners' staff. Evidence corroborates delays in implementing the MIS for MFIs. Reasons for these included: a confusion concerning roles and responsibilities, leading to lengthy back and forth between AEMFI and the PCMU on the matter. In addition, AEMFI faced forex challenges in the importation of the needed MIS software programme, and in other international procurement activities, hence the cancellation of the initial procurement bid. At the time of the CSPE, 18 out of 25 MFIs had installed the procured software programme. In relation to capacity building the delays were due to some confusion in role and responsibility, as explained in Box A10 in Annex VIII.
83. Financial consumer protection was promoted but it is still yet to be effective, and Islamic banking is yet to be generalized. Through RUFIP II, the central bank with support from the World Bank, developed a National Financial Education and

<sup>102</sup> RUFIP II supervision reports and the MTR attribute the huge growth to availability of loanable funds through the credit line, while the PCR attributes the growth to the line of credit and improved capacity.

<sup>103</sup> Number are not aggregated due to double counting risks

Consumer Protection Strategy & Implementation Framework. The CSPE confirmed that while the guidelines were developed, the implementation was yet to fully pick up, and the NBE planned to work with RUFIP III, especially on creating awareness and building capacity of MFIs to fully implement the guidelines. The NBE expected banks, MFIs and insurance companies to implement these guidelines, together with proclamation No.626/2009 which increased scope for MFIs to include consumer protection, Islamic banking and a diaspora participation window.

84. **Support contributed to the improvement of the governance framework for better financial inclusion.** ECC developed and distributed several training materials to RuSACCOs and Unions and conducted relevant trainings. These included manuals and tool kits on governance, operations management, bookkeeping and internal controls. This was confirmed by the Amhara Cooperative Regional Bureau and respective Unions/ RuSACCOs visited by the CSPE. The NBE developed the risk-based supervision policy and procedures. The NBE also developed the national financial education and consumer protection strategy.<sup>104</sup>
85. The establishment of an institutional body to serve as credit wholesaler to MFIs and RuSACCOs was not achieved. This was supposed to be achieved through support to NBE. During the discussions with the CSPE team, the NBE reported that this was not prioritized because of competing interventions and limited resources. Furthermore, even though it was generally understood that this institutional body would enhance the sustainability of the credit line, the design had assumed that the DBE would continue with the credit line beyond the IFAD loan period. However, the NBE is of the view that commercial banks and development banks tend to mobilize deposits from smaller customers and lend to bigger ones, hence the need for that institution that will channel back the savings to the smaller / rural enterprises/ clientele. They argued that DBE's role in rural markets is insignificant compared to their core business, which focuses on bigger projects and are more urban. Therefore, the foreseen institutional body would be more focused, as it will specialize on the smaller enterprise and rural clientele.<sup>105</sup>
86. Access to RUFIP credit line through DBE has been skewed towards, not only the larger MFIs, but also the regional affiliated ones, which are essentially government owned MFIs. The smaller MFIs, which are mostly private/NGOs and RuSACCOs, did not feel there was a level playing field. Stakeholders interviewed were of the view that the criterion for credit line access seemed to have favored the government regional MFIs because of their huge portfolio size and size of deposits. They reported that there has been an improvement in RUFIP III, but still, regional MFIs were still in a favorable position. Furthermore, some of these regional MFIs have transformed into commercial banks and still compete for the same credit line with smaller MFIs and RuSACCOs. Therefore, concerns were raised during discussions on the double role of the government as competitor and enabler.

#### **Improved and increased access to basic social and economic services**

87. Investments in social and economic infrastructure managed by communities were promoted by PASIDP I and II and by PCDP II and III.<sup>106</sup> Table 5 below includes the aggregated results for the investments in social and economic infrastructure.<sup>107</sup>

<sup>104</sup> the CSPE found that this was done with the World Bank's support and not RUFIP II

<sup>105</sup> Even though some reports have indicated that the government may not have been supportive of the apex in the past, it was explained that this was probably due to lack of understanding of the concept. The government is opening up to foreign investors, especially those willing to lend to MFIs, so this is a good opportunity to set up the Apex to serve both MFIs and RuSACCOs. The CSPE is aligned to both mitigation approaches.

<sup>106</sup> CBINReMP included minimal investments in social and economic infrastructures. So evidence found by the evaluation team of an increased access for social and economic infrastructures generated by CBINReMP was consequently limited.

<sup>107</sup> Calculated by summing up figures reported in the PCR of PCDP II, PCDP III, PASIDP I and in the 2022 supervision mission of PASID II. IFAD investments improved access to related services.

Table A10 in Annex VIII reports achievements in terms of access to economic and social services as a result of new investments.

88. **There was a significant contribution from supported operations to improving access to social infrastructure in pastoral and agro-pastoral communities**, as reflected by figures in Table 5. Improvement in access to social infrastructure was particularly significant under PCDP II, PCDP III and LLRP (still on-going at the time of the evaluation). In this regard, the project performance assessment (PPA) of PCDP II noted that the project development objective indicators on livelihoods were practically all achieved, and even exceeded in the case of persons accessing potable water, health services, small-scale irrigation and rural roads. Positive results were also observed for the reduction in distance walked to schools and health care facilities.<sup>108</sup> At PCDP II completion, 32 woredas were considered as having graduated from the program meaning that they had received at least three types of community investments from the PCDP (health, education and water services). Field findings confirm these results (see Box 7).

Table 5  
Economic and social investments of the country programme

| Investments              | Unit     | PCDP II | PCDP III | PASIDP I | PASIDP II | LLRP | Total |
|--------------------------|----------|---------|----------|----------|-----------|------|-------|
| Water supply projects    | number   | 592     | 889      | 0        | 0         | 66   | 1547  |
| Schools constructed      | number   | 874     | 1362     | 0        | 0         | 250  | 2486  |
| Health posts constructed | number   | 401     | 496      | 0        | 0         | 31   | 928   |
| Animal health posts      | number   | 373     | 321      | 0        | 0         | 10   | 704   |
| Rural roads              | Km       | 1394    | 0        | 0        | 0         | 675  | 2069  |
| Irrigation schemes       | Hectares | 3468    | 6801     | 13808    | 12506     | 1830 | 38413 |

Source: Compilation from PCRs, except LLRP which source is the MTR report

#### Box 7

Some effects of community-based investments in social infrastructure

Interview with respondents in one community in Mula woreda in Somali region mentioned that before the projects the nearest water point was about 30 kms away from the community, and now the community has access to water within less than 2 kms. As a consequence, many households had moved to live within the vicinity of the water points. In one community visited by the CSPE team, a FGD with parents and school committee indicated that before PCDP III, the community had an elementary school with around 290 students, but after the PCDP investment, the number of students increased to 410 students in 5<sup>th</sup> – 8<sup>th</sup> Grade, with two school shifts a day. The school serves households within a radius of 12 kms, it is centrally located and easily accessible by students from all sides of the community. The Woreda Education Department has employed five teachers for the school. However, according to interviewed community representatives, the number of teachers is not adequate.

Source: CSPE elaboration based on desk review

89. The portfolio projects promoted the formation of various community-based groups and cooperatives, which play critical roles in resilience building, but their functionality is mixed.<sup>109</sup> The 115 IWUAs established under PASIDP II were formally registered. The formal legalization of IWUAs is important to facilitate access to a wide range of services provided by state authorities, and to access

<sup>108</sup> As per results included in the PCR of PCDP II the average distance walked by school children was 3 km at the end of the project in beneficiary kebeles, while it was 5.5 Km in non-beneficiary kebeles. Also, the PCR of PCDP II reports that on average beneficiaries going to health posts traveled 4 km to access health facilities, while sample households in the control woredas reported that they have to travel 11 km on average to access health facilities.

<sup>109</sup> They include irrigation water-user associations (IWUAs) by PASIDP I and II, RuSACCOs by PCDP II, III and PASIDP I and II, multi-purpose and irrigation cooperatives in PASIDP II, community committee and watershed committees in CBINReMP and PASIDP II, water committees, teacher-Parent association for schools and community service oversight committee for human health posts and animal health posts in PCDP III.

credit. IWUAs were in charge of maintaining the irrigation schemes and were also engaged during the design of the schemes to ensure that the designs integrated the needs of members. The IWUAs regularly collect water user fees in line with rules and regulations set by the membership. The CSPE observed that some IWUAs had proper fee setting rules depending on size of irrigated land and the number of production cycles per year, while others set a flat fee that did not reflect water use. However, IWUA members generally felt that clear and justified rules were essential to avoid potential conflicts. The CSPE noted that the financial mobilization capacities of IWUA was limited, affecting their capacity to conduct regular maintenance works. Additionally, PASIDP promoted cooperatives to facilitate access to inputs and output markets, but most were not fully functional, i.e. able to fully play intended roles without external / project's supports.

90. There were also functional challenges in managing the social investments. The final evaluation of PCDP III found that only 84 percent of oversight committees<sup>110</sup> for management and maintenance of social investments were active and functional. Watershed committees were first established in CBINReMP, and later in PASIDP II. They are supposed to have a leading role in pasture management and improvement, forest management, and off-farm soil and water conservation activities. The CPSE observed that in a few model watersheds, the committees established by the CBINReMP had a leading role in minimizing free grazing and managing common pastures. However, CBINReMP impact evaluation report indicated that, with a few exceptions, the establishment of the watershed committees was mainly used as a project implementation vehicle, building upon the mass mobilization linked to the social context, but they had not yet developed into empowered autonomous community institutions. The CSPE team also noted similar gaps in committees established for watershed management with PASIDP I.

#### **Enhanced resilience and productivity of ecosystems**

91. The programme successfully promoted sustainable natural resources management practices, albeit on a limited scale. Promoted practices include a wide range of techniques to reduce degradation, improve productivity of rangelands, rehabilitate and reshape gullies, produce forage through fast growing forage crops, planting hedges for grass production, and rehabilitate and manage forests.<sup>111</sup> Targets were largely achieved or even exceed. For instance, the PCR of project CBINReMP reports that the total area under improved management practices was 217,661 ha (versus 117,512 Ha at appraisal).<sup>112</sup> The project successfully supported the adoption of climate-resilient farming practices, including the diversification of farming systems through fruit tree planting in a small number of micro-sheds; it also promoted practices that combine physical and biological soil and water conservation (SWC) structures and integrate trees in the farming systems through multipurpose agroforestry.<sup>113</sup> However, at the household level, the project did not build farmers' capacity to adopt appropriate practices to increase on-farm production of fuelwood and fodder to meet their needs, and thus reduce the pressure on communal land resources. More examples are presented in the section on natural resource management.
92. **Small-scale irrigation schemes contributed to improving absorptive and adaptive capacities.** About of 38,000 Ha were put under irrigation schemes in areas prone to shocks<sup>114</sup> mainly through PASIDP I and II, followed by PCDP II and

<sup>110</sup> These include the teacher-parent associations for schools, community-service oversight committees for human health and animal health posts, water users committees, community road user associations and market associations

<sup>111</sup> Additional improved management practices is extensively covered in the section on natural resources and adaptation to climate change.

<sup>112</sup> The validity of the figures could not be confirmed as the project was completed since 2018.

<sup>113</sup> IFAD (2021) Community-Based Natural Resources Management Project (Federal Republic of Ethiopia). Impact evaluation. Report No. 5840-ET t

<sup>114</sup> Under PASDIP-I, a total of 35,430 households benefited of about 121 irrigation schemes constructed for a total irrigation area of about 12,000 ha. PASDIP II planned to construct 116 schemes;



- III. The 2020 and 2022 supervision missions of PASIDP II noted a continued rapid implementation of irrigation design and construction. However, the project experienced delays in the development of irrigation schemes, due to the COVID-19 pandemic and the conflict in the Northern parts of Ethiopia.<sup>115</sup> Significant delays were also reported for PASIDP I, in which the goal for constructing small-scale irrigation schemes was not fully met: 121 schemes were constructed against a target of 125, while meeting targets for beneficiaries. The irrigation schemes contributed to increasing production, as farmers are now able to produce at least twice a year, compared to only once per year before the irrigation schemes, a clear evidence of improved absorptive and adaptive capacities.
93. It is worth mentioning that the CSPE team observed two cases of technical deficiencies in Amhara Region. In one irrigation scheme (developed under PASIDP I),<sup>116</sup> only a small portion of the main canal was lined despite the loose soil foundations of the canal, which caused water losses along the canal. This gave rise to water shortages in the tail-end of the main canal and waterlogging problems in the lowest part of the command area.<sup>117</sup> In another irrigation scheme developed by PASIDP II,<sup>118</sup> available water was not enough to cover the designated command area, as division boxes were not properly constructed, and had negative slopes. In addition, gabion check dams did not have aprons to protect hydraulic structures from scouring.
94. Rising costs affected the construction of recent irrigation schemes negatively. The high inflation rate since 2020 has led to rising costs of irrigation schemes, compared to the initial planned costs. As a result, PASIDP II will develop 116 irrigation schemes out of 150 initially planned.<sup>119</sup> The project is still planning to achieve the same target in terms of irrigated hectares (18,400 hectares). However, the project now intends to provide 1,300 hectares with water from alternative irrigation sources like water ponds, pumps, lining geo-membranes, solar powered shallow wells, and to abstract water at shallow depths. The latter interventions mainly focus on providing supplementary irrigation water, rather than full scale irrigation, and as such cannot have the same impact potential as irrigation schemes. In this regard, the CSPE team interviewed beneficiaries of water pumps, who reported that during the dry period they could not abstract water from the wells, which compromised optimal productivity.
95. **Supported investments contributed to increasing farmers' production and improve economic resilience.** Evidence points to increased crop production in irrigation schemes due to a higher number of production cycles per year,<sup>120</sup> higher

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<sup>115</sup> With 75 percent of the project life elapsed the completed irrigation schemes covered 68 percent of the end-of-project (EoP) target. Also, the number of households served at the time of the mission was 65 percent of the EoP target.

<sup>116</sup> Upper Quashini in Dangila - Agew Awi zone (Agew Awi aone )

<sup>117</sup> The project team provided the following explanation. It was not possible to line the full canal of all schemes built under PASIDP I owing to cost/ha difficulties. In addition to those that the CSPE team visited, there were also some schemes where the entire main canal was not lined. Instead, in accordance with a geologist's recommendation, a portion of the main canal was left unlined while taking the texture of the soil into mind. Also, to stabilize the canal surface and maximize sustainability, farmers were urged to plant vegetation on the edge and reshape the inside canal during irrigation season. Gabions were constructed for retaining wall against the loose river banks. The purpose of the apron for the gabion works built along the river banks is to retain the erodible river bank. But, the need of the apron mentioned in the report is unclear. It is known that the landscape command area and river morphology will change over time, adaptation is required accordingly.

<sup>118</sup> In Goncha Siso Enesie (East Gojjam zone)

<sup>119</sup> A similar problem was raised in the PCR of PCDDP III. The report mentions that high inflation was a serious challenge to the implementation of CIF subprojects, specifically in the construction of water points supply, irrigation schemes, and community roads.

<sup>120</sup> The 2021 PASIDP II outcome survey reports that in the project area 74, 16 and 10 percent of irrigation beneficiaries in the project area produce two, three and one time per year, respectively, while before the project they had only one production cycle per year.

crop<sup>121</sup> and livestock productivity<sup>122</sup>. This enhanced the economic resilience of farmers (see details in impact section). Resilience changes were measured by the impact assessments (IA) of PASIDP I and RUFIP II. For PASIDP I the study found positive results across three different resilience metrics from the dry season. This is intuitive since access to irrigation brings more benefits during the dry season. For RUFIP II the IA found that access to financial services resulted in benefits in terms of resilience as a result of increased incomes. More precisely, the impact assessment study found that for households that experienced shocks, the treatment group was five per cent more likely to recover from non-climate related shocks and six percent more from climate related shocks.

96. **There were gaps in linking farmers to private sector companies to ensure effective and sustained access to markets.**<sup>123</sup> For PASIDP I, access to markets was an acknowledged weakness.<sup>124</sup> Market access alliances (MAA) were therefore established under PASIDP II to provide market linkages between farmers, input and service providers, financial institutions and market off-takers. Initially MAA had a high concentration of representatives from government marketing structures, which was aligned with a previously prevailing government policy on agricultural marketing. The project made efforts to redress this balance by including non-government representatives. However, the CSPE evaluation team noted that the participation of private actors or companies in MAA was very minimal. Overall, given the deliberate choice to target food insecure areas, the program's support to develop market linkages was limited and mainly focused on the construction of market infrastructure.<sup>125</sup>

### **Effectiveness of supports to youth**

97. Youth were prioritized alongside women as key beneficiaries of programme interventions, although in smaller proportions. Youth were among the priority target groups for the programme, and according to the COSOP 2016, the portfolio was expected to "create employment opportunities through on- and off-farm activities particularly for rural youth in order to reduce outmigration and enhance social and economic security at the household level". The program's focus on youth targeting followed the official Ethiopian youth definition of 15–29-year-olds, which was the standard across the programme. The COSOP 2016 review identified the potential for participation of youth as one of the strong social inclusion focal themes, and subsequently most projects (PASIDP, PCDP, LLRP, and RUFIP) set specific quotas assigned for youth participation (see Table XXX), but there were challenges in monitoring actual numbers. RUFIP II and PASIDP II both set quotas for youth targeting at 20 per cent. The LLRP youth beneficiary target was at 30 per cent and 20 per cent youth targeting in Common Interest Groups.
98. The programme contributed to the improvement of youth education. The youth were among the main beneficiaries of economic and social services in PCDP II, PCDP II, PASIDP II and LLRP. Among the key and transformational benefits for the youth, were the programme education investments especially schools set up in PCDP II and PCDP III. The outcomes of field interviews indicated that, in pastoral and agro pastoral communities, the establishment of new school blocks, and

<sup>121</sup> The impact assessment of PASIDP I found that in the dry season yields increase of grains, cereals, vegetables, roots, fruits and perennials by 51 %, 52 %, 81 %, 69 %, 40% and 34% respectively.

<sup>122</sup> The impact assessment of RUFIP II estimated an increase in livestock productivity cause by the project of 85%. PCDP II and III enabled better access to veterinary services to water points, which points to an increase of animal productivity

<sup>123</sup> As per agreement with the Government of Ethiopia (GoE), IFAD-supported interventions mainly focused on food insecure areas, where the main concern was increasing agricultural production rather than marketing agricultural surplus.

<sup>124</sup> The PCR of the project reports high post-harvest losses for perishable products and weak market linkages at that time. As a consequence, products flooded local markets

<sup>125</sup> The PCR of PCDP III states that the project did not target access to markets. However, an analysis of the 5-year project report reveals that the project supported the development of 21 market centers (19 in Somali region and 2 in SNNP).

upgrading of elementary schools to include higher level classes enabled most of the young people, especially youth who had dropped out of school at a young age due to lack of education infrastructure, to return to school, and were subsequently enabled to access opportunities for higher education beyond the community. PCPD II community members reported to the CSPE that parents and communities in general benefited, because their children had been taught to read and write. The parents further reported that they were enlightened and empowered as families because their youth could now interpret information such as drug prescription for human and animal health. They also said that the youth were helping them to read and understand posts from woreda or kebele administration; political posts; and interpreting personal letters and official court and government communication.

99. Evidence suggests that the programme contributed to youth economic resilience to a limited extent, by providing some of them with opportunities to earn income. Projects (e.g. PCDP II, III and LLRP) provided employment opportunities to the youth. For instance, youth were employed for cash to provide labor or given tenders to supply materials such as bricks for LLRP and PCDP infrastructure projects. LLRP and PASIDP also trained and built capacity of youth to engage in economic activities – in terms of establishment of tree nurseries, brick fabrication, improved agricultural practices and general business and marketing skills before financing their micro enterprises. Notwithstanding those opportunities created for youth, the number of them that benefited from IFAD's support is very low. The GoE and other partners might consider scaling up successful interventions.
100. There were new financial products designed and tested by MFIs, but not specifically for youth. From discussions and field visits the CSPE did not find adequate evidence that the youth were benefiting, and one reason for this could be more to do with tracking and reporting than the fact that the youth were being excluded. According to the RUFIP II PCR, the financial product innovations were in areas of lease financing, targeted savings schemes, micro insurance, micro-housing, education, but in general, the credit products of RuSACCOs were evaluated as not sufficient to meet the basic needs of the members, especially youths and women. The report notes that there were only a few savings accounts for youth in the RuSACCOs.<sup>126</sup>
101. Overall, challenges persist to identify and apply approaches for effective youth involvement. Although some projects such as RUFIP III and LLRP have developed strategies aimed at youth participation, the actions and activities are generic and pegged to general or gender interventions meant for general project participants. Hence, the projects do not have many opportunities and interventions that are tailored to youth needs. Overall, projects have limited age disaggregated data, and as a result, the extent of youth benefits is not fully known. In PASIDP II, it was observed that while there is evidence of youth participation in some of the project activities, there is need to showcase in reports change in improving youth livelihood. Project implementers for irrigation projects do not use affirmative strategies to attract youth to agriculture, for example, use of technology which may encourage upstream/downstream agribusiness development opportunities for the youth. Other areas not yet fully explored are related to training and development of skills and capacities in post-harvest handling and marketing and other attractive segments of the value chain which would attract the youth.<sup>127</sup>

## **Innovation**

### **Social innovations**

102. In Amhara region, CBINReMP operationalized, for the first time the government's guidelines related to mass mobilization of community labor, for the restoration of

<sup>126</sup> IFAD/World Bank 2020. RUFIP Evaluation, by World Council of Credit Unions (WOCCU)

<sup>127</sup> Participatory Small-scale Irrigation Development Programme Phase II (PASIDP II) Supervision Report September 2020

degraded natural resources, but it also took the guidelines a step further by providing incentives in the form of rights to cut-and-carry fodder from communal land. This was innovative, given that past use of community labor in the country did not have such an incentive scheme. Social fencing<sup>128</sup> was introduced, and this is deemed more effective in area closure interventions than physical fencing. PASIDP II introduced the MAA (social innovation) (in Amhara, Oromia, Sidama, SNNPR and Tigray), allowing producers, input suppliers and buyers to come together to make deals. Finally CBINReM supported land registration through a second level landholding certificate, an innovative approach that started in 2012, that: (i) protects access rights for the vulnerable groups; (ii) provides tenure security to invest in SWC, e.g. tree planting (iii) reduces land resource conflicts.

103. Overall, the introduced social innovations were in line with the outcomes (in the ToC) on social and economic investments managed by communities and on increased adoption of sustainable natural resource management practices.

### **Technological innovations**

104. Alternative energy technology sources like biogas and efficient energy saving technologies like improved stoves, were also effectively promoted by CBINReMP and PASIDP II. Interviews with project beneficiaries revealed that these innovations mainly benefited women and children, especially improved cooking stoves. PASIDP has also contributed to promoting new technologies by installing pressurized irrigation and sprinklers in four selected irrigation sites (with demonstration purposes) to improve water efficiency use. These irrigation technologies are intended to be disseminated with the new IFAD financed project PACT.
105. On nutrition aspects, PASIDP II partnered with ICRISAT to introduce bio-fortified crops (orange flesh sweet potatoes) in irrigated schemes. Although no studies have been conducted to estimate their impact within the beneficiary groups, they have the potential to contribute to improving the vitamin-A prevalence among children.
106. These technological innovations contributed to the intended outcomes of enhancing the resilience of ecosystems and economic livelihoods by reducing pressure on natural resources, enhancing water use efficiency, improving nutrition, and reducing drudgery for women and children.

### **Financial related innovations**

107. The programme supported the introduction of several innovations in the financial sector. First at the macro level, the risk-based supervision deployed by NBE was a new approach, and has been credited for assisting the regulator to supervise the increasing number of MFIs at least once a year. Secondly, at the institutional or meso level, the concept of a common core banking system<sup>129</sup> introduced by AEMFI despite the many challenges, was a new approach in Ethiopia, and is still a new concept even within the region. It is a cheaper way especially for new and smaller MFIs to afford a core banking system.<sup>130</sup>

### **Summary: effectiveness including innovation**

108. **The CSPE rated the effectiveness and innovation as satisfactory (5).** Overall, positive results were achieved for: access to social and economic infrastructure (community-based managed), development of irrigation

<sup>128</sup> With social fencing communities establish norms to regulate grazing and to ensure areas closures on communal land. The social fencing wording intends to stress the use of social norms for as a fence.

<sup>129</sup> A core banking system is typically a back-end system used to process daily banking transactions and update accounts and financial records of a financial institution. Typically, each financial institution should have its own, but because it is expensive to procure, MFIs generally cannot afford it leading some to explore a joint or a common core banking system hosted usually by the national association like AEMFI in Ethiopia or by the central bank in some countries.

<sup>130</sup> 18 MFIs have already installed the system and based on conversations with the CSPE team, they are already reaping positive benefits.

infrastructure and access to financial services by farmers, introduction of sustainable agricultural and watershed conservation practices. A wide range of community-based organizations were supported to ensure ownership and management of infrastructure. All these contributed to increased agricultural productivity and production, and to enhancing the resilience of smallholder farmers and their communities. Issues identified relate to an imbalanced access to the line of credit by larger MFIs than smaller MFIs and RuSACCOs. The numerous technological, social and financial innovations were instrumental in achieving the programme objectives.

## F. Efficiency

109. The efficiency criterion assesses the extent to which the strategy and programme delivered, or will likely deliver, results in an economically and timely manner. It involves two areas: operational efficiency (which assesses how well the intervention was managed, including timeliness, and business processes) and economic efficiency (which assesses the conversion of inputs into results).
110. The timeliness of portfolio projects was in line with the average of the IFAD region. At the first stage, the effectiveness lag (time between approval and effectiveness date) was on average 6.6 months for the programme, which is in line with the sub-regional average (6.56 months). Notable exceptions are PASIDP I, CBNRIeMP<sup>131</sup> and RUFIP II, which needed 10.9 months, 10.7 months and 9 months, respectively. PCDP II, PCDP III and PASIDP II reached the effectiveness date much faster. At the second stage, the elapsed time from approval to first disbursement was 15.5 months on average, which was slightly lower than the sub-regional average of 17.33 months. It ranged from 6.4 months (for RUFIP II) to 25.6 months (for CBINReMP). Table 6 highlights time lags for the IFAD projects.

