

Ethiopia

Community-based Integrated Natural Resources Management Project Supervision Report

Main report and appendices

Mission Dates: 16-27 April, 2018
Document Date: 30/05/2018
Project No. 1100001424
Report No. 4756-ET

East and Southern Africa Division
Programme Management Department

Abbreviations and Acronyms

CBINReMP	Community-Based Integrated Natural Resources Management Project
IFAD	International Fund for Agricultural Development
GoE	Government of Ethiopia
GEF	Global Environmental Facility
AECID	Spanish Fund
SLMP	Sustainable Land Management Project
BoAL	Bureau of Agriculture and Livestock
EPLAUA	Environmental Protection, Land Administration and Use Authority
BoFEC	Bureau of Finance and Economic Cooperation
IBC	Institute of Biodiversity Conservation
EIB	Ethiopian Institute of Biodiversity
PCMU	Project Coordinating and Management Unit
AWPB	Annual Work Programmed and Budget
DA	Development Agent
ORDA	Organisation for Rehabilitation and Development in Amhara
RPCMU	Regional Project Coordinating and Management Unit
HH	Household
IGA	Income Generating Activities
RBOA	Regional Bureau of Agriculture
PFM	Participatory Forest Management
M&E	Monitoring and Evaluation
LTW	Lake Tana Watersheds
NDC	National Determined Contribution
UNFCCC	United Nations Framework convention on Climate Change
ha	Hectare
PCR	Project Completion Report
ILRI	International Livestock Research Institute
INBAR	International Network for Bamboo and Rattan
IMS	Information Management System
PIR	Project interim Report
IA	Impact Assessment
SECAP	Social, Environmental and Climate Assessment Procedure
SDR	Special Drawing Rights
IP	Implementing Partner
WA	Withdrawal Application
FM	Financial Management
DA	Development Agent
SOE	Statement of Expenditure
DSF	Debt Sustainability Framework
FOREX	Foreign Exchange
KWC	Kebelle Watershed Committee
CGLM	Community Grazing Land Management
BFD	Backyard Forage Development
IWDP	Integrated Watershed Development Plan
CAP	Community Action Plan
ISLA	Information System for Land Administration
SWF	Soil and Water Conservation
NBGP	National Bio Gas Programme
ICO	IFAD Country Office
USD	United States Dollars

A. Project Overview

Region:	East and Southern Africa Division	Project at Risk Status:	Not at risk
Country:	Ethiopia	Environmental and Social Category:	B
Project Name:	Community-based Integrated Natural Resources Management Project	Climate Risk Classification:	not available yet
Project Id:	1100001424	Executing Institution:	not available yet
Project Type:	Agricultural Development	Implementing Institutions:	not available yet
CPM:	Han Ulaç Demirag		
Project Director:	not available yet		
Project Area:	not available yet		

Approval Date	30/04/2009	Last audit receipt	08/03/2018
Signing Date	19/06/2009	Date of Last SIS Mission	27/04/2018
Entry into Force Date	17/03/2010	Number of SIS Missions	14
Available for Disbursement Date	17/03/2010	Number of extensions	1
First Disbursement Date	08/06/2011	Extension 1	30/09/2018
MTR Date	23/04/2014	Effectiveness lag	11 months
Original Completion Date	31/03/2017		
Current Completion Date	30/09/2018		
Financial Closure	31/03/2019		

Project total financing

IFAD Financing breakdown	IFAD	\$6,507,974
	Debt Sustainability Framework	\$6,507,974
Domestic Financing breakdown	Beneficiaries	\$5,233,006
	National Government	\$2,775,814
Co-financing breakdown,	Global Environmental Facility	\$4,400,241
Project total financing		\$25,425,009

Current Mission

Mission Dates:	16-27 April, 2018
Days in the field:	8
Mission composition:	Mr. Ulaç Demirag, Team Leader; Mr. Stephen Twomlow, Regional Climate and Environment Specialist; Mr. Befekadu Behute, Monitoring and Evaluation Consultant; Mr. Samir Rayess, Knowledge Management Consultant; Mr. Frew Behabtu, Task Manager and Deputy Mission Leader; Mr. Dagim Kassahun, Programme Assistant, ESA; Mr Godfrey Wanjohi, Consultant, Financial management Specialist; Ms. Nathalie Gebrayel, Consultant, Procurement specialist.
Field sites visited:	Farta, Estie, North Achefer, Farta, and North Mecha

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4	Assessment of the Overall Implementation Performance		4

Effectiveness and Developmental Focus	4	Project Management	4
Effectiveness	4	Quality of Project Management	4
Targeting and Outreach	5	Knowledge Management	4
Gender equality & women's participation	4	Value for Money	4
Agricultural Productivity	4	Coherence between AWPB and Implementation	4
Nutrition	4	Performance of M&E System	4
Adaptation to Climate Change	5	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	4

Sustainability and Scaling-up	5	Financial Management and Execution	3
Institutions and Policy Engagement	4	Acceptable Disbursement Rate	4
Partnership-building	4	Quality of Financial Management	3
Human and Social Capital and Empowerment	5	Quality and Timeliness of Audit	3
Quality of Beneficiary Participation	5	Counterparts Funds	3
Responsiveness of Service Providers	4	Compliance with Loan Covenants	3
Environment and Natural Resource Management	5	Procurement	3
Exit Strategy	4		
Potential for Scaling-up	4		

Relevance	5
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

A supervision and implementation support mission for the Community-Based Integrated Natural Resources Management Project (CBINReMP) was conducted during the period of April 16–27, 2018. The main objective of the mission was to review the progress made during the current AWPB period and agree on the key actions to be taken during the remaining project period. On April 17, 2018 the project team have presented the progress made during the current AWPB and clarification and in-depth interaction was made with the project implementing partners. The mission also met with the Executive Director of ORDA and his team. The mission members have visited selected sites and interacted with the project clients and implementing partners. The activities and sites visited include: Adaptation to climate change at East Estie woreda; gene bank construction at Farta and Mecha woreda; nursery, fruit development and management, fish pond, gully rehabilitation, grazing land management, poultry at North Achefer woreda; secondary land certification and land use management, at Dera woreda and animal fattening at Bahirdar Zuria woreda. After 3 day of intense field work and interactions with the project clients, a debriefing meeting with the project team was conducted on April 23 to agree on key actions. A Regional wrap-up meeting was conducted on April 24 with the Vice Head of the Regional Bureau of Agriculture. The mission team has also interacted with the management of Ethiopian Biodiversity Institute and the Coordinator of the Sustainable Land Management Programme in Addis Ababa. Finally, at federal level a wrap-up meeting with the Director of IFI Cooperation at the Ministry of Finance and Economic Cooperation was conducted on April 26, 2018.

Key Mission Agreements and Conclusions

1. **Gene Banks.** In the April 2017 mission, it was agreed to hand over the construction of the 4 gene banks to the Regional Bureau of Agriculture (RBoA), if the Ethiopian Biodiversity Institute (EBI) failed to complete construction by August 2017. Neither EBI nor the RBoA have managed to finalize the construction of the Gene banks. While the mission takes note that the contractor has now been mobilized, there is still concern about EBI's ability to manage this contract remotely from Addis Ababa. Hence the risk of failure to complete the construction remains imminent. Therefore, the mission agreed that EBI submit a detailed plan for the finalization of all works to RBoA and SLMP by 7 May, 2018, indicating specific monthly achievement targets. RBoA will supervise the progress and – in case of failure to submit an acceptable plan by 7 May or further delays in the construction -- take over the construction of the gene banks to be completed and handed over to EBI by project completion. Yet another concern for the RBoA is the subsequent day to day functionality of the Gene banks, which falls under the mandate of EBI. It was agreed that the EBI submit a detailed action/business plan for the operation of the Gene Banks by May 15, 2018.
2. **Impact assessment and project completion.** The project is on track to complete the recruitment of the consultant for the Impact Assessment by 30 April 2018. It was agreed that the RPCMU will closely follow up and monitor the firm to ensure the relevant and key impacts are captured. In addition, the mission agreed with the RPCMU to initiate the recruitment of a second consulting firm to support the project completion review and report by the end of May 2018. The terminal evaluation of the GEF component of the project is planned for November 2018.
3. **Exit strategy.** The mission is appreciative of the work the RPCMU has undertaken to develop the CBINReMP exit strategy. It was agreed to start handing over the activities to respective implementing partners in the coming 5 months and not to initiate any new activities. It was agreed to communicate with the respective implementing partners the completion date of the project and the need consolidate information and data on all activities that have been supported by CBINReMP.
4. **Detailed planning for the remaining project period.** Given that the project is approaching its completion deadline of 30 September 2018, the mission agreed with the RPCMU and RBoA to: i) review the exact amount of funds remaining, and prepare a revised AWPB for the remaining project period by mid May 2018, including a detailed Procurement Plan covering the tasks to be implemented by September 30, 2018; ii) submit a Contract Register for the contracts signed so far with regular updates; iii) ensure that the pending VAT amounts totalling USD 64,256 are timely settled by the Borrower; as well as iv) submit a Recovery Plan for the remaining balances of the initial allocations, USD 1.7 million for IFAD Loan and Grant, and USD 0.7 million for the GEF financing. Recovery will commence with WA 23 and be completed by the project closure date of 31 March 2019.

D. Overview and Project Progress

Overall, the project shows strong signs of effective implementation, and most of the areas lagging behind in the 2017/18 AWPB do not constitute major risks to the overall achievement of the Projects Development Objective.

To date 665 (100%) participatory integrated watershed management plans have been developed, with 656 of them subsequently revised to reflect collective learning and impact of project interventions such as the land registration work. More than 145 million fruit and forestry seedlings have been produced to date with 13,500 ha afforested in pasture land, on farms, during gully reclamation and around churches. And a further 3,790 ha direct sown forests. Another 897 (98%) ha of land is now under participatory forest management with appropriate agreements/local legislation being finalised. Some 24,000 ha (46%) of seriously degraded communal land has been rehabilitated through the establishment of some 40,000 km of hillside terrace or stone bunds. 143,000 ha (85%) of cultivated land has been treated with some form of on farm soil water conservation measure – more than 110,000 km of stone/soil bund and some 450 ha of gully rehabilitation. As part of the integrated water catchment plans nearly 1.2 million km of cut off drains and waterways have been established. In the 2017/2018 period this represented more than 1,242,116 person days of work contributed from the communities and valued at ETB 37,263,480.

As part of the integrated catchment water management plans some 18,000 (37%) HH received training on community pond, roof water harvesting and hand dug well construction, which has translated into 288 wells being dug and rope and washer pumps installed and benefits have begun to accrue to the women of the households. Time saved in collecting water is being invested in the development of homestead gardens.

To date community agreements have been made on 31,075 (223%) ha of grazing land with 40 to 60 times the biomass being produced compared to adjacent degraded areas Improved pasture management has been demonstrated on 6,376 ha (90% of target) with 482 (90%) pasture management plans with local by-laws developed and 332 (66%) grazing land user associations established.. At Marwonez Watershed in Liben Kebele, for example, improved pasture management practices in 2017 led to 170 bundles of grass harvested, worth ETB 255,000.

More than 1,000 community and Kebele run nurseries have been established during the life of the project delivering more than 145 million forestry and fruit tree seedlings for planting within the community plantations.

To date 282,725 (168%) land holdings have received a first level certification and 25,360 cadastral surveys completed and 9509 second level certification issued. The cadastral surveys and issuance of second level certification is a protracted process and the project and both the Regional and Woreda Bureaus of Agriculture need to look at sourcing funds to continue this important activity following closure to ensure that the expert teams established for surveying and computerization of the records are not lost. Much of the first level data still sits in hard copy filed books for each Kebele. Land use plans now established for 31,000 holdings

The introduction of water lifting technologies has reduced the workload on women who are mostly responsible to fetch water from long distance and enabled them to enter into vegetable production at the homestead plot. This provides both additional income and nutrition security for the household.

61 on farm diffuse light potato stores have been promoted by ORDA in the 2017/2018 period as part of its Climate Resilient Cluster Approach.

Formal training on alternative energy technologies have been given to more than 5,500 households and have resulted in 1,381 (60%) biogas plants established, 17,069 (63%) improved cook stoves and more than 1,000 solar lanterns distributed.

Employment opportunity for 9,872 landless youth and women (40% of appraisal target) has been created through engaging them in income generating activities. However, focus has to be strengthened to organize the associations and strengthening their capacity, given the important role of such institutions to sustain the project's benefits. Similarly, a greater effort on strengthening the capacity of IGA clients to plan, manage and monitor their financial performance is essential to optimize the outcomes from these activities. This will be supplemented by the Impact Assessment that is due to start in May.

