



Investing in rural people

Ethiopia

Participatory Small-scale Irrigation Development Project (PASIDP)

Supervision report

Main report and appendices

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Abbreviations and acronyms

PASIDP	Participatory Small-Scale Irrigation Development Project
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
IFAD	International Fund for Agricultural Development
USD	United States Dollar
GOE	Government of Ethiopia
LPA	Lead Programme Agency
MOA	Ministry of Agriculture
SNNPR	Southern Nation Nationalities People's Region
AWPB	Annual Work Plan and Budget
M&E	Monitoring and Evaluation
MOFED	Ministry of Finance and Economic Development
ORDA	Organization for Rehabilitation and Development of Amhara
FPCMU	Federal Programme Coordination and Management Unit
RPCMU	Regional Programme Coordination and Management Unit
BOA	Bureau of Agriculture
WUA	Water Users Association
BOWR	Bureau of Water Resource
PY	Project Year
Ha	Hectares
REST	Relief Society of Tigray
FTC	Farmer Training Center
FRG	Framer Research Group
TAIR	Tigray Agricultural Research Institute
WA	Withdrawal Application
MOU	Memorandum of Understanding
SOE	Statement of Expenditure
PIM	Project Implementation Manual
BOQ	Bill of Quantity
MTR	Mid Term Review
ICO	IFAD Country Office
CSA	Central Statistics Agency
BOWRD	Bureau of Water Resources Development

A. Introduction¹

1. The Participatory Small-scale Irrigation Development Programme (PASIDP) has been designed within the framework of Ethiopia's second generation Poverty Reduction Strategy Paper, commonly known as the Plan for Accelerated and Sustainable Development to End Poverty (PASDEP). IFAD has approved a grant and loan (on highly concessional terms) amounting to USD 40 million in the aggregate, representing 70% of the estimated cost of the programme. The IFAD Programme Financing Agreement became effective on 10 March 2008. The Government of Federal Democratic Republic of Ethiopia (GOE) and beneficiary households will contribute approximately USD 14.2 million and USD 3.5 million representing about 25% and 5% of the total programme costs, respectively. The Ministry of Agriculture (MoA) is the lead programme agency (LPA) with responsibility for coordinating programme implementation in collaboration with the respective Regional State Governments of Amhara, Oromia, SNNPR and Tigray.
2. The 4th IFAD Supervision and Implementation Support Mission visited the Programme Area from 13th June to 4th July 2011. with the key objective of assisting stakeholders at federal, regional and Woreda levels in firming up: (i) the review of progress in programme implementation; (ii) assessment of the adequacy of institutional arrangements made to ensure effective programme coordination, management and implementation at kebele, Woreda, regional and federal levels; (iii) to critically assess compliance with provisions of the Financing Agreement particularly with regard to (a) eligibility criteria for construction or upgrading of irrigation schemes, (b) establishment of M&E system, (c) preparation of baseline survey, (d) financial management and reporting including audit, procurement, etc; and (iv) jointly review the progress in the implementation of the AWP&B for PY 3 and the preparation for PY4 and PY5 with local stakeholders and propose measures to improve the responsiveness of the AWP&B to identified needs and priorities of the target group while enhancing overall performance and the pace of programme implementation.
3. Following preliminary consultations with stakeholders at federal level, the Mission undertook field visits to Amhara, Oromia, SNNPR and Tigray mainly to interact with field level staff, local communities and beneficiary households.
4. A consultative workshop was held in Addis Ababa and attended by key stakeholders including staff from MoFED, the national and regional Programme Coordination and Management Units, Regional Bureaux of Water Resources and Agriculture, Organization for Rehabilitation and Development of Amhara (ORDA). The workshop provided a good opportunity for the Mission to jointly review with the key stakeholders the implementation status of the project, identify major challenges and

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bottlenecks encountered during the course of implementation and propose appropriate corrective measures consistent with the Programme's strategy, approach, and implementation arrangements.

5. The Mission would like to take this opportunity to express its appreciation for the many courtesies, hospitality and support extended by MoA, FPCMU, RPCMUs and regional bureaux.

B. Overall assessment of project implementation

6. The area under construction for small scale irrigation has increased to 9563ha over the last three years. The number of beneficiaries benefitting from this development is about 17,213 households, of which around 20% are female headed households.
7. The non-completion of construction of small scale irrigation schemes and the lagging behind of implementation of agricultural development activities casts the implementation of PASIDP negatively. While PASIDP has managed to start construction of about 9,563ha of small scale irrigation schemes in all the four regions since the beginning of the project, only 2,759ha are reported to be completed. The area under construction is about 79% of the target area to be developed under the project, but the area that has been completed is about 23%.
8. The rate of development of schemes, if construction contracts are completed on time, is far greater than anticipated during inception. The target area of 12,020 ha will be achieved before programme end date.
9. The number of households benefitting from programme activities is listed as 18, 495, disaggregated as follows, 17,213 households as beneficiaries on irrigation schemes, 638 assisted with households with home gardens, 644 households supplied with improved stoves and . This number is an under estimate as households benefitting from agricultural development component activities is not well documented.
10. Financial disbursement from the small scale category has improved significantly in PY4 and PY5. However, the overall level of disbursement is about 26%, and level of committed funds is at 56%. Pipeline commitments for irrigation development will increase the level of commitments significantly in PY6.
11. The levels of financial commitments and physical works accomplished have been increasing significantly over the last 3 years, giving optimism that all the funds will be committed by end of 2014.

C. Outputs and outcomes

12. **Institutional Development.** The programme is helping in capacity building 86 Woreda and 26 Zonal governmental staff and offices. The programme has organised over 120 water user associations, with capacity building on 71 Water User Associations initiated and are currently being strengthened.
13. **Small Scale Irrigation Development:** An area of 9563ha of 71 community schemes is under construction with 2010, 2,759ha (24 schemes) listed as completed and under

irrigation. In some cases, some irrigation schemes start irrigating small areas even before the construction works are completed, but this area is not included in this report.

14. The number of beneficiaries on the schemes under construction is 17,563 households, of which about 20% are female headed.
15. **Agricultural development:** The programme has established 638 home gardens and supplied improved stoves to 644 households for demonstration. 59 community nurseries and 20 improved forge systems have been introduced.
16. There is need to improve the reporting of project beneficiaries from all components, so as to adequately capture the number of households assisted and the impact of the assistance.
17. Over 132 FRGs have been established in Oromia and Tigray. In Tigray yield increases of up to 82% have been recorded on demonstration plots under FRGs. However the impact of the FRGs on crop yields from farmer's fields is not yet clear, as these are not being monitored.