Table 6

### Projects time lags

|                            | <i>Effectiveness lag<sup>132</sup></i> | <i>Approval to first disbursement lag</i> | <i>Share of management costs</i> |
|----------------------------|--|---|----------------------------------|
| <i>Unit</i>                | <i>Months</i>                          | <i>Months</i>                             | <i>%</i>                         |
| CBINReMP                   | 10.70                                  | 25.63                                     | 12                               |
| PASIDP I                   | 10.90                                  | 16.00                                     | 13                               |
| PCDP II                    | 3.47                                   | 12.00                                     | 5.2                              |
| RUFIP II                   | 9.03                                   | 13.27(*)                                  | 2.31                             |
| PCDP III                   | 4.50                                   | 20.50                                     | 8.19                             |
| PASIDP II                  | 4.80                                   | 6.97                                      | 7.1                              |
| LLRP                       | 8.43                                   | 23.33 (*)                                 | 9.2                              |
| RUFIP III                  | 1.33                                   | 6.40                                      | 2.57                             |
| Ethiopia programme average | 6.65                                   | 15.51                                     | n/a                              |
| ESA sub-regional* average  | 6.56                                   | 17.33                                     | n/a                              |

Source: CSPE analysis based on Oracle Business Intelligence data for all completed projects

(\*) based on the internal agreement between WB and IFAD, first disbursement was made only from the WB source.

111. Delays affected the implementation of projects variably. Delays were experienced in RUFIP II and III, CBINReMP, and PASIDP II. For RUFIP II the delays led to a 12-month no cost extension, moreover, the implementation arrangements were reported in the PCR as not efficient.<sup>133</sup> Similarly, for RUFIP III the 2021 supervision

<sup>131</sup> Due to delays in opening the bank account and in setting up the Regional Project Coordination and Management Unit (RPCMU) and the Regional Steering Committee

<sup>132</sup> Lag between approval and effectiveness date

<sup>133</sup> The budget utilization was only two-thirds of the total planned allocation and that disbursement ceased after the third year for what the PCR considered the most successful programme component, which was incremental credit. Also,

mission noted delays in setting up a solid governance and management structure, which led to non-compliance with loan covenants<sup>134</sup>, slow implementation for the start-up activities and a delayed execution of the first year AWPB. Delays were also experienced by CBINReMP, and this led to an 18-month no-cost extension. Moreover, disbursements were slow throughout the project life, mainly due to weak linkages between the regional and federal management units, and the high turnover of staff. For PASIDP I implementation delays were experienced at start up and during the first years of implementation because of incomplete PCMU staffing, late establishment of a steering committee, and procurement delays. Initial delays were noted in PCDP II and in LLRP. However, the projects gained pace in subsequent phases. For PASIDP delays have been recorded in the construction of irrigation schemes.

112. Overall, the disbursement rate of IFAD's resources was high. Disbursed resources reached 100 per cent for all completed projects. High speed of disbursement was noted in PASIDP II. For PCDP II, PCDP III and for PASIDP I the disbursement rate was slower than envisaged during the first years of project implementation. The implementation gathered pace during the last years of the project life and all IFAD funding were finally utilized. For RUFIP II and CBINReMP disbursements were slow during the whole project life. At completion, for CBINReMP the overall disbursement rate was above 90 per cent for all financiers and nearly 100 per cent for the IFAD funding; while for RUFIP II, the total disbursement from all funding sources was 69.9 per cent of planned allocations and 97 per cent for the IFAD funds.
113. With few exceptions, procurement was a recurring challenge across the portfolio. However, its procurement has improved since 2021. For CBINReMP, the PCR reported that the pace of implementation suffered from delays in the procurement plan, which was not implemented in a timely manner. For RUFIP II the lack of dedicated procurement staff and coordination among implementing partners resulted in several outstanding procurement activities and contracts beyond the programme completion date.<sup>135</sup> For PASIDP I the PCR highlighted capacity limitations in the handling of procurement at different levels of the PCMU and other stakeholders. In PASIDP II, the 2022 supervision mission reported adequate experience for the procurement team. However, the coordination with regions still requires sustained improvement. Despite trainings on contract administration organized under PCDP II, the PCR reported evident capacity inadequacies and poor quality of record keeping and procurement documentation.
114. Positive trends of procurement activities were noted for PCDP III and LLRP. In PCDP III, procurement planning, processing, and documentation showed significant improvements over the implementation period; procurement activities at community level were carried out in a relatively timely manner resulting in the timely completion of sub-projects. Positive progress for the implementation of the procurement activities was noted by the 2021 supervision mission of LLRP. Recently, a web-based systems has been installed, contributing to fast-tracking of the procurement processes.<sup>136</sup>

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procurement activities of the same programme suffered significant delays due to low commitment, excessive procedures, and weak capacity of contractors and lack of competent service providers.

<sup>134</sup> As covenants are loan conditions in the financing agreement, the RUFIP III February 2021 Supervision Report cited three covenant breaches including delays in submission of the AWPB, lack of completion of the PIM and procurement of the accounting software which was to be done within six of the start of project implementation. The non-compliance will not only affect implementing and reporting, but could lead to suspension of loan disbursement.

<sup>135</sup> Delay to obtain no objection letters were reasons of concerns for the PCR along with weak contract management, inadequate procurement processing and record keeping, lack of separate documentation for each procurement and weak procurement evaluation reports. Although there were many improvements over the years, procurement was still considered a problematic area at completion.

<sup>136</sup> These include NOTUS (No Objection Tracking Utilities System), a tool used to fast-track projects compliance to IFAD procurement procedures, and CMT (Contract monitoring Tool), a tool that helps projects and IFAD monitor contracts and their status, to improve the procurement efficiency of projects.

115. Management costs were maintained at an acceptable level. The programme management costs increased since the project design for CBINReMP, PCDP II and PCDP III. However, the estimated effective share of management costs is deemed acceptable for all interventions, excluding two projects: CBINReMP and PASIDP I (see Table 6). For CBINReMP the effective share of management costs in total costs was 12 per cent. As noted in the impact evaluation (IE), at completion the percentage of management cost was still in line with the design estimate and it was also comparable with WB-funded sustainable land management projects. The IE also noted that the share of management costs was reasonable and within IFAD's average, especially when considering the areas of interventions and the complex management structure. For PASIDP I no information is included in the PCR to explain the high percentage of management costs.
116. Available information points to reasonable unit costs for investments overall. Considerations on the appropriateness of unit costs are available for CBINReMP, PCDP II, PASIDP II and RUFIP II. For CBINReMP the IE reports that the unit cost of the rehabilitation of degraded land, which represents the bulk of the project's work, was estimated at US\$250 per ha, which is in line with the Government's Guidelines for Participatory Watershed Development. The WB implementation and completion results report (ICRR) of PCDP III noted that construction costs of health posts and schools compared favorably with those of similar NGO-led initiatives based on the Government-ICRR cost comparison. According to the ICRR this was due to communities' participation and implementation of procurement and supervision. Additionally, construction activities took less time because of the follow up and control activities organized by community committees. For RUFIP II the PCR noted that output level efficiency data was inadequate and inconsistent. Training cost per trainees were higher than planned, while for vehicles the project made substantial savings. The cost per established irrigation schemes funded under PASIDP II was much higher than what was envisaged at the design stage (see above).
117. For the single project for which a reliable EFA is provided at completion, the analysis confirms project worthiness. EFA was conducted at the design stage for PCDP III, PASIDP II, LLRP and RUFIP III. In all these cases the net present value (NPV) is positive and the internal rate of return (IRR) is higher than the chosen discount rate.<sup>137</sup> At completion, an EFA was conducted only for PCDP III and CBINReMP. In both cases the NPV is positive<sup>138</sup>, thus showing that quantified benefits were higher than costs. However, while for PCDP III the analysis is sound, for CBINReMP the IE found that the methodology for the EFA is questionable for several reasons. First, the representativeness of the two income generating activities used as proxy appears unclear and is not explained; second, net incremental benefits were not derived since the "without project" scenario is missing; third, financial prices were not corrected for inflation and for other economic distortions – hence the analysis is purely financial. Finally, the whole cost-benefit analysis focuses exclusively on the IGAs, thus the net present value derived are those of the selected income generating activities, not of the entire project.

#### **Summary: efficiency**

118. **Efficiency is rated moderately satisfactory (4).** Available findings suggest an efficient use of IFAD's resources, since the disbursement rate is high, the entry into force time line and effectiveness lag is in line with sub-regional averages. Also, the share of management costs is acceptable. Unit costs of investments are also in line with available benchmarks. However, some interventions experienced significant

<sup>137</sup> For LLRP the ENPV was US\$ 386.9 million and the EIRR was 14.7%; for PCDP III the ENPV was US\$ 12.5 million and the EIRR was 16%; for PASIDP II the ENPV was US\$ 165.2 million and the EIRR was 28.8%; for RUFIP II the NPV was US\$ 197.8 million and the EIRR was 28.2%

<sup>138</sup> For PCDP III the ENPV was US\$ 170 million and the EIRR was 34%; for CBINReMP the ENPV was ETB 2,100 million (approx. US\$71.3 million and the EIRR was not provided).

delays, which were caused by implementation inefficiencies. Moreover, weak procurement capacities hindered a smooth implementation of projects.

## G. Rural poverty impact

119. This section analyses the contribution of the country programme according to the following impact dimensions: (i) incomes, assets and productive capacity; (ii) household food security and nutrition; (iii) human and social capital; and (iv) institutions and policies. The analysis was conducted using available evidence sources on the programme's contribution to impacts, which includes robust impact analysis.<sup>139</sup>

### Incomes and assets

120. **Evidence suggests a clear contribution of projects to increasing incomes of beneficiaries, but such contribution was less obvious for assets increase.** These findings are corroborated with robust impact studies' findings of CBINReMP (IOE), PASIDP I (RIA), and RUFIP II (RIA). For CBINReMP, the evaluation found that households with higher participation in project activities had significantly higher incomes than the non-beneficiary households. The incomes of high-participant households were, on average, 17.8 per cent higher than those of the non-beneficiary group. One reason for this was the higher milk productivity observed among the high-participation groups. On the other hand, when all beneficiaries are considered (both high- and low-participation), the impact evaluation did not find statistically significant differences between the incomes of beneficiary and non-beneficiary groups.<sup>140</sup> Regarding assets the project made no impact for both the low participation and the high participation groups.
121. With RUFIP II, gross income increased by 43 per cent for project participants, which was primarily caused by increased crop, livestock and household enterprise income (61 per cent jointly). At the same time, net income was not impacted by participation. This was due to increased production expenditures, which balanced out increased gross income. RUFIP II improved income diversification for beneficiaries. The income diversification index was estimated to be 7 per cent higher for treatment households, indicating a slightly more diverse income stream for beneficiaries. This is expected to provide some resilience benefits in the event of a shock. There was also an increase in household assets (11 per cent) caused by the project, but the impact assessment found no impact in terms of productive assets or livestock holdings.
122. Irrigation schemes contributed to increased incomes with the increase of production. The IA conducted for PASIDP I shows that crop incomes of beneficiary farmers during the dry season was 212 per cent higher than the crop income of their rain-fed counterparts. Based on the season considered by the IA, the total household income ranged from being 55 per cent to 106 per cent higher than the total household income in the control group. PASIDP I beneficiary farmers had higher return from productive assets, and were more likely to be above the poverty line, or more likely to exit poverty (particularly during the dry season), compared to their rain-fed counterparts. According to the same study, the project also had a positive significant impact on productive assets, but not on durable assets or on livestock.<sup>141</sup>

<sup>139</sup> Following three impact studies were used: RIA. (2022) Impact assessment report for the Rural Financial Intermediation Programme II (RUFIP II). RIA (2018) Impact assessment report for the Participatory Small Irrigation Development Programme (PASIDP I). IOE (2020) Community-Based Integrated Natural Resources Management in Ethiopia...

<sup>140</sup> The limited project impact on incomes could be related to the nature of the project and the type of interventions and/or the low investment per beneficiary household. Natural resource management interventions have longer gestation periods and therefore it can take longer for associated income effects to become visible; at the time of the IE these had not materialized

<sup>141</sup> Household incomes were also estimated for PCDDP II and III by the project endline surveys. The studies show that household in beneficiary kebeles had significant higher incomes than in non-beneficiary kebeles, which was probably



## Food security and nutrition

123. **There has been an improvement in food security, although robust evidence was limited.** In fact, the analysis of the effects of interventions on food security done for RUFIP II and CBINReMP found no statistically significant impact of food security indicators for those two projects. On the other hand, positive effects on food security were detected by the RIA impact assessment of PASIDP I, which found a reduction in negative coping strategies for beneficiary households during the “Belg” season (or the short rainy season from February to April),<sup>142</sup> which follows the dry season. Moreover, in line with the reconstructed ToC, improved food security results from increased agricultural production and incomes, which were achieved as presented in the previous effectiveness results (improved crop and livestock production in the intervention areas) and income analysis above. Thus, it is highly likely that the food security situation has improved in most interventions areas. The statement (in Box 8) of a key informant during the field mission reflects the improvement of food security situation.

Box 8

### Opinion of a key informant on the food security situation of smallholders in SNNP region

“Farmers are no longer hopeless. In the past, when they woke up, they asked themselves what they would have eaten during the day. Today, they wake up with assurance that they will have enough food for the family. In addition, they have surplus they can sell to earn income.”

Source: CSPE primary data collected

124. **Evidence suggests an improvement of household nutrition.** The impact analysis done for RUFIP II, CBINReMP and PASIDP I found statistically significant change for household dietary diversity. For CBINReMP, the project had an impact on improving the dietary diversity of high participation group of beneficiaries. This is particularly important among populations in the project areas, where starchy staple-based diets lead to micronutrient deficiency. In a similar way, the IA of RUFIP II found that beneficiaries had modest but significant increases in dietary diversity. Their Household Dietary Diversity Score increased by 3 per cent and Food Consumption Score by 5 per cent (both increases were statistically significant). For PASIDP I the impact assessment found an improvement in dietary diversity using some of the estimators but not for other estimators.<sup>143</sup>
125. Beneficiaries met during the CSPE field mission in SNNP and Amhara reported that because of the programme support, they grew improved vegetables (e.g. orange flesh sweet potatoes), fruits, and wheat seeds, for consumption. Women beneficiaries reported that their children looked better due to nutrient rich crops introduced, such as sweet potatoes, and subsequent trainings on nutrition. It appeared that support to establishing home gardens was a key determinant for improving the food security and nutrition of households.

## Human and social capital empowerment

126. **Evidence shows the positive contribution of the country programme to human capital in the intervention areas.** Investments in schools contributed to better enrolment of children. The PCR of PCDP III reports that 617,104 students

due to the supported income generating activities. However, in this case results should be taken with cautious since the research design were not proper impact evaluations.

<sup>142</sup> There are common behavioral responses (or coping strategies) to food insecurity that are often used for the management of household food shortages. Negative coping strategies are adopted in time of distress and include sales of assets, reduction of consumption or migration to other areas in search of other wage opportunities (among others). So a reduction in the negative coping strategies index is a behavioral response that underlies an improvement in food security.

<sup>143</sup> A positive effective of PACIDP I on household dietary diversity score (HDDS) was found for the Meher 1 season (the main rainy season) when the following econometric methods were used: doubly robust estimator (IPWRA), propensity score matching (PSM), regression adjustment (RA). No significant effect on HDDS was found when inverse probability weighting (IPW). A significant positive effect on HDDS was found also by the covariate matching only for the Belg season.

were enrolled in PCDP III constructed schools over a baseline of 73,784.<sup>144</sup> PCDP II and III significantly contributed to human capital development by addressing needs related to basic social services, such as education, water, sanitation and human health.<sup>145</sup> RUFIP II also improved human capital by developing human resource skills across the rural finance sector through structured training. These activities enhanced the knowledge and skills of participating individuals on improved business processes, leadership and technical knowledge. In addition, RUFIP II contributed to the development of a saving culture amongst the rural communities (see Box 9). People were motivated to join the groups because they observed the economic and production achievements of their neighbors, who benefitted from MFI loans. Under PASIDP I and II, trainings, awareness raising and skills development enhanced the self-confidence of members of various groups created (IWUAs, cooperatives and others).

Box 9

**Rural financial access generated demand for bigger loan sizes and improved savings culture**

During the field visits, representatives of a RuSSACOs reported the following: 'We started out with small initial loans of ETB 500-10,000 but these have grown over time to ETB 20,000 -50,000, and while initially we had started out with compulsory savings which was about 10 per cent of loan applied, most members have developed a saving habit and many are able to save varied amounts of voluntarily ranging ETB 3,500 -11,000 annually'.

Source: CSPE primary data collected

127. **The country programme strengthened bonding and bridging social capital by promoting the CDD approach.** The CDD approach was critical in the social empowerment process, and contributed to enhancing the ownership of infrastructure in pastoral and agro-pastoral communities (for PCDP II & III and LLRP), and of irrigation schemes (for PASIDP I and II). Field observations and interviews conducted by the CSPE team confirmed that the approach was important to strengthen resilience within pastoral communities by managing conflicts arising from the sharing of natural resources. The CDD approach promoted conflict mitigation and risk management activities. In addition to promoting loans and savings culture, RuSACCOs and IWUAs have contributed to better social cohesion as they became focal points for some conflict resolution efforts within villages.
128. Field evidence corroborated that improved social capital contributed to resilience strengthening of beneficiary communities. In Somali region, social services improved resilience: there is more social stability and reduced human and animal migratory movements;<sup>146</sup> children are able to go to school and families have access to health centers and water sources most of the year.<sup>147</sup> Interviews with communities in the same region revealed that some pastoral migration lifestyle (for example in search of water for human and animal consumption) were reduced, as households preferred to stay near the centers where services are provided. A drought period (in 2021/2022) in Somali region was reported as an example where communities with access to IFAD and WB supported project services were more resilient compared to communities that did not have access the project supported

<sup>144</sup> This is a very high increase.

<sup>145</sup> The PPA of PCDP II mentions positive effects on early marriage, which was reported to be questioned by girls after schooling. The same PPA mentions that the increased access to schools and health facilities triggered demand for secondary education and next level of health care.

<sup>146</sup> Mobility was reduced due to the availability and access to services (especially water and animal health care points). This did not entail that the pastoral mobility was suppressed or abandoned. Indeed, mobile pastoralism provides an efficient way managing sparse vegetation and low fertility of dryland soils. In this regard, the FAO-IFAD Joint Evaluation Synthesis on Pastoral Development emphasized the value of mobility and pastoral risk management in view of the growing effects of climate change.

<sup>147</sup> For example in one of the Woredas visited by the CSPE Team, the community revealed that before the construction of health posts, around 5000 people used the existing health service, but after the construction of the upgraded health center and water points by PCDP III, the population served by the health center had increase to around 25000 people, and most of them households had moved to live permanently near the services.

infrastructure. Communities that were not supported were negatively affected by the drought as community members lost their animals and crops.

129. There were missed opportunities to further strengthen the social impact. The IE for CBINReMP found that the project did not sufficiently invest in strengthening rural organizations to build human and social capital by empowering the rural poor. Although the project established various community natural resources user groups (e.g. youth groups, grazing user associations, common interest groups), its design did not plan to include investment in supporting community user institutions in a strategic way to achieve the project objectives.<sup>148</sup> Under PCDP II, a greater social impact could have been achieved by strengthening the “Participatory Action Learning” approach (as envisaged), but this was not implemented.

### **Rural institutions and policy**

130. IFAD support enabled positive institutional changes in terms of local development planning (aligned with decentralization), inclusive finance and governmental inter-agency coordination. Regarding local development planning, IWUAs, cooperatives and RuSACCOs are emerging as key institutional actors at kebele level (the lowest administrative unit in Ethiopia). For instance, PCDP II support resulted in the establishment of 873 Kebele Development Committees that were capable of prioritizing, planning, procuring and completing community sub projects while meeting their obligatory financial contributions. PCDP III contributed to strengthening local institutions that serve pastoralist communities, and established effective models for investments to deliver public services by engaging pastoral communities in a participatory way. More precisely, woreda development plans were development on the basis of a community driven approach (CDD).
131. RUFIP II contributed to strengthening the role of key players working for financial inclusion, and a better coordination of their actions. The NBE made changes to their approach to MFI supervision to focus more on risk management as opposed to historical perspectives. The ECC created a specialized department for RuSACCOs, and developed supervision guidelines and the audit framework. The AEMFI changed its technical/training and reporting approaches to enhance support rendered to MFI members. At community level, RuSACCOs are nowadays a key player to enable effective financial inclusion in rural areas of Ethiopia.
132. PASIDP I and II contributed to institutionalize participatory approaches for small-scale irrigation schemes in Ethiopia, a model that is also applied by the government. In relation to policy changes, previous elaborations in the section on policy engagement presented numerous achievements, in the areas of financial inclusion, small scale irrigation development and cooperatives.

### **Summary: impact**

133. **The CSPE rated impact as satisfactory (5).** There is solid evidence of positive change among beneficiaries in relation to income generation and nutrition improvements. There were strong indications of food security improvement overall, but robust evidence was found only for one project. The programme contributed to policy and institutional changes and improved social capital. Except in one project case (out of the six), there was evidence of significant contribution to building human capacities.

## **H. Gender equality and women’s empowerment**

134. This section on gender equality and women’s empowerment (GEWE) assesses the extent to which the three main objectives of the IFAD policy on gender equality (IFAD 2012) were achieved. These objectives are: (i) promote economic

<sup>148</sup> The project major focus was on working instead through local extension systems, which had no capacities to provide services that such community institutions need, while relying for community participation on pre-existing mass mobilization structures.

- empowerment (ii) enable women and men to have equal voice and influence; and (iii) achieve a more equitable balance in workloads and in the sharing of economic and social benefits. Before analyzing these aspects, the evaluation has ascertained the relevance of gender aspects in the programme.
135. The programme has integrated gender mainstreaming strategies and guidelines, relatively well. Guided by the COSOP 2016, the IFAD portfolio projects in Ethiopia have recognized and aligned the importance of involvement of women, youth and other vulnerable groups, as articulated by the Growth and Transformation Plan II (GTPII), the National Policy on Ethiopian Women<sup>149</sup> and the Gender Equality Strategy for Ethiopia's Agriculture Sector.<sup>150</sup> The COSOP 2016 highlights the usefulness of the Gender Equality Strategy for Ethiopia's Agriculture Sector as a guide to gender interventions of IFAD supported programme in Ethiopia.<sup>151</sup> The COSOP 2016 did not include any key indicators directly related to GEWE elements, but there were clear statements to orient gender actions.<sup>152</sup>
136. Most projects (5/8)<sup>153</sup> incorporated gender targets at design and their results frameworks included the requirement for reporting gender disaggregated data for beneficiaries or beneficiary households, as part of their monitoring, but not all programs have been consistent in the data collection of sex-disaggregated data.<sup>154</sup> They integrated a dedicated gender analysis process in their designs, which formed a basis in the development of their respective gender strategies and guidelines for implementation.<sup>155</sup> Interestingly, PASIDP II guidelines were well aligned with MoA's Gender Equality Strategy for Ethiopia's Agriculture Sector.
137. All projects achieved the planned targets for women's participation in activities. The outreach of projects concerning women that participated in activities is presented in the Table 7 below, which shows that they met their targets. Nevertheless, meeting the targets does not necessarily mean that the projects were effective in promoting gender equality and women empowerment, as analysed below.

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<sup>149</sup> GoE:1993. Ethiopia National Policy on Ethiopian Women, September 1993. Office of the Prime Minister.

<sup>150</sup> MoANR:2017. Gender Equality Strategy for Ethiopia's Agriculture Sector

<sup>151</sup> IFAD Country Strategic Opportunities Programme (COSOP) November 2016, page 6

<sup>152</sup> (i) align with the gender mainstreaming strategy developed by MoANR; (ii) continue to promote gender equality and women's empowerment in all IFAD-funded interventions; (iii) strengthen women's access to financial and non-financial services; (iv) apply the household methodology where feasible to promote women's empowerment for the benefit of all household members; (v) introduce labour-saving technologies to reduce the workload of women; and (vi) ensure women's representation in decision-making bodies, such as irrigation cooperatives.

<sup>153</sup> PCDPII and III, PASIDPII, RUFIP II and III, LLRP

<sup>154</sup> Most of the data were collected only at the broad level of participation of women and do not go deep to report disaggregate data at the level of activities or benefits arising out of programme implementation. This has been not only a limitation of the CSPE assessment of the extent of GEWE at outcome level, but also has limited the quality of gender data in other regular IFAD programme monitoring processes

<sup>155</sup> See Table A14 in the Annexes.

Table 7

**Targeting of women by projects**

| <i>Project</i> | <i>Initial target</i> | <i>Achieved target</i> | <i>Samples of activities that targeted women</i>   |
|----------------|-----------------------|------------------------|--|
| CBRINMeP       | 27%                   | 27%                    | Introduction of income generation activities<br>Addition of women in management committees<br>Training of women landholders  |
| PCDP II        | 30%                   | 42%                    | Inclusion of women members in new savings and credit cooperatives.<br>Inclusion of women in decision making committees.<br>Increased school enrolment for girls.<br>Improving water supply relieved women and girls from the workload.<br>Improved women's health through better pre- and post-natal care from the health posts. |
| PASIDP I       | 20%                   | 20.6%                  | Direct targeting of women headed households.<br>Training of women to boost their confidence.<br>Introduction of household food gardens.<br>Election into leadership roles in WUAs.   |
| RUFIP II       | 50%                   | 47.9%                  | Implementer staff training.<br>Capacity building for women leaders.<br>Improved women's participation in social and economic activities.   |
| PCDP III       | 50%                   | 48%                    | Promotion of girl child enrolment in schools.<br>Targeting support for provision of pre- and post-natal care.<br>Increase of women leaders and introduction of IGA.<br>Improved access to potable water played a major role in empowering women.<br>Increased participation of women in RuSSACCOs.                               |
| PASIDP II      | 50%                   | 24%                    | Introduction of GMF.<br>Introduction of quotas for women members within IWUAs and cooperatives.<br>Deliberate consultations with women members.  |

Source: CSPE elaboration based on desk review

138. IFAD has supported different projects to adopt and cascade down gender approaches, but the CSPE observed that almost all PMUs had few or no female staff. The PMUs gender staff interviewed by the CSPE showed strong ownership of their responsibilities, going beyond routine operations to introduce components such as networking platforms for sharing best practices on gender to facilitate learning. A major challenge identified is time allocation, as the gender role is combined with other roles.<sup>156</sup> Furthermore, most of the staff were concentrated in national and provincial levels with none at Woreda levels. In the regions, they had to cover very wide areas, which impacted on their performance. Additionally, the CSPE observed during the meetings with PMUs and government directorates, that there were no female staff or a very low number. This fact could have sent a wrong message to both implementing partners and the communities, as the programme "did not walk the talk" in this regard. It was explained that there is shortage of qualified females in most cases, although during the field visits, the CSPE encountered several graduate level women who acted as interpreters and came across as qualified even to work at the project level. Issues of cultural inhibitions in regard to traditional gender roles may have also affected response to advertisements from women applicants.