The activities under in-situ conservation and the establishment of community gene banks have been below expectations. Of the 8 gene banks planned construction has started on 4 and it is very doubtful if they will be completed and operational by project closure in September 2018.

Agreed Action	Responsibility	Agreed Date
Project Completion Report RPCMU to initiate the recruitment of a second consulting firm to undertake the project completion report.	RPCMU	04/2018
Impact assessment Compete recruitment of consulting firm and closely follow up and monitor the firm to ensure the relevant and key impacts are captured	RPCMU	04/2018
Exit strategy Finalize the CBINReMP Exit Strategy Documentation and Timetable for handing over the activities to respective implementing partners. Highlight to all implementing partners the project completion date and the need consolidate information and data on all intervention activities.	RPCMU	04/2018
Gene Banks EBI to prepare a detailed action/business plan on the functionality of the Gene bank.	RPCMU/SLMP/MOFEC	05/2018
Detail planning and activities May to 30 September 2018. Review the exact amount of funds remaining, and prepare a revised AWPB for the remaining project period including a detailed Procurement Plan covering the tasks to be implemented by September 30 2018. Submit to IFAD a Contract Register for the Contracts signed so far with regular updates. Settlement by GoE of the pending VAT amounts totalling USD 64,256.	RPCMU and RBoA	05/2018
Gene Banks EBI to submit a detailed plan for the finalization of the works. RBoA to supervise closely the quality and progress of the works, and to take over should EBI fail to submit an acceptable plan timely, or if the works fall behind schedule.	EBI, SLMP, RBoA	05/2018

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus		
Effectiveness	Rating: 4	Previous rating: 4

Justification of rating

Cumulatively, CBNREMP has achieved 70% of its physical targets (outputs). However, there is little data how these outputs actually produce the expected outcomes, particularly with regard to the financial outcomes at the household level. The CBNReMP was designed to ensure sustainable land management, delivering both local and global benefits, contributing to poverty eradication in the watershed through improving ecosystem integrity and livelihood. Evidence to date suggest good progress towards improving agroecosystem services through the promotion of Sustainable Land and Water Management Practices, Security of Land Tenure and Climate Resilient Production Practices, but only little data is available on productivity.

Log-Frame Analysis & Main Issues of Effectiveness

So far, the PMU has reported mainly on activities and outputs, with limited reporting on outcome and impact. The project has achieved more than 70% of its cumulative physical targets:

- 650 integrated watershed management and treatment plans and community action plan has been done (100% of appraisal target);
- On 6375 ha demonstrated improved pasture management has been done (90% of cumulative target);
- Are closure and promotion of cut and carry system has been done in 31070 ha (223% of cumulative target);
- 128 project' owned (102% of cumulative target) and 900 community owned (89% of cumulative target) nurseries have been established;
- On 3410 ha improved backyard forage development has been done (31% of cumulative target);
- On 11646 ha of communal land including gully areas plantings including forest, grazing and gully areas reclamation has been done (62% of appraisal target);
- On 897 ha ((82% of appraisal target) area improved participatory forest management has been undertaken;
- 23, 948 ha (74% of appraisal target) off-farm area of land have been rehabilitated with soil and water conservation activities;
- 142, 403 ha (114% of appraisal target) on-farm area of land have been treated with soil and water conservation activities;
- Second level certification has been issued for 9,509 land holders (34% of cumulative target);
- Employment opportunity for 9, 872 landless youth and women (40% of appraisal target) have been created through engaging them in income generating activities;

There are still delays in some components of the project which may challenge the achievement of project wider development objective. These include:

- Developing model communal grazing areas and establishing grazing land user associations (67% achieved)
- Planting on communal lands, including forest, grazing and gully areas (52% achieved)
- Organizing PFM user associations and capacitating them (16%) and is a very critical activity for sustainability of the intervention
- Construction and furnishing of gene banks has been seriously delayed.
- Issuance of secondary level land certification (33%).
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In addition, the impacts of IGA development activities have been diminished by weak implementation and business planning. Limited investments have been made in the monitoring of financial outcomes by the project.

Overall, the project shows strong signs of effective implementation, and most of the areas lagging behind do not constitute major risks to the overall achievement of the Development Objective. However, focus has to be strengthened to organizing the associations and strengthening their capacity, given of the important role of such institutions to sustain the

project's benefits. Similarly, a greater effort on strengthening the capacity of IGA clients to plan, manage and monitor their financial performance is essential to optimize the outcomes from these activities.

Agreed Action	Responsibility	Agreed Date
Business planning Strengthen the capacity of IGA clients to plan, manage and monitor their financial performance.	PCMU and Woreda Bureau of Agric at Kebele level	04/2018

Development Focus

Targeting and Outreach

Rating: 5

Previous rating: 5

Justification of rating

All project beneficiaries are residing in the agreed geographical area of the project. Project interventions range from targeting individual households, landless youth groups to the whole community through participatory watershed management plans. Unfortunately, on occasion the enthusiasm and commitment of the technical service providers has led to interventions being promoted to whole communities based on suitability of the area for certain intervention packages, irrespective of their individual wealth status. Despite having no clear gender strategy the project does disaggregate all data collected by both age and gender.

Main issues

There is continuous consultation with the communities for the good and services rendered to them. Though, there were situations where the technical team propose intervention for the community reviewing suitability of the area for different interventions, like the plantation of *Gravilia robusta* on communal land, the establishment of gene banks for conservation of local seeds. The target communities have taken up the different interventions provided by the project and they also contributed local material and their labour.

The intervention supported by ORDA targets the whole community in the villages irrespective of their wealth status. Given, the amount of resources invested in this intervention per individual household, it is worthwhile to conduct the cost benefit analysis. In most of the interventions the project has not reached the intended target set for the reporting period, on average the target reached during the reporting period is 40% and is very low in some interventions (10%).

Agreed Action	Responsibility	Agreed Date
Cost benefit analysis ORDA to conduct the cost benefit analysis for the climate smart agriculture intervention	ORDA	04/2018

Gender equality & women's participation

Rating: 4

Previous rating: 4

Justification of rating

Despite the lack of a specific gender strategy, sex-disaggregated data is regularly collected by the project team and implementing partners. The land registration exercise is extremely positive, as it recognises both husband and wife equally as land certificate grantees. This assures ownership and reduces community land right conflicts following the death of a husband. Unfortunately, the average number of women directly targeted by the project is 27% of the total target. However, the simple rope and washer pump piloted by the project has reduced the workload on women, who are responsible to fetch water from long distance. At the same time, improving water access at the homestead has enabled the women to establish vegetable gardens for both, home consumption and sale.

Main issues

The project team have tried their best to increase the number of women participants in the different project activities and components. However, the average number of women targeted by the project is only 27%. Given that many of the IGA groups established by the project are male dominated, the PCMU should work with Woreda Offices of Agriculture over the last 5 months of project implementation to specifically focus the last IGA interventions towards unemployed and young women. A review of the current IGA portfolio and membership would identify which interventions favour women.

Prior to the project land registration interventions women's rights to land was extremely tenuous in the project areas and often resulted in land disputes, that the women inevitable lost in the local courts. The land registration process and the provision of land certificates in the names of husbands and wives guarantees equal rights, and now protects the rights of the women if their husbands divorce them or pass away. A recent outcome assessment report conducted by the project

revealed a drastic decline in land-related disputes following the land certification.

The introduction of water lifting technologies has reduced the workload on women who are mostly responsible to fetch water from long distance and enabled them to enter into vegetable production at the homestead plot. This provides both additional income and nutrition security for the household. There is no focal person or specific gender strategy which was developed by the project; however the project M&E focal person compiles this data from each component owners and implementation partners.

Agreed Action	Responsibility	Agreed Date
Gender participation Increase the participation of women in IGAs to be developed over the last 5 months of the project and ensure that the IGA plans developed as part of the exit strategy are at best gender neutral	PCMU and Woreda BA	04/2018

Agricultural Productivity	Rating: 4	Previous rating: 4
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Justification of rating

Field visits, community interactions and the information available in reports suggest that project activities are leading to a moderate increase in agricultural productivity in the target area, but are poorly measured, quantified and documented. Direct evidence is available from unemployed and landless youth groups engaged in single enterprises such poultry production and cattle fattening. Unfortunately, less information is available on the impacts of the cluster approaches where a range of climate resilient technologies are being promoted to a cluster of households. Increased biomass production from grazing exclosures does suggest economic returns to the communities as is the bee keeping, but the impacts of fruit trees, reforestation and on farm conservation measures are still to materialise.

Main issues

A very strong baseline survey was undertaken in 2008 and summarises the agroecosystem health of the Lake Tana Watershed (LTW). Data presented suggests typical crop yields averaged 1.9 tonnes per ha, with close to 6.7 million tonnes of crop residues harvested for livestock feed. Yet, available evidence at the time suggested that productivity was in decline and degradation of the resource based on the rise. The project can use this baseline data to inform its impact assessment and subsequent project completion report as the project must assess the impacts of the land registration activities and various soil and water conservation measures on agricultural productivity.

In contrast to the lack of data on crop production, there is increasing evidence on the impacts of area exclosures by communities and the promotion of cut and carry systems. To date community agreements have been made on 31,075 (223%) ha of grazing land with 40 to 60 times the biomass being produced compared to adjacent degraded areas. Improved pasture management has been demonstrated on 6,376 ha (90% of target) with 482 (90%) pasture management plans with local by-laws developed and 332 (66%) grazing land user associations established. At the Marwonez Watershed in Liben Kebele, for example, improved pasture management practices in 2017 led to 170 bundles of grass harvested, worth ETB 255,000.

ORDA have undertaken extremely innovative work in their Climate Smart interventions through a cluster approach. But as with many of the project activities data reported has been at the output level and it is essential that the stakeholders understand the impacts of this approach at a household level.

More than 1000 community and Kebele run nurseries have been established during the life of the project delivering more than 145 million forestry and fruit tree seedlings for planting within the community plantations. Unfortunately, especially for the Kebele/Woreda ran enterprises there is little planning as to how these establishments will be run following project closure in September 2018.

Sixty one (61) on-farm diffuse light potato stores have been promoted by ORDA in the 2017/2018 period as part of its Climate Resilient Cluster Approach.

Fortunately some group enterprises such as poultry production (egg layers) and cattle fattening, as promoted to landless/unemployed youth appear to give fairly good economic returns with approx. USD 400 per member per annum, as demonstrated in table 1 and 2 below.

Table 1 – A simple cost benefit analyse for a 300 bird egg laying unit with 5 member

Item/assumptions	Unit price Birr	Cost	Income
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300 4-5 day old layers	55	16500	
15 bags feed per month by 12 months	1100	198000	
250 eggs per day after 65 days – so 300 days of laying	2.8-3.1 (2.95)		221250
After 12 months sell old birds for meat-assume- 280 survive	150		42000
Manure 25 kg per day	50		18250
300 new layers	55	16500	
Totals		231000	281500
Gross profit			50500
Income for each member			10100

Table 2 – A simple cost benefit analyses for an 8 Ox Fattening Unit with 4 cycles per year with 10 members

Item	Unit price	Cost	Income
8 oxen to be fattened by 4 cycles	7000-10000 (8500)	272000	
Feed from unit	0	0	
Sell 8 animals by 4 cycles	8000-15000 (11500)		368000
Totals		272000	368000
Gross profit			96000
Income for each member			9600

[1] Previous surveys undertaken in the Amhara region suggest that maintenance of SLWM structures is crucial to reap significant benefits from investment. Households that have adopted and maintained terraces, bunds, or check dams for more than 7 years' experience a 15.2 percent higher value of production per season (Schmidt and Tadesse 2012).

Agreed Action	Responsibility	Agreed Date
Business Plans 2 As part of the exit strategy develop business plans with the Woreda Agricultural Offices to ensure the sustainability of the most successful nurseries	PMU and Woreda BA	04/2018
Business Plans 3 Develop enterprise budgets for the interventions promoted to Landless and Unemployed Youth and develop business plans	PMU/ORDA	07/2018
Business Plans 1 Develop Farm House Hold Budgets, especially for the Climate Resilient Clusters	PMU ORDA	07/2018
Impact Assessment Assess impacts of on farm soil and water conservation practices on crop and fodder production	PMU and consultants	09/2018

Nutrition

Rating: 4

Justification of rating

The mission visited a cluster of HHs supported with complementary technologies develop diversified backyard gardens and enhance the productivity of their cereal farms through improved soil and water management practices. The backyards are fully planted and in good condition, and visibly diversified. Farmers have received training on seedling development, agronomic practices and compost preparation, and have now a more diverse food intake from fruits and vegetables. Farmers have the necessary agronomic skills to continue these integrated activities and savings that, despite challenges, can help them to purchase inputs after project completion. However, the project needs to identify and establish linkages with input providers and output markets. Activities visited under this subcomponent are well implemented and fully functional with the resources allocated. However, there has been no consolidated attempt to quantify the impacts of these interventions.