D. Project implementation progress

Institutional Development

18. Institutional development activities have focussed on the capacity building of regional, woreda government officers, from the BoA and the BoWR in each region, and communities with training and provision of equipment. However, a comprehensive training needs assessment and development of a comprehensive capacity building strategy and plan has not yet been done.
19. It is noted that the execution of training activities planned for the BoA staff less than 30%, training of Demonstration Assistants is at 60% overall. The low level of activities of capacity building of BoA staff may adversely affect the quality of service delivery to farmers and the agricultural performance of the new irrigation schemes developed, as it is assumed that these officers will train communities in their respective work areas.
20. **Water User Associations:** PASIDP has assisted in the initiation of over 160 WUAs. The WUAs are at different levels of development, depending on the stage of development of the irrigation schemes. The training of WUA is being done for each irrigation scheme developed.
21. The trainings seem to focus mainly on water management issues and are weak on group organisational and management issues. There is a need for the programme to develop a WUA development strategy that outlines the development stages that a WUA will go through during the capacity building. The strategy will outline the development path of each WUA, from a low to a high level of competence. Each WUA should be categorised according to the level of capabilities, on the development path, following the training.

22. Communication between the various implementing agencies at regional and federal level seems weak. The various interpretations of regional or project procedures by various parties was an indicator of the weak communication. The lack of a comprehensive monitoring and evaluation system, low attention to the quality of data collected of reported and little analysis is hampering project monitoring. Some regional RPCMUs and BoWR are without adequate staff to properly coordinate and implement the programme. In Amhara the RPCMU has no M&E officer or assistant accountant. In Tigray there is no engineer. The BoWR in Amhara has indicated staff shortage to assist in works supervision and check payment certificates from contractors.
23. The implementation of capacity building activities for the BoA staff needs to be strengthened. The annual workplan and budget is submitted late (by over three months), leaving regions without money to operate with.

Small Scale Irrigation Development:

24. A total of 160 irrigation schemes are listed to be at different stages of development.

Region	No Contract date	2010	2011	2012	2013	Grand Total
Bid Process	8				2	10
Completed		14	10			24
Construction		5	9	26	7	47
Detailed design	55				3	58
Feasibility study	13					13
Identification	5				3	8
Grand Total	81	19	19	26	15	160

25. Out of 71 (9,563ha) community schemes under construction since 2010, 24 (2,759ha) schemes have been listed as completed. However, the number of schemes with construction works overdue by more than 6 months is as follows; 5 (698ha) schemes from 2010, 9 (1,966ha) schemes from 2011 and 12 from 2012 (1,816ha). The delay in completion of construction has significantly affected the level of disbursements and delayed the realisation of benefits to farmers. In PY4 43 community schemes, 66 dug wells and 30 portable pumps were studied and designed, and 28 community schemes, 46 dug wells and 1 portable pump started construction. In PY 5, a total of 120 schemes have been studied and designed after 6 months, with 100 schemes in Tigray alone. Four new community schemes started construction with effort concentrated on on-going construction works.
26. The level of disbursement on community schemes recorded as completed, with contracts awarded in 2010, is at 55% and for schemes under construction, from the same year, is at about 35%.

Year of Contract	Contract amount committed (Birr)	Amount Paid to Date (Birr)	% amount paid
2010			
Completed	43,219,758	23,778,346	55%
Construction	19,273,592	6,899,616	35%
2011			
Completed	27,382,476	7,718,050	28%
Construction	28,534,948	2,090,557	7%
2012			
Construction	90,413,166	14,704,910	16%
2013			
Construction	59,713,344		
Grand Total	268,537,284	55,191,479	21%

The level of disbursement to construction contracts is low at 21%. To improve level of disbursements, the payments for completed schemes and schemes that are over 6 months beyond the performance period need to be fast tracked over the next 3 months.

27. There are about 27 irrigation construction contracts that are over 4 months (up to 29months) beyond their performance period. It is recommended that PASIDP should undertake a comprehensive review of all contracts awarded in 2010, 2011 and up to June 2012, that are beyond their performance period by more than 6 months to find out the causes of the delay, how the works can be finalised by December 2013. A moratorium of about 3 months should be given to the starting of new irrigation works, until the back log in construction has been resolved or a clear roadmap has been put in place for clearing the backlog.

Months contract overdue	No. of contracts				
	Amhara	Oromia	SNNPR	Tigray	Total
Within Contract		11			11
less than 1 month within up to 4 months over			2	8	10
4-9			4		4
9-14	7		3		10
14-19			1	4	5
19-24			2		2
24-29	2	3			5
Total	9	14	12	12	47

28. However, in some cases, especially in Amhara, irrigation starts when construction is not yet complete. While this practice is good as it brings early benefits to communities, it may present contractual issues with a public or private sector contractor in terms of liabilities for damages during farmer operations and the defects liability period.
29. **Group schemes:** The installation of shallow dug wells is performing very well with 677 shallow wells installed. Most (634) of the wells are in the SNNPR and Tigray. The wells are dug at household level. The programme has started to promote the use of portable pumps, with most pumps given to groups of women. A total of 55 portable pumps have been given to women's groups. No drip irrigation has been demonstrated as yet.
30. Main challenges with small scale irrigation development
31. Irrigation designs that necessitate design changes during construction leading to variations and supplementary works above 15%. Poor designs are mainly caused by the use of digital terrain modelling with inadequate ground checking and omitting key irrigation structures to meet the allowable cost per hectare and reintroduce them after contract award. Since the variation in both specifications and quantities are high when no ground checking is done for detailed designs. It is recommended that the supervision of the design process be tightened in each region to reduce the level of variations to within 15% of scheme costs. The effort in Tigray and Oromia to have committees and independent engineers to clear designs before tendering is commendable.
32. The process and procedures for approval of irrigation study and design documents should be clearly outlined and submitted to the Federal PCMU and IFAD Country office. Submission of completed study and design documents should indicate clearly that the regional process of approval has been followed and that the region accepts the study and design results.
33. It is further recommended the Federal PCMU should treat the 15% variation, allowed for civil works payable from IFAD the loan and grant proceeds, on the contract sum and not on an item by item basis. This proposed approach will reduce the workload on the checking and verification of payment invoices from contractors and reduce the time taken to move invoices from construction site to payment at the bank.
34. Weak contract management capacity due to work overload of engineers, dispersed small-scale irrigation construction sites and not adhering to contract management principles. The number of schemes to engineers available to manage the contracts financed by government alone and with other financing partners is large in each district. The lack of supervision seems to have contributed to the poor construction quality in some schemes and to the delay in payment of contractors.
35. In general, the financial or technical capacity (or both) of contractors has bulked under the load of accelerated development. In Amhara and Tigray the construction of irrigation works is carried out by public companies and non-governmental entities; REST and TWWCE in Tigray and ORDA in Amhara. While in SNNPR and Oromia,

private companies are used. The awarding of many contracts at one time to these contractors will result in straining their capacity to deliver quality construction and to complete it on time. Tigray region has awarded two batches of contracts to the TWWCE in March 2011 and October/November 2012.

