



# Federal Democratic Republic of Ethiopia Country Programme Evaluation (2008-2015)

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Investing in rural people

# IFAD-Ethiopia Cooperation Highlights

- Engagement since 1980
- 17 programmes approved
- Portfolio cost: US\$1.2 billion
- IFAD loans: US\$ 473 m programme; in addition US\$ 28m debt relief
- COSOPs: 1999, 2008 (updated in 2012)
- ICO since 2005; CD in country since 2010

## Areas of support:

- Pastoral community development
- Rural finance
- Small-scale irrigation
- Agricultural marketing
- Community-based resource management

Long-running projects with several phases

# Country Programme Evaluation

- 1<sup>st</sup> CPE in 2008
- 2<sup>nd</sup> CPE covers IFAD – Ethiopia partnership 2008-2015
- Covers lending and non-lending activities, COSOP performance
- Covers 5 projects / 8 project phases
- IOE evaluations: 1 PCRV (PCDP I), 2 PPAs (RUFIP I; PCDP II), several country case studies
- Country mission (Feb – March 2015)
- Limitation: few data at outcome and impact levels

# Main Findings: Country strategy

- COSOP (2008): clear and unambiguous focus on enhancing incomes of the rural poor; appropriate strategy to reach them (self-targeting)
- Focus on most vulnerable and food insecure - pastoral and agro-pastoral areas, areas with low rainfall
- Interventions focus on soil degradation and water scarcity
- Implementation built local capacities, based on strong partnerships at local levels; in line with Government's decentralisation strategy
- IFAD has contributed to the reduction of rural poverty, in particular through building human and social capital

# Main Findings: Lending Portfolio

- Participatory approaches made interventions more relevant and effective (pastoral community development, participatory small-scale irrigation development)
- Rural finance support underestimated demand; insufficient mobilisation of financing from commercial banks; yet to establish sustainable institutional and financing mechanisms
- Complex designs, high number of sub-components led to long implementation (9-10 years) in some projects (irrigation, NRM)
- Project on agricultural marketing (AMIP) suffered from poor design and unclear institutional mechanisms

# Main poverty reduction results

- Poverty impact through increased food security, human and social capital, household income and assets
- Empowerment of communities
- Local capacities built, good prospect for sustainability
- Successful targeting of women: E.g. female-headed households as beneficiaries of irrigation; women in polygynous households as land-owners and WUA members.
- Women's increased access to rural finance, to irrigation and to land; increased voice and reduced workloads
- Significant contribution to institutions and policies; good basis for scaling up

# Main Findings: Non-lending activities

- **Policy engagement** - IFAD's role is to feed project experience into policy processes
- COSOP identified two policy areas: rural finance, and environmental and land degradation. Only partly addressed and not well documented.
- IFAD is well respected and has provided advice (e.g. financial sector, legal status of WUAs, pastoralism)
- Weak M&E; not able to provide lessons from operations
- No clear and actionable agenda for **Knowledge Management**
- **Partnerships** mainly with Government; less private sector (e.g. AMIP); strong partnership with WB on pastoral development

# Main Findings: Programme Management

- Overstretched ICO; limited resources
- Engagement with national *and* regional partners
- Regional office did not provide technical support as intended
- Government demonstrated strong commitment and ownership
- Strong mechanisms for aid coordination supports synergies
- High turnover of staff in PMUs



# Conclusions – programme strengths

- Relevant thematic and geographic focus on rural poverty
- Community participation: bottom up approach, downward accountability, relevant and effective projects, support implementation of Government's decentralisation policy.
- IFAD effective donor in the rural sector in Ethiopia, strong partnership with GOE and donors
- IFAD's country presence appreciated by GOE and credited with effective support
- GOE effective partner ensuring that IFAD (and other donor) programmes are fully aligned to its priorities and needs

# Conclusions – areas for improvement

- Slow start-up and long gestation
- Weak M&E
- Lessons from operations remain to be learned (e.g. pastoralism)
- Programme spread too thinly over five thematic areas
- ICO overstretched, IFAD has been losing leadership in policy engagement (e.g. small-scale irrigation and rural finance)

# Three main recommendations

## 1. Focus on fewer thematic areas and enhance the quality of programmes

- Focus: Irrigation; rural finance; pastoral development
- Mainstream climate change and sustainable NR management
- Attention to pastoral mobility
- Enhance strategic partnerships
- Mobilising funding for rural finance (RUFIP)

## 2. Use longer-term programmatic approach to lending

- PCDP as a good example of 15-20 years orientation

## 3. Clearer focus on non-lending activities

- Project-based lessons to underpin policy engagement