Main issues

Households that have received training from ORDA and woreda extensions agents have successfully adopted the integrated technologies (enhanced crop seedlings, compost development, rope and washer pump, defused light storage, and biogas plant). These skills will support the continuity of the integrated interventions. However, the sustainability of such intervention depends on the capacity of farmers to purchase inputs after project completion, as so far these have been provided free by the project. Although farmers are well aware of this and have reported increased income and savings, which could be used to purchase such goods, interviews revealed the lack of availability of inputs nearby, and thus the need to travel long distances to obtain such inputs, which could significantly increase their price. Therefore, since the provision of such packages is done through a geographic cluster approach at household level, the project could explore the possibility of grouping households to facilitate group-purchase of inputs, bringing down the costs for farmers.

The visited cluster of HHs supported with complementary technologies was well implemented and fully functional. However, the overall performance of this component on the three woreda where it is implemented cannot be assessed as the data is not available on the log-frame.

In addition to the above rated nutrition-sensitive intervention, the mission learned that a wider range of activities supported by the project have an indirect impact upon nutrition. For instance, youth engaging in poultry have significantly improved their protein intake increasing their consumption of chicken eggs from three times a year (during festive periods) to twice a week. Youth engaging in fish farming are selling their produce to their communities, which could have increased the communities' protein intake by bringing down the price compared to fish purchased at local market. Thus, it is important that the impact assessment explores the linkages between such IGAs and improved nutrition.

Agreed Action	Responsibility	Agreed Date
Establish linkage between farmers and input providers The exit strategy should ensure that linkages are established between farmers and inputs providers, so they are able to purchase such inputs after project completion.	PCU	04/2018
Assess the impact of IGAs upon nutrition The impact study should explore the impact of IGAs upon the nutrition of those engaging in such activities as well as their communities.	PCU and Impact Assessment Consultant	09/2018
Provide data on cluster approach performance ORDA to provide data on the target and achievement of the cluster approach	ORDA	09/2018

Adaptation to Climate Change

Rating: 5

Previous rating: 5

Justification of rating

Adaptation to climate change is a core project objective and its related interventions are well implemented, with appropriate use of resources (human and financial). The interventions promoted, ranging from sustainable land and water management interventions promoted on farm and in the communal areas along with improved production practices are inevitable building the resilience of both the communities and the agro-ecosystems of Lake Tana Watershed (LTW), if not well documented as to impacts on production and household incomes. However, targeting is not always clear and many interventions are provided gratis by the project with little thought as to how beneficiaries might make their own investments in improved seed, planting materials and energy saving technologies after the project closes.

Main issues

Rainfall in the LTW ranges from 718 mm in Degli to more than 2124 mm in Enjibara (Baseline Reports 2008), yet to date the project has not worked with the National Meteorological Authority to capture and report the rainfall patterns that have occurred during the life of the project, and are there any significant changes in rainfall totals or distributions during the year. It is unfortunate that the mission did not have time to discuss this issue with the communities. So the degree of climate change and its impact on production practices and crop varieties post project remain to be assessed.

Even though the CBNReMP was designed before the National Determined Contributions (NDC) were prepared for the UNFCCC in 2015 the project does contribute to two of the four national pillars on mitigation: i) Improving crop and livestock production practices for greater food security higher farmer incomes while reducing emissions and; ii) Protecting and re-establishment of forests for their economic and ecosystem services whilst sequestering significant amounts of carbon dioxide and increasing carbon stocks in the landscapes. From the adaptation perspective the project meets all of the agro-ecosystem adaptation goals detailed in the NDC, especially addressing drought issues through promotion of improved community based integrated watershed catchment management plans, that includes Soil and Water Land Management Practices, reforestation, restoration of degraded land, the promotion of clusters of technologies to improved resilience at both household and kebele and water harvesting features. Unfortunately, the impacts of many of these activities in terms of improved production, increased food security, higher incomes and reduced emissions still need to be quantified.

At baseline, it was estimated that the soil organic carbon content ranged from 1.66% in Yilmana Densa to 3.5% in Banja. The project has had training from the University of Colorado on the GEF Carbon Benefits approach to assess the carbon sequestered in a pilot catchment as a result of project interventions. No information was made available to the mission as to the status of this work and the project does need to agree which carbon assessment tool they will use during the Impact Assessment and Project Completion Reports.

As part of the integrated catchment water management plans some 18,000 (37%) households received training on community pond, roof water harvesting and hand dug well construction, which has translated into a meagre 288 wells being dug and rope and washer pumps installed. This poor response by the trained households may be due to a dependency syndrome fostered by the project with some of the beneficiaries and partners, as they did not receive incentives from the project to adopt what was promoted. Where Rope and Washer pumps were adopted the project provided the materials whilst the households provided the labour.

Formal training on alternative energy technologies have been given to more than 5,500 households and have resulted in 1,381 (60%) biogas plants established, 17,069 (63%) improved cook stoves and more than 1,000 solar lanterns distributed. However, it is difficult to get clear evidence as to the targeting procedures adopted for the promotion of these interventions, nor efforts to ensure increased access to the technologies once the project has closed.

Agreed Action	Responsibility	Agreed Date
Weather data Liaise with the Ethiopian Meteorological Authority and obtain rainfall and temperature data for the duration of the project	PMU	04/2018
Carbon Sequestration Assess the reduction in carbon emissions/sequestration in the LTW using appropriate carbon assessment tools. PCMU to agree with Impact Assessment Team which carbon assessment tool to use	PMU	05/2018

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: 4	Previous rating: 4
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Justification of rating

The project has demonstrated excellent service delivery and large scale community buy in, which is strong positive indication for the continuity of project activities. Most of the project works are implemented by the beneficiary communities themselves, and well-anchored in the decentralized administration, making it easy to be absorbed under the Government structure upon the completion of the project. Beneficiaries are demonstrating a willingness, ability and commitment to continue various IGAs they have been trained in. Government has closely monitored the project and has shown keen interest to institutionalize and take up most of the practices promoted and include them in future budgets. These include Land Registration, IGAs and Nurseries, ensuring the projects legacy.

Main issues

The CBINReMP is being implemented under the GOE's Flagship Sustainable Land Management Programme (SLMP) which is being supported by the World Bank, and the continuity of SLMP to its third phase will pave the way to continuity of some, if not all, of the unfinished activities of CBINReMP opening the platform for some of the project works to be used as an input for policy design.

Emerging policy legacies of the project include: the Regional Forest Action Plan; the Communal Grazing Land Management Legislation and; the Wetland Management Legal Framework. However, each of these policies requires further stakeholder consultations to capture emerging lessons so they can be finalised.

When IGA youth groups were asked what their vision is, few considered continuing and expanding the type of business they are currently undertaking even if they claim that it is profitable, due to the 5 year rotation rule. The business plans for the groups visited were unclear beyond the establishment of the group and the need to reimburse the initial grant into the Kebele IGA revolving fund, with very limited training in record keeping and accounts. It is essential that the PMU, the Regional Bureau and Woreda Agricultural Offices review the current IGA model, especially the rotation rule, and strengthen the business planning process for at least 5 years with an emphasis on growth.

Agreed Action	Responsibility	Agreed Date
Communal Grazing Land Management Legislation Stakeholder workshop to enrich the document to finalize the legislation	RPCMU/Livestock Agency	06/2018
Wetland Management Legal Framework Finalization of the Legal Framework	BDU	06/2018
Regional Forest action Plan Finalization of the Regional Forest Action Plan	RPCMU & Environmental Protection Forest and Wild life Authority	08/2018
Revision of the IGA model PMU/Regional and Woreda BAs	PMU/Regional and Woreda BAs	09/2018

Justification of rating

CBINReMP is part of the national SLMP, which provides the opportunity to share the experience and lessons learnt to the rest of the region where the programme is implemented. At the implementation level the project has collegiate partnerships with a host of local partners that include: the Regional Bureau of Agriculture and Woreda Offices; ORDA; Bahir Dar University and; the Regional Land Administration Bureau and international ones such as INBAR, Bioversity and ILRI. Unfortunately, the EBI partnerships is extremely weak, whilst linkages with the private sector, to link farmers to both input and output markets, are next to non-existent.

Main issues

The project continues to provide inputs to the project target groups without linking them with the input suppliers. There is no clear strategy developed to link the input suppliers and potential buyers with the farmers. The project team agreed to create linkage between the farmers and inputs suppliers and dealers in the respective areas. A detailed Table of all partnerships is summarised in Annex 4.

Agreed Action	Responsibility	Agreed Date
Linkage with input and output markets PMU to work with key implementing partners to develop strong linkages with the private sector to increase farmers' access to input and output markets	PMU	04/2018

Justification of rating

The project has provided training that has enabled farmers to enhance their productive systems and engage in profitable IGAs, allowing them to access financial services. Farmers groups have been strengthened through training (i.e. watershed committees, cooperatives, community grazing land committee) which not only ensure community participation in local decision making but also fair distribution of resources, empowering vulnerable farmers such as women and youth. The provision of land certificates has significantly improved social cohesion by reducing boundary conflicts and contributed to women empowerment, who can now keep their share of the land in case of divorce. In addition, tenure security has encouraged farmers to increase their working capital.

Main issues

The project has done a commendable effort to provide land certificates, which have reportedly contributed to improved social cohesion by reducing boundary conflicts and contributed to women empowerment. Farmers have expressed that land tenure has significantly increased their willingness to invest more resources in their land, and that land certificates could help them to access financial services such as loans. However, more data is needed to understand the real impact of this activity (i.e. (i) have HHs been able to access loans using their land certificates as collateral? and (ii) have they invested more time and resources on their lands?)

Agreed Action	Responsibility	Agreed Date
Assess the impact of land certification The impact study should explore the impact of land certification on HHs' access to financial services and actual investment on their land.	PMU and Impact Assessment Consultant	09/2018

Justification of rating

The projects nature is participatory, as beneficiaries represented in farmers' groups are systematically integrated in the development of plans (watershed, wetland and forestry) which follow consultative processes. Regarding IGAs, it is fair to say that although youngsters happily engage in such activities, the selection process of both individuals and activities is driven by the woreda enterprise office. It seems that farmers choose the crops that will be developed in gene banks. However, they lack a cost benefit analysis to make informed decisions on the most suitable crops. The farmers' in kind contribution has significantly exceeded the degree envisaged at design, especially with regard to soil and water conservation, with a 156% achievement.

Main issues

Farmers have expressed the importance of preserving traditional crops through gene banks. These crops are believed to have a significant positive impact upon farmers' health, in addition to the attributed cultural significance. However, farmers should be provided with a cost benefit analysis comparing both traditional and improved crop varieties in order to make evidence-based decisions regarding the crops to be developed in the gene banks.

Agreed Action	Responsibility	Agreed Date
Cost benefit analysis on crops to be developed in gene banks EBI to undertake a cost benefit analysis, involving the farmers themselves, to help them choose between traditional and improved crop varieties.	EBI	06/2018

Responsiveness of Service Providers

Rating: 4

Previous rating: 4

Justification of rating

The quality of service provision under CBINReMP is extremely mixed with some service providers, especially ORDA, the Land Registration Teams and the Ethiopian Bureau of Agriculture at Woreda level providing quality services with timely reports. Unfortunately, the same cannot be said for the Ethiopian Biodiversity Institute (EBI), where construction of the four remaining community gene banks has been delayed beyond August 2017 and despite funds being available, there is still no progress. A common issue with all services providers is the failure to report on outcomes, so it is difficult to assess the direct impacts of their work and those of the project.

Agreed Action	Responsibility	Agreed Date
Gene Banks EBI to submit a detailed plan for the finalization of the works. RBoA to supervise closely the quality and progress of the works, and to take over should EBI fail to submit an acceptable plan timely, or if the works fall behind schedule.	EBI, SLMP, RBoA	05/2018
Gene Banks EBI to prepare a detailed action/business plan on the functionality of the Gene bank.	RPCMU/SLMP/MOFEC	05/2018

Environment and Natural Resource Management

Rating: 5

Previous rating: 4

Justification of rating

Based on the activities undertaken, the outputs reported to date and visual assessments made during field visits it is clear that significant positive impacts are being made on the natural resource base of the LTW. Sustainable Land and Water Management practices are being promoted both on farm and in communal areas through 665 participatory integrated watershed management plans. Significant areas of degraded land are being rehabilitated or exclosed from grazing, supported by local community byelaws, reforestation and gully rehabilitation. Community awareness and commitment to sustainable natural resource management is being increased through the land registration and certification process that the project has supported.