36. The process of approval of variations and supplementary works, at Regional level, is not clearly laid out, causing delays in approval of payments. Since the contracting for construction works is done at Regional level, the Federal PCMU and the IFAD country office need to have documented procedures from each regional that clearly outlines the procedures for approving variations and supplementary works on civil works contracts. It is these procedures that will be followed in determining the eligibility of variations and supplementary works.

Agricultural Development:

37. The key activities under this component include: a) establishing household managed home gardens, b) conducting training and demonstrations (especially focussing on SCP I, II and a few completed schemes), c) demonstrating seed production systems and c) equipping Farmer Training Centres (FTC).
38. **Scheme agricultural development:** Agricultural plans are developed for schemes to be constructed and in SCP I&II schemes. However, it is not clear how the scheme construction and the agricultural development activities are coordinated to smoothly transition from construction to agricultural activities. A comprehensive capacity need assessment needs to be done at each scheme to assist in the development of a scheme specific training programme. It
39. **Farmer Research Groups:** Farmer research groups are organised on a scheme by scheme basis, with the aim of disseminating new farming technologies. By PY4 Oromia and Tiray had established 105 and 37 FRG respectively. The FRGs were established on irrigation 41 and 20 schemes established under the Special Country programme. Amhara and SNNPR had no established FRGs. In the first 6 months of PY5, only Tigray has facilitated the establishment of 32 FRGs.
40. PASIDP's objective is beyond minimizing drought effects and fluctuation of agricultural produces; it is about increasing agricultural returns while improving the ecosystem services of the respective catchment areas. The mission has been concerned by the low priority given to agricultural development plan by the respective regions, and purely focusing on the physical construction of the schemes. During the period under review, with the exception of Tigray, there has been very little investment made on agriculture development, thereby depriving communities from experimenting on agricultural technologies to integrate into the schemes and improve farm productivity and yield. The bias has also been reflected by the fact that the total agricultural budget used by the PASDIP projects was below 15% for the last four years. The mission recommends strengthening the capacity of the regional and Woreda offices to compensate for the time and opportunity lost in agricultural development and to make corrective measures for PY6.

41. There is still lack of clarity on the need for catchment management in the different regions. While Oromia and Tigray regions have strong experiences in catchment management, with broader concept of watershed management, the schemes in the Amhara and Southern region are still struggling to ensure that the catchments are well protected from the upstream risks of erosion and deforestation. The vegetation cover which the Mission has witnessed in the Amhara region was not good enough to protect irrigation schemes unless it is strengthened by physical and biological structures. The negative effect of erosion on schemes was clearly observed in the PASDIP sites, including Odda scheme in Tigray and Chagni scheme in the Amhara region. The mission recommends that the upper catchments of the new PASDIP schemes should be protected, in alignment with safety net or other initiatives. The Woreda bureaus should facilitate community collective action in establishing and enforcing byelaws for sustainable catchment management. The regional PMCUs should use the funds of the ADP to avail planting materials for rehabilitation of watersheds. PASDIP should also support the Woreda admin in implementing their watershed plans within the catchment area.
42. One of the key requirements of PASDIP is for each scheme to develop its own detailed Agricultural Plan considering the views and priorities of local communities, market opportunities and the resource bases. Although these plans have been submitted as pre-conditions for no objection, the mission learned that the AD plans developed by the technocrats are shallow and rarely reflecting the needs and the priorities of the respective communities and the views of the Woreda experts. The mission recommends that all agricultural plans in PY6 are validated by the local communities (through their WUA and/or FRGs) and submitted as an updated version of the plan for the national coordinator and IFAD.
43. For agricultural intensification to materialize in the PASDIP schemes, there are at least four pertinent questions that the respective schemes should seriously consider in their revised ADP, namely; a) identifying and introducing high value trees, vegetable and forages to the schemes that would increase the income of farmers in short term; b) characterise the land use / soil fertility gradient of each scheme and identify landscape niches to suggest what type of crop should grow where. c) Identify innovative / experimenting farmers as members of the FRG to try out new technologies and practices on behalf of the communities. The mission recommends an exchange visit to schemes (IFAD or non-IFAD), where farmers employed good practices, intensified their systems and improved their food security and income through irrigation.
44. There is an increasing trend in competition for water between upstream and downstream users, within and outside the schemes. On the other hand, there is a huge unproductive water loss within the command areas, estimated to be about 70%, through evaporation, canal seepage and wrong choice of trees. This is particularly apparent in the new schemes, where irrigation agriculture is relatively new and farmers are not well experienced with water saving strategies. The mission recommends that the Woreda experts develop strategies to help farmers to estimate

water requirements of crops, adopt water saving agronomic practices that would reduce evaporation and maximize transpiration (e.g. terracing, mulching) and use the residual moisture for growing complementary enterprises (forages, food legumes).

45. Pests and diseases are already undermining the returns of PASDIP investments. Most schemes in Tigrai have been threatened by an alarming build up of pest and diseases, including on garlic, potato and fruits like mango. The mission recommends that each scheme should integrate IPM principles, whereby clean seed, crop rotation, uprooting of infested plants, careful management of farm implements and pesticides are used complementarily. PMCU should also develop competitive incentive mechanisms for promoting farmer innovation, including small financial rewards.
46. Farmers research groups (FRGs) are considered as key vehicles to achieve the objectives of PASDIP. Researchers from the respective regions, in close partnership with the Woreda experts, should take the lead in establishing and facilitating FRGs for promoting experimentation and innovation. However, the achievements of the regions to date in establishing FRGs are below expectations though it differs from regions to regions. In Tigrai, they are very well established thanks to the strong partnership created between PMCU and Tigrai Regional Agricultural Research Institute (TARI). The mission recommends that the plan for PY6 in each region includes a clear strategy on how to bring the research organizations on board to organize and establish FRGs and make them operational for solving scheme-level agricultural constraints.
47. The current centralized seed system in Ethiopia didn't meet the growing demands of farmers, particularly for high value fruits and vegetables. The appraisal mission recommended at least three channels of seed systems: a) Supporting elite farmers to produce and market quality seeds that are of interest to the local community; b) Establish communal nurseries in the command area for own use and selling to other schemes, on at least one ha of land, with easy access for irrigation water; and c) Establish alternative seed sources including through traders. For Py6, the mission recommends the Woreda experts to organize and support specialized seed producing groups (e.g. maize group, potato group, fruit group, forage group..); provide training and start-up planting materials and ensure the purchase of the initial seed and create marketing linkages. Seed storage facilities are also major incentives for farmers to produce and maintain quality seeds.
48. PASIDP's appraisal considers home garden development as an important strategy to address food security and providing cash access to women. As most of the new schemes are placed in cereal-livestock dominated systems where home gardening is rarely practiced, particularly in Tigrai and Amhara regions, it needs a proactive role in introducing the practices and making it work in these cereal-based systems. The mission demands a clear strategy on home garden development for Py6, including targeting, facilitation and input delivery for each scheme in the respective regions.
49. One of the strategies to improve productivity and sustainable use of schemes is promoting multiple use of water for crop, livestock, fishery and other uses. The mission recommends an inclusion of livestock in the agricultural development plan of