### **Economic empowerment of women**

139. Increased access to rural finance contributed to increase women's income and increased their ownership of household assets. The rural finance programme (RUFIP I, II and III) were instrumental in directly providing women with opportunities through savings mobilization and access to financial services. For example, the RUFIP II impact study reveals that women received 61.4 per cent of the sampled 2,428 rural finance loans (1759 loans from MFIs and 669 loans from

<sup>156</sup> Gender focal points in LLRP for instance also served as nutrition or livelihood officers.

RuSACCOs), indicating that MFI loans were more accessible to women.<sup>157</sup> There was an exponential growth of female beneficiaries in rural financial services, registering 83 per cent increase in the sampled MFIs (from 2,066,551 in 2013 to 2,905,089 in 2018), compared to 57.8 per cent increase of male clients during the same period. In addition, MFI's lending policies and client selection showed commitment to extending financial services to women.<sup>158</sup> Also, in LLRP and PCDP III, women constituted most beneficiaries for the financial support from these projects. This greater access to loans (Box 10) and small grants support (LLRP and PCDP) contributed to improving women's livelihoods, in pastoral and agro pastoral communities, through the diversification of economic activities.<sup>159</sup>

Box 10

#### **Women's participation in RuSACCOs from Somali Region**

In Somali region (with its Islamic culture), there was a growth of RuSACCOs through large scale mobilization of communities in 2020 and 2021 to form a total of 180 RuSACCOs in the two years of LLRP implementation. Out of 12,408 RuSACCO members in 2021, women constituted 74.6 percent and men 25.4 percent of the total membership. In Somali regional state, total savings from the RuSACCOs in 2020 and 2021 amounted to ETB 5,701,358 (Approx. USD 105,750), while share capital was ETB 9,057,946 (USD 167,992) and total value was ETB 24,759,304 (USD 459,196) for both years by the end of 2021, which was an indicator of good response by women to the financial services offered by the programme.

Source: CSPE elaboration from desk review

140. The good targeting of women by MFIs is more of a sectoral approach, which RuSACCOs can learn from. The mission of MFIs, globally, was initially focused on women, but this mission has changed in the last two decades when MFIs started to gravitate towards commercialization and hence became more gender inclusive. This view is supported by the RUFIP II impact study finding mentioned in the previous paragraph. The study attributed the difference to the fact that RuSACCOs are member organizations and do not discriminate on gender, while the MFIs tend to have a purposive commitment to reaching women.<sup>160</sup> This entails that MFIs will be reaching women anyway, even if not required by the programme. Gaps remain with RuSACCOs that have to deliberately ensure an increase in women's memberships.
141. In spite of the widely reported benefits of IFAD interventions to women, the potential for women's economic empowerment and opportunities for asset ownership by women is still limited. The RuSACCOs and Common Interest Groups (CIGs) in LLRP have provided a good avenue for women to enhance their productivity by transitioning from primarily PAP livelihood activities, towards value chain activities, especially sales and marketing. In Somali and other LLRP project sites, construction of market infrastructure and formation of groups has enabled women to engage in collective marketing of milk, vegetables and other farm produce; while others are engaged in wholesaling of household commodities like sugar, flour, and soap. These activities have been instrumental in stimulating more

<sup>157</sup> A weakness noted is the focus on number of loan holders as opposed to size of loan. There are many women with micro-loans; and the MFIs specifically target women with low value loan products. Small size loans were also noted to restrict opportunities for business expansion.

<sup>158</sup> Out of the 1759 MFIs loans in the study sample, 47.4 per cent of loans were received by female spouses in male headed households, followed by male heads of households who received 35.9 per cent of the loans. With RuSACCOs, which are not structured as MFIs as being cooperatives, 54.9 per cent of the 669 loans were accessed by male heads of households while 34.4 per cent were received by female heads of households. The higher proportion of male beneficiaries in RuSACCO loans was attributed to the large proportion of male RuSACCO membership compared to women. RUFIP II Impact Study.

<sup>159</sup> According to RUFIP II PCR, more than 80% of women participants had reported that their participation in economic activities had improved, and a similar % reported that their incomes had increased and were less dependent on their spouses.

<sup>160</sup> Other reports especially the MTR noted that there were still regions with low women participation. As explained in subsequent sections, RUFIP III has taken on board lessons from the previous phase and developed a more focused strategy to ensure all partners are committed to serving and empowering women.

production, and helping women to go beyond subsistence efforts.<sup>161</sup> Evidence from the RUFIP II impact study (2022) showed that female household heads who accessed financial services had positive increase in their income<sup>162</sup> as well as increased engagement in business. However, the study did not report evidence of increase in assets for female household heads but noted the small sample of women in the study.<sup>163</sup>

### **Enabling women's voice and influence**

142. The programme enabled the increase of women's participation in grassroots institutions, but on a limited scale. This is evidenced in both the documents reviewed and field observations. All projects<sup>164</sup> placed emphasis on women participation in community institutions and groups, for instance setting quotas (30 per cent) for women in leadership committees such as IWUAs, Irrigation Inputs and Marketing Cooperatives (IIMCs), and Rangeland Management Committees (RMCs). But field observations revealed that men still dominate these committees. While the quotas are useful, it is questionable how effective female participation is, which is not documented. With PCDP III, it was noted that while women tended to be easily overlooked in community discussions and decision-making processes due to socio-cultural structures of pastoral societies, communities were requested to agree on ethical principles that would give priority to the needs of their most vulnerable members including women.<sup>165</sup> Despite the noted limitation, field evidence indicated that women were consulted, and their concerns taken into account to locate some project sites of PCDP III; for example, women's views were considered in determining where to locate health, education, and water facilities in PCDP III and LLRP, and how to use and access irrigation schemes in PASIDP.
143. In spite of achieving targets for women's participation, the context of women's situation in intervention areas still makes it difficult to deliver sustainable gender equality or gender transformative results. Outcomes of interviews generally indicated a high persistence of patriarchal thinking, high adult women illiteracy, lack of control of productive assets, and prevalent attitudinal problems on gender-related concepts (see Box 11 below). The CSPE noted that overall, the programme has "played it safe" through interventions for increasing "participation" of women in programme activities, as means through which gender equality and women's empowerment will be achieved. Nevertheless, even with significant focus on women's participation in community institutions, groups and management committees, the extent to which the women have a voice within rural institutions appeared to be limited. For example, in Somali, SNNP and Amhara regions where the CSPE teams met community groups, it appeared that women committee members were not active participants in the IWUA committees or Rangeland Management Committee. However, in a few cases of LLRP activities, women are reported to dominate leadership positions and membership in CIGs and RuSSACCOs, which could imply that this might influence decisions made by the groups.

<sup>161</sup> By starting own enterprises or income generating activities.

<sup>162</sup> Brubaker, J. and Arslan, A. 2022. Impact assessment report for the Rural Financial Intermediation Programme II, Ethiopia. IFAD, Rome, Italy

<sup>163</sup> Regarding livestock ownership, the women household heads showed an estimated increase of 30 per cent but the findings were based on a lower estimated counterfactual outcome than the male-headed sub-sample. According to the study, the inconclusive results on the benefits for women highlight the need to significantly capture gender disaggregated data on services provided for men and women to provide a clear picture of the impact of the IFAD projects on gender equality. Additionally, the impact study noted that the Market access indicators were estimated to be lower in the absence of the program for female-headed households, except for share of sales in total livestock production value, but showed no significant impacts on market access indicators as a result of accessing financial services to female- household heads

<sup>164</sup> CBINReMP, PCDP II, PASIDP I, PCDPIII, PASIDP II, LLRP.

<sup>165</sup> Project Completion Report Validation Pastoral Community Development Project III (PCDP III) Federal Democratic Republic of Ethiopia Date of validation by IOE: April 2021

## Box 11

**Mixed results in relation to women's voice and influence from field visits**

With RUFIP II, outcomes of the field visits and discussions revealed that participant women have experienced positive changes in some social norms and community attitude (also confirmed by the impact study). Women interviewed said they were accepted more, as active participants in community group activities where some held leadership positions, and they had more freedom to travel within and outside the village. But some stakeholders interviewed by the CSPE were of the view that while there had been significant improvement in participation and decision making at household level for beneficiary women, still they are not considered as key interlocutors of how community resources are distributed.

Source: CSPE elaboration from desk review

**Equitable workload and sharing of economic benefits**

144. **Field evidence indicated that the contribution of projects to ease in women's workload.** Basic social services provided in various phases of PCDP addressed women's needs, which included their access to water from irrigation schemes; and access to health, education facilities, and water points. Most of these services were provided to the communities with significant numbers of women beneficiaries. Rural women interviewed during field visits were very explicit about the benefits they received from the programme investments. For example, PCDP and PASIDP provided rural water points for human and animals in lowlands and rangelands, and this had freed women's time spent on collecting water from long distances or trekking with animals for long distances to look for water. This in turn contributed to reduced workload for women. The provision of services by human and animal health centers also freed women from seeking for similar services far away, and reduced women's household chores as health care providers for both human and animals, especially in pastoral and agro pastoral areas, such as in Somali region.<sup>166</sup>

**Efforts to contribute to gender transformative results**

145. **The CSPE found anecdotal cases of positive change in norms and attitudes.** PASIDP II adopted the Gender Model Family (GMF) approach, in partnership with CIFOR and the gender department of MoA, a household methodology credited for challenging gender norms and promoting equity (see Box A15 in Annexes). The change relates especially to gender division of labor, household activities and relationship between men and women as presented in the Box 12 below, though the magnitude of households covered is low. Indeed, the GMF was rolled out by PASIDP in Amhara, Oromia, Tigray and SNNP, covering 724 pioneer households growing to 2420 extended households between 2018 and 2023.<sup>167</sup> The real impact of GMF will be established through future impact studies, like the one planned by CIFOR.

## Box 12

**Anecdotal evidence of positive change in social norms**

Beneficiaries of an irrigation scheme, interviewed during the CSPE visit in Debasso revealed that in some households where the programme trained husbands and wives together on gender issues, some men had started helping women in collecting water and taking care of children. The women also mentioned that they are experiencing more transparency in handling finances within the households that benefited from the gender training.

Source: CSPE primary data collected

<sup>166</sup> The CBINReMP's PCR highlights the project's contribution towards reducing women's workloads through training and introduction of rope and washer pumps and biogas energy for about 21,740 female landholders.

<sup>167</sup> PASIDPIII, GMF Status to Date June 2022, Table.



146. GMF is now gaining wide acceptance at government level and lessons from this will be useful for the new revised gender strategy of the MoA, in order to address root causes of gender inequality. The lack of learning across the programme (see knowledge management section) has inhibited, at the time of the CSPE, other portfolio projects to replicate, at least by piloting, the GMF approach in their GEWE interventions.
147. **Lack of capacity on GEWE across all levels hampered the achievement of GEWE results.** Recruitment of key project staff on gender is one of the strategies used by IFAD to support GEWE in Ethiopia. Even in joint programs with other funders, IFAD seemed to be the only organization with a gender specialist whom the PMU and implementers could reach out to for support. At PMU level, the projects were designed to include gender specialists with the responsibility for developing and rolling out gender mainstreaming guidelines and action plans; with earmarked budgets for their roles. However, the gender positions were concentrated at national level and regional levels, with no gender focal persons at Woredas and Kebeles levels.<sup>168</sup> Furthermore, there were consistent delays in recruitment of gender staff, which led to GEWE issues having to play catch up with other advanced project components.
- Summary: GEWE**
148. **The gender criterion is rated moderately satisfactory (4).** Over the period reviewed, positive initiatives were adopted and applied by the country programme, in terms of: gender mainstreaming strategies, approaches and guidelines; targeting of women by projects' activities, which resulted in positive effects on the lives of women. However, those results are still yet to trigger change in sociocultural norms, as deep positive change has not yet occurred.

## I. Sustainability

149. The sustainability criterion assesses the extent to which the net benefits induced by the strategy and programme continue over time and are scaled-up (or are likely to continue and scale-up) by the government or other partners. It includes issues of institutional, technical, social and financial sustainability. Other specific aspects are: (i) scaling-up and (ii) environment and natural resources management, and climate change adaptation.

### Sustainability of results

150. Projects are well embedded within the government institutions, which are funded by the regular government budget. Besides, the same government institutions also attract other donors' support and implement additional programs *De facto*, the financial sustainability of most national operational partners of IFAD is high.
151. **The participatory approaches applied, which enhance social aspects for managing investments, support the sustainability of results.** Most projects applied a participatory approach. Also, communities were requested to contribute labor and in-kind contributions, which is conducive to building ownership. For instance, the CPSE team observed that the watershed management committees of model watersheds established by CBINReMP were still functional even though the project closed several years ago. The PCDP's exit strategy of the program hinges upon the CDD approach, which ensures ownership of the program by beneficiary households, by making sure that households are consulted on the outset about their priority needs. In addition, communities are fully informed and agree from the outset to take over responsibilities of maintenance of community-developed facilities and management of all related services. Lastly, the technical capacity of the regional and Woreda staff has been built to lead the participatory approach. For

<sup>168</sup> For example, LLRP has gender staff at national level that was instrumental in providing oversight and technical support to the overall programme. There is however lack of staff responsible for gender at Woreda and Kebele levels.

instance, the Rangeland Management Investment Plans (RMIPs) under LLRP were implemented by building capacity of multidisciplinary task forces, comprising government technical staff.<sup>169</sup>

152. Sustainable access to funding by grassroots organizations remains a challenge. Matching grants were provided to fund community projects (see Box 13). However, once investments are completed, the resource mobilization capacity remains weak for community-based organizations in charge of managing and maintaining investments. For instance, all IWUAs regularly collect fees from members for the maintenance of irrigation schemes, but the amounts collected are very small and insufficient for a proper maintenance of schemes. IWUAs are not linked to governmental budget planning at kebele and woreda levels, which puts IWUAs' financial sustainability at risk. An area where community capacities are a concern for the sustainability of the funded interventions is watershed management. The IE of CBINReMP noted that communities often do not have the tools, equipment or resources to maintain biophysical and vegetation structures. For income generating activities (IGA) promoted groups, financial capacity and sustainability hinge on profits generated. On a positive note, the CPSE team visited beneficiaries of CBINReMP and found that four years after the project's completion, beneficiaries of model watershed were still engaged in the same IGAs promoted by the project, which mainly consisted of production of fruit and vegetables and sale of forage.

Box 13

**Community matching funds to scale up interventions**

Communities' contribution to investment costs was very high in PCDP sub-projects, which is conducive for project ownership by community members. In PCDP III community contribution reached US\$24.28 million (US\$ 8.37 million in cash and the rest in kind). A 5 per cent cash contribution was also requested for PCDP II projects. In consideration of the current COVID- 19 pandemic situation, an agreement was reached to minimize community cash and in-kind/labour contributions for LLRP from 5 and 10 per cent to 2.5 and 7.5 per cent of the total sub project cost respectively. Coherently with what was envisaged in the project design report, the 23 woredas that were carried over from PCDP II to PCDP III also contributed significant matching funds to finance the implementation of more sub-projects. More precisely, as specified in the PCDP III final report, 20 woredas provided USD 150,000 to scale up CDD planning approach and to implement sub-projects prioritized by communities and approved by the woreda cabinet. The remaining three woredas matched three round USD 12,500 with USD 37,500 with PCDP III funds to fund more projects.

Source: CSPE elaboration from desk review

153. The sustainability of technical support to foster CDD approach beyond the project period is dependent on government budgetary commitment, which has not been set aside so far. In this regard, the final evaluation of PCDP III noted that CDD approach has not been institutionalized beyond IFAD-supported projects. Sustainability risks in supporting the participatory approach became apparent after projects closed, mainly because government policies and schemes have not yet created an enabling environment to foster CDD approaches and mechanisms, through their inclusion into the government planning and budgeting system.<sup>170</sup>
154. IWUAs face challenges in ensuring the technical maintenance of irrigation schemes. The CSPE mission noted that IWUAs were well aware of their duties, and they actively participated in the planning, site selection, construction, water management, and routine maintenance of irrigation schemes. However, technical issues are a concern for the sustainable management of the schemes as IWUAs have limited capacity on those aspects. The sustainability of irrigation schemes also depends on interventions at watershed level, in ensuring a proper water storage capacity and prevention of siltation. Interventions at watershed level were

<sup>169</sup> As reported in CBINReMP, the programme trained subject matter specialists at woreda level to provide technical training to Kebele Development agents, who spearheaded the implementation of the programme in the community.

<sup>170</sup> Final evaluation of the PCDP III (2019) and PCDP III PCRIV

conducted, but the area covered is very limited (four-hectares of watershed management intervention for each hectare of developed irrigation scheme).

155. **The sustainability of social investments is facilitated by continuous public support.** Most social investments were still functioning at the time of the CSPE, with some challenges. The final self-evaluation of PCDP III found functional committees for 84 per cent of the funded sub-projects. Committees are in charge of the maintenance of investments and include teacher-parent associations, market associations, road user associations and water management committees. The CSPE key informant interviews and direct observations confirm that the programme-supported social facility still provide services. Some require the government structures to continue meeting their obligations covering running costs such as salaries of teachers, health workers, and providing medicine, animal drugs, and maintenance of water sources. However, obligations have not always been met. The CSPE team observed that animal health posts funded by PCDP lacked facilitation to reach out to the communities, and some of the equipment in the health centers were missing. Some water points visited in Somali were poorly maintained and the water quality questionable, because of delays by the regional water department in maintaining the water source.
156. Sustaining the credit lines for MFIs and RuSSACOs for a sustainable financial services provision is challenged. In all discussions and in almost all reports, it emerged that the credit line has played a critical role in rapid expansion of financial services. What is not so good is the continued expectation that external funders like IFAD should continue providing funds for the credit line. Such expectation, may render the credit line both unsustainable and not scalable. It would seem that the implementer and its borrowers have treated the credit line as a natural source of funding as opposed to a tool for bridging liquidity, and/or an incentive to try out and build a credit history for rural markets. To mitigate this risk, the DBE is focused on managing reflows from RUFIP II and III<sup>171</sup> For continuity of the credit line. Other external factors, as it has happened with drought in the past may undermine the achievement of sustainability.

### Scaling up

157. Scaling up happens when: (i) other external partners or the private sector adopt and generalize the solution tested / implemented by IFAD; (ii) other stakeholders invest resources to expand the solution to a bigger scale; and (iii) the government applies a policy framework to generalize the solution tested / implemented by IFAD (from practice to a policy).
158. **Evidence corroborates continuous efforts by government to scale up programme initiatives.** As a matter of fact, the effective linkages with governmental programs enabled scaling up by the government, from practice to policy, on several aspect in the fields of small-scale irrigation, financial inclusion and pastoral system management (see previous elaboration in the policy engagement section).
159. Scaling up by private actors only occurred in the case of inclusive finance. This is reflected in the number of new rural finance institutions that were registered, and expanded branch networks throughout RUFIP II, and this trend is continuing in RUFIP III. This translated into triples of multiplier effects as evidenced by number of rural people reached, loans disbursed and deposits mobilized under RUFIP II. The fact that commercial banks have started to forge relationships with MFIs is a good indicator that collaborations with the private sector will strengthen the

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<sup>171</sup> They are certain and have observed that their experience with MFIs and RuSACCOs so far has been successful, and thus generated interest among the commercial banks, so there is high probability that commercial credit will increase with time. Furthermore, the regulator has given a directive for commercial banks to lend to MFIs and RuSACCOs. They also intend to use their current experience and success to continue fundraising from other external funders.

potential for both sustainability and scalability. This particular collaboration may not have occurred in the way it was designed, but the natural progression will enhance ownership and commitment on the part of commercial banks and other private sector players.

160. There are indications of scaling up by other development partners, but evidence is lacking to confirm these. On this point, the RUFIP financing model<sup>172i</sup> has been used as a basis by other development partners (including World Bank, EU, GIZ, and AfDB) to initiate projects to support the rural finance sector. The CDD approach has been adapted by other development partners to design and implementation, in different projects and programs. Discussions with representatives from DBE highlighted that experiences and lessons from RUFIP II were being adopted by UNDP and World Bank to establish the Women Entrepreneurship Development Program.

### **Natural resources management and climate change adaptation**

161. This sub-section analyses the extent to which the country strategy and program contributed to enhancing environmental sustainability and resilience to climate change in small-scale agriculture.

#### **Environment and natural resources management**

162. Sustainable environmental management was promoted through dedicated investments in watershed management, anti-erosion techniques and actions for environmental governance.<sup>173</sup> **Soil and water conservation measures were successfully promoted to reduce the degradation of natural resources,** however with challenges. Different soil and water conservation measures (SWC) were used, including gully rehabilitation, tree planting, terrace construction, cut-off drainage, and area closure, among others. The analysis of geospatial data conducted for the IE of CBINReMP showed that there was an improvement in vegetation coverage over the seven-year period of observation. As noted by the IE this greening of watersheds could be associated with improved anti-erosion techniques and common land rehabilitation promoted by the project.<sup>174</sup> However, the CSPE noted that the area covered by SWC measures was too small to create a significant impact.
163. The management of pastoral system resources was actively supported under CBRIReMP and LLRP, with the purpose of ensuring secure and sustained access to and use of grazing resources, including through conflict management.<sup>175</sup> LLRP (still on-going at the time of the CSPE) promoted a community-based approach of rangeland management.<sup>176</sup> Under CBINReMP there was an improvement of the governance system of communal pasture also through community-based rangeland committees. However, as illustrated in Box 14, pressure on grazing lands in areas not covered by management plans remains a critical challenge.

<sup>172</sup> A combination of credit line and capacity building through tripartite partnerships with commercial banks, MFIs/RuSACCOs and technical service providers

<sup>173</sup> The CSPE elaboration here are complementary to those under effectiveness sub-section related to ecosystem resilience.

<sup>174</sup> The CBINReMP also PCR reported positive environmental impacts including: improvement in hydrological flow (with the flow of springs extended from three to four months, to eight to 12 months, and with new spring development); regeneration of locally extinct wild flora and fauna; rehabilitation of gullies; and reduction in landslide risks.

<sup>175</sup> Subject of the component 1 of LLRP.

<sup>176</sup> The supervision mission report of 2022 mentions 70 rangeland plans developed.

## Box 14

**Challenges of sustainable NRM identified with CBINReMP**

The IE of CBRIMeP noted that converting large areas of watershed into exclosures (exclusive rangelands) results in a reduced size of the remaining communal grazing land that can still be used for free grazing. Consequently, the grazing pressure on the open areas increases – at least until a functioning cut-and-carry system can produce sufficient forage as substitution. Furthermore, exclosures do not provide alternative feeding resource for the whole community and might be seen critically by non-beneficiaries. Without such control measures, area closures may lead to fragmenting of communal lands into “green” pasture lands and overstocked and overgrazed lands. The IE team observed in the field visits many cases of communal lands that are contiguous to areas under closure that have been further degraded mainly by overgrazing. This implies that to be successful and sustainable, exclosure practices must be complemented by livestock management measures in order to control the pastureland carrying capacity.

Source: CSPE elaboration from desk review

164. In few instances, irrigation development did not receive adequate attention to minimize negative effects on the environment. The project performance assessment (PPA) of PCDP II found that the project did not carefully address the requisite technical support for some irrigation schemes. As a result, in some areas (e.g., in Chiffra) the entire irrigation scheme was planted with maize, while the agro-climatic conditions are more suited for more valuable food crops or fodder species that require low irrigation frequencies and that also do not deplete soil nutrients. Also, the CSPE team observed significant site-specific erosion in one scheme in Ahmara, built under PASIDP I (where secondary canals leave the main canal) and a large backwater swamp caused by another irrigation scheme built by PASIDP I. Surface irrigation methods, which are currently the norm in Ethiopia can easily trigger erosion. In this regard, following recommendations from supervision missions, PASIDP II is piloting pressurized irrigation systems, but progress is slower than anticipated. Indeed, with the exclusion of four pilot schemes, all planned irrigation schemes use inefficient surface irrigation methods. Overall, there is ample room to improve on efficient use of water in irrigation schemes, as farmers irrigate their farms without consideration on water efficiency.
165. **Compliance with environmental and social safeguards was mixed.** For PCDP III, overall compliance with the environmental and social safeguards was adequate during the implementation of the project. As a result, no outstanding environmental safeguards issues were reported. In the case of PASIDP I, an environmental impact assessment was included in all the feasibility studies preceding the construction or rehabilitation of schemes (as per government procedures) despite the fact the project was classified as a Category B operation (it was deemed unlikely to have any significant negative environmental impacts). Additionally, as noted by the 2020 supervision mission of PASIDP II, there has been a significant improvement in quality of report from PASIDP I due to improved terms of reference given to the consultants. However, the mission also noted that there are a number of SECAP aspects which were not satisfactorily addressed in all cases: water quality, climate change risk assessment, impacts on downstream users, aquatic ecosystems, invasive species and biodiversity. Moreover, none of the ESMPs were included in the tender documents for the bidding contractors because it was not explicitly required by IFAD or the GoE’s standard bid documents. This is a critical omission and is probably the reason for many of the non-compliance issues associated with construction that were noted during monitoring.