Main issues

The activities under in-situ conservation and the establishment of community gene banks have been below expectations. Of the 8 gene banks planned construction has started on 4 and it is very doubtful if they will be completed and operational by project closure in September 2018. Even though the cooperatives associated with each gene banks have been formed there has been no business plan developed with the community. Similarly work on **the Participatory integrated wetland ecosystem conservation** has not achieved what was planned, 19 out of 30 reconnaissance surveys have been completed with the associated wetland management plan, with two of these plans being implemented. There has been a strong focus on acquiring the necessary machinery to control the water hyacinth in Lake Tana – procurement is complete and the equipment is expected to arrive in country before project closure – unfortunately, this does mean that the project will not see the impact of its investments.

The project must work with the relevant authorities to obtain data on the sediment loads entering Lake Tana from its four major tributaries. At baseline the average sediment load was about 5,002,000 tons/year (Baseline 2008). Unfortunately, none of hydrological gauging stations that were to be established by the project have been done so – therefore it is

essential that the project acquires time series data on sediment load entering Lake Tana from key tributaries where the project had its most intensive activities.

Agreed Action	Responsibility	Agreed Date
Impact on Sedimentation Obtain a time series of sediment loads entering Lake Tana to see what impacts the project has had since 2010	PMU/Impact Assessment Consultants	07/2018

Exit Strategy

Rating: 4

Previous rating: 3

Justification of rating

An exit strategy document is has been drafted based on the commitments and feedback made by the key partners and shared with IFAD for comment. The document is currently being finalized to capture the feedback from IFAD and strengthen the hand over details of for each project component to key partners. The PMU is in discussions with the SMLP and BoA as how best to store all of their documentation and knowledge products, so future projects can access them and build upon the lessons learned.

Main issues

At the time of inception there were no discussions about the need to develop an exit strategy for a project with a 7 year time horizon. The April 2017 supervision mission recommended that the PMU begin to develop a draft exit strategy. The PMU subsequently prepared a draft and shared it with IFAD. IFAD reviewed the draft and sent back detailed comments to help the PMU revise the strategy. The PMU are in the process of revising the strategy based on consultation with key partners who will take over responsibility for project interventions they wish to continue supporting. At the time of the mission implementation of the exit strategy and hand over of activities had not started. The PMU is encouraged to fast track this process to ensure there is no hiatus in the support of, for example for the Land Registration and IGA activities as stated in earlier sections.

Agreed Action	Responsibility	Agreed Date
Exit Strategy Finalise the Exit Strategy with time lines and begin hand over	PMU	09/2018

Potential for Scaling-up

Rating: 4

Previous rating: 5

Justification of rating

The design of the next phase of the National SLMP is expected to scale up the key lessons learnt by the project. Besides, the second phase of the IFAD-funded PASIDP II is capitalizing on the key lessons learnt in watershed management. Agreement is reached with the project team to document the key lessons learnt for scaling up, especially the role of community labour, which enables replication at scale with relatively small investment of financial resources.

Agreed Action	Responsibility	Agreed Date
Documentation Document the key lessons learnt for scaling up and share with SLMP	RPCMU	08/2018

c. Project Management

Quality of Project Management

Rating: 4

Previous rating: 4

Justification of rating

Overall, project management is satisfactory at all levels with high commitment from all staff. The key positions in the regional project management team were filled with competent staff and there is low staff-turnover. However, there is high staff turnover among project focal persons at woreda level. In addition, at federal level the finance officer position is still vacant and currently financial management issues are being covered by the SLMP team. The project steering committee meets regularly to review and approve the AWPB and other key issues raised by the project. The project management team regularly communicate with the implementation partners and provide guidance and support to achieve the intended objective.

Justification of rating

The project does not have a KM plan. KM activities are budgeted in the AWPB and have been integrated into the project's learning process during implementation. Lessons have been documented and shared among project sites and higher regional and zonal officials through exposure visits and experience sharing events, exceeding targets. However, dissemination of information can be strengthened. Some of the project's best practices such as PFM have a comprehensive social, environmental and economic cost-benefit analysis, which significantly increases its potential for scaling-up. The project's practical knowledge has contributed to the development of policies, which need to be finalized. The project still needs to establish an IMS to ensure that knowledge remains available after project completion.

Main issues

Despite significant efforts, the project does not have an IMS to ensure that knowledge remains available after project closure and those lessons and natural resources management plans including watershed, PFM and wetland are available to a wider range of stakeholders. Some project documents are available on the BoA website, but the PCMU claims that the necessary provisions have not been granted at regional and federal level. The project also needs to make electronic copies of various documents which currently are only available on hard copies. This is of extreme importance as the project has reported that in the past, many documents were lost in a fire.

Cost-benefit analysis should be made on interventions that have been fully funded by the project and have yielded positive results such as the integrated and complementary technologies for backyard garden. The results could help the project to identify financially-viable best practices that can be scaled up by other development partners or farmers themselves.

Agreed Action	Responsibility	Agreed Date
Implement IMS and integrate it within SLMP's and BoA website RPCMU to integrate its documentation within the IMS of SLMP and the BoA website. The PCMU needs to share soft copies of all project documentation and the wide range of natural resources management plans that have been produced.	FPCMU & RPCMU	06/2018
Cost-benefit analysis of best practices Undertake a cost benefit analysis of activities that have yielded positive results for scaling up	PMU and Impact Assessment Consultants	09/2018

Justification of rating

There are significant impacts of project interventions visible throughout the Lake Tana Watershed, a testament to overall project efficiency and willingness of beneficiaries to participate. In 2017/18 alone the value of community labour recorded by the project was in excess of USD 1.4 million. No Financial Analyses were conducted at design and there is currently only data available for the simplest project interventions. IGA Poultry and Cattle Fattening initiatives, based on mission findings, are delivering annual incomes close to USD 400 per year per member, which over the 5 year life of the project exceeds a benefit cost ratio of 1. An impact assessment is planned in the coming months that will collect the necessary data to undertake a detailed financial analysis of the major project interventions.

Main issues

It has already been detailed in other sections that the sparsity of data to undertake output to outcome assessments and simple cost benefit analyses is an impediment at the moment. The mission has made strong recommendations that the Impact Assessment planned to begin in May 2018 will collect data for all of the major components and undertake the necessary financial analyses. Simple cost benefit analyses for IGA Poultry and Cattle Fattening enterprises have been reported with actions required to collect appropriate data for financial analyses detailed elsewhere.

Justification of rating

Physical annual work plan progress for the current FY is progressing very well. The third quarter report shows that most of the activities are undertaken exceed the annual plan, though some activities are lagging behind (i.e. Planting on

communal lands including forest, grazing and gully areas delivery is at 51%; Demonstrate and promote Energy saving stoves is at 56%; Issuance of second level certification is at 52%). Cumulatively, the project progresses on average above 70% on physical targets. Yet, some physical targets are delayed in implementation. Overall, the disbursements rates for the Loan and Grant financing instruments have registered 95%, while the record for GEF is 81 %.

AWPB Inputs and Outputs Review and Implementation Progress

The project prepares the AWPB on time for review and approval by the steering committee and follows the plan for execution of the project activity, though there are inevitable delays in the achievement of some of the planned activities. The project clearly reports on the annual and cumulative progress for each activity. There is no big discrepancy between the financial progress and physical progress. The last 9 month the project utilized 43% of the planned budget for the year. Cumulative project output are reported in the Effectiveness section.

Given that the project is approaching its completion deadline of 30 September 2018, the mission agreed with the RPCMU and RBoA to: i) review the exact amount of funds remaining, and prepare a revised AWPB for the remaining project period by mid May 2018.

Agreed Action	Responsibility	Agreed Date
AWPB Prepare revised Annual Work Plan and Budget for the period May to September 2018	PMU	05/2018

Performance of M&E System

Rating: 4

Previous rating: 4

Justification of rating

The project reports in RIMS on time, and the data is consistent and disaggregated by age and gender. Activities and outputs are reported in a timely manner and enable the submission of detailed and timely Project Interim Reports (PIRs) to the GEF. However, the M&E process could be strengthened to give a stronger geographic focus and begin to collect secondary data that will assess project outcomes at the Lake Tana Watershed level.

M&E System Review

M&E activities are conducted in line with the AWPB physical annual plan. Furthermore, although M&E reports were available and submitted on time, they are focused on activities and outputs and have limitation to report on outcomes and impacts. M&E reports provide gender-disaggregated data particularly for community labour contribution, though such disaggregated data is not reported to describe beneficiaries of the project. Few inconsistent data are observed on project output and activity reporting.

On the AWPB, the annual work plans are not elaborated enough such that planned activities under each component do not describe geographic area of activity implementation. Subsequently, limits the use of the M&E information for decision-making, as results that the mission was unable to physically observe current FY implementation progress against the annual plan.

Currently, the project is procuring consultant to undertake the impact assessment (IA), which constitutes part of M&E system, and will support to report on outcomes and impact. The mission discussed with the consultant on critical outcome and impact indicators that need to be captured during the IA.

Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)

Rating: 4

Justification of rating

Given that the CBINReMP was prepared before IFAD established the SECAP process the primary focus of the project is on improved agro-ecosystem function of the LTW, improved household incomes and opportunities for landless and unemployed youth to undertake meaningful employment. The current model being used for alternative employment opportunities lasts 5 years, after which the group must make room for a new group. This approach lacks clear business models and an exit strategy for these vulnerable groups. Land certification and issuance of land tenure booklets is an important social activity. Community feedback highlighted that clear demarcation and registration of land boundaries is reducing conflict, secures female headed households land rights and can be used as collateral for loans.

SECAP Review

Annex 4 of the PDR clearly identified **Threats, Root Causes and Barriers Analysis** which included crop land deterioration, over grazing, deforestation, wetland degradation with a common theme of weak institutional barriers. One of the key threats identified at design was the insecurity of land tenure, which has been addressed by the project. To date

282,725 (168%) land holdings have received a first level certification and 25,360 cadastral surveys completed and 9,509 second level certification issued. The cadastral surveys and issuance of second level certification is a protracted process and the project and the Regional Bureau of Agriculture need to look at sourcing funds to continue this important activity following closure to ensure that the expert teams established for surveying and computerization of the records are not lost. Much of the first level data still sits in hard copy filed books for each Kebele. Land use plans now established for 31,000 holdings.

There has been a strong social empowerment focus within the project with 9,872 women and unemployed/landless youth trained and engaged in alternative income generating schemes ranging from poultry production, through livestock fattening, bee keeping and horticulture to fish farming. Some of the income generating schemes such as poultry and livestock fattening are generating up to USD 400 per annum per member – yet all have a 5 years life span at present according to the model promoted at Woreda level. This is of concern as few of the enterprises visited have any form of business planning for the 5 year period

Agreed Action	Responsibility	Agreed Date
Revise alternative employment model As part of the projects exit strategy revise the Alternative Employment model to include business planning to enable groups to graduate into meaningful activities after their initial 5 year	RPMU	06/2018

d. Financial Management & Execution

Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$5,233,006		
	National Government	\$2,775,814		
Co-financing breakdown,	Global Environmental Facility	\$4,400,241		

Acceptable Disbursement Rate

Rating: 4

Previous rating: 3

Justification of rating

The project is in its 8th year of implementation, and its overall disbursement rate on IFAD financing is 98%. There has been one extension of 18 months, which increased the implementation period to 8 and half years, also reducing the disbursement score by one point to 4.

Main issues

The Project completes its activities on 30 September 2018, and closes its financing on 31 March 2019. As at 31 March 2018 the disbursement of the IFAD Loan and Grant is SDR 8.3 million or 95% of the combined SDR 8.8 million totals. The GEF Grant is disbursed at USD 3.6 million or 81% of the USD 4.4 million Grant. These disbursements include the Authorized allocations. The available funds for implementing the activities during the remaining 5 months period to completion date of 30 September 2018 are estimated at USD 1.7 million for the combined IFAD Loan and Grant, and USD 1.3 million for the GEF financing. The total available funds of USD 3.0 million include the combined balances of the Authorized allocations totalling to USD 2.4 million. The available funds will be fully utilized in the implementation of the prioritized activities of 2017/18 AWPB as well those of 2018/2019 AWPB and will include the projects' closure and winding up expenses.

