

Federal Democratic Republic of Ethiopia

Country Strategy and Programme Evaluation

Coverage: 2015-2022

IOE | **IFAD**
Investing in rural people
Independent Office of Evaluation



Country context

Population: 120.3 million (2021)

GDP per capita: US\$ 921.1 (2021)

Population living in rural areas: 80% (2021)

Poverty headcount ratio at \$2.15: 27% (2015)

Agricultural sector as proportion of GDP: 37.6% (2021)

Human Development Index: 0.485 - 173rd out of 189 countries (2019)

Sources: IMF; UNDP; World Bank

IFAD operations

IFAD-approved loans

21 since 1980

Total portfolio cost

US\$ **2.339** billion

IFAD financing

US\$ **839.5** million

Evaluation coverage

Projects evaluated **9**

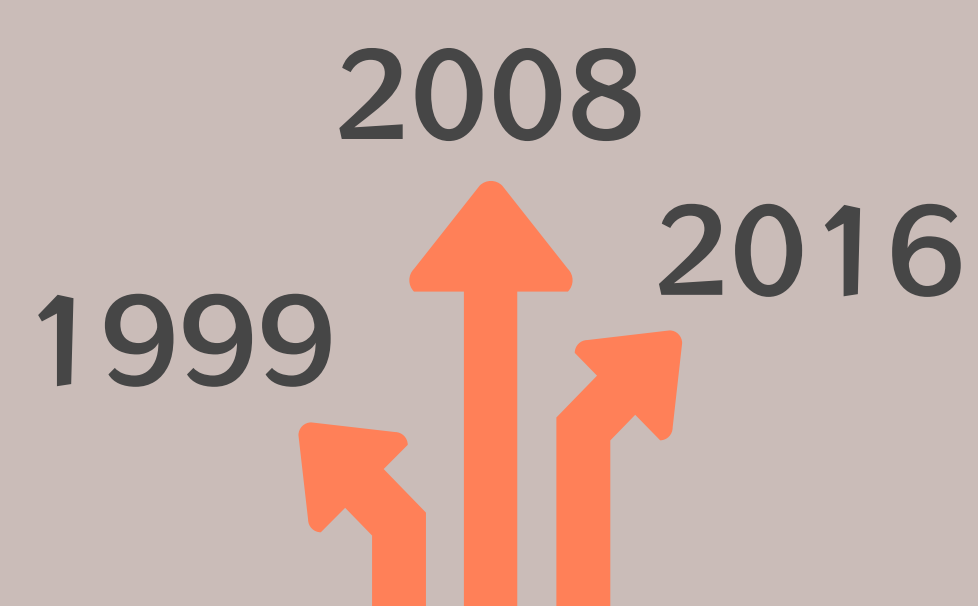
Total portfolio cost

US\$ **1.805** billion

IFAD financing

US\$ **654.1** million

Country strategies



Country Strategic Opportunities Programmes (COSOPs)

Main areas covered by projects



Natural resource management



Access to markets

Rural finance



Community-driven development



Agricultural production and innovation



Resilience of pastoral communities

Main evaluation findings

Strengths

- 1 The IFAD country strategy and programme were well aligned with national development and agriculture priorities, and responded to the needs of smallholder farmers, especially in regions prone to natural disasters and other shocks.
- 2 IFAD's comparative advantage was acknowledged explicitly by most stakeholders in relation to small-scale irrigation development and inclusive rural finance.
- 3 The programme achieved important policy results “from practice to policy”, including contribution to numerous institutional and policy changes (as for instance, institutionalization of Irrigation Water User Associations; revised Proclamation on banking supervision to enabling a better inclusive finance, including the governance framework; and development of various cooperative directives for different types of cooperatives), due to the direct usage of projects' results and expertise by government actors.
- 4 There was a significant contribution from IFAD-supported operations in facilitating access to financial services in rural areas and in improving access to social infrastructure, (such as water supply units, schools, health posts and rural roads) by pastoral and agro-pastoral communities in remote areas.
- 5 The programme successfully contributed to strengthening the ecosystem and economic resilience in fragile regions through promoted social, technological and financial innovations, as well as smallholder irrigation schemes and sustainable natural resources management practices.

Areas for improvement

- 1 Although there was thematic convergence between IFAD's support and other partners' programmes in the rural sector, synergies and coordination of interventions remained weak.
- 2 Despite evidence of effective knowledge dissemination and information-sharing between stakeholders of individual projects, the programme lacked a structured and systematic approach for effective utilization of knowledge across projects and beyond, to reach other key players within the rural sector.
- 3 The programme facilitated increased women's access to rural finance and participation in grassroots institutions, but their asset ownership and degree to which their “voice” was heard remained limited.
- 4 Gaps were noted in linking farmers to private sector actors for effective and sustained access to markets.
- 5 Persistent challenges of financial inclusion were noted in terms of weak consumer protection, difficulties of access to credit lines for smaller MFIs and the limited availability of Islamic friendly financial products.

Recommendations

				
<i>one.</i>	<i>two.</i>	<i>three.</i>	<i>four.</i>	<i>five.</i>
Explicitly include in the next strategic objectives aspects of pro-poor value chain development, especially when agricultural surplus become significant.	Enhance resilience building, especially in remote fragile rural areas, by focusing on the development of absorptive and adaptive capacities.	Consolidate and sustain results achieved in relation to financial inclusion, by enabling stronger engagement of key national players to identify innovative solutions.	Upscale or replicate the implementation of the gender transformative approach to other projects, to address the root causes of gender-inequality at a significant scale.	Facilitate the sharing of lessons to enhancing the consolidation of results achieved within the programme and the national agriculture sector.