the new schemes, particularly through construction of troughs for livestock drinking and integrating annual forage legumes as break crops, border crops, ridge stabilizer and other niches. Strategic inclusion of livestock will also minimize the physical destruction of canals by livestock.

50. The AWPB for PY6 should give priority to the following key issues: a) Identify activities that consider the local views, current land use and production system of the respective schemes while addressing the immediate interests of the community; b) the plan should contain activities for initiating close collaboration with research to facilitate FRGs; c) the plans should give emphasis to demonstration of new crops, varieties and agronomic practices relevant for newly introduced commodities; d) there should be arrangements to organize few interested farmers to set seed groups on one or two selected crops / fruits / vegetables and help them to succeed in the first year; e) Seeds of food and fodder legumes for few selected FRG members that could be integrated into the schemes as intercrops, relay crops and border crops should be available and accessible to the farmers; g) Farmers' exchange visits should be planned to give access to what other farmers are doing in their schemes; h) the plans must integrate incentives to staff and to innovative farmers.
51. The scheme plan for Py6 should organize need-based training modules for the various local and regional actors. For regional coordinators, there is a need to create capacity in formation of partnership, documentation of lessons and communication of key results; for Woreda experts and DAs there is a need for creating capacity in facilitation of meetings, choice of technology options, facilitation of collective action for watershed management, sustainable seed systems, and scaling-up strategies. Cross-scheme level training modules should be organized for local communities in the area of watershed management, establishment and facilitation of FRGs and IPM principles.
52. The commitment to implement agricultural activities needs to be strengthened with more active participation of the BoA focal persons. It seems like the programme focusses on irrigation infrastructural development, with much less attention on agricultural development activities. This may be because of the pressure to absorb the available funds with construction activities.
53. The participation of regional research institutes is weak in Amhara, Oromia and SNNPR. The RPCMUs and FPCMUs should organise an stakeholder meeting at regional and federal levels to identify the best ways to gain more participation from research institutions and universities in programme activities.

E. Fiduciary aspects

54. **Financial management.** FPCMU and RPCMUs have implemented a new chart of accounts into Peachtree accounting system. RPCMUs are now submitting approved reports on a quarterly basis indicating an improved fiduciary responsibility. However, there is need for improvement in the following areas; amend chart of accounts to

capture source of funds, post budgets into peach tree to facilitate budget and actual expenditure analysis and adopt a uniform format of fixed assets register to facilitate consolidation at FPCMU.

55. **Disbursement.** Loan & Grant is 36.6% (USD.14.6 Million) disbursed including authorized allocation and 27.0% (USD.10.6 million) excluding authorized allocation of the USD.40 million allocated which leaves an equivalent USD.25.4 Million still available at IFAD to be accessed by the Programme. Small Scale Irrigation (component 2) was allocated 68% (USD.27 million) of the total Loan and Grant of this only 18% (USD.4.9) has been spent and 42% (USD.11.3 Million) committed leaving available 40% (10.9 million) to be committed on this component. The overall performance, including commitments is 54.7% (USD.21.9 of USD.40 Million committed) living USD.18.100 to be committed before 31 March 2015 (completion date). Whereas there was a marked improvement in absorption rate during the PY5 (2012/13) accounting for one-third (1/3) of the cumulative absorption (PY1 – USD.160,302; PY2 – 1,440,132; PY3 – USD.2,609,814; PY4 – USD. 2,286,411 and PY5 – USD.4,123,336) , this rate is not satisfactory given the remaining time to completion.
56. The turnover of Withdrawal Applications (WAs) very low which has been attributed to slow physical progress – due to poor designs and insufficient supervision. There has also been poor process flows in certifying works executed, collecting WAs and SOE support documents on a quarterly rather than regular basis, waiting for all RPCMUs to submit documents before a WA is raised, attaching irrelevant support documents to WA (making them bulky and time consuming to process) and assessing variations on item by item basis rather than lump sum.
57. The mission recommends that documents of permanent nature like contracts, MOUs, No Objections already submitted to IFAD and other irrelevant documents for accounting purposes such illustrations of the works executed and computations of the value of works executed as support documents to certificate of works; should not be attached to WAs. Only a summary of Certificates indicating the value of works executed and accepted be forwarded as attachment to the WAs. The detailed attachments to the Certificates should be properly filed and maintained at the FPCMU with Copies at the IFAD Country Office.
58. It is further recommended that executed works variations should be done on a lump sum basis on certificates rather than item by item basis on BOQs to present “artificial” variations that deny contractors liquidity and cause unnecessary contract amendments. SOE and WA support documents should be collected on a monthly basis following the GOE reporting requirements. FPCMU should not wait for all RPCMUs to submit documents before a WA is raised as long as the required minimum for WA of USD.800,000 has been raised.
59. **SOE Sport check:** The mission reviewed SOE and other support documents for WA number 16 covering January 2013 to March 2013 which is being assembled for submission and noted that Amhara Region had inappropriately applied the percentage

of eligible expenditure to be financed by IFAD. Design and Supervision had been allocated 100% instead of 90%, Woreda staff allowance had been claimed at 100% instead of 50% provided for PY5 and materials and equipment had been claimed at 100% instead of 90%. The SOEs have been referred back to the RPCMU for correction. The mission further noted that some documents supporting SOEs had been generated in the National language (Amharic) and were reviewed by help of an interpreter. It is recommended that whenever documents are generated in the National language, there should a translated version to facilitate review and to comply with the Loan covenants.