Authorized Allocations Disbursement repayment/Justification: These have been reviewed under the reconciliation of form 104. The reconciling item is the withdrawn funds which are not yet accounted for. This item should be validated with pending expenditures as well as the Advance Accounts balances with IPs. There are differences which should be addressed.

The combined current balances of AAs amount to USD 2.4 and include USD 1.7 million for IFAD Loan and Grant, and USD 0.7 million for the GEF financing. These are balances of the original allocations, after the part recovery from proceeds of WA 21. The recovery process will resume with the proceeds of WA 23 and the mission has assisted the FPCMU with the formulation of the recovery plan. The plan proposes to complete the recovery/justification by the project closure date of 31 March 2019.

Refer to Annex for Table 3: Proposed plan for Recovery/Justification of the IFAD Loan and Grant Initial Deposit

Table 4: Proposed plan for Recovery/Justification of the GEF Grant Initial Deposit.

Agreed Action	Responsibility	Agreed Date
Recovery/justification of AAs Submit to IFAD the proposed Repayment/Justification Plans of the AAs	FC/Director	05/2018

Fiduciary Aspects

Quality of Financial Management

Rating: 3

Previous rating: 3

Justification of rating

There is lack of effective FM monitoring of Advances accounts held by RPCMU and EBI. Within the two IPs accountability of the advances in terms of traceability by locations requires improvement. Financial reports and statements require improvements in terms of accurate reconciliation of surpluses of sources and uses of funds, with the cash balances and receivables. The withdrawals pending accountability as disclosed in the DA reconciliation under form 104 should be reconciled with the Advances accounts in the IPs, which is a big gap at the moment.

Main issues

Financial Management Systems, Internal Controls and, Accounting and reporting performance: As reported in the last mission, the systems for accounting and reporting are below the required standard. Although the systems at the RPCMU and the Woreda are working fairly as evidenced by clear records and internal controls, as well as timely consolidation and submission of the quarterly report, there are critical gaps in the financial management which pose financial risks. The requisite oversight by FPCMU on financial management at RPCMU and EBI are irregular and lacking in minimum efficiency and effectiveness. No regular reconciliations are carried out between the Advances records of FPCMU and those of EBI and those at RPCMU.

As of the date of the mission, the EBI advances Account at FPCMU is reported to be having a balance of ETB 8.7 million (approximately USD 385,000). EBI has not submitted any expenditure returns from the recorded advances since July 2017. No reconciliation has been carried either as evidence of follow-up and monitoring of the status of this Account. No advances have been made during 2017/18 Financial year.

The RPCMU advances account at FPCMU is reported at a balance of ETB 29.8 million while the RPCMU records report a balance of ETB 39.5 million. The two sets of records indicate a difference of ETB 9.7 million or approximately USD 360,000, between the 2 records.

The quarterly report lacks a critical report on the traceability of the proceeds of the advances in terms of the locations of disbursements. While there is a report on the cash at bank there is no comprehensive analysis that includes the advances in Zones and Woreda and ending with reconciliation with the records of the FPCMU.

Several expense categories in the Financing Agreement Schedule 2 have, or are about to have, gone overdrawn. As there are less than six months until completion no reallocation is foreseen at this stage.

Review of the performance of the 2018 AWPB: For the 6 month's period to 7 January 2018, the actual performance was ETB 19 million, or 15%, of the budget allocated for IFAD financing of ETB 130.5 million. The expenditure for the 3rd quarter to 31 March 2018 is yet to be consolidated. It is hoped that the rate of performance will improve by the end of the financial year.

Refer to Appendix: Table 5 2017/18 AWPB performance Review.

2018/2019 AWPB and Strategic Way forward: The formulation process is under way. The mission proposes that the financial estimates are limited to the funds available at the estimate of USD 3 million as described in paragraph 2 above. It is further proposed that the plan be formulated comprehensively to include the review of the activities to be implemented during the remaining period up to the closure date to 31 March 2019. The planning process should ensure that activities to be included in the period to 30 September 2018 are only those which can be completed by that date, and any procurement required must be timely and consistent with this guideline. Costs associated with implementation activities after 30 September 2018 will not be eligible for financing. Only winding up expenditures for PCR, skeleton staff costs and operating costs can be incurred in the six months through to 31 March 2019 and must be accommodated within the remaining funds.

WAs and Statements of Expenditure (SoEs): The Mission reviewed 9 randomly selected expenditure items with a total value of USD 348,784. This represented 33% of the total WA value of USD 1.06 million from WA 22 from DSF loan and Grants. All expenditures were validated with the supporting document and the laid down procurement process and the

mission consider them eligible for claim from IFAD.

Beneficiary contributions: the 2017 audited financial statements did not include any community contributions although the cumulative contribution is over USD 19 million equivalents. The accuracy of this reporting should be reviewed.

Spanish grant closure: the grant G-C-SP-17-ET still has USD 21,758 to justify from the advance. The mission reviewed two entries in WA9 but could not match the values to trigger justification and hence closure of the grant.

Agreed Action	Responsibility	Agreed Date
2018/19 AWPB Formulate the 2018/19 comprehensive AWPB	FPCMU/RPCMU/EBI	05/2018
Advances accounts with the IPs Reconcile the Advances accounts held by IPs with the receivable accounts at the FPCMU	FD/FPCMU/EBI	05/2018
Beneficiary contributions Review the data capture and reporting of beneficiary contributions for completeness	FD/FPCMU/EBI	05/2018
Spanish grant closure Reconcile the supporting documentation for the hand tools and gabion dam to the withdrawal application for use as justification of the advance.	FD/FPCMU/EBI	05/2018

Quality and Timeliness of Audit

Rating: 3

Previous rating: 3

Counterparts Funds

Rating: 3

Previous rating: 4

Justification of rating

GoE has not provided adequate contribution to cover ineligible expenditures as they arise and particularly so far for this 2017/18 financial year.

Main issues

Main issues

To date GoE had cumulatively contributed ETB 13.6 million (equivalent of USD 0.8 million) in respect of taxes (as part of its counterpart contribution) compared to about USD 2.8 million allocated at appraisal. The AWPB for 2017/18 provided for USD 0.2 million0 equivalents to be contributed by GoE but so far no contribution has been made. This contribution was required among other things for the settlement of the pending VAT of EBI amounting to ETB 732,587 (USD 34,885 equivalent) and the long standing staff advance of ETB 44,941 (USD 2,110 equivalent). In addition, the two items above identified by the auditors are also refundable. Therefore GoE contribution is desperately required for settlement of the four items.

Agreed Action	Responsibility	Agreed Date
GoE Counterpart Contribution GoE to contribute funds into the project as provided for in the 2017/18 AWPB	FPCMU/FC/MoANR/MoFEC	05/2018
Settlement of the ineligible Expenditure Clear the outstanding VAT expenditures totalling USD 64,256 made up of EBI USD 29,371 and the long standing due of USD 34,885	FPCMU/FC/MoANR/MoFEC	05/2018

Justification of rating

Contravention of General conditions and financing agreement covenants on use of funds in financing taxes and delay in submission of audited financial statements and AWPBs.

Main issues

Non-compliance with the financing agreement covenants was noted in submitting AWPBs. The 2016/17 audited accounts were also submitted late in March 2018, 2 months after the prescribed date of 7 July. The other serious contravention is the use of funds in financing taxes and the subsequent undue delay in their refunds.

Procurement**Procurement**

Rating: 3

Previous rating: 3

Justification of rating

The project has not completed all the major procurement (beyond 50,000 US\$) planned to have been completed on the second quarter of this reporting period. The construction of Gene banks was agreed to be completed in the second quarter of the reporting period on the last supervision has not progressed at all and the RPCMU has not taken steps to have the gene banks constructed by the Bureau of Agriculture as agreed in the previous mission. These delays have negatively affected implementation.

Procurement Review

Procurement Planning: The available Procurement plan lacks major procurement steps and details. The mission observed that there is no clear indication (quantified) of progress made in procurement against the procurement plan due to the lack of actual data that should have been captured in the plan. Subsequent discussions between the mission and the RPCMU highlighted a number of challenges that need to be addressed.

The RPCMU should prepare a detailed procurement plan as part of a revised AWPB for the remaining project period detailing all the procurement activities that should be completed by September 30, 2018. As indicated before, costs associated with implementation activities after 30 September 2018 will not be eligible for financing. Only winding up expenditures for PCR, skeleton staff costs and operating costs can be incurred in the six months through to 31 March 2019 and must be accommodated within the remaining funds. The Procurement Plan will have to be updated on a monthly basis and submitted to IFAD. The project is reminded that all pending procurement activities need to be expedited. The project is to close on 30 September, 2018, leaving a maximum procurement period of five months.

Implementation Challenges:

During the mission, delays were noted in the implementation of the "Procurement of Water hyacinth remover machine" contract due to delays in payments. To overcome local short fall in FOREX, the RPCMU should request IFAD to undertake direct payment.

The Construction of the Gene bank in Mecha Woreda which is claimed to be 70% completed is done with substandard materials and is very poorly constructed and has not moved forward for four years. The EBI is requested to take remedial actions with the Contractor as stipulated in the Contract.

Procurement of Gabion and Hand tools for SWF is being delayed for no substantial reason. The Project is requested to expedite the procurement process given the period remaining before project completion.

Procurement Progress and Contract Register: Many of the No Objection submissions to IFAD, above the threshold of USD 100,000, fail to meet the dates in the procurement plan. Of the 44.9% of requests for No Objection that IFAD has given, there is no indication that the procurement has been completed. The mission requests that the PMU create a contract register to keep track of contracts signed. The contract register should be updated and submitted to IFAD on a monthly basis. This request was first made as an outcome of the 2015 Audit of IFAD Projects and Programmes but was never complied to.

Agreed Action	Responsibility	Agreed Date
The Construction of the Gene bank in Mecha Woreda Remedial actions to be taken with the Contractor concerning the poor implementation standards	EBI	04/2018
Submission of updated Procurement Plans and Contract Registers The RPCMU to submit monthly revised version of the Procurement plan and Contracts Register	RPCMU	04/2018
Submission of a revised Procurement Plan and Contract register RPCMU to submit a revised Procurement Plan for the remaining implementation period ending September 30, 2018 together with a Contract register	RPCMU	05/2018
Procurement of water hyacinth remover machine RPCMU to request IFAD to make a direct payment to the supplier	RPCMU/SLMP	06/2018
Expedite procurement of Gabion and hand tools for SWC Finalize procurement of Gabion and hand tools which has significantly progressed being at the stage of signing of contract	RPCMU	06/2018

F. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Business planning Strengthen the capacity of IGA clients to plan, manage and monitor their financial performance.	PCMU and Woreda Bureau of Agric at Kebele level	04/2018
Establish linkage between farmers and input providers The exit strategy should ensure that linkages are established between farmers and inputs providers, so they are able to purchase such inputs after project completion.	PCU	04/2018
Weather data Liaise with the Ethiopian Meteorological Authority and obtain rainfall and temperature data for the duration of the project	PMU	04/2018
Submission of updated Procurement Plans and Contract Registers The RPCMU to submit monthly revised version of the Procurement plan and Contracts Register	RPCMU	04/2018
Cost benefit analysis ORDA to conduct the cost benefit analysis for the climate smart agriculture intervention	ORDA	04/2018

Business Plans 2 As part of the exit strategy develop business plans with the Woreda Agricultural Offices to ensure the sustainability of the most successful nurseries	PMU and Woreda BA	04/2018
Project Completion Report RPCMU to initiate the recruitment of a second consulting firm to undertake the project completion report.	RPCMU	04/2018
Gender participation Increase the participation of women in IGAs to be developed over the last 5 months of the project and ensure that the IGA plans developed as part of the exit strategy are at best gender neutral	PCMU and Woreda BA	04/2018
Linkage with input and output markets PMU to work with key implementing partners to develop strong linkages with the private sector to increase farmers' access to input and output markets	PMU	04/2018
Exit strategy Finalize the CBINReMP Exit Strategy Documentation and Timetable for handing over the activities to respective implementing partners. Highlight to all implementing partners the project completion date and the need consolidate information and data on all intervention activities.	RPCMU	04/2018
The Construction of the Gene bank in Mecha Woreda Remedial actions to be taken with the Contractor concerning the poor implementation standards	EBI	04/2018
Impact assessment Complete recruitment of consulting firm and closely follow up and monitor the firm to ensure the relevant and key impacts are captured	RPCMU	04/2018
AWPB Prepare revised Annual Work Plan and Budget for the period May to September 2018	PMU	05/2018
Carbon Sequestration Assess the reduction in carbon emissions/sequestration in the LTW using appropriate carbon assessment tools. PCMU to agree with Impact Assessment Team which carbon assessment tool to use	PMU	05/2018
Submission of a revised Procurement Plan and Contract register RPCMU to submit a revised Procurement Plan for the remaining implementation period ending September 30, 2018 together with a Contract register	RPCMU	05/2018