**Adaptation to climate change**

166. Despite shortcomings in orienting on CCA issues in the 2016 COSOP level, a wide range of activities have been implemented in projects with a potential to achieve

climate-resilience impact.<sup>177</sup> Indeed, most projects covered by this CSPE directly or indirectly addressed climate-related risks, and strengthened and/or diversified CCA responses by developing different approaches to climate resilience at design. These include the use of conservation agriculture techniques, use of improved climate smart practices, development of irrigation infrastructure and of new water sources for human and crop production, and livelihoods diversification. (see Table A12 in Annex VIII)

167. **Promoted climate-smart agriculture (CSA) practices resulted in positive benefits.** PASIDP II promoted different CSA practices such as agroforestry, integrated soil fertility management (ISFM), conservation agriculture, and zero grazing coupled with cut and curry practices and forage development. PASIDP II promoted watershed management conservation measures on at least four hectares for each hectare of irrigation scheme developed. More precisely, the project planned to introduce sustainable watershed management practices on 73,600 ha with different biophysical soil and water conservation (SWC) measures on watershed adjacent to irrigation schemes. At the end of June 2022, the total area covered with these measures was 70,720 hectares. There was consensus among interviewed experts that the planned total area for SWC measures was very low compared to the need. SWC measures were developed also in LLRP and PCDP II and III projects. In these projects water spreading weirs were developed to prevent soil erosion and water runoff along with other conservation measures in upper watershed. The total area cover by SWC measures in PCDP II and III was 7,948 hectares.
168. Among all approaches promoted by IFAD, small-scale irrigation and access to finance play a critical role for CCA since they buffer farmers from climate effects such as low or no rainfall. With access to irrigation, farmers can extend production even in the dry season, with gains on production and income diversification. In this regard, the IE of CBINReMP found that the project communities that benefitted from the project applied similar coping mechanisms during climate shocks as the control group. However, among the seven coping mechanisms considered by the IE,<sup>178</sup> the treatment group showed significant high use of small-scale irrigation. In addition to irrigation, PASIDP watershed protection activities contributed to preventing erosion and landslides, slowing down the speed of runoff and curbing downstream sedimentation of irrigation canals. Additionally, the watershed activities conducted by PASIDP I and II and by CBINReMP provided potential for mitigation of climate change through agro-forestry and soil carbon enhancing measures. Another effective intervention to mitigate climate induced risks was the promotion of access to finance. In this regard, the IA of RUFIP II found that RUFIP beneficiary households were six percentage point more likely to recover from climate shocks.
169. An analysis of climate change risk has not still been fully integrated into the feasibility studies before the construction of schemes. The MTR of PASIDP II noted that schemes were designed and operated based on a rudimentary analysis of climate change risk, which could have serious implications for sustainability.<sup>179</sup> Following the findings of the MTR the IWMI was involved to develop a hydro meteorological monitoring system for nine model watersheds (three in SSNP, three

<sup>177</sup> The COSOP lacks an explicit theory of change (TOC) that shows how climate resilience would be mainstreamed in the IFAD country program. It does not present a climate-resilience model to guide the formulation of programs and projects and to ensure not only their alignment with the countries' priorities but also their convergence to the country program goal about climate resilience.

<sup>178</sup> The seven coping mechanisms were: (i) Start to use short-maturing and drought-resistant crop varieties; (ii) Start small-scale irrigation; (iii) Construct water conservation structures; (iv) Change cropping pattern/season; (v) Diversify income (become involved in off-farm and non-farm activities); (vi) Store feed; and (vii) Sell livestock.

<sup>179</sup> In addition, PASIDP II targeted watersheds only accounted for part of the overall catchment serving irrigation schemes. However, in some cases, there may be several schemes, included those outside the programme, in a single watershed. Project supervision missions noted that there is a need for more comprehensive planning of water resources at the catchment level for a rational planning of water resources.

in Oromia and three in Ahmara). The IWMI also developed erosion hotspots and climate risks analysis in the same areas. However, it is not clear what kind of follow-up these activities received since the contract with IWMI was interrupted.

170. Due to the limited scale of actions, opportunities were missed to improve on CCA results. A focus on model watershed was used by CBINReMP, and this approach successfully supported the adoption of climate-resilient farming practices, including the diversification of farming systems through fruit tree planting in a small number of micro-sheds. In these cases, there were clear linkages between adaptation and mitigation resulting from synergies between off- and on-farm activities, increased farming systems' resilience and improved ecosystem services. However, this was limited to five model watersheds which were a small fraction of the total project intervention area.<sup>180</sup> A similar issue was also discussed (in the effectiveness section) for PASIDP supported watersheds around irrigation schemes. PASIDP II conducts an annual survey that also measure the uptake of CCA techniques and practices. The results of the 2021 survey show that of the 10 practices listed only two of them are adopted by more than 50% of farmers, namely conservation agriculture and integrated pest management. Also, the use of climate resilient crop varieties is applied by slightly more than 40% of respondents. These figures suggest that much more work is needed to increase the uptake of CCA practices and techniques. For PCDP II and III the PCR mentions that no direct effects were demonstrated of the project's contribution to CCA.

#### **Summary: sustainability**

171. **The CSPE rates the sustainability as moderately satisfactory (4).** Key positive sustainability factors were the embedment of projects into the government institution and the adopted participatory approaches. However, there were persistent challenges regarding (i) the financial sustainability of grassroots organizations and (ii) the credit line for MFIs to enable them reaching continuously smallholders.
172. **Scale-up performance is rated satisfactory (5).** The GoE has taken measures to scale up several agriculture interventions and results achieved, and private or semi-private actors did the same in enabling a better financial inclusion. There were indications, not confirmed evidence, that other development partners adopted approaches or results generated through IFAD supported programme.
173. **The performance for NRM and CCA is moderately satisfactory (4).** Positive achievements were related to: the successful introduction of SWC measures in degraded areas, community-based watershed and rangeland management, the compliance of projects to social and environmental safeguards, and the fact that main interventions (e.g. small-scale irrigation and access to finance) supported by the programme were important as CCA strategies. Less positive results were related to the limited scale of some watershed conservation interventions, and the fact that SECAP aspects were not adequately addressed for irrigation development, leading to few site-specific negative environmental impacts (observed by the evaluation team).

## **J. Overall country strategy achievement**

174. The first objective of the COSOP 2016 was to enhance the resilience and productivity of ecosystems and livelihoods through improved management of natural resources, particularly water. In line with this strategic intent, over the evaluated period and as analyzed in the effectiveness section, significant attention was devoted to strengthening the productivity and resilience of ecosystems, both in

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<sup>180</sup> The IE also found that improvement of the project communities for CCA outcomes compared to the control communities were only marginal, except for the reduction of flood risk. Also, the IE of CBINReMP reports a limited integration of trees in the farming system to enhance CCA and climate change mitigation (CCM).

terms of financing volume and activities implemented,<sup>181</sup> through support towards the promotion of small scale irrigation schemes, watershed and rangeland management by communities and introduction of improved agricultural practices. Moreover, rural livelihoods improved thanks to IFAD's support for social infrastructure (community-based promoted and managed), the diversification of income sources, and also the increase of agricultural production. Nonetheless the scope of actions for sustainable watershed and rangeland management was limited.

175. Three aspects are embedded in the second strategic intend (increased and sustained access to finance, agricultural technology and to markets, through linkages with the private sector). Of these three aspects, there was sufficient evidence to corroborate satisfactory results for the first two. In fact, previous assessments pointed out successful achievements regarding the introduction of improved agricultural practices and inclusive rural finance. On this latter point, the programme performed satisfactory by supporting private actors (the MFIs) to significantly expand financial services in rural areas, even though the expansion of Islamic friendly financial products was limited. In relation to access to markets through linkages with private actors, results achieved have been insufficient.
176. The review of the 2016 COSOP, conducted in 2020, confirmed the validity of strategic orientations for the rest of its implementation period, but however made change in the results framework. The CSPE found very relevant the change made by explicitly reflecting results in relation to improving the livelihood resilience of pastoral and agro-pastoral communities.<sup>182</sup> On this latter aspect, the series of PCDP focused more on access to socioeconomic services, which were really needed in the agro-pastoralists and pastoralists regions. Addressing issues related to rangeland management was included after in LLRP, which also seemed critical. Based on all previous results achieved and rating, the overall performance of the country strategy and programme is rated at 4.54.

Table 9

**CSPE ratings**

| <b>Evaluation Criteria</b>                                  | <b>Rating</b> |
|---|---------------|
| ○ <b>Relevance</b>  | 5             |
| ○ <b>Coherence</b>  | 4             |
| ○ Knowledge management                                      | 4             |
| ○ Partnership development                                   | 5             |
| ○ Policy engagement   | 5             |
| ○ <b>Effectiveness</b>                                      | 5             |
| ○ Innovation  | 5             |
| ○ <b>Efficiency</b>   | 4             |
| ○ <b>Rural poverty impact</b>                               | 5             |
| ○ <b>Sustainability</b>                                     | 4             |
| ○ Natural resource management and climate change adaptation | 4             |
| ○ Scaling up  | 5             |
| ○ <b>Gender equality and women's empowerment</b>            | 4             |
| <b>OVERALL ACHIEVEMENT</b>                                  | <b>4.54</b>   |

<sup>181</sup> For about 28% of IFAD committed resources devoted to climate change and NRM. This figures reaches 57% when agriculture financing is added. See Annex XX.

<sup>182</sup> Well covered under LLRP.



**Key points**

- The IFAD country strategy and programme consistently addressed key strategic governmental and beneficiaries priorities, in line with sectoral policy.
- IFAD's comparative advantage in Ethiopia was explicitly confirmed in areas of small-scale irrigation development and inclusive rural finance. The programme showed consolidation of learning along phases of projects, not across projects.
- Numerous knowledge were created and rightly disseminated, which informed policy decisions. Nonetheless, a more structures approach to KM was lacking.
- The IFAD supported programme has created effective partnerships at all levels, including strategic, co-financing and operational.
- Results of the programme led to numerous policy related changes, especially in the areas of small scale irrigation, rural finances and cooperatives.
- The programme significantly contributed to improving access to social and economic infrastructure and to increasing productivity and agricultural production, in vulnerable areas prone to natural disasters and shocks.
- There were efficiency gains in terms of timeliness and operational costs, delays have affected several projects.
- Contribution to impacts are confirmed for incomes, nutrition, human, social capital and for rural institutions and policy. There were indications of positive changes for households' assets and human capital.
- The programme included favourably gender mainstreaming approaches and actions, which started to show positive change, but that are still to be consolidate and upscale.
- The embedment of projects within governmental institution and the community-driven development approach applied contributed to the sustainability of results. However, there were challenges in relation to the technical and financial capacities of grassroots organisations established.
- The GoE was able to scale several results achieved by the country programme, albeit on a limited scale sometimes.
- Numerous actions, e.g. SWC practices supported contributed to a better management of natural resources, as well as to strengthening adaptation to climate change. But the small scale of actions led to questioning if these can have a significant impact.

## IV. Performance of partners

### K. IFAD

177. In this chapter, the CSPE assesses the extent to which the two key implementing partners of the country program, IFAD and the Government, have worked to ensure the effectiveness and efficiency of financed operations over the reviewed period.
178. **The design of the country strategy and portfolio projects followed sound processes.** IFAD has been commended by stakeholders for its approach to COSOP development, which was inclusive. Indeed, the COSOP 2016 design followed a comprehensive consultative process at different levels.<sup>183</sup> Key informants interviewed confirmed this fact, favoring an effective alignment with government priorities for the rural sector, with a special focus on smallholder production systems in vulnerable areas. The review of the COSOP 2016 in 2020 also benefited from an extensive participation of national stakeholders. Extensive consultative mechanisms were also applied for the design of all reviewed projects, entailing interactions at all government and grassroots levels. Moreover, risk analysis was conducted holistically for all mentioned projects, including risks at political, macroeconomics and fiduciary levels. The analysis demonstrated the ability to predict risks that (partially) occurred during projects' implementation (e.g. for RUFIP II, PASIDP II, and PCDP III).<sup>184</sup>
179. The strategic niche of IFAD in relation to smallholder farming-systems development is well acknowledged by the GoE and other rural development partners. Aligned with previous analysis, this niche has been strongly manifested in the areas of small scale irrigation development, enabling inclusive rural finance, and promoting grassroots organizations. Recently, IFAD provided support for organizing the national food system summit in 2021 and this has been well appreciated by the MoA.<sup>185</sup>
180. **Evidence suggests that IFAD's implementation support was a critical factor to achieving results.** Support provided by IFAD to ensure projects' effectiveness was commended and credited for positive results, especially with regard to inclusive small scale irrigation and rural finance.<sup>186</sup> The CSPE concurs with this fact but is of the opinion that the good technical knowledge within implementing partners was also a key factor of success, because no specific technical assistance was required, other than the routine oversights during the supervision missions. Where the project staff demonstrated knowledge deficits, for instance in the case of RUFIP II, IFAD conducted adequate staff orientation training which helped in improving the implementation. IFAD also offered adequate support to the implementing agencies, especially in financial management and project management, by ensuring qualified staff were hired, and also that the missions included the right experts. The disbursement rates of funds reached 100 per cent for all closed projects, and have been timely in most cases (see efficiency section). The frequency of the supervision and technical missions reached an average of two per year for all completed projects. The COVID-19 pandemic negatively affected the conduct of supervision and support missions in 2020 and 2021. Nevertheless, operational aspects were not

<sup>183</sup> IFAD launched the preparation of the COSOP 2016 rightly after the completion of the 2015 CPE carried out by IOE. A technical mission was fielded in the country, which had an extensive consultations with key stakeholders within the country, which ended by a consultative workshop attended by those stakeholders. The consultative process was further ensured with interactions between the ICO and representatives of the GoE in order to clarify the strategic focus and orientations.

<sup>184</sup> For instance, RUFIP II experienced less commercial funding availability for microfinance institutions than anticipated; for PASIDP II, the design phase underestimated the cost of irrigation development per hectare; and, for PCDP III, internal conflict and displacement issues arose during the last two years of project implementation.

<sup>185</sup> See <https://summitdialogues.org/wp-content/uploads/2021/09/DRAFT-Ethiopian-Food-System-Technical-Synthesis-Report-09012021.pdf>

<sup>186</sup> MFIs are now capable to attract some private funding from commercial banks.

always articulated for ease of implementation, as evidenced by challenges with procurement, monitoring and evaluation.

181. In spite the overall positive implementation support, the CSPE identified gaps in the area of rural finance. Some observations of the supervision missions clearly show problem areas and challenges. In some cases, the missions either endorsed recommendations from implementing partners or urged immediate action by the PCMU. For instance, the missions clearly established that some of the sources of RUFIP II funding, from the commercial bank and reflows from RUFIP I would not materialize, and they simply recommended that these lines of funds be taken off budget, and that the PCMU pursue reallocation of funds between different components. However, they did not recommend to the government engaging with the commercial banks for using these credit as revolving funds. Furthermore, such engagement of the commercial banks would have brought clarity on their fears, which could be addressed in subsequent designs.<sup>187</sup>
182. While IFAD's support has been effective to the MoA for improving M&E systems, as analyzed in the KM sub-section, the same cannot be said in the area of inclusive rural finance. Indeed, M&E has remained a challenge throughout the RUFIP II seven-year period, and it is still a challenging point for RUFIP III albeit some improvements are being observed (see effectiveness section). The implementing partners undertook reporting to AEMFI and ECC respectively, and the PCMU received reports from these two associations on need basis. There was no evidence of consistency and the reporting was skewed towards the credit line on-lending activities with minimal sector/gender/youth disaggregation, and also very little of the other components.
183. As presented explicitly earlier in the partnership section, IFAD sought for various partners in the implementation of the programme.<sup>188</sup> Even with a small size of its country office, IFAD with the support of the GoE leveraged supports from various partners. Nevertheless, IFAD could have done better in leveraging funding from other co-financiers, e.g. the AfDB in the area of small-scale irrigation schemes.

#### **Summary (IFAD performance)**

184. IFAD designed and implemented its strategy and programme together with the GoE and other partners; and provided adequate support that contributed to the effectiveness of implemented projects. Support gaps were found in the area of rural finance, but on few aspects. Based on the analysis, the CSPE assesses the IFAD performance as **satisfactory (5)**.

## **L. Government**

185. **The GoE showed strong ownership and orientation in the setting of strategic choice and orientations of the IFAD program.** Evidence corroborates the effective participation of the GoE in the design of the COSOP and projects.<sup>189</sup> Interview outcomes confirm the criticality of the GoE's position in the final strategic choices made by IFAD, through the ministry in charge of finance for the loans' negotiations, and the MoA for technical aspects.<sup>190</sup> For instance, IFAD followed the governmental position in the choice of regions of operations and the thematic focus, leading to a great number of regions covered over the evaluated period (most part of the country in the case of RUFIP). The wide spread of interventions, may be seen

<sup>187</sup> The same expectation from commercial banks has been included in RUFIP III design without clarifying how the challenges experienced in RUFIP II will be avoided or overcome.

<sup>188</sup> These partners include the World Bank in the lowlands with pastoralists, where there was an interface with RUFIP II on issues of policy and regulation. Other partners include the African Union where IFAD has been called upon to provide technical assistance on regional events, the European Investment Bank (EIB), Micro Insurance Centre and Alliance for a Green Revolution in Africa (AGRA) as co-financiers for RUFIP III. It was reported that discussions with AGRA were on-going at the time of evaluation.

<sup>189</sup> The evaluated projects contain annexes that illustrate the consultation mechanisms and close involvement of the Ethiopian authorities in their design.

<sup>190</sup> The Governor of IFAD is Minister in charge of agriculture.

as not favorable for consolidating results and impact, but this has not been so, as all projects used existing institutions nationwide and significantly leveraged governmental and other resources. The GoE appreciated this positioning of IFAD supported program, as confirmed through a discussion with a key informant (of strategic high-rank), who reported that this approach has translated into adequate governmental support in terms of counterpart funds and human resources dedication. The strong strategic influence of the GoE can be seen as a “double-edged sword”. On the one hand, it demonstrates government ownership to ensuring the sustainability of interventions beyond project periods. But on the other hand, this restrains IFAD’s ability to adopt more effective strategies, beyond the governmental scope. In fact, given that the “modus operandi” for IFAD is to work with and through government, and given the strong ownership by the GoE, this has limited IFAD’s ability to adequately engage in partnerships with the private sector, as acknowledged by MoA strategic actors interviewed.

186. The GoE established a framework of consultation with various organizations that contribute to rural development efforts in the country. Through sector working groups, the government has effectively positioned its sectoral objectives and attracted partnerships from different development partners (see partnership). An example is the promotion of sustainable Ethiopian agro-industrial development (PROSEAD) programme, for which the GoE got a leverage funding and/or technical cooperation from diverse partners: European Commission, AfDP, GiZ, UNIDO and IFAD (through RUFIP III), as presented in Box A18 in Annex VIII. Through sectoral working groups, as the case of REDFS, the MoA has enabled consultations with all donors (bi- and multi- laterals) in the agriculture sector. Nevertheless, by the time the CSPE was conducted, these mechanisms were intended to properly channel external resources to address GoE priorities, but not to enable effective learning within the agricultural sector, for instance through periodic joint portfolio analysis, review or experience sharing.
187. **The good performance of public institutions with a critical role in projects was an important contributing factor of effectiveness.** The involvement of stakeholders, including beneficiary groups, was ensured through diverse mechanisms established at all levels of government. Project steering committees were established at federal and regional levels, for oversight of implementation, and they, overall, played their roles well considering the review period. Project management (or coordination) units (PMUs/PCUs) were also formed at federal level, embedded within the relevant governmental institutions,<sup>191</sup> with respective teams at the regions to coordinate the interventions at field level (woredas and kebeles). The CSPE found these set up useful in enabling the smooth implementation of projects. Finally, there was no fiduciary management issue signaled in the reviewed programme documentation.
188. As mentioned in the efficiency section there were notable delays for the effectiveness of some projects and reasons explaining them for instance, a delay before setting up the PMU of CBINReMP,<sup>192</sup> the need to complete capacity building activities for MFIs and RUSACCOs that were launched in the first phase for RUFIP II. Similarly, RUFIP III has experienced delays in its implementation, but this time due to COVID-19 pandemic burdens. Finally, staff turnover was also a restraining factor.<sup>193</sup>

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<sup>191</sup> RUFIP II and III placed under the Development Bank of Ethiopia (DBE). PCDP II and PCDP III are under the responsibility of the Ministry of Federal Affairs (MoFA), lately named Ministry of Federal and Pastoral Development Affairs (MoFPDA) and Ministry of Peace (MoP). The LLRP project in nowadays under the new minister in charge of irrigation. PASIDP I and II under the ministry in charge of agriculture.

<sup>192</sup> which was due to its regional nature, and this led to a lengthy process for setting up the regional steering and technical committees

<sup>193</sup> For instance, CBINReMP experienced massive understaffing and a high level of turnover. The project experienced the change of 2 project coordinators, 2 monitoring and evaluation officers, and two financial managers in the first four years of project implementation. Similarly, PCDP II and III experienced a staff turnover, but to a lesser extent.

189. **Governmental support to M&E activities was not sufficient especially for RUFIP projects.** Various reports including the MTR and the PCR pointed out this fact.<sup>194</sup> Weaknesses in the design of the M&E system hindered the effective monitoring of project activities and worsened by the difficulty in finding reliable local M&E experts. Indeed, human resources emerged as a cross cutting issue affecting the functionality of project level M&E systems. With RUFIP II and III, this was really critical because M&E staff are not exclusively working for the IFAD projects, but for various projects within DBE. The case is different for other two projects that have dedicated or project exclusive staff. Limited numbers of staff with high workload in serving the various projects with different activities, and reporting requirements, combined with a lack of incentives, has made it difficult to retain qualified staff. In addition, data quality was identified as a critical issue affecting functionality of project level M&E systems. Understaffing has made data quality check difficult, resulting in data inconsistency. Additionally, there are gaps in some regional M&E systems resulting in failure to adequately capture progress and effectively link with the federal M&E system. This has inhibited building of synergies and sharing of information and results between the federal and regional systems.

**Summary (Government performance)**

190. The GoE provided strong strategic orientation, demonstrated high commitment and ownership in managing the IFAD supported programme, as well as providing an enabling environment for receiving multiple support, and for the smooth implementation of projects. On the less- or non- positive points, in addition to the fact that there were delays with few projects, the GoE support has been weak in enabling effective M&E systems. For these reasons, the CSPE assesses the government performance as **moderately satisfactory (4)**.

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<sup>194</sup> Explained by the poor remuneration which resulted in high staff turnover

## V. Conclusions and recommendations

### M. Conclusions

191. Over the evaluated period (2015-2022), the country context was dominated by high rural poverty, exacerbated by a high exposure and vulnerability of rural communities to natural shocks (especially droughts). Insecurity due to conflict was also present, leading to the deterioration of rural livelihoods in several regions of the country. Consistent with that context and aligned with the second Growth and Transformation Plan (GTP II, 2015-2020) of Ethiopia, the design of IFAD's country strategy and programme included strategic objectives and orientations that aimed at tackling main fragility causes in rural areas (e.g. food insecurity, lack of access to socioeconomic services and poverty). IFAD's strategy and programme covered four main themes – rural finance, community-driven social services, ecosystem resilience and economic resilience – that the CSPE found pertinent in view of challenges faced by smallholder farmers in the targeted remote rural areas. In fact, there was an explicit consensus among rural development partners in Ethiopia on IFAD's comparative advantage on supporting smallholder farming in general, and more specifically on inclusive rural finance and small-scale irrigation systems. Moreover, IFAD and the World Bank are acknowledged for their support to the community-driven development approach.
192. **The GoE demonstrated effective commitment and ownership of the IFAD supported programme, which however limited to engaging with the private sector.** Findings confirm the adequacy of implementation arrangements of projects, with the PMUs fully integrated into the public institutional framework at federal and regional levels, cascaded down to Woredas and Kebeles. This resulted in effective ownership of interventions at all levels, complemented by adequate institutional and budgetary governmental support. The CSPE found these positive for the sustainability of achievements. Furthermore, the government position was critical in the final strategic choices and orientations made by IFAD, for instance with regard to the selection of beneficiary regions and woredas, as well as the thematic focus, which was positive for ownership and responsibility. However this has limited IFAD's ability to deploy effective approaches of partnership with private sector actors, as intended in the COSOP 2016. In fact, alliances to facilitate access to markets were dominated by public stakeholders.
193. **The programme achieved important policy results, "from practice to policy", in spite of the low number of staff of the IFAD country office.** Findings showed that the programme contributed to numerous institutional and policy changes, through the direct usage of projects' results by government actors involved in implementation. The most important policy related results were the: (i) institutionalization of Irrigation Water User Associations with the related Proclamation; (ii) revised Proclamation on banking supervision to enabling a better inclusive finance, including the governance framework; and (iii) development of various cooperative directives for different types of cooperatives including savings and credit, production, marketing, consumer, and multipurpose cooperatives. A key enabling factor of these policy results was the embedment of projects within the government institutional framework.
194. IFAD-supported operations contributed to strengthening the ecosystem and economic resilience in fragile regions. The programme significantly contributed to enabling improved rural livelihood, through increased access to social and economic infrastructure in pastoral and agro-pastoral communities. On one side, investments in small scale irrigation schemes and increased access to financial services in rural areas strongly contributed to the increase in agricultural productivity, as well as farmers' income; which ultimately led to strengthening the economic resilience of smallholder farmers. Additionally, because of the involvement of governmental actors in all of those actions, the collaboration and coordination among regional directorates has improved, which is a positive sustainability factor.