60. **Counterpart funds.** The mission commends the Tigray Regional State for providing GoE contribution in advance from the time of implementation of the AWPB. However, the funds are commingled with IFAD funds on the same account which gives a misleading picture on the Special Account reconciliation. RPCMU – Tigray should in addition to providing bank statements avail a spreadsheet to break down funds that have been spent from GOE contribution.
61. **Compliance with loan covenants.** The Programme is generally being implemented in compliance with the financing agreement except for delays in submission of AWPB, development of an M & E system, reply to the management letters of the auditors for PY3 and PY4, approval of PIM and language of documents supporting WAs.
62. **Procurement.** Most procurement planned for the year 2012/13 had been executed. However FPCMU and RPCMUs should improve procurement planning by including Design and Construction works procurements on the procurement plan. The mission further noted that thirty motorcycles for Tigray RPCMU procured through UNOPS and delivered at FPCMU stores in February 2013 had not been collected by end of April, 2013; Thirty six (36) construction and study and design contracts had passed their terminal periods with eighteen contracts delaying for more than two years but had not been amended or extended to validate contracts, Expired Bank guarantees were not being renewed. The mission further noted that Tigray RPCMU did not maintain contract monitoring forms while for other RPCMUs the contract monitoring forms were not up-to-date.
63. It is recommended that:
 - (a) Tigray Regional Government and Tigray RPCMU make an arrangement to collect and distribute the thirty motorcycles to improve mobility and improve quality of supervision of programme activities. All Regions should develop and update contract monitoring forms and initiate a process of contract validation extension to comply with contract management procedures.
 - (b) Contractors with expired Bank guarantees should be notified, extended guarantees should be secured at the RPCMUs and evidence of extension availed to FPCMU
64. **Audit.** The 2011/12 audit report on financial statements, Statement of Expenditure and operation of Special Account was unqualified (got a clean audit opinion).

Management has not provided a reply to auditor's management letter for PY3 and PY4. Financial statements did not comply with IFAD's standard format – they did not comprise a comparison of budget against actual expenditure. The auditor left out a statement of fixed assets even when it was provided in the draft financial statement. The mission recommends that FPCMU initiates the process of reply to the management letter of the auditors with a plan of action to address issues raised. FPCMU and the Ministry of Agriculture should discuss with the Audit Service Corporation the need to adhere to the IFAD standard format of Financial Statement.

F. Sustainability

65. The core approach to programme implementation, which has strongly been endorsed by all stakeholders, is participatory with active community engagement right from the beginning. As construction of each scheme is subject to prior review and approval by IFAD, the targeting and selection criteria are strictly adhered to. Programme implementation is well embedded into the decentralised administration, which augur well for continuity beyond the implementation period.

G. Other

66. One of the main challenges to ensuring timely Programme implementation is the ability of the regional bureaux to attract and retain reasonably qualified staff, particularly in remote area locations and this could be affected by providing staff emoluments with prevailing market rates and adequate allowances. As emphasised by the previous Mission, there is an urgent need for MoA to harmonize approaches among donors in order to ensure sustainable small-scale irrigation development, for example, by using experiences and lessons learnt under PASIDP as an important point of reference.

H. Conclusion

67. PASIDP's objective is beyond minimizing drought effects and fluctuation of agricultural produces; it is about increasing agricultural returns while improving the ecosystem services of the respective catchment areas. The project has shown good progress in terms of construction of various types of small scale irrigation schemes. However, the low priority given to agricultural development plan by the respective regions and the observed skewed focus on the physical construction of the schemes is clearly a matter of concern. Therefore, the PCMU should take appropriate corrective measures towards strengthening the capacity of the regional and Woreda offices to compensate for the time and opportunity lost in agricultural development during PY6.
68. IFAD and the Government of the Federal Democratic Republic of Ethiopia endorse the findings of the supervision mission.

Appendix 1: Summary of project status and ratings

Basic Facts

Country	Ethiopia	Project ID	1370	Loan/DSF Grant No.	719 , 8004
Project	Participatory Small-scale Irrigation Development Programme			Top-up Loan/DSF Grant	
Date of Update	13-Jun-2013				
Supervising Inst.	IFAD/IFAD				
No. of Supervisions	5	No. of Implementation Support/Follow-up missions	4		
Last Supervision	09-May-2013	Last Implementation Support/Follow-up mission	15-Dec-2012		

					USD million	Disb. rate %
Approval	18-Apr-2007			Total financing	57.77	
Agreement	13-Jun-2007	Effectiveness lag	10.9	IFAD Total	40.00	
Entry into force	10-Mar-2008	PAR value	-----	IFAD loan	20.00	39
First disbursement				DSF grant	20.00	39
MTR	24-Dec-2012	Last amendment		IFAD grant		
Original completion	31-Mar-2015	Last audit	07-Jan-2013	Domestic Total	17.77	
Current completion	31-Mar-2015			Beneficiaries	3.55	0
Original closing	30-Sep-2015			Government (National)	14.22	0
Current closing	30-Sep-2015			External Co-financing Total		
No. of extensions	0					

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of project management	5	4
2. Acceptable disbursement rate	3	3	2. Performance of M&E	4	3
3. Counterpart funds	5	5	3. Coherence between AWPB & implementation	3	3
4. Compliance with financing covenants	5	4	4. Gender focus	5	5
5. Compliance with procurement	5	4	5. Poverty focus	5	5
6. Quality and timeliness of audits	4	5	6. Effectiveness of targeting approach	5	5
			7. Innovation and learning	5	5
			8. Climate and environment focus		4

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Actual outputs/Agricultural Development	5	4	1. Institution building (organizations, etc.)	5	4
2. Actual outputs/Small-scale Irrigation Development	5	4	2. Empowerment	4	4
3. Actual outputs/Institutions' Development	3	3	3. Quality of beneficiary participation	5	5
			4. Responsiveness of service providers	5	4
			5. Exit strategy (readiness and quality)	5	5
			6. Potential for scaling up and replication	5	5

B.5 Justification of ratings

PASIDP's implementation progress has picked-up significantly in 2012/2013 fiscal year. Financial disbursement from the small scale category has improved significantly in PY4 and PY5. However, the overall level of disbursement is still significantly below the ideal level but the level of committed funds is at 56%. Additionally, Pipeline commitments for irrigation development will increase the level of commitments significantly in PY6. Thus, as the levels of financial commitments and physical works accomplished have been increasing significantly over the last 3 years, there is high optimism that all the funds will be committed by end of 2014.