Gene Banks EBI to prepare a detailed action/business plan on the functionality of the Gene bank.	RPCMU/SLMP/MOFEC	05/2018
Detail planning and activities May to 30 September 2018. Review the exact amount of funds remaining, and prepare a revised AWPB for the remaining project period including a detailed Procurement Plan covering the tasks to be implemented by September 30 2018. Submit to IFAD a Contract Register for the Contracts signed so far with regular updates. Settlement by GoE of the pending VAT amounts totalling USD 64,256.	RPCMU and RBoA	05/2018
Gene Banks EBI to submit a detailed plan for the finalization of the works. RBoA to supervise closely the quality and progress of the works, and to take over should EBI fail to submit an acceptable plan timely, or if the works fall behind schedule.	EBI, SLMP, RBoA	05/2018
Gene Banks EBI to prepare a detailed action/business plan on the functionality of the Gene bank.	RPCMU/SLMP/MOFEC	05/2018
Gene Banks EBI to submit a detailed plan for the finalization of the works. RBoA to supervise closely the quality and progress of the works, and to take over should EBI fail to submit an acceptable plan timely, or if the works fall behind schedule.	EBI, SLMP, RBoA	05/2018
2018/19 AWPB Formulate the 2018/19 comprehensive AWPB	FPCMU/RPCMU/EBI	05/2018
Recovery/justification of AAs Submit to IFAD the proposed Repayment/Justification Plans of the AAs	FC/Director	05/2018
Advances accounts with the IPs Reconcile the Advances accounts held by IPs with the receivable accounts at the FPCMU	FD/FPCMU/EBI	05/2018
Settlement of the ineligible Expenditure Clear the outstanding VAT expenditures totalling USD 64,256 made up of EBI USD 29,371 and the long standing due of USD 34,885	FPCMU/FC/MoANR/MoFEC	05/2018
Beneficiary contributions Review the data capture and reporting of beneficiary contributions for completeness	FD/FPCMU/EBI	05/2018

Spanish grant closure Reconcile the supporting documentation for the hand tools and gabion dam to the withdrawal application for use as justification of the advance.	FD/FPCMU/EBI	05/2018
GoE Counterpart Contribution GoE to contribute funds into the project as provided for in the 2017/18 AWPB	FPCMU/FC/MoANR/MoFEC	05/2018
Revise alternative employment model As part of the projects exit strategy revise the Alternative Employment model to include business planning to enable groups to graduate into meaningful activities after their initial 5 year	RPMU	06/2018
Communal Grazing Land Management Legislation Stakeholder workshop to enrich the document to finalize the legislation	RPCMU/Livestock Agency	06/2018
Wetland Management Legal Framework Finalization of the Legal Framework	BDU	06/2018
Procurement of water hyacinth remover machine RPCMU to request IFAD to make a direct payment to the supplier	RPCMU/SLMP	06/2018
Cost benefit analysis on crops to be developed in gene banks EBI to undertake a cost benefit analysis, involving the farmers themselves, to help them choose between traditional and improved crop varieties.	EBI	06/2018
Expedite procurement of Gabion and hand tools for SWC Finalize procurement of Gabion and hand tools which has significantly progressed being at the stage of signing of contract	RPCMU	06/2018
Implement IMS and integrate it within SLMP's and BoA website RPCMU to integrate its documentation within the IMS of SLMP and the BoA website. The PCMU needs to share soft copies of all project documentation and the wide range of natural resources management plans that have been produced.	FPCMU & RPCMU	06/2018
Business Plans 1 Develop Farm House Hold Budgets, especially for the Climate Resilient Clusters	PMU ORDA	07/2018

Impact on Sedimentation Obtain a time series of sediment loads entering Lake Tana to see what impacts the project has had since 2010	PMU/Impact Assessment Consultants	07/2018
Business Plans 3 Develop enterprise budgets for the interventions promoted to Landless and Unemployed Youth and develop business plans	PMU/ORDA	07/2018
Regional Forest action Plan Finalization of the Regional Forest Action Plan	RPCMU & Environmental Protection Forest and Wild life Authority	08/2018
Documentation Document the key lessons learnt for scaling up and share with SLMP	RPCMU	08/2018
Impact Assessment Assess impacts of on farm soil and water conservation practices on crop and fodder production	PMU and consultants	09/2018
Revision of the IGA model PMU/Regional and Woreda BAs	PMU/Regional and Woreda BAs	09/2018
Assess the impact of IGAs upon nutrition The impact study should explore the impact of IGAs upon the nutrition of those engaging in such activities as well as their communities.	PCU and Impact Assessment Consultant	09/2018
Provide data on cluster approach performance ORDA to provide data on the target and achievement of the cluster approach	ORDA	09/2018
Exit Strategy Finalise the Exit Strategy with time lines and begin hand over	PMU	09/2018
Cost-benefit analysis of best practices Undertake a cost benefit analysis of activities that have yielded positive results for scaling up	PMU and Impact Assessment Consultants	09/2018
Assess the impact of land certification The impact study should explore the impact of land certification on HHs' access to financial services and actual investment on their land.	PMU and Impact Assessment Consultant	09/2018

Community-based Integrated Natural Resources Management Project

Logical Framework

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2017)	Cumulative Result (2017)	Cumulative Result % (2017)	Source	Frequency	Responsibility	
Outreach Total Project Outreach	1.b Estimated corresponding total number of households members										
	Household members										
	1.a Corresponding number of households reached										
	Households			450 000	69 334	908 075	201.8				
	1 Persons receiving services promoted or supported by the project										
	Males			1 045 350	199 960	2 114 796	202.3				
	Females			1 024 650	105 805	1 761 160	171.9				
	Groups receiving project services										
	Groups			766	272	1 641	214.2				
	Communities receiving project services										
	Communities			393	393	1 418	360.8				
Goal Poverty sustainably reduced for about 312,000 rural households in 21 districts of Lake Tana Watershed	Reduction in the number of households living below the national poverty line							Household income and expenditure surveys			Minimum internal or external shocks
	Number of households			25							
	Reduction in no. of children <5 years of age who are stunted							Anthropometric surveys			
	Number of children <5 years of age			15							
Objective Household incomes and food security increased as a result of sustainable land management and improved ecosystem integrity	Increase in per capita income							Baseline survey; Household income and expenditure surveys; Food security surveys;			No significant increase in effects of climate change, i.e., flooding, drought.
	Increase income			25							

	Tonnes carbon sequestered in cropped soil, forests and pastures						Assessments of above and below ground (=system) carbon			
	Tonnes carbon sequestered			700 000						
Outcome										
Output 1. Community watershed management promoted	(RIMS) Village/community plans formulated									
	Plans			650	284	863	132.8			
	(RIMS) Groups involved in NRM formed/strengthened									
	Groups			650	232	1 322	203.4			
	(RIMS) NRM groups with women in leadership positions									
	Groups			209	325	873	417.7			
	(RIMS) People in NRM groups formed/strengthened									
	Females			2 103	1 560	4 410	209.7			
	Males			6 733	2 340	11 888	176.6			
	(RIMS) People trained in NRM									
	Males			19 475	9 430	35 572	182.7			
	Females			9 334	7 258	17 061	182.8			
Output 2. Improved pasture and and participatory forest management	Land under improved management practices									
	Hectares of land			117 520	10 870	157 673	134.2			
	Model communal grazing areas developed & grazing land user associations established									
	Model communal grazing areas			630						
	Forest cover increased in the watershed									
	Forest cover			10		0	0.0			
	Participatory Forest Management established									
	Hectares of land			1 000		486.5	48.7			
	Biogas technology demonstrated & promoted									

	Demonstrations			1 400		1 277	91.2				
	Trainings on alternative energy sources & energy saving technologies promoted										
	Training sessions			6 300		5 546	88.0				
	(RIMS) Government officials and staff trained							RIMS report			
	Females			1 198	943	3 016	251.8				
	Males			4 010	1 653	8 349	208.2				
	(RIDE/RIMS) Disaggregated land types under improved management practices										
	Cropped Lands			79 120	6 062.52	135 809.52	171.7				
	Rangelands			9 450	2 168.13	15 579.13	164.9				
	Forests			28 950	2 639	6 284	21.7				
Output 3. Off-farm SWC measures strengthened on degraded forest and grazing lands	Off-farm area rehabilitated through SWC practices										
	Hectares of land			32 500		23 948.52	73.7				
Output 4. On-farm SWC measures strengthened	Cultivated lands rehabilitated through SWC practices										Stabilization or reduction in livestock population
	Hectares of land			125 125		142 403.26	113.8				
	1.1.4 Persons trained in production practices and/or technologies										
	Men trained in crop										
	Women trained in crop										
	Total persons trained in crop			500	95	784	156.8				
Output 5. Biodiversity & ecosystem conservation services enhanced	Community gene banks constructed										
	Banks			4		2	50.0				
	Forest insitu sites established										
	Sites			15		6	40.0				

Output 6. Participatory wetland ecosystem conservation enhanced	Wet land management plans developed						RIMS report				
	Plans			29		19					65.5
	(RIMS) Environmental management plans formulated										
	Plans			30	0	19					63.3
Output 7. Land registration & certification further strengthened	1st level certifications issued										
	Certifications			282 305		282 725					100.1
	2nd level certifications issued										
	Certifications			11 000		9 509					86.4
Output 8. Employment generation promoted for landless & nearly landless youths & women	Youths & women organized and supported for IGA										
	Individuals			25 000		9 872					39.5
	(RIMS) People trained in income generating activities										
	Females			1 572	1 149	2 760					175.6
	Males			8 377	1 996	7 385					88.2
Output 9. Institutional & legal reforms enacted and implemented	Regional strategies. Policies and legislation revised and up-dated to mainstream SLM						a. Policy and strategy documents b. Enacted legislations				No major institutional restructuring
	Documents/ Policies			6		4					
	(RIMS TBC) People trained in business/entrepreneurship										
	Men/women					381					
	(RIMS) Savings/credit groups formed/strengthened										
	Groups			181	63	383				211.6	
	Savings/credit groups with women in leadership positions										
	Groups			60	63	192				320.0	
	(RIMS) People in savings and credit groups formed/strengthened										
	Males			1 850	341	2 495				134.9	
	Females			660	415	1 316				199.4	

Ethiopia

Community-based Integrated Natural Resources Management Project

Supervision Report

Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category

Mission Dates: 16-27 April, 2018

Document Date: 30/05/2018

Project No. 1100001424

Report No. 4756-ET

East and Southern Africa Division
Programme Management Department

Table 3: Proposed plan for Recovery/Justification of the IFAD Loan and Grant Initial Deposit

Particulars Reporting Period	WA No.	Date	US \$	EUR	SDR	Unjustified balance USD SDR	
Authorized Allocation	1	08/06/2011	1 000 000		620 389.76		620 389.76
	17	08/03/2016	1 000 000		718 974.46		718 974.46
			2 000 000		1 339 364.22		1 339 364.22
Ref. No.	WA No.	Date	Estimated WA value (USD)	Proposed Recovery %	Recovery Amount (USD)	Commulative Recovery Amount (USD)	Commulative Unjustified balance (USD)
							2 000 000
Recovered	21		848 494	33%	276 416	276 416	1 723 584
Zero	22	31.08.17	1 059 728	0%	-	276 416	1 723 584
Recovered	23	1-Mar-18	689 550	35%	241 343	517 759	1 482 241
	24	1-May-18	500 000	70%	350 000	867 759	1 132 241
	25	1-Aug-18	283 060	70%	198 142	1 065 901	934 099
	26	1-Oct-18	283 060	75%	212 295	1 278 196	721 804
	27	1-Dec-18	283 060	75%	212 295	1 490 491	509 509
	28	31.03.19	509 509	100%	509 509	2 000 000	0
	TOTAL		3 663 893		2 000 000	2 000 000	

Table 4: Proposed plan for Recovery/Justification of the GEF Grant Initial Deposit.