195. In spite of the positive results, the CSPE identified effectiveness gaps in the areas of rural finance and agricultural production systems. In terms of rural finance, the consumer protection objective is yet to be achieved; access to credit lines remained more favorable to big regional (mostly governmental) MFIs than smaller ones and RuSACCOs; there was very limited availability of Islamic friendly financial products; and the M&E by MFIs was limited to mostly financial information gathering. Regarding agricultural production, the capacities of cooperatives are still weak to perform the primary aggregation of products, to enable effective and sustained access to markets through partnerships with private actors. There were also deficiencies in irrigation schemes that prevent farmers from exploiting them optimally, some site-specific environmental issues and the scales of managed watersheds and rangelands that were small to cause significant impact.
196. **Findings show that the portfolio projects contributed to improved human and social capital.** With regard to rural finance, IFAD's support contributed to enhancing knowledge and skills of participating institutions and actors, which resulted in improved business processes, leadership and technical knowledge, through structured trainings and learning- visits and events. The programme also contributed to strengthening a saving culture amongst the rural communities. In remote pastoral areas, investments in social infrastructure (co-financed by the WB) have contributed to improved access to: education, potable water, health centers and sanitation. Finally, the IFAD supported programme contributed to improved bonding and bridging social capital for resilience building within the communities. On this latter point, the promotion of the CDD approach was critical, in establishing and empowering a wide range of community-based organizations, which are becoming key institutional players at local level (for ownership, management and sustainability of investments). However, the capability of grassroots organizations is still weak for financial resources' mobilization and their effective functionality, as in the case for the maintenance of irrigation schemes.
197. IFAD's support complemented the GoE efforts in terms of gender equality and women empowerment, but there is still ample room for improvement. Gender mainstreaming strategies have become more specific and clearer with projects designed under the COSOP 2016; and a gender transformative approach was introduced in one project with the active role of the gender unit of MoA. Overall, the programme contributed to: (i) income gains for beneficiary women, (ii) better access to productive resources, (iii) easing and/or reduced workloads and (iv) positive changes in household responsibilities and relationships (especially between husband and wife). Nonetheless, all these positive changes are limited to a few communities. In fact, even though more women are in leadership positions, their voices are in most cases still not heard when it comes to decisions around access and resource allocation at community level. Moreover, the implementation of the gender model family, a transformative approach piloted under the MoA, remained limited to one project, since it is still yet to be replicated. Overall, results achieved were modest towards promoting gender equality and women's empowerment.
198. **Finally, the IFAD supported programme has performed well in the production, dissemination and usage of knowledge, and enabled (intra) project learning, but not across the programme and the sector.** Good collaborative efforts yielded various knowledge creation, through diagnostic studies, assessments and action oriented research, which have informed policy decisions, for instance in relation to agro-pastoral and pastoral systems. Findings corroborate the dissemination of knowledge and information through various channels including websites, local radios, social media, learning events and visits; all these have enabled intra-project learning and between consecutive phases of the same project. Unfortunately, learning across (inter) various projects did not happen, leading to missed opportunities to consolidate achievements of the entire programme. Additionally, wider functional learning across the rural sector is not yet effective, beyond the harmonization of supports from the donor community.

## N. Recommendations

199. The CSPE made the following recommendations considering the need to consolidate achievements and to improve on areas that deserve further attention.
200. **Recommendation 1: Explicitly include in the next strategic objectives aspects of pro-poor value chain development**, especially when agricultural surplus (both crop and animal production) become significant. In line with this, greater support should be provided for: (i) Capacity building for farmers' cooperatives that have been promoted to perform main functions, such as providing access to inputs and primary aggregation; (ii) Establishing linkages between production cooperatives and financial cooperatives or microfinance institutions for effective access to credit; (iii) Developing win-win partnerships with private actors for effective and sustained access to markets. The promotion of multi-stakeholders' platforms would also be necessary to enable smallholders to engage and effectively participate in key value-chain functions, while facilitating learning and engagement in policy discussion.
201. **Recommendation 2: Enhance resilience building, especially in remote fragile rural areas, by focusing on the development of absorptive and adaptive capacities.** This involves strengthening the agricultural systems to include effective coping mechanisms and alternative solutions for improved and sustained livelihoods. Areas that deserve greater support include: quality assurance in constructing irrigation schemes; better water efficiency and cropping techniques in irrigated plots; capacities (technical, managerial and financial) of community-based organizations; sustainable pastoral system; diversification of economic opportunities; and access to markets. Additionally, it is critical to leverage resources from the donor community to implement watershed and rangeland management at scale, aligned with sustainability and adaptation to climate change.
202. **Recommendation 3: Consolidate and sustain results achieved in relation to financial inclusion**, by enabling stronger engagement of key national players to identify innovative solutions, for instance digital finance, customer protection and micro insurance services. Other key tasks are: (i) the review and revision of criteria for accessing a credit line, so it is more accessible for small microfinance institutions and RuSACCOs; (ii) the implementation of effective M&E systems that are useful to capture outputs and outcomes, both quantitative and qualitative; and (iii) the sustainability of the credit line for lending to micro small and medium enterprises with special focus on rural and agriculture. Finally, it is critical to take action to remove bottlenecks to the expansion of Islamic finance.
203. **Recommendation 4: Upscale or replicate the implementation of the gender transformative approach to other projects**, either of the country programme or under the MoA, to address the root causes of gender-inequality at a significant scale. More efforts are required to improve: (i) the inclusion of women in RuSSACOs; and (ii) the effectiveness of women's role in the management committees of community-based organizations promoted, beyond trying to achieve quotas.
204. **Recommendation 5: Facilitate the sharing of lessons to enhancing the consolidation of results achieved within the programme and the national agriculture sector.** For that purpose, IFAD's support is required to ensure adequate mechanisms for cross-learning across the entire programme, for instance by organizing national learning activities and events on cross-cutting themes or on any relevant topic of interest for mutual learning. Additionally, IFAD's support is also needed to facilitate, in consultation with other key players, the implementation of periodic sector-wide learning events, for instance, the review of portfolio results and/or for thematic presentations discussions (on topics of comparative advantage).



## Definition of the IFAD evaluation criteria

### Evaluation criteria

#### Relevance

The extent to which: (i) the objectives of the /country strategy and programme are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies ; (ii) the design of the strategy, the targeting strategies adopted are consistent with the objectives; and (iii) the adaptation of the strategy to address changes in the context.

#### Coherence

This comprises two notions (internal and external coherence). Internal coherence is the synergy of the intervention/country strategy with other IFAD-supported interventions in a country, sector or institution. The external coherence is the consistency of the intervention/strategy with other actors' interventions in the same context.

Non-lending activities are specific domains to assess coherence.

#### Knowledge management

The extent to which the IFAD-funded country programme is capturing, creating, distilling, sharing and using knowledge.

#### Partnership building

The extent to which IFAD is building timely, effective and sustainable partnerships with government institutions, private sector, organizations representing marginalized groups and other development partners to cooperate, avoid duplication of efforts and leverage the scaling up of recognized good practices and innovations in support of small-holder agriculture.

#### Policy engagement

The extent to which IFAD and its country-level stakeholders engage to support dialogue on policy priorities or the design, implementation and assessment of formal institutions, policies and programmes that shape the economic opportunities for large numbers of rural people to move out of poverty.

#### Effectiveness

The extent to which the country strategy achieved, or is expected to achieve, its objectives and its results at the time of the evaluation, including any differential results across groups.

A specific sub-domain of effectiveness relates to:

Innovation, the extent to which interventions brought a solution (practice, approach/method, process, product, or rule) that is novel, with respect to the specific context, time frame and stakeholders (intended users of the solution), with the purpose of improving performance and/or addressing challenge(s) in relation to rural poverty reduction.<sup>195</sup>

#### Efficiency

The extent to which the intervention or strategy delivers, or is likely to deliver, results in an economic and timely way.

“Economic” is the conversion of inputs (funds, expertise, natural resources, time, etc.) into outputs, outcomes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the context. “Timely” delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context. This may include assessing operational efficiency (how well the intervention was managed).

<sup>195</sup> Conditions that qualify an innovation: newness to the context, to the intended users and the intended purpose of improving performance. Furthermore, the 2020 Corporate-level Evaluation on IFAD's support to Innovation defined transformational innovations as “those that are able to lift poor farmers above a threshold, where they cannot easily fall back after a shock”. Those innovations tackle simultaneously multiple challenges faced by smallholder farmers. In IFAD operation contexts, this happens by packaging / bundling together several small innovations. They are most of the time holistic solutions or approaches applied of implemented by IFAD supported operations.

## Evaluation criteria

### Impact

The extent to which the country strategy has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.

The criterion includes the following domains:

- changes in incomes, assets and productive capacities
- changes in social / human capital
- changes in household food security and nutrition
- changes in institution and policies

The analysis of impact will seek to determine whether changes have been transformational, generating changes that can lead societies onto fundamentally different development pathways (e.g., due to the size or distributional effects of changes to poor and marginalized groups)

### Sustainability and scaling up

The extent to which the net benefits of the intervention or strategy continue and are scaled-up (or are likely to continue and scaled-up) by government authorities, donor organizations, the private sector and others agencies.

Note: This entails an examination of the financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. It involves analyses of resilience, risks and potential trade-offs.

Specific domain of sustainability:

Environment and natural resources management and climate change adaptation. The extent to which the development interventions/strategy contribute to enhancing the environmental sustainability and resilience to climate change in small-scale agriculture.

Scaling-up\* takes place when: (i) other bi- and multi laterals partners, private sector, etc.) adopted and generalized the solution tested / implemented by IFAD; (ii) other stakeholders invested resources to bring the solution at scale; and (iii) the government applies a policy framework to generalize the solution tested / implemented by IFAD (from practice to a policy).

\*Note that scaling up does not only relate to innovations.

### Gender equality and women's empowerment.

The extent to which IFAD interventions have contributed to better gender equality and women's empowerment. For example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods; and in promoting sustainable, inclusive and far-reaching changes in social norms, attitudes, behaviours and beliefs underpinning gender inequality.

Evaluations will assess to what extent interventions and strategies have been gender transformational, relative to the context, by: (i) addressing root causes of gender inequality and discrimination; (ii) acting upon gender roles, norms and power relations; (iii) promoting broader processes of social change (beyond the immediate intervention).

Evaluators will consider differential impacts by gender and the way they interact with other forms of discrimination (such as age, race, ethnicity, social status and disability), also known as gender intersectionality. <sup>196</sup>

### Partner performance (assessed separately for IFAD and the Government)

The extent to which IFAD and the Government (including central and local authorities and executing agencies) ensured good design, smooth implementation and the achievement of results and impact and the sustainability of the country programme.

The adequacy of the Borrower's assumption of ownership and responsibility during all project phases, including government, implementing agency, and project company performance in ensuring quality preparation and implementation, compliance with covenants and agreements, establishing the basis for sustainability, and fostering participation by the project's stakeholders.

<sup>196</sup> Evaluation Cooperation Group (2017) Gender. Main messages and findings from the ECG Gender practitioners' workshops. Washington, DC. <https://www.ecgnet.org/document/main-messages-and-findings-ieg-gender-practitioners-workshop>

## IFAD-financed projects in Ethiopia 2015 – 2022

| <i>Project name</i>  | <i>Project type</i> | <i>Total project cost<br/>US\$ million</i> | <i>IFAD approved financing<br/>US\$ million</i> | <i>Cofinancing<br/>US\$ million</i> | <i>Counterpart<br/>US\$ million</i> | <i>Beneficiary contribution<br/>US\$ million</i> | <i>Executive Board approval</i> | <i>Loan effectiveness</i> | <i>Project completion date</i> | <i>Cooperating institution</i>                     | <i>Project status</i>      |
|--|---------------------|--|---|-------------------------------------|-------------------------------------|--|---------------------------------|---------------------------|--------------------------------|--|----------------------------|
| Participatory Small-scale Irrigation Development Programme (PASIDP I)      | IRRIG               | 57 765 165                                 | 39 996 338                                      |                                     | 14 221 373                          | 3 547 454  | 18/04/2007                      | 10/03/2008                | 30/09/2015                     | IFAD   | Financial Closure          |
| Community-based Integrated Natural Resources Management Project (CBINReMP) | AGRIC               | 25 425 009                                 | 13 015 948                                      | 4 400 241                           | 2 775 814                           | 5 233 006  | 30/04/2009                      | 17/03/2010                | 30/09/2018                     | IFAD   | Financial Closure          |
| Pastoral Community Development Project II (PCDP II)                        | RURAL               | 138 719 700                                | 39 010 000                                      | 80 006 200                          | 49 99 360                           | 14 704 140                                       | 15/09/2009                      | 14/07/2010                | 30/09/2015                     | World Bank: International, Development Association | Financial Closure          |
| Rural Financial Intermediation Programme II (RUFIP II)                     | CREDI               | 248 047 924                                | 100 063 759                                     | 142 116 326                         | 5 867 839                           |  | 15/09/2011                      | 12/06/2012                | 31/12/2020                     | IFAD   | Financial Closure          |
| Pastoral Community Development Project III (PCDP III)                      | RURAL               | 254 145 666                                | 128 941 370                                     | 110 006 683                         | 999 919                             | 14 197 694                                       | 11/12/2013                      | 25/04/2014                | 08/07/2019                     | World Bank: International Development Association  | Financial Closure          |
| Participatory Small-scale Irrigation Development Programme II (PASIDP II)  | IRRIG               | 145 295 000                                | 114 500 000                                     |                                     | 18 722 000                          | 12 073 000                                       | 22/09/2016                      | 13/02/2017                | 31/03/2024                     | IFAD   | Available for Disbursement |

| <b>Project name</b>   | <b>Project type</b> | <b>Total project cost<br/>US\$ million</b> | <b>IFAD approved financing<br/>US\$ million</b> | <b>Cofinancing<br/>US\$ million</b> | <b>Counterpart<br/>US\$ million</b> | <b>Beneficiary contribution<br/>US\$ million</b> | <b>Executive Board approval</b> | <b>Loan effectiveness</b> | <b>Project completion date</b> | <b>Cooperating institution</b>                    | <b>Project status</b>      |
|---|---------------------|--|---|-------------------------------------|-------------------------------------|--|---------------------------------|---------------------------|--------------------------------|---|----------------------------|
| Lowlands Livelihood Resilience Project (LLRP)                         | RURAL               | 451 000 000                                | 90 000 000                                      | 350 000 000                         |                                     | 11 000 000                                       | 12/09/2019                      | 20/05/2020                | 10/10/2025                     | World Bank: International Development Association | Available for Disbursement |
| Rural Financial Intermediation Programme III (RUFIP III)              | CREDI               | 305 788 664                                | 39 990 064                                      | 212 900 000                         | 51 947 200                          | 951 400  | 29/11/2019                      | 08/01/2020                | 31/03/2026                     | IFAD  | Available for Disbursement |
| Participatory Agriculture and Climate Transformation Programme (PACT) | IRRIG               | 179 588 000                                | 88 676 000                                      | 62 568 000                          | 23 885 000                          | 4 459 000  | 28/12/2022                      | /                         | /                              | IFAD  | Board/President Approved   |

## IFAD-funded grants in Ethiopia 2015 – 2022

| <i>Project/grant name</i>  | <i>Grant number</i> | <i>Grant amount US\$</i> | <i>Grant recipient</i> | <i>Approval date</i> | <i>Effective date</i> | <i>Completion date</i> | <i>Country of implementation</i>                                    |
|--|---------------------|--------------------------|------------------------|----------------------|-----------------------|------------------------|---|
| Improving The Performance Of Pro Poor Value Chains Of Sheep And Goat For Enhanced Livelihoods, Food And Nutrition Security In Ethiopia | 2000000764          | 1199911                  | ICARDA                 | 2014                 | 2015                  | 2018                   | Ethiopia  |
| Preventing the COVID-19 crisis becoming a food crisis-IFAD's Rural Poor Stimulus Facility (RPSF)                                       | 2000001073          | 4268093                  | Ministry of Finance    | 2020                 | 2020                  | 2022                   | Ethiopia  |
| Up-scaling Interactive ICT To Increase Uptake Of Agricultural Innovations In Tanzania  | 2000000829          | 1500000                  | Farm Radio / NGO       | 2015                 | 2015                  | 2018                   | Ethiopia, Ghana, Malawi, Mozambique, Senegal, and Tanzania          |
| Improving the articulation between social protection and rural development: lessons from Latin America and Africa                      | 2000001102          | 1820000                  | UniAndes               | 2015                 | 2016                  | 2020                   | LAC: Colombia, México, Perú<br>ESA: Ethiopia, Lesotho, Mali, Zambia |
| Integrated Agricultural Production Systems for the Poor and Vulnerable in Dry Land Areas   | 2000000172          | 1500000                  | ICARDA                 | 2013                 | 2014                  | 2016                   | Egypt, Eritrea, Ethiopia, Kenya, Sudan and Yemen                    |
| Advancing Climate Smart Aquaculture Technologies (ACliSAT)   | 2000001997          | 1000000                  | WordFish               | 2018                 | 2019                  | 2022                   | Egypt, Ethiopia and Eritrea   |
| Agra's Developing And Delivering High-impact Agricultural Technologies Adoptable By Smallholder Farmers                                | 2000001303          | 1000000                  | Agra                   | 2016                 | 2017                  | 2021                   | Mozambique, Malawi, Ethiopia  |
| Improving Rural Financial Inclusion Through Co-operatives (IRFITCO)  | 2000001317          | 2600000                  | CCA_UGA                | 2016                 | 2015                  | 2016                   | Ethiopia, Tanzania, Malawi  |

| <b>Project/grant name</b>   | <b>Grant number</b> | <b>Grant amount US\$</b> | <b>Grant recipient</b>                          | <b>Approval date</b> | <b>Effective date</b> | <b>Completion date</b> | <b>Country of implementation</b>  |
|---|---------------------|--------------------------|---|----------------------|-----------------------|------------------------|---|
| Managing risks for rural development: promoting microinsurance innovations  | 2000001316          | 1800000                  | MIC   | 2016                 | 2017                  | 2020                   | China, Georgia, Ethiopia  |
| More Effective And Sustainable Investment In Water For Poverty Reduction  | 2000000119          | 2000000                  | IWMI  | 2013                 | 2014                  | 2016                   | Ethiopia, Mali, Madagascar, Niger, Rwanda, Tanzania   |
| Promoting sustainability and resilience of smallholder irrigation impacts in sub-Saharan Africa   | 2000002828          | 1490000                  | DWFI – Academic Organizations                   | 2020                 | 2020                  | 2024                   | Burundi, Ethiopia, Niger, Senegal   |
| Strengthening capacity for assessing the impact of tenure security measures on IFAD supported and other projects within the SDG framework | 2000001310          | 220000                   | UN Habitat                                      | 2016                 | 2017                  | 2019                   | India, Philippines, Ethiopia, Madagascar, Sudan, Tunisia, Mauritania, Mali and the Andean region. |
| Use Of Genetic Diversity And Evolutionary Plant Breeding For Enhanced Farmer Resilience   | 2000001629          | 5590000                  | Bioversity                                      | 2017                 | 2018                  | 2023                   | Bhutan, Ethiopia, the Islamic Republic of Iran, Jordan, Nepal and Uganda                          |
| Challenges And Opportunities For Rural Youth Employment In Sub-saharan Africa: A Mixed Methods Of Study To Inform Policy And Programmes.  | 2000001373          | 1500000                  | IDS (Academic Organisations)                    | 2016                 | 2017                  | 2021                   | Ethiopia, Malawi, Niger, Nigeria, Uganda, Tanzania  |
| Climate-resilient Agroecological Transitions Of Food  | 2000003776          | 4299350                  | UIG   | 2022                 | 2022                  | 2027                   | Ethiopia, Vietnam, Colombia   |
| Inter-africabamboo Smallholder Farmers Livelihood Development Programme   | 2000001620          | 2500000                  | INBAR   | 2017                 | 2018                  | 2022                   | Cameroon, Ethiopia, Ghana & Madagascar  |
| Promoting Water Conservation and Irrigation Water Use Efficiency in Ethiopia (SSTC)   | 2000001134          | 499905                   | Ministry of Agriculture and Livestock Resources | 2019                 | 2019                  | 2022                   | Ethiopia  |

## Evaluation Matrix

| Evaluation criteria and definition  | Key evaluation questions  | Data sources and collection methods   |
|---|---|---|
| <p><b>Relevance:</b> The extent to which: (i) the objectives of the intervention/ strategy are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies; (ii) the design of the interventions / strategy, the targeting strategies adopted are consistent with the objectives; and (iii) the intervention / strategy has been (re-) adapted to address changes in the context.</p> | <ul style="list-style-type: none"> <li>• To what extent and in what ways was the country strategy and programme relevant and aligned to: (a) the country's development priorities and challenges, national policies and strategies in the evolving context; (b) IFAD's relevant strategies and priorities; (c) the needs of the target group?</li> <li>• How appropriate was the targeting strategy, with attention to gender, youth, persons with disabilities and other marginalized groups?</li> <li>• Was the design quality in line with available knowledge? Were lessons from previous interventions been adequately taken into consideration in the design?</li> <li>• To what extent and how were the institutional arrangements appropriate to ensure the effectiveness and efficiency of the implementation?</li> <li>• To what extent and how well was the design re-adapted to changes in the context?</li> <li>• How are on-going project approaches relevant and adequate aligned with targets set in the 10 years 10 Years development plan that came into effect in 2020?</li> </ul> | <p>COSOP and programme / projects' documents: design reports, PCRVs, PPEs, and impact evaluation / assessment reports</p> <p>In-depth desk review of national policies, IFAD design reports, and other reports.</p> <p>Interviews with IFAD staff and national stakeholders</p> <p>Interviews and focus groups with beneficiaries during field visits</p>   |
| <p><b>Coherence:</b> This criterion comprises the notions of external and internal coherence. The external coherence is the consistency of the strategy with other actors' interventions in the same context. Internal coherence looks at the internal logic of the strategy, including the complementarity of lending and non-lending objectives within the country programme.</p>   | <ul style="list-style-type: none"> <li>• To what extent were there synergies and interlinkages between different elements of the country strategy and programme (i.e. between projects, between lending and non-lending activities)?</li> <li>• To what extent and how did the country strategy and programme take into consideration other development initiatives to maximize the investments and efficiency and added value?</li> </ul>  | <p>COSOP and programme / projects' documents: design reports, PCRVs, PPEs, and impact evaluation / assessment reports</p> <p>In-depth desk review of strategies documentation (COSOP, COSOP review), and reports of projects supported by other development partners</p> <p>Key informant interviews with IFAD staff, government stakeholders and representatives of partners.</p> <p>Interviews with other relevant stakeholders</p> |
| <ul style="list-style-type: none"> <li>• <b>Knowledge management:</b> The extent to which the IFAD-funded country</li> </ul>  | <ul style="list-style-type: none"> <li>• To what extent lessons and knowledge have been gathered, documented and disseminated?</li> </ul>   | <p>COSOP and programme / projects' documents: design reports, PCRVs,</p>  |

| Evaluation criteria and definition  | Key evaluation questions   | Data sources and collection methods   |
|---|--|---|
| <p>programme is capturing, creating, distilling, sharing and using knowledge.</p>   | <ul style="list-style-type: none"> <li>• How relevant the knowledge mechanisms and/or materials were aligned with effectiveness of the programme?</li> <li>• How organisational learning have been enabled within the country program?</li> <li>• Which results were achieved? Any contribution of grants to that end?</li> <li>• What were key factors for successes and the main challenges?</li> </ul>  | <p>PPEs, and impact evaluation / assessment reports; previous CSPE reports, COSOP review report. In-depth desk review of programme documents and etc. Key informant interviews with IFAD staff and government stakeholders Interviews with IFAD partners and other national non governmental players Field visits and discussion with local partners and evidence gathering</p> |
| <ul style="list-style-type: none"> <li>• <b>Partnership development:</b> The extent to which IFAD is building timely, effective and sustainable partnerships with government institutions, international organizations, private sector, organizations representing marginalized groups and other development partners to cooperate, avoid duplication of efforts and leverage the scaling up of recognized good practices and innovations in support of small-holder agriculture and rural development</li> </ul> | <ul style="list-style-type: none"> <li>• How did IFAD position itself and its work in partnership with other development partners?</li> <li>• What types of partnerships with other partners were established and for what end?</li> <li>• To what extent and how did IFAD foster strategic, co-financing and operational partnerships with other?</li> <li>• Which results were achieved? Any contribution of grants to that end?</li> <li>• What were key factors for successes and the main challenges?</li> </ul>  |   |
| <ul style="list-style-type: none"> <li>• <b>Policy engagement:</b> The extent to which IFAD and its country-level stakeholders engage, and the progress made, to support dialogue on policy priorities or the design, implementation and assessment of formal institutions, policies and programmes that shape the economic opportunities for large numbers of rural people to move out of poverty</li> </ul>   | <ul style="list-style-type: none"> <li>• To what extent and how did IFAD contribute to policy discussions drawing from its programme experience (for example, on themes addressed by the country programmes)?</li> <li>• Which specific policy engagement activities (e.g. policy brief, policy discussion, etc.) were implemented and how these yielded positive results?</li> <li>• Is there any actual policy change that IFAD has contributed to (at least partially)?</li> <li>• Which contribution of grants to better policy engagement and results?</li> <li>• What were key factors for successes and the main challenges?</li> </ul> |   |
| <p><b>Efficiency:</b> The extent to which the intervention or strategy delivers, or is likely to deliver, results in an economic and timely way</p>   | <ul style="list-style-type: none"> <li>• What is the relation between benefits and costs (e.g., net present value, internal rate of return)?</li> <li>• Are programme management cost ratios justifiable in terms of intervention objectives, results achieved, considering contextual aspects and unforeseeable events?</li> </ul>  | <p>In-depth desk review of IFAD documentation and database (e.g. Oracle Business Intelligence), including: historical project status reports, project financial statements, disbursement data, project</p>  |



| Evaluation criteria and definition  | Key evaluation questions   | Data sources and collection methods  |
|---|--|--|
| <p>“Economic” is the conversion of inputs (e.g., funds, expertise, natural resources, time) into outputs, outcomes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the context. “Timely” delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context. This may include assessing operational efficiency (how well the intervention was managed).</p>   | <ul style="list-style-type: none"> <li>• Is the timeframe of the intervention development and implementation justifiable, taking into account the results achieved, the specific context and unforeseeable events?</li> <li>• Were the financial, human and technical resources adequate and mobilised in a timely manner?</li> <li>• Are unit costs of specific interventions (e.g. infrastructures in micro projects) in line with recognised practices and congruent with the results achieved?</li> <li>• What factors affected efficiency of IFAD interventions?</li> </ul>   | <p>financing data, economic and financial analyses, information on project timeline, etc.<br/>M&amp;E data<br/>Cost and benefit data from other similar project<br/>Interviews with IFAD staff and national stakeholders<br/>Interviews and focus groups with direct and indirect beneficiaries during field visits, spot validation of reported costs, benefits</p>   |
| <p><b>Effectiveness:</b> The extent to which the intervention/country strategy achieved, or is expected to achieve, its objectives and its results at the time of the evaluation, including any differential results across groups</p> <ul style="list-style-type: none"> <li>• <b>Innovation:</b> the extent to which interventions brought a solution (practice, approach/method, process, product, or rule) that is novel, with respect to the specific context, time frame and stakeholders (intended users of the solution), with the purpose of improving performance and/or addressing challenge(s) in relation to rural poverty reduction.</li> </ul> | <ul style="list-style-type: none"> <li>• To what extent were the objectives of the country strategy and programme (outcome-level in the ToC) achieved or are likely to be achieved at the time of the evaluation?</li> <li>• Which were concrete achievements for each thematic area identified?</li> <li>• Did the interventions / strategy achieve other objectives/outcomes or did it have any unexpected consequence?</li> <li>• How effectively were the implementation issues / challenges addressed?</li> <li>• What factors had positive or negative influence on the achievement of the intended results? What about the COVID-19 pandemic?</li> <li>• How did the grant programme contribute to better effectiveness?</li> <li>• To what extent did the programme or project support / promote innovations, aligned with stakeholders’ needs or challenges they faced? In what ways were these innovative in the country/local context?</li> <li>• Were the innovations inclusive and accessible to different groups (in terms of gender, youths, and diversity of socio-economic groups)?</li> <li>• To what extent and how have those innovations led to positive outcomes in addressing challenges within the system?</li> <li>• Which contribution of grants in leveraging the promotion of successful innovations?</li> </ul> | <p>COSOP and programme / projects’ documents: design reports, PCRVs, PPEs, and impact evaluation / assessment reports; previous CSPE reports; COSOPs review reports.<br/>In-depth desk review of programme documents and etc.<br/>Interviews with IFAD staff and national stakeholders<br/>Interviews and focus groups with beneficiaries during field visits<br/>GIS data Analysis<br/>Field visits and discussion with direct and indirect beneficiaries during field visits<br/>Secondary data for benchmarking</p> |