Overall Assessment and Risk Profile

	Last	Current
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C.1	Physical/financial assets	5	5
C.2	Food security	5	5
C.3	Quality of natural asset improvement and climate resilience		
C.4	Overall implementation progress (Sections B1 and B2)	5	5

Rationale for implementation progress rating

PASIDP is on target with physical progress on the ground. All regions have almost completed their physical investment proposals. However, delays in implementation have meant that payments for these investments are also delayed. Hence the low disbursement rate which is rising and hopefully reach at least 50% by the end of the fiscal year. Taking into account the observed wide gap between physical progress and financial disbursement, the ICO has strongly advised the PCMU to aggressive collection of SOEs from the regions and Woredas, and rapid submission of the WAs as soon as the threshold is achieved. Furthermore, the FPCMU will make appropriate arrangements where possible to pay contractors using the IFAD direct payment method to ease the pressure on the SPA.

C.5	Likelihood of achieving the development objectives (section B3 and B4)	5	5
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Rationale for development objectives rating

In view of the new investment in institutional capacity at federal and regional levels, e.g. hiring new component managers at federal and regional levels, the programme is on course to meet its development objectives. .

C.6 Risks *Short description of major risks for each section and their impact on achievement of development objectives and sustainability*

Fiduciary aspects	An expected high increase in disbursement needs to be maintained for the remaining period of this project life.
Project implementation progress	Professional staff remuneration is still low and needs addressing.
Outputs and outcomes	None.
Sustainability	Inflation is declining. Increase in inflation (food and non-food) would pose a major risk to the project for infrastructure development and farmer investment.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Graduation from food insecurity	Developing a comprehensive strategy for graduating from Food Insecurity to Better Nutrition and Out-of-Poverty	Immediate	Ongoing
Consistent M&E data collection and usage	Technical back-stopping in mainstreaming M&E systems from Kebele (Farmer Level) to Federal (PCMU)	September 2013	To recruit consultant
Agricultural development	The commitment to implement agricultural activities needs to be strengthened with more active		

participation of the regional and woreda BoA in the respective regions. The project should increase its focuses on productivity improvement in the schemes that have reached completion stage through introduction of proper agronomic practices.	
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Additional observations

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

Narrative Summary	Verifiable indicators	Means of verification	Risks/Assumptions
Goal:			
Poverty reduced and food security improved for rural households living in drought prone, food deficit areas of Amhara, Oromia, SNNPR and Tigray regions	<ul style="list-style-type: none"> • 20% reduction in number of households registered under Productive Safety Net Programme • 25% reduction in malnutrition in children under 5 • 50% increase in ownership of assets among beneficiaries • 20% increase in the number of households with access to safe drinking water 	Food Security statistics Nutrition surveys Impact assessments (benchmark, mid-term, completion) Welfare Monitoring Surveys CSA surveys/reports	Political and macro-economic stability maintained.
Purpose/objective:			
To develop a sustainable farmer-managed and owned model of small-scale irrigated agriculture schemes those are capable of upscaling.	<ul style="list-style-type: none"> • 225 irrigation schemes operational at programme end benefiting about 62,000 households • 50% increase in yield of key crops • At least 90% of scheme tail-enders report adequate water delivery • At least 75% of watersheds in Programme area treated and land degradation arrested 	DA, <i>Woreda</i> reports, compiled by RPCMUs and PCMU SMS team(s) reports Site visits by M&E staff Comparison with baseline data Satellite imagery Supervision reports, MTR, PCR	Political and macro economic stability maintained. No major external shocks.
Outcomes/outputs			
A. INSTITUTIONS DEVELOPMENT			

A1. Effective and efficient Federal Programme Coordination and management Unit established				
A 1.1	Federal PSC established	Federal PSC established in Addis Ababa	FPCMU Progress Report and Annual Report; Supervision mission's assessment. FPCMU needs to be strengthened with more technical staff such as Accountant, M&E Officer etc	FPCMU is able to complete procurement on schedule; FPCMU is able to get qualified candidates from the market; Study tours are organised to improve the staff capacity
A 1.2	PCMU staff appointed	Coordinator, Irrigation Engineer appointed		
A 1.3	Office space. Logistics and mobility provided	Office space provided; logistics being procured.		
A 1.4	MIS is in place	M&E specialist resigned; to be appointed		
A 1.5	Annual review workshop & learning events conducted	Two annual workshops conducted		
A 1.6	Study tours and staff training conducted	Nothing was organised during PY2		
A 1.7	Technical services availed for implementation support	No specialists were recruited		
A2. Effective and efficient Regional Programme Coordination and management Units established				
A 2.1	Regional PSC established	Four Regional PSCs organised	FPCMU Progress Report and Annual Report; Supervision mission's direct assessment. RPCMUs need to be strengthened with more technical staff such as one Asst Accountant and M&E officer for the Oromia Region	FPCMU is able to complete procurement on schedule; FPCMU and RPCMUs are able to get qualified candidates from the market; Study tours are organised to improve the staff capacity
A 2.2	Regional PCMU staff appointed	22 out of 28 staff appointed		
A 2.3	Office space, logistics, mobility provided	Office space provided; logistics being procured		
A 2.4	MIS is in place	M&E staff appointed		
A 2.5	Annual review workshop & learning events conducted	Annual workshops conducted		
A 2.6	Start up/PIM workshops conducted	Start up workshop conducted in four regions		

A 2.7	Study tours & Training conducted	No study tours organised		
A.3: Capacity of Regional Water Bureaus enhanced in order to provide effective services to the target group households				
A.3.1	Capacity of Water Bureau enhanced	Orientation training organised	FPCMU annual progress report; Mission’s assessment during field visits. The capacity of regional BoWRD must be improved with more training and study tours	RPCMU and FPCMU are able to organise necessary training and capacity building and also provide required equipment on schedule
A.3.2	Survey & design equipment provided	Equipment being procured		
A.3.3	vehicle operation & maintenance provided	O&M support provided		
A.3.4	Office running costs provided	Office running costs were provided		
A.4: Target group mobilised into socially active water user groups and empowered to effectively articulate and represent their interest and sustainably manage the scheme facilities				
A.4.1	Training need Assessment study carried out	No study conducted so far; proposed in PY 3	FPCMU Progress report	Legal framework for WUAs operational. Improved access to markets, financial services, etc. Capacity building initiatives of GoE continue to be supported by other donors.
A.4.2	Staff and community training conducted	community sensitisation in 60 kebele carried out; Leadership training to 60 WUAs provided	Mission’s field visits to Regions and scheme sites	
B: SMALL-SCALE IRRIGATION DEVELOPMENT				
B.1: Improved catchments area planning				
B.1.1	Planning needs assessed	66 needs assessment study	Progress reports from BoWRD	BoWRDs continued support; Data