Particulars Reporting Period	WA No.	Date	US \$	EUR	US \$	Unjustified balance USD SDR	
Authorized Allocation	1	08/06/2011	500 000		0.00	500 000	0.00
	17	08/03/2016	250 000		0.00	250 000	0.00
			750 000		0.00	750 000	0.00
Ref. No.	WA No.	Date	Estimated WA value (USD)	Proposed Recovery %	Recovery Amount (USD)	Commulative Recovery Amount (USD)	Commulative Unjustified balance (USD)
							750 000
Recovered	21		290 785	33%	94 730	94 730	655 270
Zero	22	31.08.17	208 789	0%	-	94 730	655 270
Recovered	23	1-Mar-18	153 801	30%	46 140	140 870	609 130
	24	1-May-18	400 000	30%	120 000	260 870	489 130
	25	1-Aug-18	250 000	30%	75 000	335 870	414 130
	26	1-Oct-18	250 000	31%	77 500	413 370	336 630
	27	1-Dec-18	250 000	35%	87 500	500 870	249 130
	28	31-Mar-19	249 130	100%	249 130	750 000	0
	TOTAL		1 553 375		750 000	750 000	

Table 5: 2017/18 AWPB performance Review.

Category	Budget	Actual	Performance
	ETB'000	ETB'000	%age
I. Construction & Planting Materials	80,721	4,995	6%
II. Vehicles and Equipment	336	1,311	390%
III. Consultancy Service	3,647	758	21%
IV. Training	33,119	7,001	21%
V. Salaries and Wages	5,494	1,828	33%
VIII. Operating Costs	7,177	3,127	44%
Total Cost	130,494	19,020	15%

Ethiopia

Community-based Integrated Natural Resources Management Project Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 16-27 April, 2018
Document Date: 30/05/2018
Project No. 1100001424
Report No. 4756-ET

East and Southern Africa Division
Programme Management Department

Appendix 1: Physical progress measured against AWP&B

Planned Output & Activity Indicators	Unit	Appraisal Target	2017/18 PROGRESS		TOTAL PROGRESS TO DATE		
			TARGET	ACHIEVED	Cumulative Plan	Cumulative progress	%
Sub component (1) Participatory watershed management;							
Participatory preparation of a database of existing land use patterns and natural resources	%	100	0	0	100.00	100.00	100.00
Training of Regional and Woreda staffs	No	400		95	1,046.00	1,026.00	98.09
Organize Kebele watershed committee (KWC)	No	186	-	0	334.00	299.00	89.52
Train Kebele watershed committee (KWC)	No	1860		189	1,736.00	2,375.00	136.81
Organize community watershed committee (CWC)	No	650	-	0	650.00	650.00	100.00
Train community watershed committee (CWC)	No	6500	300.0	437	3,242.00	4,899.00	151.11
Develop integrated watershed management and treatment plans and community action plan(IWDP&CAP)	No	650	-	0	933.00	665.00	71.28
Refine earlier community watershed management plan	No		28.0	104	511.00	656.00	128.38
Subcomponent (A2): Improved pasture and participatory forest management					-	-	0.00
Output 1.2: Improved pasture management in place					-	-	0.00
Initiate area closure through community participation and promote cut and carry system	Ha		850.0	935.23	13,932.00	31,070.75	223.02
Demonstrate improved pasture management	Ha	8055	374.0	451	7,099.00	6,375.59	89.81
Development of pasture management plan and by-law	No	630	14.0	73	533.00	482.00	90.43
Develop model communal grazing area and establish grazing land user associations	No	630	5.0	7	499.00	332.00	66.53
Training of Zonal and Woreda Staffs CGLM	No		92.0	0	504.00	418.00	82.94
Training of Development agents CGLM	No	210	117.0	0	2,581.00	2,676.00	103.68

Planned Output & Activity Indicators	Unit	Appraisal Target	2017/18 PROGRESS		TOTAL PROGRESS TO DATE		
			TARGET	ACHIEVED	Cumulative Plan	Cumulative progress	%
Training of representative of user groups CGLM	No		447.0	0	4,480.00	5,684.00	126.88
Promote & demonstrate improved backyard forage development.	Ha	1395	-	69	10,939.50	3,409.75	31.17
Provision of improved forage seeds	Kg		3,844.0	0	145,872.00	36,721.00	25.17
Training of Zonal and Woreda based staffs BFD	No			12	396.00	364.00	91.92
Training Development agents BFD	No			32	2,201.00	1,569.00	71.29
Training of farmers BFD	No			52	13,254.00	4,712.00	35.55
Assessment on best practices on forage development & utilization	%			2	1.00	2.00	200.00
Livestock development equipment for practical training and construction			-	0	51.00	3.00	5.88
Rehabilitation and management of degraded lands					-	-	0.00
Establish and run community owned nurseries	No	186	130.0	192	1,009.00	900.00	89.20
Establish and run NEW community owned nurseries			130.0	149	194.00	286.00	147.42
Establish and run project nurseries	No		39.0	43	125.00	128.00	102.40
Establish and run NEW project nurseries			-	0	13.00	10.00	76.92
Forest Seedling production	No		23,840,862.0	52712104	179,729,252	144,416,501	80.35
Fruit seedling production	No		183,375.0	241707	346,375	980,266	283.01
Forest Seedling plantation	No		28,959,400.0	52712104	141,623,626	131,320,570	92.73
Fruit seedling plantation	No		146,700.0	241707	277,100	1,021,910	368.79
Seedling transportation	No		7,152,258.0	17765150	25,405,094	28,503,844	112.20
Planting on communal lands including forest, grazing and gully areas	Ha	18900	4,893.0	2525.74	22,513.00	11,646.15	51.73
Planting around churches, local institutions etc.	Ha		333.0	331.78	1,388.00	1,790.80	129.02
Area covered with direct sowing	ha		525.0	1545.85	1,724.00	3,789.45	219.81
Training of Zone and Woreda experts	No			33	319.00	341.00	106.90
Training of development agents	No			128	2,474.00	1,751.00	70.78

Planned Output & Activity Indicators	Unit	Appraisal Target	2017/18 PROGRESS		TOTAL PROGRESS TO DATE		
			TARGET	ACHIEVED	Cumulative Plan	Cumulative progress	%
Training of farmers	No			476	8,108.00	6,611.00	81.54
Output 1.3 Improved participatory forest management in place					-	-	0.00
Organize PFM user associations and capacitated through training & seminar	No		8.0	0	107.00	17.00	15.89
Area under Participatory forest management (PFM)	Ha	1000	274.0	0	914.00	897.00	98.14
Training of Woreda and Zonal based experts	No		78.0	12	359.00	325.00	90.53
Training of Development agents	No		54.0	125	486.00	769.00	158.23
Training for representative of users association	No		162.0	162	3,452.00	3,036.00	87.95
Output 1.4: Alternative energy Source and Energy saving technologies Demonstrated and Promoted				0	-	-	0.00
Train Households on improved alternative energy technologies	No	6300	-	0	8,923.00	5,546.00	62.15
Demonstrate and promote biogas	No	120	633.0	11	2,297.00	1,381.00	60.12
Demonstrate and promote Energy saving stoves	No		-	308	27,402.00	17,069.00	62.29
Pilot charcoal making (KILIN)	No		548.0	0	552.00	-	0.00
Sub-component (A3): off-farm soil and water conservation;			-	0	-	-	0.00
Rehabilitation of seriously degraded land	Ha	32500	6,225.0	2542.83	51,719.84	23,948.52	46.30
Hillside terrace	Km		315.0	353.02	4,967.00	16,184.47	325.84
Construction of soil/stone bund	Km		1,844.0	570.861	12,166.00	20,730.95	170.40
Trench	No		45,200.0	61360	1,304,958.00	1,190,837	91.25
Micro-basin	No		24,498.0	7219	615,829.00	163,246.00	26.51
Eye brow basin	No		6,158.0	1461	257,513.00	44,254.00	17.19
Percolation pitt	No		75.0	950	82,536.00	15,090.00	18.28
Percolation trench	No		-	3996	32,980.00	8,577.00	26.01
Gully rehabilitation (ha)	Ha		150.0	86.75	844.50	558.86	66.18
Gully reshaping & vegetation	Ha		150.0	88	1,812.75	766.07	42.26

Planned Output & Activity Indicators	Unit	Appraisal Target	2017/18 PROGRESS		TOTAL PROGRESS TO DATE		
			TARGET	ACHIEVED	Cumulative Plan	Cumulative progress	%
Construction of stone check dam	M3		46,530.0	78133	286,675.00	478,836.72	167.03
Construction of brush wood check dam	M		4,710.0	1200	80,804.00	35,656.75	44.13
Construction of Gabion check dam	m3		31,117.0	10883	147,729.00	98,885.47	66.94
Community pond/water harvesting structure	No		-	1	22.00	2.00	9.09
Establish gauging stations	No		-	0	14.00	-	0.00
Equipment for Hydrological monitoring stations	No / %		-	0	24.00	-	0.00
Assess Indigenous Knowledge and local farmers practices in SLM	%		-	0	300.00	-	0.00
Water quality & Sediment lab analysis	%		-	0	100.00	-	0.00
Soil Acidity reclamation/treatment	ha		-	0	78.00	122.14	156.58
Hand tools for SWC	No		10,984.0	0	62,080.00	10,438.00	16.81
Gabion for SWC	No		2,246.0	255	21,118,535	6,770.00	0.03
Subcomponent(A4): On-farm soil and water conservation;					-	-	0.00
Farm land treated with soil & water conservation	Ha	125125	5,992.0	5286.19	168,196.00	142,403.26	84.67
Construction of stone bund	Km		964.0	2205.00	24,078.00	35,949.54	149.30
Construction of soil bund	Km		4,142.0	3410.50	66,794.00	76,968.56	115.23
Cutoff (km)	Km		52,883.0	57704.90	291,624.00	454,720.21	155.93
Water way(km)	Km		59,522.0	90137.45	430,164.00	734,164.09	170.67
Bund plantation(km)	Km		1,439.0	122.50	46,186.00	22,539.60	48.80
Gully rehabilitation	Ha		200.0	179.73	1,500.25	431.70	28.78
Train Zonal & Woreda staffs	No		114.0	195.00	924.00	393.00	42.53
Train development agents and supervisors	No		200.0	920.00	3,916.00	2,671.00	68.21
Train farmers(on SWC, community pond, roof water harvesting & hand dug well construction)	No		800.0	2244.00	49,504.00	18,331.00	37.03
Hand dug well/pulley provided	No			52	120.00	288.00	240.00
Model Roof water harvesting structures constructed	No				59.00	4.00	6.78

Planned Output & Activity Indicators	Unit	Appraisal Target	2017/18 PROGRESS		TOTAL PROGRESS TO DATE		
			TARGET	ACHIEVED	Cumulative Plan	Cumulative progress	%
Subcomponent (A5): bio-diversity and ecosystem conservation.					-	-	0.00
Capacity building					-	-	0.00
Dealing with the local peoples, Peasant Associations, Development Agents, Church and Monastery leaders	No				16.00	9.00	56.25
Mass awareness program by radio, television, school nature conservation clubs etc.	No		2		13.00	2.00	15.38
Technical training on Community gene bank management	No		60		410.00	583.00	142.20
Employment of Technician for CSB and arrange facilities for them	No		20.0		208.00	4.00	1.92
Experience sharing& short term training			20.0		48.00	42.00	87.50
Established Community gene banks/In-situ conservation					-	-	0.00
explore the targeted districts	No		3.0		21.00	18.00	85.71
conduct inventory of forest insitu sites	No		4.0		22.00	6.00	27.27
site and seed custodian selection/agreement for seed multiplication	No		100.0		116.00	4.00	3.45
In-situ microbial genetic resources conservation activities (Based on survey results)	No		1.0		2.00	-	0.00
Construction of Community Seed Banks	No	4	4.0		8.00	4.00	50.00
In-situ conservation of domestic animal and microbial					-	-	0.00
Community/researchers integrated approach facilitated	No				120.00	120.00	100.00
Awareness creation on advantage of community seed bank associations	No		150.0	68	924.00	684.00	74.03

Planned Output & Activity Indicators	Unit	Appraisal Target	2017/18 PROGRESS		TOTAL PROGRESS TO DATE		
			TARGET	ACHIEVED	Cumulative Plan	Cumulative progress	%
Campaig facilitated in protecting invasive alien species	No		4.0	9	58.00	9.00	15.52
Subcomponent (A6): Participatory integrated wetland ecosystem conservation					-	-	0.00
Output 1.8: Participatory integrated wetland ecosystem conservation achieved					-	-	0.00
Undertake reconnaissance survey of Wetland habitats	No		5.0		30.00	19.00	63.33
Prepare comprehensive Wetland management plan and Guideline	No	29	6.0		45.00	19.00	42.22
convene consultative workshop	No				9.00	4.00	44.44
International experience sharing	No				13.00	-	0.00
Field and other materials for wetland reconnaissance survey			2.0		14.00	-	0.00
Piloting sites based on the wetland management plan			3.0		6.00	2.00	33.33
Subcomponent (A7): Land certification					-	-	0.00
Output 1.9: Land registration and certification further strengthened					-	-	0.00
Refining the existing land registration data	Hldg			5774	589,295.00	322,580.00	54.74
Complete first level certification	Hldg			420	167,604.00	282,725.00	168.69
Undertake land registration	Hldg				190,835.00	282,305.00	147.93
Issuance of first level certification	Hldg			5937	273,265.00	287,704.00	105.28
Computerizing the registration system	Hldg				852,841.00	414,991.00	48.66
Recruiting data encoders	No				70.00	40.00	57.14
Train data encoders	No				70.00	-	0.00
Enter data into ISLA	Hldg		111,799.0	78442	291,462.00	351,734.00	120.68
Verify ISLA data by landholders	Hldg		70,299.0	40388	695,070.00	306,422.00	44.09
Train of Zonal and Woreda staffs	No		150.0	744	1,537.00	2,021.00	131.49