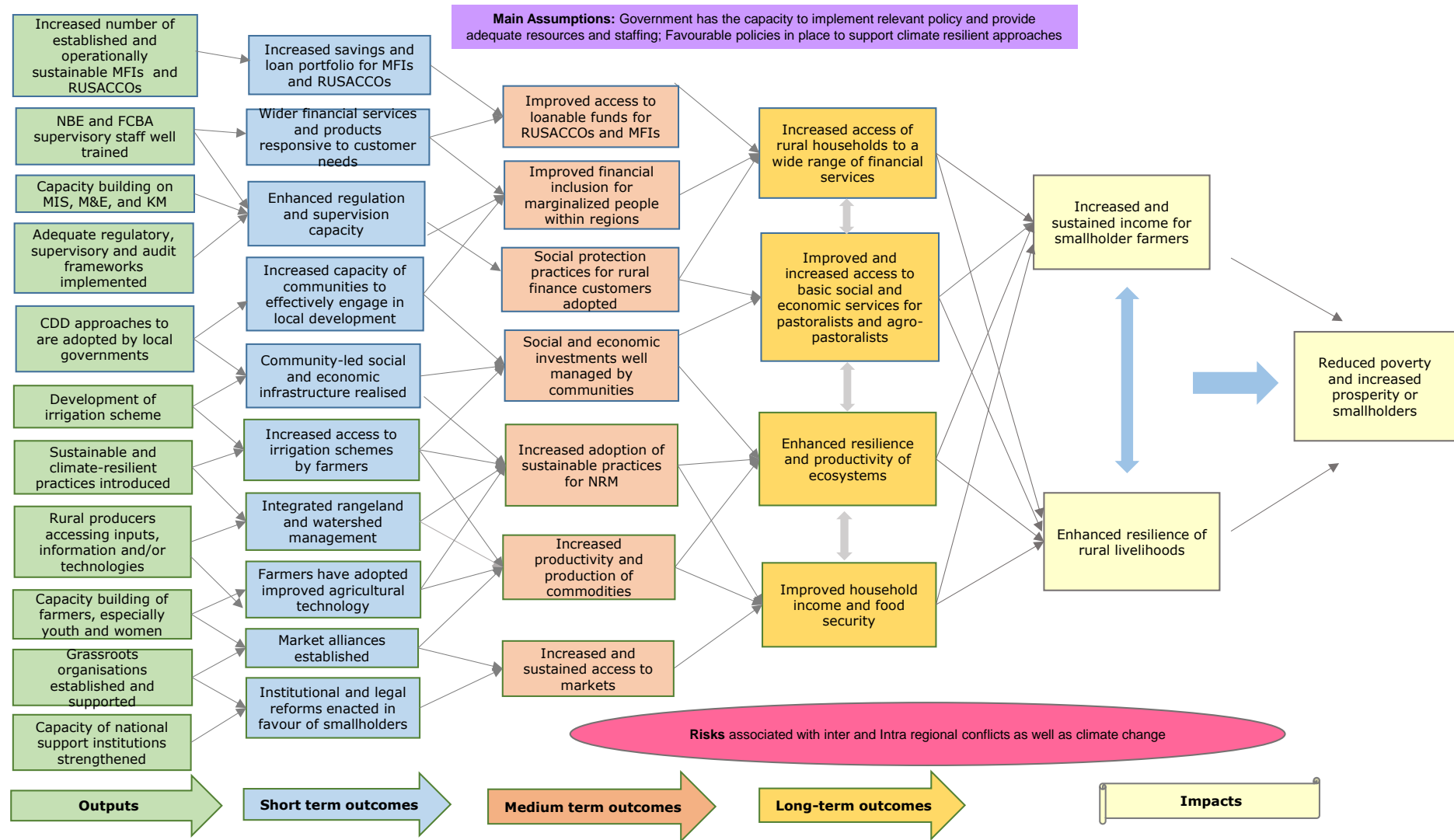
| Evaluation criteria and definition  | Key evaluation questions   | Data sources and collection methods   |
|---|--|---|
| <p><b>Impact:</b> The extent to which an intervention/country strategy has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects. The criterion includes the following domains:</p> <ul style="list-style-type: none"> <li>-changes in incomes, assets and productive capacities</li> <li>-changes in social / human capital</li> <li>-changes in household food security and nutrition</li> <li>-changes in institution and policies</li> </ul> <p>The analysis of impact will seek to determine whether changes have been transformational, generating changes that can lead societies onto fundamentally different development pathways (e.g., due to the size or distributional effects of changes to poor and marginalized groups)</p> | <ul style="list-style-type: none"> <li>• What are evidence of the contribution of IFAD-funded interventions to changes in household incomes, assets, food security and nutrition, human and social capital of the target group?</li> <li>• What are the observed changes in terms of emergence and/or strengthening of rural institutions within communities, as well as policy change? How did the intervention result in or contribute to those changes?</li> <li>• What are the evidences demonstrating increased resilience of beneficiary households and communities?</li> <li>• From an equity perspective, to what extent has the interventions had positive impact on youths, the very poor / marginalized groups, and how?</li> <li>• Were there any unintended impacts, both negative and positive?</li> </ul>   | <p>COSOP review reports, PCRVs, PPEs, and reports of impact evaluation and assessment; previous CSPE reports. In-depth desk review of strategy and programme documents, etc. GIS data Analysis Interviews and focus groups with beneficiaries during field visits Key informant interviews with IFAD staff and national stakeholders Evidence and testimonies gathering Field visits and discussion with direct and indirect beneficiaries during field visits Secondary statistical data on poverty, household incomes and nutrition where available and relevant (possible benchmark)</p> |
| <p><b>Gender equality and women's empowerment:</b> The extent to which IFAD interventions have contributed to better gender equality and women's empowerment. For example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; workload balance and impact on women's incomes, nutrition and livelihoods; and in promoting sustainable, inclusive and far-reaching changes in social norms, attitudes, behaviours and beliefs underpinning gender inequality. Evaluations will assess to what extent interventions and strategies have been</p>  | <ul style="list-style-type: none"> <li>• What were the contributions of IFAD-supported interventions to changes in: (i) women's access to resources, income sources, assets (including land) and services; (ii) women's influence in decision-making within the household and community; (iii) workload distribution (including domestic chores); (iv) women's health, skills, nutrition?</li> <li>• Were there notable changes in social norms, attitudes, behaviours and beliefs and policies / laws relating to gender equality?</li> <li>• Was attention given to programme implementation resources and disaggregated monitoring with respect to gender equality and women's empowerment goals?</li> </ul> <p><u>Youths</u></p> <ul style="list-style-type: none"> <li>• The extent to which supports did contribute to improve rural youths resilience and livelihoods by increasing: (ii) their productive</li> </ul> | <p>COSOP and programme / projects' documents: design reports, PCRVs, PPEs, and impact evaluation / assessment reports; previous CSPE reports. In-depth desk review of strategy and programme documents, etc. Interviews with IFAD staff and national stakeholders Interviews and focus groups with beneficiaries during field visits Key informant interviews with IFAD staff and national stakeholders Evidence and testimonies gathering Field visits and discussion with direct and indirect beneficiaries during field visits Secondary statistical data on gender)</p>                 |

| Evaluation criteria and definition   | Key evaluation questions  | Data sources and collection methods  |
|--|---|--|
| <p>gender transformational, relative to the context, by: (i) addressing root causes of gender inequality and discrimination; (ii) acting upon gender roles, norms and power relations; (iii) promoting broader processes of social change (beyond the immediate intervention).</p> <p>Evaluators will consider differential impacts by gender and the way they interact with other forms of discrimination (such as age, race, ethnicity, social status and disability), also known as gender intersectionality</p>      | <p>capacities (ii), their capacities to undertake / engage in economic activities (iii), their access to markets?</p> <ul style="list-style-type: none"> <li>• Which evidence are available in terms of positive change on youths due to the contribution of supports provided?</li> <li>• What have been the contribution of non-lending activities, especially grant supports, to those change?</li> </ul>  |  |
| <p><b>Sustainability:</b> The extent to which the net benefits of the intervention or strategy continue and are scaled-up (or are likely to continue and be scaled-up) by government authorities, donor organizations, the private sector and others agencies.</p> <p>Note: This entails an examination of the financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. It involves analyses of resilience, risks and potential trade-offs.</p> | <ul style="list-style-type: none"> <li>• To what extent did the intervention/country strategy and programme contribute to long-term technical, social, institutional, and financial / economical sustainability?</li> <li>• Did/would community based organisations and institutions continue operation without external funding? What are the explaining factors?</li> <li>• What about the sustainability of inclusive financial institutions in rural areas?</li> <li>• Are the infrastructure microprojects financed by the projects likely to be maintained? And what about the outcomes of other types of microprojects?</li> <li>• Did/would national level institutions continue activities they initiated with IFAD support? What are the explaining factors?</li> </ul> | <p>In-depth desk review of IFAD documentation</p> <p>Interviews with IFAD staff and national stakeholders</p> <p>Interviews and focus groups with direct and indirect beneficiaries during field visits</p> <p>M&amp;E data</p> <p>Interviews with other development partners with similar/relevant support</p>          |
| <p><b>Environment and natural resources management and climate change adaptation.</b> The extent to which the development interventions/strategy contribute to enhancing the environmental sustainability and resilience to climate change in small-scale agriculture.</p>   | <ul style="list-style-type: none"> <li>• To what extent did IFAD interventions contribute to a more sustainable environmental management?</li> <li>• To what extent did IFAD interventions contribute to more productive and resilient agro-pastoral ecosystems?</li> <li>• Did IFAD interventions have any positive or negative effects on other ecosystems (forests, pastures and non-pastoral agricultural landscapes)?</li> <li>• To what extent and how did IFAD-supported interventions contribute to better adaptation by the target group rural population to climate change?</li> </ul>  | <p>COSOP and programme / projects' documents: design reports, PCRVs, PPEs, and impact evaluation / assessment reports; previous CSPE reports; COSOPs review reports.</p> <p>In-depth desk review of strategy and programme documents, etc.</p> <p>Interviews and focus groups with beneficiaries during field visits</p> |

| Evaluation criteria and definition  | Key evaluation questions  | Data sources and collection methods   |
|---|---|---|
|   | <ul style="list-style-type: none"> <li>Are there any indication of contribution of projects to mitigation of climate change (e.g. on livestock production, agro-pastoral resources, etc)?</li> </ul>  | <p>Key informant interviews with IFAD staff and government stakeholders<br/>Field visits and discussion with direct and indirect beneficiaries during field visits<br/>GIS data analysis</p>  |
| <p><b>Scaling up:</b> takes place when: (i) bi- and multi laterals partners, private sector, communities) adopt and diffuse the solution tested by IFAD; (ii) other stakeholders invested resources to bring the solution at scale; and (iii) the government applies a policy framework to generalize the solution tested by IFAD (from practice to policy).</p>  | <ul style="list-style-type: none"> <li>To what extent were results scaled up or clear indication for future scaling up by other development partners, or the private sector?</li> <li>Is there an indication of commitment of the government and key stakeholders in scaling-up interventions and approaches, for example, in terms of provision of funds for selected activities, human resources availability, continuity of pro-poor policies and participatory development approaches, and institutional support?</li> <li>How scaling related to “from action to policy” scaling up was enabled and achieved?</li> </ul>   | <p>In-depth desk review of strategy and programme documents, etc.<br/>Interviews with IFAD staff, national stakeholders and other elopement partners.<br/>Key informant interviews with IFAD staff and government stakeholders<br/>Interviews with ddevelopment partners</p>  |
| <p><b>Performance of partners (IFAD &amp; Government):</b> The extent to which IFAD and the Government (including central and local authorities and executing agencies) supported design, implementation and the achievement of results, conducive policy environment, and impact and the sustainability of the intervention/country programme.</p> <p>The adequacy of the Borrower's assumption of ownership and responsibility during all project phases, including government and implementing agency, in ensuring quality preparation and implementation, compliance with covenants and agreements, supporting a conducive policy environment and establishing the basis for sustainability, and fostering participation by the project's stakeholders.</p> | <p><u>IFAD:</u></p> <ul style="list-style-type: none"> <li>How was the IFAD's strategic oversight effective?</li> <li>How did IFAD take into account contextual issues and challenges in working in the country?</li> <li>How effectively did IFAD support the overall quality of design, including aspects related to project approach, compliance, and implementation aspects?</li> <li>How proactively did IFAD identify and address threats to the achievement of project development objectives?</li> <li>To what extent did the design take into account factors of fragility and/or vulnerability of the system components?</li> <li>How effectively did IFAD support the implementation of projects on aspects related to project management, financial management, and setting-up project level M&amp;E systems?</li> </ul> <p><u>Government:</u></p> <ul style="list-style-type: none"> <li>How tangible was the Government's commitment to achieving development objectives and ownership of the strategy / projects?</li> <li>Did the Government adequately involve and consult beneficiaries/stakeholders at design and during implementation?</li> <li>How did the Government position itself and its work in partnership with other development partners?</li> </ul> | <p>In-depth desk review of strategy and programme documentation, including the quality of design, frequency and quality of supervision and implementation support mission reports, project status reports, PCRs, key correspondences (IFAD-Government), COSOP and COSOP review,<br/>Project M&amp;E data and systems<br/>Interviews with IFAD staff and government stakeholders<br/>Interviews and focus groups discussion with other non governmental stakeholders</p> |

| Evaluation criteria and definition | Key evaluation questions   | Data sources and collection methods |
|------------------------------------|--|-------------------------------------|
|                                    | <ul style="list-style-type: none"> <li>• How well did the PCUs manage start up process, staff recruitment, resource allocation, implementation arrangements, the involvement and coordination with other partners, especially public institutions?</li> <li>• How timely did the PCUs identify and resolve implementation issues? Was project management responsive to context changes or the recommendations by supervision missions or by the Project Steering Committee?</li> <li>• How adequate were project planning and budgeting, management information system/M&amp;E? Were these tools properly used by project management?</li> <li>• How well did the PCUs fulfil fiduciary responsibilities (procurement, financial management)?</li> </ul> |                                     |

# Theory of Change



## Additional information on the country context and on IFAD's operations

Box A1

### 2016 CSPE recommendations

**Recommendation 1: Focus on fewer thematic areas and enhance the quality of programmes.** This recommendation on fewer thematic areas repeats what was already a major recommendation of the 2008 CPE. Despite being a significant partner for Ethiopia, the IFAD programme, even if further financially augmented in the next COSOP cycle because of good country performance, is relatively small in the context of significant overall support from multiple donors. IFAD should use its limited resources to focus on those areas where it has a comparative advantage and where it has already established, or has the potential to establish, a leadership position. This CPE agrees with the previous CPE that PCDP, SSI and rural finance should be the areas for continued IFAD support. This portfolio also enables IFAD to maintain a focus on the poor and on food-deficit areas.

The CPE suggest that the issue of adequacy of human resources for the ICO be reviewed but in the context of the need to focus on fewer tasks. Staff turnover of is an opportunity to look at the skills mix of the ICO as a whole and consider the possibility of increasing staff.

The valuable experiences of CBINReMP and the SLMP on sustainable land and water management and climate change should be mainstreamed into PCDP and PASIDP. The CPE welcomes the renewed emphasis on environmental and social aspects in PCDP III and also the expansion of SLMP to the semi-arid areas of Ethiopia and recommends the close collaboration with SLMP and inclusion of these considerations in PCDP III and the new PASIDP II project.

More specifically, IFAD could enhance the quality of programmes through the following:

- The issue of mobility to ensure the option of pursuing pastoralist livelihoods is to be addressed by PCDP
- IFAD does not need to support the next phase of CBINReMP since what was covered in this project has already been incorporated by the Government into a much larger, multi-donor-supported SLMP
- There are proposals being made by MOANR to include a marketing component in the next phase of PASIDP. The CPE recommends against it as it would once again divert the focus of both PASIDP and disperse IFAD's limited human resources. After a difficult and less than satisfactory start-up, PASIDP PCMU has only now been able to come to speed in its core functions of developing SSI and supporting services, improving coordinated delivery and cooperating with marketing initiatives of other partners. Marketing is clearly important but interventions in this area need to be based on a well-considered strategy that is yet to be developed, and IFAD should not try to do everything by itself.

**Recommendation 2: Use a longer-term programmatic approach to lending.**

Except for PCDP, where IFAD has followed the programmatic lending by the World Bank, all other IFAD projects have been conceived and implemented as discrete project phases. This often has meant a hiatus between phases (as is occurring in PASIDP), or one-off efforts that are missed opportunities for broader policy and institutional development (as in CBINReMP and AMIP), or missed opportunities for a more proactive role in policy and institutional development (RUFIP-I and II). In addition, most projects are designed for long gestation (eight or more years), with actual implementation often taking up to ten years. A succession of project phases is often a more effective way to introducing continuing improvements in institutions and policies over the long-term. Going forward, the CPE recommends that the new projects be conceived as a part of a long-term programme in the particular theme/sub-sector. The PCDP series of project phases provides a model in this regard. In contrast with many other countries, IFAD has a real opportunity to move towards programmatic lending in Ethiopia and be a catalyst for reforms, given its strong partnership with the country

**Recommendation 3: Focus more clearly on non-lending services.** With its strong partnership with the Government and unique experience in small-scale irrigation, rural finance and pastoral community development, IFAD is well placed to play a much stronger role in being a source of advice on policy and sector development. It has done a good job in financing important projects but has not been as proactive in using the projects to move the policy and institutional agenda. There are few IFAD knowledge products or policy papers that would normally form the basis for policy discussions with the Government. There is potential to increasingly partner with the CGIAR (Consultative Group for International Agricultural Research) centres for evaluations and to share development results through publications. The CPE notes that just because there were no formal documents prepared by IFAD does not necessarily mean that policy dialogue did not take place. What is needed, however, is to ensure that the policy dialogue agenda defined in the COSOP is realistic and then backed by a clear agenda for implementation that is appropriately documented. A positive aspect of the current COSOP is that the policy dialogue agenda was closely linked to IFAD projects, an approach that should be maintained in the next COSOP.

In part, enhancing non-lending services is an issue of adequacy of resources. A narrower focus on fewer areas as recommended above should help in this regard. But in part it is also due to the COSOP not defining the mechanisms or resources needed to carry out the knowledge management and policy agendas that it had laid out. The CPE recommends that the next COSOP take care in defining a logical causality chain (or a Theory of Change) with outputs, outcomes and objectives at the strategic level, and few but well-chosen indicators. Collaboration with a centre of excellence would be an advantage to improve the whole system (e.g. International Food Policy Research Institute, which already collaborates with PCDD III on M&E and with MOANR on Strategic Analysis and Knowledge support). The Strategic Guidance of IFAD Management for grants in 2016, in which one of the four priorities is 'Better results measurement through improved M&E systems' is an opportunity to be seized. The COSOP should also lay out a clear and actionable agenda for knowledge management and policy dialogue, backed with a specific allocation of resources. It should also set out specific products that IFAD would produce to carry out the agenda.

Based on the good work of PASIDP and RUFIP, IFAD should consider further deepening and expanding its results by attracting partners with additional financial means (similar to its partnership with the World Bank for PCDD). In the case of PASIDP, IFAD should seek and engage with an appropriate partner/donor that would address marketing constraints.

Source: CPE, 2016

Box A2

### **Further environmental challenges in Ethiopia**

Flash floods and seasonal river floods are also becoming more frequent and widespread. Climate change is expected to increase the risk and intensity of flooding, and increase the likelihood for water scarcity. Frequent and extensive droughts in the country have a considerable effects on Ethiopia's livestock, because decreased rainfall shrinks available water resources, and reduces the productivity of grasslands and rangelands. Ethiopia remains committed to reducing its vulnerability to climate change and protection of livelihoods. The country submitted its contribution to the United Nations Framework Convention on Climate Change (UNFCCC) in 2016, to support sustainable development in line with its Growth and Transformation Plan II (GTP II) and the Climate Resilient Green Economy (CRGE) Strategy

Source: CSPE elaboration from desk review



## Box A3

**Official Development Assistance in Ethiopia**

Globally, Ethiopia has the ninth largest population in extreme poverty and is the second largest recipient of ODA to health, agriculture, and food security. Also it is the fourth largest recipient of humanitarian assistance (the country's second largest sector) provided mostly as commodities and food aid. Infrastructure, the third largest sector, receives mostly loans and equity ODA equivalent to 12 per cent of national income, or \$138 per poor person.<sup>197</sup>

OECD highlights Ethiopia as the first of the top ten ODA recipients in Africa in 2019, with US\$ 4677 millions (8% of total ODA in Africa).

Sectoral data on ODA is sparse. The latest ODA statistics released by Ministry of finance and economic cooperation in 2018 indicate that agriculture sector had the highest ODA allocation of 37.4 per cent of the total flows in 2009. Further available data on agriculture<sup>198</sup> indicates that approximately 9 per cent of donor funding goes to the production sector – within this, between 2006 and 2010, agriculture amounted to US\$789 million. Canada is the largest donor to the agriculture sector (35 per cent), followed by Germany and Japan, each with 15 per cent contributions. Between 2006 and 2010 the largest sub-sector was agricultural inputs (US\$263 million), followed by agricultural development (US\$133 million), land resources (US\$72 million) and water resources (US\$53 million). In 2010, agricultural development received the largest proportion of aid, followed by forestry, agricultural research, and agricultural extension.

Source: CSPE elaboration from desk review

## Box A4

**Outcome of the nation UN food summit of Ethiopia in 2021**

In 2021, Ethiopia participated at the UN Food Systems Summit (UNFSS) and initiated the national pathways for food systems transformation through a consultative process (Zewdie and Girma, 2022). The national pathways are grounded on the following strategies: (i) ensure diversified food production and increase the supply of nutrient dense foods; (ii) strengthen innovative supply chain strategies / mechanisms for food management and handling systems; (iii) promote food production practices that conserve soil and the environment and provide for better access to agricultural inputs, technologies, and financial services especially for rural dwellers; (iv) support the development of equitable food systems livelihoods by promoting agro- and food processing that promote food safety whilst limiting post-harvest losses; and (v) build resilience to vulnerabilities and shocks.