		conducted	Scheme Assessment report from Implementation Support Mission	support and management
B.1.2	Database management enhanced	46 database management		
B.1.3	Catchments planning for scheme sites conducted	46 catchment planning for scheme sites conducted		
B.2: Improved irrigation infrastructure				
B.2.1	Better design and planning of schemes	Design of 66 schemes undertaken	Progress reports from RPCMUs	Productive Safety Nets Programme continues to fund watershed management and treatment.
B.2.2	Community sensitised /mobilised	Communities in 66 kebele sensitised	Site visits by ISM Mission's assessment	Legal framework for WUAs operational.
B.2.3	Community-managed schemes constructed	Construction commenced in 19 schemes		Capacity building initiatives of GOE continue to be supported by other donors.
B.2.4	Household/ group schemes constructed	4 household schemes constructed		All criteria for scheme selection and design are adhered to
B.2.5	Consultants services for scheme design secured	One consultant from ISM provided assistance in verifying all design reports.		
B.2.6	Emergency repairs of schemes carried out	No emergency repairs carried out during PY 1		
B.3: Improved access to schemes and markets				
B.3.1	Road access to schemes improved	No scheme access roads constructed	Progress report from FPCMUs Supervision mission's assessment	The RPCMUs and Woreda are able to respond to requests from WUAs; kebele is able to provide land for WUA office building.
B.3.2	WUA meeting place created and storage provided	No storage constructed		
C: AGRICULTURAL SUPPORT SERVICES				
Production improved, employment opportunities				

increased, and access to market enhanced and capacity of the Woreda & target group WUA increased.				
C.1.1	Capacity of Woreda Agricultural and rural development office enhanced	88 technicians, 390 DAs, 1817 Woreda experts, 273 regional experts and over 7000 farmers were provided training so far.	Regular progress report from RPCMUs Supervision mission's assessment	Improved access to markets, financial services, etc. Capacity building initiatives of GOE continue to be supported by other donors.
C.1.2	Agricultural plans for schemes developed	87 ADPs prepared for SCP and new schemes;		
C.1.3	FREGs established and FTCs equipped	265 FREGs established and		
C.1.4	FHHs-managed home-gardens established	4 home gardens established		
C.1.5	New technology demonstrations/training conducted	100 demo on new technology conducted including 50 on Water management; 25 on SWC; 10 on soil fertility		
C.1.6	Seed production systems demonstrated	25 kebele covered under seed production system		

Appendix 3: Summary of key actions to be taken within agreed timeframes

Agreed Action	Action by	Agreed date	Comments
Institutional development:			
Clear outline and submission of the process and procedures of approval of irrigation study and design documents to FPCMU & IFAD.	FPCMU	Immediate	
Clear indication that the regional process of approval has been followed and region accepts the study and design result upon submission of completed study and design documents. These procedures will be followed in determining eligibility of variations in supplementary works	FPCMU	Immediate	
Treatment of the 15% variation, allowed for civil works payable from IFAD the loan and grant proceeds, on the contract sum and not on an item by item basis.	FPCMU	Immediate	
Agricultural Development:			
Protection, to the upper catchments of the new PASIDP schemes, in alignment with safety net or other initiatives.	FPCMU/RPCMU	Ongoing	
Facilitate community collective action in establishing and enforcing by laws for sustainable catchment management	PCMUs	Ongoing	
Validation of all agricultural plans in PY6 by the local communities (through their WUA and/or FRGs).	PCMUs	Ongoing	
Development of strategies to help farmers to estimate water requirements of crops, adopt water saving agronomic practices that would reduce evaporation and maximize transportation and use the residual moisture for growing complementary enterprises	PCMUs	Ongoing	
Integration of IPM principles with each schemes, whereby clean seed, crop rotation, uprooting of infested plants, careful management of farm implements and pesticides are used complementarily	PCMUs	Ongoing	
Develop competitive incentive mechanisms for promoting farmer innovation, including small financial rewards.	PCMUs	Ongoing	
Inclusion of a clear strategy on how to bring the research organizations on board to organize and establish FRGs and make them operational for solving scheme-level agricultural	PCMUs	June 2014	

constraints on the plan for PY6.			
Organization of stakeholder meeting at regional and Federal Levels to identify the best ways to gain more participation from research intuitions and Universities in Programme activities.	PCMUs	Immediate	
Fiduciary Aspects			
Only a summary of certificates indicating the value of works executed and accepted be forwarded as attachment to the WAs. Detailed attachments to the certificates should be properly filed and maintained at the FPCMU with copies at the IFAD Country Office.	FPCMU	Immediate	
Documents generated in national languages should be translated to facilitate review in accordance with provisions of financing agreement	PCMUs	Immediate	
Tigray Regional Government and Tigray RPCMU make an arrangement to collect and distribute the thirty motorcycles to improve mobility and improve quality of supervision of programme activities.	PCMUs	Immediate	
All Regions should develop and update contract monitoring forms and initiate a process of contract validation extension to comply with contract management procedures.	PCMUs	Immediate	
Contractors with expired Bank guarantees should be notified, extended guarantees should be secured at the RPCMUs and evidence of extension availed to FPCMU.	PCMUs	Immediate	
FPCMU should initiates the process of reply to the management letter of the auditors with a plan of action to address issues raised. FPCMU and the Ministry of Agriculture should discuss with the Audit Service Corporation the need to adhere to the IFAD standard format of Financial Statement.	FPCMU	Immediate	
Conclusion			
PCMU should take appropriate corrective measures towards strengthening the capacity of the regional and Woreda offices to compensate for the time and opportunity lost in agricultural development during PY6	FPCMU	Ongoing	

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

Component/ Sub-component or Output				Period: July 2011 to June 2012			Cumulative Actual	Appraisal Target	
Indicator		Unit	AWP&B	Actual	%	%			
Component 1: Institutions development									
	Sub-component: Formation and registration of WUAs	Training WUAs	Number persons	1467	1302	89			
	Sub-component: Establishment of reliable M&E system								
	Sub-component: Capacity building at all levels	Trainings of BoW staff	number	96	29	30			
		Training of BoA staff	number	236	124	52			
		Training of Woreda staff	number	1111	846	76			
		Training of DAs	number	506	363	71			
		Training communities	number	7370	3256	44			
Component 2: Small Scale Irrigation development									
	Sub-component: Catchment area planning	Catchment planning	number	51	31	61			
	Sub-component: Planning design, supervision and construction	Needs assessment	Number sites	56	37	66			
		Water permits issued	Number sites	51	8	17			
		Surveys and designs	Number	165	140	85			
		Construction of Community schemes	number	57	29	50			

		Construction of group schemes	number	107	52	48			
	<i>Sub-component: Improve access roads</i>	Access road construction	Number schemes	136	2	1.5			
Component 3									
	<i>Sub-component: Improve farming practices</i>	Agricultural plans developed	Number schemes	135	102	75			
		FRG formed	number	201	145	72			
	<i>Sub-component: Promote seed production</i>	Seed development systems demonstrated	Number Kebeles	25	15	60			
		Communit nurseries established	Number	46	20	44			
	<i>Sub-component: Promote development of home gardens</i>	Household managed gardens established	number	1338	1404	104			

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5A: Financial performance by financier

Financier	Appraisal (USD)	Disbursement (USD)	Percent Disbursed
IFAD Loan	19,997,720.00	7,281,737.40	36.4%
IFAD Grant	19,998,610.00	7,348,257.53	36.7%
GoE Matching Fund	14,221,000.00	2,916,973.00	20%
Community Contribution	3,547,000.00	236,227.00	6%
Total	57,764,330.00	17,783,195	31%

Table 5B: Financial performance by financier by component (USD ‘000)

Component	IFAD loan			IFAD grant			GOE			Community contribution			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
A – Institutional Development	1,887.61	1,221.08	65	3,639.36	1,845.21	51	2,568.69	-	-	-	-	-	8,095.66	3,066.29	38
B – Small Scale Irrigation	14,511.31	2,450.65	17	12,523.38	2,450.06	20	8,458.08	-	-	3,547.45	236.22	6	39,040.22	5,136.93	13
C – Agriculture Development	3,598.80	1,326.21	37	3,835.87	1,326.21	35	3,194.60	-	-	-	-	-	10,629.27	2,652.42	25
Total	19,997.72	4,997.94	25	19,998.61	5,621.48	28	14,221.37	2,917.00	20	3,547.45	236.22	6	57,765.15	13,772.64	24

Table 5C: IFAD loan disbursements (SDR, as at 30 Apr. 2013)

Category	Category Description	Original Allocation	Revised Allocation	Disbursement	Balance	Percentage Disbursed
1A	Civil Works Construction and Upgrading	13,560,000.00	13,560,000.00	3,681,551.52	9,878,448.48	27%
1B	Civil Works Design and Supervision	1,060,000.00	1,060,000.00	591,262.91	468,737.09	56%
2	Material Equipment			783,441.95	996,558.05	44%

		1,780,000.00	1,780,000.00			
3	Vehicles, Motorcycles and Bicycles	640,000.00	640,000.00	624,008.70	15,992.00	97%
4A	International Consultants' Services	230,000.00	230,000.00	-	230,000.00	00%
4B	Training, Studies & Other Consultants' Services	2,560,000.00	2,560,000.00	766,862.99	1,793,137.01	30%
5	Staff Salaries & Allowances	920,000.00	920,000.00	403,666.17	516,333.83	44%
	Unallocated	5,850,000.00	5,850,000.00	-	5,850,000.00	00%
	Initial Deposit	0.00	0.00	2,607,250.70	(2,607,250.00)	-
Total		26,600,000.00	26,600,000.00	9,458,044.94	17,141,956.46	35.5%

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 3.3b	AWPB to be submitted to the Fund, for its review and comments	Every May	Current AWPB submitted in September	RPCMUs to improve this by embarking on early preparation of the AWPB
Section 4.01	The Lead Project Agency shall establish as soon as practicable but in any event not later than 365 days after effective date an appropriate Information Management System for Project M & E	31 March 2009	Not yet in place	M & E system under development.
Section 4.05, Section 11.10(b)	Audit report submitted to IFAD.	7 January 2013	Submitted	No Objection for audit was obtained but the Project should follow up with the Audit Service Corporation in view of the limited time left.
Section 5.02	Lead Programme Agency to submit to the Fund the reply to the management letter of the auditors within three (3) months of receipt thereof. PASIDP has not sent reply to IFAD for the last two Management letters (PY3 and PY5).	March 2013	Reply not yet in place	FPCMU should prepare a reply together with action plan to implement audit recommendations
Section 8.04	All notices, requests, reports, documents and other information communications relating to	Through Programme Implementation	Some documents are in the National Language	FPCMU should endeavour to have translated versions of the documents whenever the Amharic

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 3.3b	AWPB to be submitted to the Fund, for its review and comments	Every May	Current AWPB submitted in September	RPCMUs to improve this by embarking on early preparation of the AWPB
	the LA, shall be in English Language.			is used.
Schedule 3, Para 5	The PCMU shall prepare a Project Implementation Manual (PIM) which shall be approved by the RSC and submitted to the Fund for its comments and approval not later than 180 days after effective date.	30 September 2009	PIM not yet approved	The draft PIM should be completed and submitted to the Fund for comments and approval.
Schedule 4, Part E (Par.10)	Before granting an extension of the stipulated time for performance of a contract, the Borrower shall inform the Fund of the proposed extensions and the reasons thereof.	Implementation period	Construction contracts have been extended without informing the Fund.	FPCMU should compile contracts that have passed their deliverable dates, make arrangements to extend them and inform IFAD giving reasons why the contracts should be extended.

Appendix 7: Knowledge management: Learning and Innovation

Learning

As PASIDP is two years from closing, there is need to publish best practices detailing the impacts of rural irrigation and water harvesting technologies introduced, and the lessons learnt with respect to implemented activities. Recently, the PCU received trainings on writing case studies, and as a result, various case studies have been published in an ILEA publication. The PCU has taken the initiative to conduct a workshop in April, to undertake an intensive review of best practices and lessons learnt before an external post-evaluation of the project and in time for project closure. The aim would be to detail successful irrigation technologies for scale-up, the social-impact and benefit of the technologies, and how technologies were promoted and adopted by the community.

The project coordination unit has taken active steps to incorporate communications activities into the annual work plan and budget. Currently, they are developing a communications plan to improve dissemination of information about irrigation technologies to beneficiaries and to advocate adaptation of small-scale irrigation widely in the public sphere. The PCU hopes to launch learning exchanges between water user associations to initiate an exchange of lessons learnt and to inspire group action, through the sharing and exchange of stories of successful group cohesion and community action. Further engagement in National knowledge platforms of exchange is encouraged to improve ongoing activities and to contribute to the development of a stock of ongoing water resource management activities successfully adopted by communities in Ethiopia.

Innovation: Describe any interesting innovation noted during supervision

PASIDP is linked with a number of innovative interventions through IFAD grants. Most relevant innovations are from the Smart ICT under an IMWI grant as well as the 3R and Multi Use system through a grant to RAIN. Separate annexes are available on these innovations.