Source: CSPE elaboration from desk review

<sup>197</sup> <http://devinit.org/wp-content/uploads/2013/09/Investments-to-End-Poverty-Chapter-10-Ethiopia.pdf>

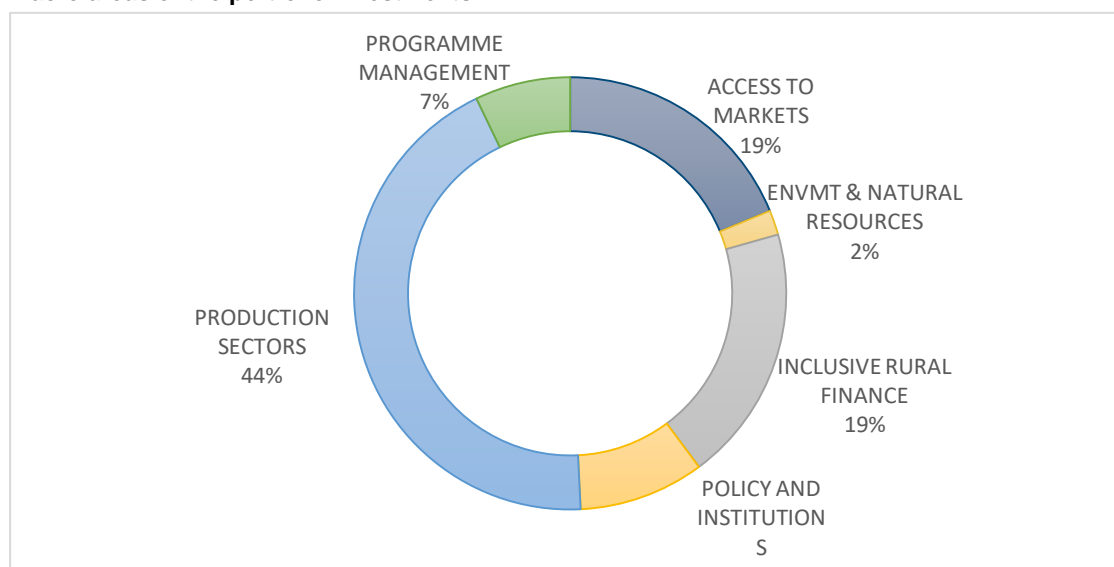
<sup>198</sup> <http://devinit.org/wp-content/uploads/2013/08/Ethiopia-Resources>

Table A4  
**Key element of the 2016 COSOP compared to 2008**

|                                     | COSOP 2008   | COSOP 2016   |
|-------------------------------------|--|--|
| <b>Strategic Objectives</b>         | 1- Enhanced access by poor rural households to natural resources (land & water);<br>2- Improved production technologies and support services effectively delivered to poor rural households<br>3- Reliable financial services made available to poor rural households  | 1- Enhanced resilience and productivity of ecosystems and livelihoods through improved management of natural resources, particularly water<br>2- Enhanced linkages with the private sector to ensure increased and sustained access to markets, finance and agricultural technology  |
| <b>Comparative advantage</b>        | Lead position developed in the areas of small-scale irrigation development, rural finance and pastoral community development   | Proven track record in investing in rural peoples' livelihoods and development of their institutions.  |
| <b>Geographic priority</b>          | Afar, ANRS, Gambella, Oromiya, SNNPR and Somali  | Afar, Amhara, Benishangul-Gumuz, Gambella, Oromia, SNNPR and Somali.   |
| <b>Main target groups</b>           | Poor farmers/ pastoralists<br>Landless youth<br>Women headed households  | Poor farmers/ pastoralists<br>Landless youth<br>Women headed households  |
| <b>Non lending activities focus</b> | Partnerships: diversification of co-financing for all projects<br><br>Knowledge management: to document (a) IFAD's contribution to aid effectiveness and (b) successful poverty reduction initiatives worth scaling up.<br><br>Policy dialogue on: (i) the participatory design, development and implementation of a national land use policy (including for pastoral areas); (ii) the development and implementation of community-owned land use plans; (iii) perceived land insecurity, demarcation and the issuance of first- and second-level certificates; (iv) rural household energy policies and strategies; (v) the growing number of landless youth (women and men); and (vi) development of contingency planning to help poor rural households cope with external shocks. | (i) proactive brokering of partnerships with the private sector and research institutions, including linkages to IFAD's grant portfolio in Ethiopia and beyond, to mobilize technical support and facilitate uptake of research products;<br>(ii) engagement of the IFAD Country Programme Management Team in existing forums for policy engagement, partnership and coordination;<br>(iii) implementation support and technical analyses to generate and document lessons and knowledge to be fed into policy processes; (iv) support to M&E and knowledge management as a basis for scaling up and policy engagement; and<br>(iv) knowledge exchange within the context of South-South and Triangular Cooperation. |

Source: COSOP 2008 and 2016

Graph A1  
**Macro areas of the portfolio investments**



Source: IOE analysis based on OBI data. Period covered: 2013-2021.

Table A5  
**PBAS allocation and other resources mobilized**

|  | <b>IFAD9</b> | <b>IFAD10</b> | <b>IFAD11</b> | <b>IFAD12</b> |
|--|--------------|---------------|---------------|---------------|
| <b>PBAS allocation</b>                           | 88,262,053   | 132,418,293   | 129,990,064   | 78,203,748    |
| % ESA PBAS                                       | 8.57 %       | 10.12 %       | 5.83 %        | 2.67%         |
| PBAS used  | 101,222,988  | 132,418,293   | 129,990,064   | 78,200,000    |
| % used   | 114,2 %      | 100 %         | 100 %         | 99.9 %        |
| <b>Co-financing</b>                              |              |               |               |               |
| International Development Association (IDA)      | 110,006,683  |               | 350,000,000   |               |
| National Government                              | 999,919      | 18,722,000    | 51,947,200    | 23,885,000    |
| Beneficiaries                                    | 14,197,694   | 12,073,000    | 11,951,400    | 4,459,000     |
| Alliance for a Green Revolution in Africa (AGRA) |              |               | 1,500,000     |               |
| Domestic Financial Institution                   |              |               | 60,000,000    | 3,673,000     |
| European Investment Bank (EIB)                   |              |               | 112,000,000   |               |
| European Union                                   |              |               | 14,218,410    | 16,860,000    |
| Other source (TBD)                               |              |               | 20,000,000    | 42,035,000    |

Source: IOE analysis based on Oracle Business Intelligence data. Period covered: 2013-2022

Table A6  
**Evaluability portfolio projects and available reports**

| <i>Project</i>   | <i>Status</i> | <i>Self-Evaluation reports available</i>  | <i>IOE reports</i> | <i>Others</i>                     | <i>Evaluability</i>                  |
|--|---------------|---|--------------------|-----------------------------------|--------------------------------------|
| Community-based Integrated Natural Resources Management Project (CBINReMP) | Completed     | <i>Supervision report 2013; MTR 2014; Supervision report 2016; Supervision report 2017; Supervision report 2018; PCR 2019</i>   | <i>IE 2021</i>     |                                   | All criteria                         |
| Pastoral Community Development Project II (PCDP II)                        | Completed     | <i>PCR 2014*</i>  | <i>PPA 2016</i>    |                                   | All criteria                         |
| Participatory Small-scale Irrigation Development Programme I (PASIDP I)    | Completed     | <i>Progress report 2008; Supervision report 2010; Supervision report 2011; Supervision report 2012; Supervision report 2013; MTR 2013; Supervision report 2014; PCR 2016; Baseline survey report 2010</i> | <i>CPE 2016</i>    | <i>RIA Impact Assessment 2018</i> | All criteria                         |
| Rural Financial Intermediation Programme II (RUFIP II)                     | Completed     | <i>Supervision Report 2013; Supervision Report 2014; MTR 2015; Supervision Report 2016; Supervision Report 2017; Supervision Report 2018; PCR 2021.</i>   | <i>CPE 2016</i>    | <i>RIA Impact Assessment 2022</i> | All criteria                         |
| Pastoral Community Development Project III (PCDP III)                      | Completed     | <i>Supervision Report 2019; PCR 2020.</i>   |                    |                                   | All criteria                         |
| Participatory Small-scale Irrigation Development Programme II (PASIDP II)  | Ongoing       | <i>Supervision Report 2017; Supervision Report 2018; MTR 2019; Supervision Report 2019; Supervision Report 2020;</i>  |                    | <i>Spatial Data (GIS)</i>         | Relevance, Effectiveness, Efficiency |
| Lowlands Livelihood Resilience Project (LLRP)                              | Ongoing       | <i>Supervision Report 2020; Supervision Report 2022;</i>  |                    |                                   | Relevance                            |
| Rural Financial Intermediation Programme III (RUFIP III)                   | Ongoing       | <i>Supervision Report 2021</i>  |                    |                                   | Relevance                            |

\*World Bank format document

## Box A5

**Evaluation themes identified at inception**

**Community driven development (CDD).** Some projects (e.g. CBINReMP, PCDPII&III) applied a CDD approach, with the purpose of responding to communities' socioeconomic needs, but also for better natural resources management. Such an approach has proved to be useful in fragile contexts and this may justify the successive projects that applied it. Thus, the CSPE will explore conditions of success and challenges faced, lessons learned, and how these contributed to scaling up results.

**Inclusive rural Finance.** The importance of rural finance in the portfolio is underscored by the fact that there are three projects wholly focussed on finance (RUFIP I-II-III). The main focus of rural finance has been on strengthening and broadening the outreach of financial services to the rural sector through sustainable and autonomous rural financial institutions (RUSACCOs) and MFIs, and promotion of agricultural financial products. The CSPE will assess how useful were arrangements put into established by the projects and financial products promoted. Also of interest is the effectiveness of the institutions on both the demand side (access to loanable funds, effective financial inclusion for marginalized people) and supply side (capacity to deliver quality and reliable services). Finally, the sustainability of the inclusive financial institutions will also be assessed.

**Livelihood resilience.** The CSPE will look at the evidence available to ascertain the improvements in pastoral and agro-pastoral livelihoods, as well as the projects' support/response to factors supporting or limiting results, such as rangeland management, land tenure security and access to public services and financial services. It will also review the design, implementation, and results of project investments to support community-owned investments in terms of social and economic infrastructure. Finally, the CSPE will assess the extent to which support to pastoralist groups has taken a nutrition-sensitive approach, as outlined in the COSOP, and to build their resilience considering the fragility of the regions.

**Ecosystem resilience.** The country context outlines the severity of risks faced by Ethiopians from agricultural expansion, unsustainable agricultural practices, deforestation and overgrazing that contribute to environmental fragility of systems in the country. To support small-scale producers to adapt to these risks, the COSOP identified promotion of improved land and water management, investment in irrigation infrastructure and rainwater harvesting as cross-cutting issues and as part of a strategic objective on resilience, respectively. The CSPE will assess the extent to which these support contributed to positive change.

**Youths.** In line with the importance of youth in Ethiopia (see country context), the COSOP clearly stated that, investment "is expected to create employment opportunities through on- and off-farm activities particularly for rural youth in order to reduce outmigration and enhance social and economic security at the household level". Thus, the CSPE will assess the extent to which IFAD's supports contributed to strengthen existing or create new (direct or indirect) employment opportunities.

Source: CSPE team elaboration

Table A7

**Evolution of staff of the MCO/ICO over the evaluated period**

|                    | No. 2016                                | No. 2017   | No. 2018  | No. 2019  | No. 2020  | No. 2021  | No. 2022  |
|--------------------|---|--|---|---|---|---|---|
| Total no. staff    | 5 (The ICO only had Ethiopia portfolio) | 5 (all staff were working on Ethiopia portfolio 60% of their time) | 5 (out of which 4 staff were working on Ethiopia portfolio 60% of their time) | 8 (out of which 7 staff were working on Ethiopia portfolio 60% of the time) | 9 (out of which 8 staff were working on Ethiopia portfolio 50% of their time) | 8 (out of which 6 staff were working on Ethiopia portfolio 43% of their time) | 10 (out of which 8 staff are working on Ethiopia portfolio 43% of their time) |
| Male               | 5                                       | 5  | 5   | 6   | 7   | 5   | 7   |
| Female             | -                                       | -  | -   | 2   | 2   | 3   | 3   |
| Professional staff | 2                                       | 2  | 3   | 6   | 6   | 6   | 7   |

Names of successive CD (and period):

- 1- Robson Mutandi (2010 – 2015)
- 2- Ulaş Demirag (2015 – 2021)
- 3- Mawira Chitima (2021 – present)

Source: IFAD country team Ethiopia

## Methodological steps

Table A8

### Methodology building blocks

| Building blocks                  | Details of activities  |
|----------------------------------|--|
| In-depth desk review             | In-depth desk review of portfolio and non-lending operations related documentation, namely: design documents, mid-term reviews, supervision and completion reports, grant reports, COSOPs, and portfolio review documents. Available reports are presented in Table A2 in Annex VI. This step will end with the preparation of desk review working papers, which will guide further inquiry during the evaluation mission;   |
| Virtual interviews               | Interviews with key stakeholders are needed at the inception stage to gather expectations of stakeholders on the evaluation, as well as to enable the evaluation team to better understand the context of intervention and to refine the evaluation scope and questions. Respondents will include Government representatives, IFAD (staff and consultants), NGOs and private sector actors involved in the various projects, beneficiaries and other development partners (RBAs, World Bank, European Union, AfDB) |
| Key informant interviews         | Semi-structured interviews, face-to-face or remote, with IFAD staff, government and NGOs representatives and consultants who have been exposed to or interacted with the programme activities.   |
| Field visits                     | Field visits to gather information on achievements, collect end users' perspectives on performance. The team foresees the deployment of international and national consultants to meet with diverse stakeholders in the capital and the field and to visit selected project sites to observe realisations. Both individual interviews and Focus group discussions will be held with relevant stakeholders and programme beneficiaries.   |
| Case studies                     | As two other IOE evaluations (the TE on gender and the project cluster evaluation on rural finance) were implemented in parallel at the time of the CSPE conduct , specific joint cases studies were carried out to inform those two evaluations.  |
| GIS data exploitation            | In line with the availability of GIS data, past and actual data will be analysed to on the evolution of pastoral ecosystems  |
| Data analysis and interpretation | This entails qualitative and quantitative analyses; triangulation of information and evidence from sources as mentioned above;<br>As needed, the team will have complementary group meetings to discuss preliminary findings and trends  |
| Reporting                        | This entails preparing and sharing the draft report for comments (internal and external); Finalisation du rapport.   |
| Stakeholder Feedback             | Stakeholder meetings will be organised to provide feedback after the draft report, and a final stakeholder workshop with GoE to present the findings   |

Source: CSPE Elaboration

## IFAD's Country Strategy and Programme Evaluation Field mission 31 October to 17 November 2022

Table A9

### Implemented programme

| Dates                     | Activities and participants   | Location  |
|---------------------------|---|---|
| 31/10/2022<br>(Monday)    | Arrival of international team members<br><u>Afternoon:</u><br>Internal meeting of the evaluation team   | Addis   |
| 01/11/2022                | <u>Morning:</u> 09:00-12:00<br>Meetings with the IFAD Ethiopia technical program staff at IFAD multi-country office (MCO).  | Addis   |
|                           | <u>Afternoon:</u> 14:00 – 17:30<br>Launching meeting with the relevant stakeholders of the Ministry in charge of irrigation<br>Data collection activity with LLRP – PMU team  |   |
| 02/11/2022<br>(Wednesday) | Arrival of Indran Naidoo (IOE Director)   | Addis   |
|                           | <u>Morning:</u> 09:00-12:30<br>Launching meeting with the relevant stakeholders of the Ministry in charge of agriculture<br>Data collection activity with PASIDP – PMU team<br>Courtesy visit of Indran to Government senior officials (as needed)  | Addis   |
|                           | <u>Afternoon:</u> 14:00 – 17:30<br>Launching meeting with the relevant stakeholders of the Development Bank of Ethiopia<br>Data collection activity with RUFIP – PMU team   | Addis   |
| 03/11/2022                | <u>Morning:</u> 09:00-12:30<br><br>10:30am: meeting with Atmadja Stibniati (CIFOR)*<br>10:00am: meeting with Zimudzi Farayi (FAOET)**<br>10:30am: meeting with Esayas Nigatu Gebremeskel (World Bank)***<br><br>Courtesy visit to Government senior officials (as needed)   | Addis<br><br>*CIFOR: Team to contact Mr Atmadja Stibniati to confirm venue:<br>ILRI campus<br><a href="mailto:S.Atmadja@cqiar.org">S.Atmadja@cqiar.org</a><br>**FAOET: 2R99+63P<br>***WB: Africa Avenue (Bole Road) |
|                           | <u>Afternoon:</u> Departing to the field<br>Team-1: to Jijiga (Somali)<br>Team-2: to Bahir Dar (Amahara)<br>Team-3: to Hawassa (SNNPR)  | <u>Fields:</u>  |
| 04/11/2022                | <u>Morning:</u> 08:30-11:30<br>Teams 1 and 2. Data collection meetings with regional PMU teams<br>Team-3: Short briefing with the regional PMU team and visit to project sites (to identified in advance)   | The 3 regions as above.<br>Oromio will be decided while in the country.   |
|                           | <u>Afternoon:</u> 13:00 – 15:30<br>Teams 1 and 2. Data collection meetings with regional implementation partners of projects (to invite in advance for a meeting at the regional PMU location)<br>Team-3: Visit to project sites (to identified in advance); After the visits, courtesy call to regional officials and debriefing meeting (to organise by the regional PMU, between 16:00-17:30). | Fields as above.  |
| 05/11/2022<br>(Saturday)  | <u>08 – 15:00:</u> All teams Visit of intervention sites, for interview with beneficiaries and direct observations (to identified in advance based on proposals by the PMU)<br>Indran departing from Hawassa at 16H:00  | Fields as above.  |
| 06/11/2022<br>(Sunday)    | Individual activities   | Fields as above.  |
| 07 & 08 Nov.              | <u>08:00 – 15:00:</u> All teams Visit of intervention sites, for interview with beneficiaries and direct observations (to identified in advance based on proposals by the PMU)  | Fields as above.  |
| 09/11/2022                | <u>Morning:</u> Teams 1 and 2. Pursuing meetings for data collection with the regional PMU teams and other projects' partners, including farmers'   | Fields as above.  |

| Dates                    | Activities and participants   | Location         |
|--------------------------|---|------------------|
| (Wednesday)              | organisations apex and private sector representatives (appointments to schedule in advance )<br>Teams 3. Return to Addis to pursue interviews in Addis  |                  |
|                          | <u>Afternoon:</u> Teams 1 and 2. Internal virtual meeting of all evaluation team members for step synthesis   | Fields as above. |
| 10 & 11 Nov.             | <u>08:00 -15:00:</u> Teams 1 and 2. Pursuing Visit of intervention sites, for interview with beneficiaries and direct observations (to identified in advance based on proposals by the PMU)<br>Teams 3. Meetings with the focal person of African Development Bank and the African Union Commission – Rural development   | Fields as above. |
| 12/11/2022<br>(Saturday) | <u>Morning:</u> Teams 1 and 2. Return trip to Addis Ababa<br><u>Afternoon:</u> All team members: Internal evaluation team meeting at the hotel  | Addis            |
| 13/11/2022<br>(Sunday)   | Individual activities   | Addis            |
| 14 – 16 Nov.             | All team members.<br>Pursuing discussions and interviews with relevant stakeholders present in Addis. E.g. WB, AfDB, LRI, EU, ICRISAT, Microfinance institutions, UNDP, relevant government institutions and private sector representative (to schedule in advance and ad hoc as deemed necessary)<br>Analysis of information gathered to identify preliminary trends | Addis            |
| 17/11/2022<br>(Thursday) | <u>Morning:</u> Wrap meetings for the presentation of the preliminary results and trends. Location to be identified by MCO and invitations to be sent by the government focal point and IOE<br><u>Afternoon:</u> Additional meetings with key stakeholders as deemed relevant.  | Addis<br>Addis   |
| 18/11/2022               | Departure of all team members   | Addis            |

### Field visits in three regions

| Dates  | Woredas                                     | Projects covered                                     | Observations / Remarks   |
|--|---|--|--|
| <b><i>Roving team to Amhara region (Bahir Dar)</i></b> |   |  |  |
| 04 Nov   | Bahir Dar                                   | On-going and completed projects with regional office | Data collection meetings with regional PMU teams   |
| 05 Nov   | Dangila                                     | PASDIP I (Upper Quashini)                            | Site visit to the upper Quashini irrigation scheme and meeting and data collection with IWUA of upper Quashini irrigation project, Dangila wereda agriculture office head, PASDIP coordinator and experts  |
| 06 Nov   | Rest day                                    |  |  |
| 07 Nov   | Goncha Siso Enessie                         | PASDIP II (Azuary Two)                               | Site visit to the Azuary two irrigation scheme and meeting and data collection with IWUA of Azuary two irrigation project, watershed development association, Goncha siso enessie wereda agriculture office head, Weredas gender expert, PASDIP coordinator and experts  |
| 08 Nov   | Dangela                                     | RUFIP / PASIDP II                                    | Meeting and discussion with Dangela SOSER Saving and Credit Cooperative Union manager and head& Dangla saving and credit cooperative committee members   |
| 09 Nov   | Este wereda and Farta(Guna Begemder) wereda | CBINReMP   | Meeting with ORDA officers, visit to Ata meher Watershed-Integrated Watershed Development (IFAD Guna) project & Arga meher watershed-Community Base integrated natural resources management project at Guna Begemder wereda. Sustainable adaptation to climate change in Lake Tana watershed –project at Este wereda Lowaye kebele Chena watershed |
| 10 Nov   | Achefer                                     | RUFIP  | In Fogera and Achefer woreda Amhara Credit and Saving institution MFI (currently transformed in to Tseday Bank ) will be visited   |
| 11 Nov.  | Forgera                                     | RUFIP  |  |
| 11 Nov   | Dur Bete                                    | PASDIPI  | Meeting with CBINReMP coordinator,ad Visit to Buchiksi and Tinishu Fetam Irrigation projects. Discussion with the IWUA head at Buchiksi and IWUA member at Tinishu Fetam   |
| 12 Nov.  | Return trip to Addis                        |  |  |
| <b><i>Roving team to Somali region (Jijiga)</i></b>    |   |  |  |
| 04 Nov   | Jijiga                                      | On-going projects with regional PMU office           | Data collection meetings with the regional PMU teams   |

| Dates                                      | Woredas                 | Projects covered                           | Observations / Remarks  |
|--|-------------------------|--|---|
| 05 Nov                                     | Mula                    | LLRP                                       | <ul style="list-style-type: none"> <li>Data collection meeting with Mula Woreda Administrators.</li> <li>Field visit to marketplace for women's and Water supply built by LLRP.</li> </ul>  |
| 06 Nov                                     | Rest day                |  |   |
| 07 Nov                                     | Goljano 2               | PCDP                                       | <ul style="list-style-type: none"> <li>Data collection meeting with cluster head and Golijano woreda Administrators.</li> <li>Field visit to lower primary school and Animal health post in dinke kebele.</li> </ul> <p>Field visit to the human health post in Qudahelle kebele.</p>   |
| 08 Nov                                     | Shabeele                | LLRP                                       | <ul style="list-style-type: none"> <li>Data collection meeting with the LLRP cluster head and Shabeele woreda Administrators.</li> <li>Field visit to women's common interest group (CIG) for milk production in Dohusha kebele</li> </ul> <p>Field visit to Human health post and Ayaan RuSACCOs in Lafmachedhley Kebele.</p>  |
| 09 Nov                                     | Jijiga                  | PCDP                                       | <ul style="list-style-type: none"> <li>Data collection meeting with PCDP team and Heifer international.</li> </ul>  |
| 10 Nov                                     | Danbal                  | LLRP and PCDP                              | <ul style="list-style-type: none"> <li>Data collection meeting with the LLRP cluster head and Danbal woreda Administrators.</li> <li>Field visit to rangeland management.</li> <li>Field visit to women's common interest group for Wholesale shop built by LLRP.</li> <li>Field visit to Tayosan furniture making and welding CIG built by LLRP.</li> <li>Field visit to RuSACCO by PCDP.</li> <li>Field visit to Jarry Water supply built by PCDP III.</li> </ul> |
| 11 Nov.                                    | Jijiga                  | Institutional actors                       | Data collection, Pursuing meetings with partners and institutions.  |
| 12 Nov.                                    | Return trip to Addis    |  |   |
| <b>Roving team to SNNP region (Awassa)</b> |                         |  |   |
| 04 Nov                                     | Humbo                   | PASIDP                                     | Courtesy call at Sodo town, field visits of irrigation scheme in Lintala (Humbo)  |
| 05 Nov                                     | Awassa                  | On-going projects with regional PMU office | Institutional actors: technical teams of the regional directorates of agriculture and irrigation; Regional PMU PASIDP   |
| 06 Nov                                     | Rest day                |  |   |
| 07 Nov                                     | Awassa and surroundings | RUFIP                                      | Omo MFI ( Currently Transformed in to Omo Bank) visited (technical staff and beneficiaries)   |
| 08 Nov                                     | Sidama                  | RUFIP<br>PASIDP                            | Sidama MFI (Currently transformed in to Sidama Bank) visited (technical staff and beneficiaries)  |
| 09 Nov.                                    | Return trip to Addis    |  |   |



## Additional information on the on the programme results achieved

Box A6

### Main objectives of Ethiopia UNDAF 2016-2020

The Ethiopia UNDAF 2016 - 2020 strategically focused on supporting Ethiopia's continued growth and transformation in five areas (pillars) of (a) inclusive growth and structural transformation, (b) building resilience and green economy, (c) investing in human capital and expanding basic social services, (d) good governance, participation, and capacity building, and (e) equality and empowerment. IFAD's support contributed to all pillars, especially in building resilience, participation, capacity building and gender empowerment in rural areas

Source: CSPE elaboration from desk review

Box A7

### Examples of progression in phasing of IFAD projects

PASIDPII design was expanded to integrate lessons from PASIDP by strengthening sustainability elements in the design to promote community ownership by giving Irrigation Water User Associations (IWUAs) more responsibility to spearhead management and maintenance of irrigation schemes, rehabilitation and watershed management, as well as integrating a sub-component dedicated to promotion of market access for farmer's agriculture produce. Another example is PCDP which was designed as a three phase programme from PCDPI, to PCDPII followed by PCDPIII which progressively strengthened social infrastructure development and community-driven development (CDD). The PCDP phases have transferred lessons learnt that Communities need to be involved more in decision making process into LLRP design. PCDPIII was phased out into LLRP emerging as the successor programme, with lessons from the previous programmes sharpened in the programme design to include a holistic approach to support pastoral livelihoods, focus on rangeland management value chains alongside social services, and strengthening RUSACCOs to promote women's entrepreneurship. Most importantly, LLRP design took up lessons learned from the previous programmes on limitations of community participation, and provided a strong focus on participatory rangeland management decisions where community stakeholders would develop their own Rangeland Management Investment Plans (RMIP) as key interventions for investment at community level.

Source: CSPE elaboration from desk review

Box A8

### Lessons implemented along the continuum of rural finance

The rural finance programme designs were knowledge based, and built on lessons learnt to address sector and beneficiary needs. First, the design documents indicate that the designs were built on lessons from previous phases. Secondly, several stakeholders reported to the CSPE team that various lessons were taken on board in subsequent designs. One such lesson that cut across all the programme phases, was that poor people need financial services to enable them make appropriate choices in improving their livelihoods through productive economic engagements, hence the need to continue support by way of credit flow to MFIs and RuSACCOs to further expand outreach. In line with this lesson, different reports noted that RUFIP II demonstrated that access to financial services led to inclusive growth and equity for rural households. In spite of such significant progress in the last decade, rural finance market in Ethiopia was reported to be still under developed at the time of designing RUFIP III, hence the need for further support. Lastly, the stakeholders interviewed reported that the participatory approach to design drew rich and critical knowledge from across a spectrum of stakeholders including both government, development partners and implementing partners.

One of the lessons and recommendation from RUFIP I which was implemented in RUFIP II was the independent focus or parallel support to MFIs and RuSACCOs respectively. This recommendation was premised on the finding that even though both types of institutions serve rural households and have complimentary potential, they have different capacity requirements and approaches. In RUFIP II this sub-sector focus was achieved through specialist support to two respective associations, Association of Ethiopian Microfinance Institutions (AEMFI) for MFIs, and Federal Cooperative Agency (FCA) for RuSACCOs. This approach has continued in RUFIP III.

Another lesson was the potential to mobilize more savings from rural communities through new products and better interest rates in order to increase sources of funding for the rural finance institutions (RFIs), and make them more sustainable. The implementation of this specific lesson in RUFIP II is observable in savings growth which surpassed the target of 27% to reach 32.7% over the project period.

Between RUFIP II and III, several lessons were taken on board including the need to continue with the credit line in order to spur growth of rural finance institutions and increase access to financial services by rural households, especially small holder farmers. In this regard, RUFIP III has been designed to focus more on the least developed regions, and also on medium and small MFIs compared to RUFIP II which supported more advanced regions and larger MFIs.

There were missed opportunities regarding some lessons across the various phases of the programme. As explained elsewhere in the report, linkages with other IFAD projects, and other donor projects was and is still weak. This finding was confirmed by several stakeholders including other IFAD projects. However, RUFIP III is trying to correct this shortcoming by assigning a specialist to focus on developing linkages and partnerships within and outside IFAD projects in the country.

The one lesson that has not been optimized through both phases of the programme, is local fundraising from commercial banks, and the establishment of a credit wholesale apex institution. From discussions with stakeholders, the CSPE learnt that the commercial banks began to lend to the MFIs somewhere in the course of RUFIP II, and are still doing the same in RUFIP III. Several stakeholders listed commercial banks that are involved in lending specifically to MFIs, and these include Commercial Bank of Ethiopia, Cooperative Bank, Oromia Bank and Abyssinia Bank, but there was no way to quantify the depth and size of the commercial bank direct lending. The reasons the commercial banks took this approach rather than what was anticipated in the RUFIP II design is explored elsewhere in the report.

The bureaucratic nature of DBE and the lack of a specialist rural finance unit resulted in some challenges and weak PCMU operations. As indicated in various reports including the RUFIP II PCR, challenges persisted across the various phases in; i) issues of procurement; ii) lagging capacity and institutional building activities viz credit line uptake; iii) more allocation of resources to MFIs compared to RuSACCOs; iv) inadequate M&E systems that has led to poor reporting. Some of the stakeholders interviewed confirmed these challenges. Attempts have been made at least with the credit line, where RUFIP III plans to implement a guarantee scheme to incentivize commercial banks to lend to MFIs and RuSACCOs, and also focus more on smaller MFIs. Some stakeholders reported that RuSACCOs have not fully benefited from the credit line because they are weak or do not have capacity, but some stakeholders disputed this view and attributed the problem to DBE's eligibility criteria which is the same for both MFIs and RuSACCOs despite their different characters. DBE has tried to give some concession to RuSACCOs on eligibility especially on portfolio at risk requirement, but the number of RuSACCOs qualifying for the credit line is still marginal; 130 out of over 5000 plus. It is good to note that the current approach is not for the DBE to lend directly to RuSACCOs, but to Unions which in turn should lend to their respective RuSACCOs. But the Unions interviewed by the CSPE still raised concerns over the stringent eligibility criteria for the credit line which bars many of them from access.

The DBE did very well in rolling out the credit line component, but performed dismally on the capacity building component. In RUFIP II, some of the mission reports attribute the above inadequacies to the lack of capacity at the PCMU, DBE's slow response on issues of procurement, and lack of motivation on the part of the commercial banks to lend to RFIs. In addition to these views, the CSPE is of the view that the PCMU lacked, or is lacking in both capacity and "power to act". Lack of capacity because rural finance is not a traditional operation core of commercial and development banks like DBE which serve a different profile clientele, and also, are sometimes over stretched with partnerships and projects. This background explains their ability to do well in rolling out the credit line and not in technical components. The "power to act" challenge may emanate from lack of clarity or tensions between the DBE's normal hierarchical nature and the PCMU independent responsibilities. As explained by one stakeholder, the staffing of the RUFIP II and III are staff from within the bank, unlike other projects like PASIDP and PCPD who have recruited competitively from the open market despite being under key ministries.

Source: CSPE elaboration from desk review

## Box A9

**Example of operational partnerships established by the programme**

- ORDA implemented a component in CBNReMP focusing on community climate change adaptation in 22 micro watersheds, five (5) of which are considered model watersheds. Technologies introduced included in check dams in gullies (gabions), erosion control (bamboo mat and plastic), planting trees, promoting IGA like apple production, introduction of improved stoves, biogas, and vegetable production
- IFAD worked with ICRISAT on nutrition and introduced different food crops and food crop demonstration sites. A joint nutrition profile tracking process was conducted, and this revealed deficiency of vitamin A, resulting in introduction of orange fleshed sweet potatoes.
- The Participatory Agriculture and Climate Transformation (PACT) project has been developed by the Ministry of Agriculture and will be funded by Bill and Milinda Gates Foundation. IFAD provided technical support for the proposal development and incorporated the implementation of GALS (Gender Action Learning System) based on experiences from PASIDP.
- IFAD established an operational partnership with Heifer International for the provision of technical assistance to LLRP in areas of livestock value chain development (a value chain study has been conducted), and animal health. Heifer also offers other services (outside the MoU), including feed, livestock marketing; establishing 4Ps: Public-Private-Producer Partnerships (4Ps has been established for honey processing); development of training guidelines and training manuals; and assistance in livestock marketing.
- Community-based organizations and local institutions, including faith-based (Orthodox Church and monasteries) and traditional institutions were involved in natural resource management in the CBNReMP
- AGRA and Self-Help Africa (SHA) are engaged in 40 schemes within 30 Woredas, located in all programme regions of PASIDP. The support aims to enhance dissemination and uptake of soil fertility technologies, a key driver to address constraints to agricultural productivity. The objective is to increase sustainable use of Integrated Soil Fertility Management (ISFM) technology practices.
- GIZ supported social fencing in model watersheds in CBNReMP projects. However, this has not been scaled up by the government since it requires substantive financial resources for livestock breeding, fodder production and animal health interventions.

Source: CSPE elaboration from desk review

Table A9

**External funds mobilized by the country programme**

|      | <i>GoE</i> | <i>Benef.</i> | <i>Domestic financial inst.</i> | <i>IDA (WBG)</i> | <i>EIB</i> | <i>GEF</i> | <i>other sources</i> |
|------|------------|---------------|---------------------------------|------------------|------------|------------|----------------------|
| 2016 | 49%        | 4%            | 5%                              | 17%              | 17%        | 0%         | 1%                   |
| 2017 | 47%        | 4%            | 5%                              | 17%              | 16%        | 0%         | 1%                   |
| 2018 | 47%        | 4%            | 5%                              | 17%              | 16%        | 0%         | 1%                   |
| 2019 | 66%        | 6%            | 3%                              | 12%              | 33%        | 8%         | 11%                  |
| 2020 | 70%        | 7%            | 2%                              | 15%              | 30%        | 10%        | 13%                  |
| 2021 | 73%        | 8%            | 3%                              | 7%               | 39%        | 12%        | 17%                  |
| 2022 | 73%        | 8%            | 3%                              | 7%               | 39%        | 12%        | 17%                  |

## Box A10

**Reasons for delays in implementing capacity building activities**

There was confusion initially on who was responsible for capacity building activities. The DBE/PCMU raised conflict of interest concerns, as AEMFI was part of the committee assessing the bids. Furthermore, the implementation manual had not provided for any exceptions to the bidding process, yet AEMFI had assumed they automatically qualified based on pre design discussions, and therefore they did not need to go through the bidding process. At a later stage following supervision mission recommendations, it was agreed that AEMFI would be in charge of MFI capacity building initiatives and would not need to bid, while the ECC would take charge of RuSACCOs. Moreover, the procurement of consultants experienced significant delays as it required a “no objection” letter, which could take up to 4-6 months to be granted. The stakeholders were of the view that these delays could have been minimized if accuracy of requests had been checked and corrected by AEMFI and the PCMU before sending requests to IFAD.

CSPE found that these were not the only reasons for delays in skills improvement interventions. The RFIs seemed to place more importance on funding or the credit line at the expense of other interventions, and this was probably made worse by the absence of a specialized rural finance unit at DBE to monitor and ensure implementation was not skewed towards the credit line. Some stakeholders were also of the view that AEMFI training was too generic and consequently it tended to be more beneficial for new and smaller MFIs, while it did not add significant value to larger organizations.<sup>199</sup>

Source: CSPE elaboration from desk review

Table A10

**Access to economic and social services**

|   | <i>Unit</i> | <i>PCDP II</i> | <i>PCDP III</i> | <i>PASIDP I</i> | <i>PASIDP II</i> | <i>Total</i> |
|---|-------------|----------------|-----------------|-----------------|------------------|--------------|
| People having access to water services        | number      | 1,100,000      | 1,726,632       | 0               | 0                | 2,826,632    |
| Livestock population accessing water services | number      | 1,300,000      | 11,709,393      | 0               | 0                | 13,009,393   |
| Students going to new schools                 | number      | 73,784         | 543,320         | 0               | 0                | 617,104      |
| Girls enrolled at new schools                 | Perc        | 43%            | 44%             | 0               | 0                | 44%          |
| People accessing health services              | number      | 757,648        | 510,000         | 0               | 0                | 1,267,648    |
| Households accessing vet services             | number      | 400,000        | 352,167         | 0               | 0                | 752,167      |
| Livestock treated in animal health posts      | number      | 2,300,000      |                 | 0               | 0                | 2,300,000    |
| Households accessing irrigation services      | number      | 42,047         | 39,314          | n/a             | 29,967           | 111,328      |
| Irrigation schemes developed                  | Hectares    | 3,468          | 6,801           | 13,808          | 12,506           | 36583        |

Source: Compilation based on PCRs data

<sup>199</sup> Even though the CSPE holds the view that generic training can only be appropriate or effective for institutions at the same development level which was not the case for RUFIP II supported MFIs it concluded that, the latter could just be a perception because with EIFTRI, AEMFI had and has the capacity to be versatile enough to develop institution focused or customized training given its wide international and regional partnerships and network. These challenges seemed to be unique to AEMFI as ECC training activities for RuSACCOs and Unions were reported to have progressed smoothly once the initial delays were overcome.

## Box A11

**Overview on cooperatives**

About 131 cooperatives were strengthened and supported by PASIDP II to facilitate access to input and output markets. A wide range of technical assistance support was provided for cooperatives, including the development of bankable business plans. While access to seeds and fertilizers is a function that cooperatives commonly conduct through loans or simply redistributing seeds provided by the government, the provision of marketing services for output marketing is limited. In this regard, the 2020 PASIDP II supervision mission noted that only 38 cooperatives (out of 66 that have developed business plans) were fully functional, thus being able to supply inputs, market outputs and facilitate access finance for members. The 2022 supervision mission reported that the financial capital and aggregation capacity of cooperatives was still limited and needed further enhancement.

Source: CSPE elaboration from desk review

## Box A12

**Crosscutting and contextual factors that affected the effectiveness of portfolio projects**

A number of factors affected the delivery of outputs, and thus the effectiveness of the portfolio projects. One main issue was the COVID-19 pandemic, which significantly constrained the delivery of results in 2020 and 2021, for PSIDP II, RUFIP III and LLRP.

Other contextual factors also affected the effectiveness, as presented in Conflicts, in particular the political conflict in Tigray and in the neighboring regions of Amhara and Afar, have negatively affected the delivery of results in those areas. Natural / environmental challenges also affected negatively the effectiveness of the programme. Bush encroachment, recurrent drought, flooding from rivers and ruggedness of the topography were among the environmental factors that hampered the effective implementation of projects. Although impacts varied from place to place depending on the type and nature of shocks, recurrent drought and flood affected project implementation in most of the woredas. Extremely dry conditions (drought outbreak) resulted in a late planting season and livestock loss, which impacted the beneficiaries' capital assets, and affected participatory research activities, leading to deteriorated livelihoods.

Crucial factors that have positively influenced the achievement of results include a high commitment from the government. In this regard, information gathered by the CSPE confirms commitment at all administrative levels (kebele, woreda, regional, federal). Also, the embedment of projects into government structures is a positive factor contributing to the success of projects. Proper supervision and flexibility from IFAD was also pointed as an important element to facilitate the implementation of projects.

Source: CSPE elaboration based on desk review

## Box A13

**A story from a female household head beneficiary from one of the irrigation schemes**

Almaz is a head of a household with seven members. Before the irrigation scheme was introduced she only produced under rainfed conditions. She could not always obtain the needed production to sustain her family needs due to erratic rainfall. Often, she experienced food shortages during the February-May period. As a result, she was forced to sell firewood, and in a few cases, she also sold her animals. Her children were forced to leave school during periods of food shortages, and often, they could not afford three meals a day.

Almaz became a beneficiary of a PASIDP II irrigation scheme. She actively participates in the IWUA, and in the Irrigation and Inputs and Output Market Cooperative supported by PASIDP II. Almaz has a demonstration garden and has participated in numerous training activities. As a model female household head, she was provided with basic agricultural inputs, like improved vegetable seeds and fertilizers. She is now able to produce a much higher quantity of produce and sells part of her harvest. During the first irrigated production season in 2020/2021 she was able to generate 50,000 Birr from the sale of different vegetables (mainly onion and cabbage). She covered all children school fees and she reinvested 5,000 Birr for farm inputs, 8,000 Birr to buy a bull and 10,000 Birr to purchase a heifer. She is now planning to buy more livestock and to improve her dwelling.

Source: PCDP II Annual progress report July 2020 – June 2021.

## Box A14

**How some projects have developed good gender practices**

The gender focus in the programme design, the interventions and supervision mechanisms of various projects, overall, show a positive trend for gender integration in the country investment portfolio. However, the capacity for gender mainstreaming by the various projects is varied, with some projects having specific gender analysis and strategies with clear activities for gender mainstreaming, as well as dedicated gender staff, while some did not have all these elements. For example, the various PASIDP phases had a well-laid structure for gender mainstreaming with specialized gender staff hosted by MoA, and they helped in spearheading gender actions from national to local level. The Gender mainstreaming strategy in PASIDP I and PASIDP II is a positive example of good practice in GEWE implementation where the programme has benefited from technical support and oversight provided by the MoA Gender team, aligned with the GoA strong ownership found by the CSPE.

The MoA has a well-established partnership with Ministry of Women and Social affairs (MoWSA) where their staff are seconded to MoA on a full-time basis to offer gender technical support, and monitor and evaluate the MoA progress on gender, including the IFAD supported projects. Evidence from the CSPE field visit indicates that the MoA gender staff participated in PASIDP II activities to make regular follow-ups, and monitoring of gender interventions, and to write gender reports that inform programme decision making and actions. This is a good approach and practice that has not been well replicated by other IFAD Projects and other ministries that host them.

The partnership with MoWSA gender staff in the IFAD investment in PASIDP I and PASIDP II provides a good entry point for sustainability and scaling up of gender outcomes at Federal, Regional, Woreda and Kebele levels where gender technical support is assured in the programme.

Source: CSPE elaboration from desk review

## Box A15

**The Gender Model Family, a gender transformative approach**

Gender Model Family (GMF) addresses issues of inequitable access to and control over project resources and benefits. GMF is a gender transformative approach that enables married men and women (couples, partners) to address unequal power relations and decision making about household resources. GMFs use their positive experiences – especially the benefits gained by women, men, boys and girls of the household – to champion and advocate for gender equality in their communities. In Ghana and Sierra Leone, the GMF programme was used by SEND on interventions with specific development objectives in: peace animation; nutrition education; climate-smart farming practices; women’s literacy; women in leadership; farmer cooperatives; women’s organizations; microfinance and small-scale enterprise development; water, sanitation and hygiene; women in governance; and small ruminant farming.

The key entry point for GMF is cooperatives, associations or networks formed for development activities. Group meetings are used to introduce, mobilize and recruit GMFs. Effective contexts include a variety of development programmes and projects involving food and nutrition security; water, sanitation and hygiene; women and small-scale enterprise development; small ruminant rearing; and local resource mobilization.

The MoA adopted GMF in a previous programme. PASIDP II decided to apply GMF and piloted the approach in two schemes and due to its success up-scaled to 55 schemes, reaching 3144 households. Under the women’s land rights and resource rights grant, which aims at promoting and strengthening women’s land and resource rights with gender transformative approaches in rural development interventions by improving policies, tools and practices, PASIDP II was identified as one of the supported projects. Under the grant, a socio-legal analysis of the country’s legal and institutional framework was developed, which reviewed frameworks on women’s land rights and information on existing procedures and processes for implementing tenure interventions. Additionally, CIFOR is now providing technical assistance to PASIDP II, including the preparation of a gender analysis of the Gender Model Family to (i) explore early impacts of the GMF interventions at the individual, and community levels; (ii) establish basic methods and data for monitoring and learning from GMF interventions across time; and (iii) identify opportunities and challenges for improving and scaling up GMF in other woredas and regions.

Source: IFAD/FAO/WFP. Good Practice, Gender Transformative Approach for Food Security and Nutrition. Gender Model Family

## Box A16

**The paradox of women economic empowerment leading to increased work for women**

The RUFIP II impact study reported increased incomes for women. The study notes that about 84.4% of the women respondents were of the view that their participation in economic activities had improved, and a similar % had access to extra income and could contribute to family expenses, and could now participate in family decisions. The report is silent on the specific nature of decisions. 84.75% respondents affirmed they now had access to assets and resources as a result of their involvement in the borrowing and savings activities, but on the down side 54.5% reported that their responsibilities had increased as they had to manage both their domestic chores and participate in managing the enterprises.

Although most women in LLRP pastoral and agro pastoral communities reported diversification of their livelihood activities, the extent to which such changes result in positive contributions towards women's voices and autonomy is still a big question. Where LLRP and PCDP women beneficiaries are taking lead for example in pastoralist areas of Somali region, the women were overwhelmingly the ones involved in all forms of trade, water collection, animal grazing and general household chores, while men were said to have primary responsibility for agriculture production. However, considering that the agriculture production was at a minimum state especially in the arid and semi-arid areas of focus, it was apparent that the gender division of labour was still skewed towards increased women's labour arising out of the increase of the economic responsibilities for women.

Source: CSPE elaboration from desk review

Table A11

**Targeting of youths by projects**

| <b>Project</b>          | <b>Initial target</b> | <b>Achieved target</b> | <b>Samples of interventions that targeted women</b>   |
|-------------------------|-----------------------|------------------------|---|
| CBRINMeP                | NAV                   | NAV                    | Inclusion of youth in watershed management<br>Creation of youth employment activities   |
| LLRP                    | 30%                   | NAV                    |   |
| PCDP II                 | NAV                   | NAV                    | Prioritizing youth for labour and supply of materials in construction<br>Establishment of women/youth credit and savings cooperatives |
| PASIDP I                | 20%                   | NAV                    |   |
| RUFIP II                | 20%                   | NAV                    | Youth in business have equal access   |
| PCDP III                | NAV                   | NAV                    |   |
| PASIDP II (use the MTR) | NAV                   | NAV                    | Deliberate consultation with youth on interventions   |

Source: CSPE elaboration from desk review

## Box A17

**Example of positive environmental effects from CBINReMP**

The PCR of the project also reports other positive environmental impacts: improvement in hydrological flow (with the flow of springs extended from three to four months, to eight to 12 months, and with new spring development), regeneration of locally extinct wild flora and fauna; rehabilitation of gullies; and reduction in landslide risks.

In addition, CBINReMP contributed to an effective system of communal pasture governance through informal community by-laws. However, the IE also noted that area closures were not matched with complementary strategies and regulatory measures, leading to overgrazing on communal land. More precisely, the IE observed in the field that while the project was effective in promoting the regeneration of vegetation through area closure system, overgrazing has further intensified in the adjacent communal grazing lands. Indeed, the project envisaged that social fencing and zero grazing approaches would have scaled out model watershed. However, this did not occur. The increased grazing pressure accelerates deforestation and further soil erosion. In many areas, the number of trees planted with the support of the project was far insufficient to offset the deforestation rate.

Similarly, the project did not support the creation of buffers to protect riverbanks or suitable agroforestry measures to mitigate sediment discharge into streams from adjacent agricultural croplands or livestock-grazing areas.

Source: CSPE elaboration from desk review

Table A12

**Approaches to climate and agro-pastoral ecosystem resilience in IFAD-funded projects**

| <i>Project</i>   | <i>Key factors of vulnerability</i>   | <i>Approaches/pathways</i>  | <i>Response entry points</i>  |
|------------------|---|---|---|
| CBINReMP         | <ul style="list-style-type: none"> <li>- Land degradation</li> <li>- Rural poverty</li> </ul>   | <ul style="list-style-type: none"> <li>- Food security and income generation;</li> <li>- Tenure security</li> <li>- Access by the poor households to natural resources.</li> </ul>  | <ul style="list-style-type: none"> <li>- Soil and water conservation;</li> <li>- CCA and climate change mitigation;</li> <li>- Sustainable livelihoods.</li> </ul>  |
| RUFIP II and III | <ul style="list-style-type: none"> <li>- Limited household asset base;</li> <li>- Frequent droughts and crop failures.</li> </ul>   | <ul style="list-style-type: none"> <li>- Poverty and malnutrition reduction;</li> <li>- Increased asset ownership.</li> </ul>   | <ul style="list-style-type: none"> <li>- Rural households' access to financial services;</li> <li>- Community sustainable banking networks;</li> <li>- Enhanced regulation and supervision of NBE and FCPE.</li> </ul>  |
| PASIDIP I and II | <ul style="list-style-type: none"> <li>- Climate and other shocks;</li> <li>- Dependence on rainfed agriculture;</li> <li>- Low income.</li> </ul>  | <ul style="list-style-type: none"> <li>- Increased productivity, production and value;</li> <li>- Food security and nutrition; improved and diversified income.</li> </ul>  | <ul style="list-style-type: none"> <li>- Farmers' access to sustainable irrigation schemes;</li> <li>- Farmers' market-oriented skills;</li> <li>- Farmers' access to agricultural services;</li> <li>- Farmers' access to inputs/output markets and financial services;</li> <li>- Sustainable watershed management.</li> </ul>  |
| PCDP II and III  | <ul style="list-style-type: none"> <li>- Weak government institutions;</li> <li>- Limited public participation in local decision-making processes;</li> <li>- Poor access to social services;</li> <li>- Dependence on extensive livestock production;</li> <li>- Uneven access to markets;</li> <li>- Long-term environmental degradation;</li> <li>- Vulnerability to recurring droughts;</li> <li>- Increasing competition for natural resource use;</li> <li>- Constrained mobility.</li> </ul> | <ul style="list-style-type: none"> <li>- Improved livelihoods in pastoral and agro pastoral zones</li> <li>- Support disaster risk management.</li> </ul>   | <ul style="list-style-type: none"> <li>- Community investment funds;</li> <li>- Promotion of new pastoral SACCOs;</li> <li>- Development of livelihood opportunities</li> <li>- Adaptive research and innovation</li> </ul>   |
| LLRP             | <ul style="list-style-type: none"> <li>- Low productivity and limited market links;</li> <li>- High vulnerability of prevailing livelihoods (to climatic shocks, conflict, insecurity, livestock pests and diseases).</li> <li>- Limited capacity to benefit from opportunities to diversify livelihoods</li> <li>- Limited delivery of social and economic services.</li> </ul>  | <ul style="list-style-type: none"> <li>- Strengthening "Absorptive capacity", through rangeland and NRM, strategic investments (SIs), and improved basic social service delivery.</li> <li>- Strengthen Adaptive capacity, through livelihood improvement, CSA, and investing in research systems for better adaptation to a changing climate.</li> <li>Transformative capacity, through market links, small-scale irrigation, and livelihood diversification.</li> </ul> | <ul style="list-style-type: none"> <li>- Rangeland and natural resource management;</li> <li>- Strategic investments;</li> <li>- Basic social service delivery;</li> <li>- Climate-smart agriculture;</li> <li>- Research systems for better adaptation to a changing climate.</li> <li>- Market links, small-scale irrigation,</li> <li>- Livelihood diversification.</li> </ul> |

Source: Adapted from the 2020 Thematic Evaluation of IFAD's Support To Smallholder Farmers' Adaptation to Climate Change



## Box A18

**Overview of operational modalities for PROSEAD**

IFAD is partnering with EU, AfDB, UNIDO, other bilateral partners and the government of Ethiopia in the promotion of sustainable Ethiopian agro-industrial development (PROSEAD) project to create and promote a private sector driven development model for the rural areas in Ethiopia. Other than the mention as a co-partner in the RUFIP III PDR and information on UNIDO website, the CSPE did not find much information regarding IFAD's role or progress of this project or partnership. The PROSEAD financing agreement is between the European Commission and the government of Ethiopia, and other co-financiers mentioned in the agreement are AfDB, GiZ, and UNIDO. The CSPE concluded that IFAD did not or will not contribute directly, but indirectly through RUFIP III under the line of credit for agro-industrial park catchment areas as described in the PROSEAD financing agreement.

Source: CSPE elaboration from desk review

## Box A19

**Capacity and roles of implementing partners**

Although, the implementation arrangements were properly aligned with the capacity and roles of the respective implementing partners in the case of RUFIP II, the distinction between the PMU and DBE as an implementer of the credit line were not clear from the reports and discussions held, and it appeared as though they were one and the same. Also, it appeared as though the credit line was the main focus, and the PCMU did not have either the capacity or independence to make project decisions, but was rather overshadowed by the big bureaucratic structure of DBE. It was not surprising therefore that the PCMU had no control over the reporting process because the implementing partners controlled the relationships with their respective sub implementers in the case of AEMFI and ECC. Neither did the PCMU lead in the area of technical assistance or knowledge management until after the MTR. There was no mention of coordination with other partners. The effort to coordinate with its implementing partners through the PSC did not seem effective, and the PCMU leadership was reported to have been passive

Source: CSPE elaboration from desk review

## List of key persons met

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Abera Abirahan, Store Keeper  
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 Alulola Mofose, Water Distributor  
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 Adanech Gebo, Member  
 Efenesh Alto, Member  
 Amareche Koleno, Member  
 Abebach Arha, Member  
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 Wodinesh Arekere, Member  
 Adenech Gebo, Member  
 Mekidese Bobiro, Watershed Distributor  
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