Planned Output & Activity Indicators	Unit	Appraisal Target	2017/18 PROGRESS		TOTAL PROGRESS TO DATE		
			TARGET	ACHIEVED	Cumulative Plan	Cumulative progress	%
Train of Kebele land administration and use experts	No		-	728	1,080.00	2,579.00	238.80
Train Kebele land administration and use committees	No		400.0	1830	47,199.00	21,481.00	45.51
Experience sharing for decision makers, experts and farmers	No		400.0	861	6,055.00	10,569.00	174.55
Arrange local & international experience sharing for regional zonal and woreda experts	No		-	16	176.00	29.00	16.48
Training women land holders	No		820.0	4157	20,554.00	21,740.00	105.77
land administration conference for 2 days	No		1,500.0	2556	30,586.00	48,553.00	158.74
Cadastral surveying					-	-	0.00
Hire contracted surveyors			30.0		158.00	28.00	17.72
Train contract surveyors			30.0		158.00	28.00	17.72
Establish Geodetic control points			-		120.00	12.00	10.00
Undertake cadastral Surveying			27,000.0	21969	148,894.00	25,370.00	17.04
Issuance of second level certification			9,000.0	4601	28,012.00	9,509.00	33.95
Survey & Mapping Equipment			-		-	-	0.00
Self-help group (Women& Youths etc) trained and engaged on alternative income generating schemes	No	25000	550.0	967	15,364.00	9,872.00	64.25
Outcome 3: Effective project Coordination and management enhanced					-	-	0.00
Subcomponent(C2): Knowledge Management					-	-	0.00
Output 3.2: Knowledge management and communication enhanced					-	-	0.00
Communication and information dissemination	No		4.0	1	104.00	10.00	9.62
Regional, Zonal and woreda heads visit best SLM technologies and practices	No		60.0	47	674.00	1,011.00	150.00
Regional, Zonal and woreda experts visit best SLM technologies and practices	No		140.0	93	1,175.00	1,696.00	144.34
Kebele experts visit best SLM technologies and practices	No		150.0	393	2,671.00	2,898.00	108.50

Planned Output & Activity Indicators	Unit	Appraisal Target	2017/18 PROGRESS		TOTAL PROGRESS TO DATE		
			TARGET	ACHIEVED	Cumulative Plan	Cumulative progress	%
Watershed communities visit best SLM technologies and practices	No		350.0	618	8,493.00	5,627.00	66.25
International short-term training and exposure visit	No		27.0	26	143.00	123.00	86.01
Quarterly project progress review workshop	Sess		80.0	25	228.00	136.00	59.65
Knowledge management and learning adaptation workshops	Sess		2.0	0	25.00	3.00	12.00
Documentation and systematization of data organization	No		2.0	0	11.00	-	0.00
Exit strategy plan/document preparation	Ls		-	0	2.00	1.00	50.00
Establish MIS and Data base system	Ls		-	0	2.00	-	0.00

Ethiopia

Community-based Integrated Natural Resources Management Project Supervision Report

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 16-27 April, 2018
Document Date: 30/05/2018
Project No. 1100001424
Report No. 4756-ET

East and Southern Africa Division
Programme Management Department

Appendix 3: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
GC Section 4.02/Sec 202. Withdrawals from the Loan and Grant Accounts	(a)After the date of entry into force of the Agreement, the Borrower/ Recipient may request withdrawals from the Loan Account and/or Grant Account for Eligible Expenditures. (b)No withdrawal shall be made from the Loan and/or Grant Accounts until the first AWPB has been approved by the Fund and all other conditions specified in the Financing Agreement precedent to withdrawal fulfilled.	From March 2010	Withdrawal Application for Initial Deposit submitted June 2011	Complied
GC Section 4.05/Sec 202. Transfer by the Fund	Upon receipt of an authenticated and satisfactory application for withdrawal from the Borrower/Recipient, the Fund shall transfer to the account specified by the Borrower/Recipient the amount specified therein.	From March 2010	Authorised allocation disbursed by IFAD in June 2011	Complied
GC Section 4.08/Sec 202. Eligible Expenditures	(a) The Financing shall be used exclusively to finance expenditures meeting each of the following eligibility requirements: (i) Expenditure for reasonable cost of goods, works and services required for the Project and covered by the relevant AWPB and procured in conformity with the Fund's Procurement Guidelines. (ii) Expenditure incurred during the Project Implementation Period, except that expenditures to meet the costs of winding up the Project which may be incurred after the Completion Date but before the Financing Closing Date. (iii) Expenditure incurred by a Project Party. (iv) Expenditure must relate to a category whose allocation has not been depleted, and shall be eligible only up to the applicable percentage. (v) Expenditure shall be otherwise eligible in accordance with the terms of the Financing Agreement as may be amended from time to time. (c) Any payment prohibited by a decision of the United Nations Security Council, shall not be eligible for financing. (d) any payments to a person or an entity, or for any goods, works or services, if making or receiving such payment constitutes a coercive, collusive, corrupt or fraudulent practice by any representative of the Borrower/Recipient or any Project Party, shall not be eligible for financing.	Continuous	Will be monitored as implementation proceeds	Ineligible Expenditures 1. Expenditure of VAT by EBI USD 34,485 Pending payment by GoE 2. Expenditure of VAT by EBI USD 29, 371 Pending payment by GoE 3. Audit report –Overstated Expenditure of ETB 400,244-(USD 15,000) 4. Long-standing staff debt of ETB 44,941 (USD2110)
GC Section 7.01/Section 3. Project Implementation	(a)The Borrower and each of the Project Parties shall carry out the Project: (i) with due diligence and efficiency; (ii) in conformity with appropriate agricultural and rural development practices and good governance; (iii) in accordance with plans, design standards, specifications, procurement and work schedules and construction methods agreed by the Borrower/ Recipient and the Fund; (iv) in accordance with the provisions of the relevant Agreement, the AWPBs, and the Procurement Plan; (v) in accordance with the policies, criteria and regulations relating to agricultural development financing laid down from time to time by the Governing Council and Executive Board of the Fund; and (vi) so as to ensure the sustainability of its achievements over time.	Continuous	Will be monitored as implementation proceeds Done Done	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	<p>(b) (i) The Project shall be implemented on the basis of AWPB. The Lead Project Agency shall prepare a draft Project AWPB, which shall include, a detailed description of planned Project activities during the coming Project Year, a Procurement Plan, and the sources and uses of funds.</p> <p>(ii) The Lead Project Agency shall submit the draft AWPB to the oversight body designated by the Borrower/Recipient for its review. When so reviewed, the Lead Project Agency shall submit the draft AWPB to the Fund for comments no later than 60 days before the beginning of the relevant Project Year. If the Fund does not comment on the draft AWPB within 30 days of receipt, the AWPB shall be deemed acceptable to the Fund.</p> <p>(iii) The Lead Project Agency shall adopt the Project AWPB in the form accepted by the Fund.</p> <p>(iv) The Lead Project Agency may propose adjustments in the Project AWPB during the relevant Project Year, which shall become effective after acceptance by the Fund.</p>	Every 30 April	AWPBs submitted late	Not complied
GC Section 7.02/Sec 3.04. Availability of Financing Proceeds	(b)The Borrower/Recipient may open and maintain one or more Project Accounts for Project operations in a bank acceptable to the Fund, and shall identify the Project Party responsible for operating such account or accounts.	From March2010	A project accounts has been opened in the Commercial Bank of Ethiopia	Complied
GC Section 7.03/Sec 3.05. Availability of Additional Resources	<p>(a) In addition to the proceeds of the Financing, the Borrower/Recipient shall make available to the Project Parties:</p> <p>(i) such funds, facilities, services and other resources as may be required to carry out the Project in accordance with Section 7.01.</p> <p>(ii) counterpart funds from its own resources in accordance with its customary national procedures for development assistance.</p>	Continuous	Done	So far GoE's contribution is on course. There is need to for GoE to remit more funds in settlement of VAT pre-financed from the loan-From EBI
GC Section 7.04. Coordination of Activities	In order to ensure that the Project is carried out in accordance with Section 7.01, the Borrower/Recipient shall ensure that the relevant activities of its ministries, departments and agencies, and those of each Project Party, are conducted and coordinated in accordance with sound administrative policies and procedures.	Continuous	Will be monitored as implementation proceeds	Noted delays are being followed up
GC Section 7.05. Procurement	<p>(a)Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines. Each Procurement Plan shall identify procedures which must be implemented by the Borrower/Recipient in order to ensure consistency with the IFAD Procurement Guidelines.</p> <p>(b)The Fund may require that all bidding documents and contracts for procurement of goods, works and services financed by the Financing include provisions requiring bidders, suppliers, contractors, sub-contractors and consultants to:</p> <p>(i) allow full inspection by the Fund of all bid documentation and related records;</p> <p>(ii) maintain all documents and records related to the bid or contract for three years after completion of the bid or contract; and</p> <p>(iii) cooperate with agents or representatives of the Fund carrying out an audit or investigation.</p>	Continuous	Done so far	
GC Section 7.06.	All goods, services and buildings financed by the Financing shall be used	Continuous	Will be monitored as	Complied

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Use of Goods and Services	exclusively for the purposes of the Project.		implementation proceeds	
GC Section 7.07. Maintenance	The Borrower/Recipient shall ensure that all facilities and civil works used in connection with the Project are properly operated and maintained and that all necessary repairs of such facilities are made promptly as needed.	Continuous	Will be monitored as implementation proceeds	Complied
GC Section 7.08. Insurance	(a)The Borrower/Recipient or the Lead Project Agency shall insure all goods and buildings used in the Project against such risks and in such amounts as shall be consistent with sound commercial practice. (b)The Borrower/Recipient or the Lead Project Agency shall insure the goods imported for the Project against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation in accordance with sound commercial practice.	Continuous	Will be monitored as implementation proceeds	Complied
GC Section 7.09. Subsidiary Agreements	(a)The Borrower/Recipient shall ensure that no Project Party shall enter into any Subsidiary Agreement, or consent to any modification thereof, inconsistent with the Financing Agreement. (b)The Borrower/Recipient and each Project Party shall exercise its rights under any Subsidiary Agreement to which it is party to ensure that the interests of the Borrower/Recipient and the Fund are fully protected and the Project is carried out in accordance with Section 7.01. (c)No provision of any Subsidiary Agreement to which the Borrower/ Recipient is a party shall be assigned, waived, suspended, abrogated, amended or otherwise modified without the prior consent of the Fund. (d)The Borrower/Recipient shall bear any foreign exchange risk under any Subsidiary Agreement to which it is party, unless otherwise agreed by the Fund.	Continuous	Will be monitored as implementation proceeds	Complied
GC Section 7.10. Performance of the Agreements	(a)The Borrower/Recipient shall be fully responsible to the Fund for the due and timely performance of all obligations ascribed to it, the Lead Project Agency and all other Project Parties under any Agreement. To the extent any Project Party enjoys legal personality separate from the Borrower/Recipient, any reference to an obligation of such Project Party in an Agreement shall be deemed an obligation of the Borrower/Recipient to ensure that such Project Party performs such obligation. The acceptance by any Project Party of any obligation ascribed to it in an Agreement shall not affect the responsibilities and obligations of the Borrower/Recipient. (b)The Borrower/Recipient shall take all necessary or appropriate action within its powers to enable and assist the Lead Project Agency and any other Project Party to perform its obligations under an Agreement. The Borrower/ Recipient shall not take, and shall not permit any third party to take, any action that would interfere with such performance.	Continuous	Will be monitored as implementation proceeds	Complied
GC Section 7.11. Key Project Personnel	The Borrower/Recipient or the Lead Project Agency shall appoint the Project Coordinator and all other key Project personnel in the manner approved by the Fund. All key Project personnel shall have qualifications and experience specified approved by the Fund. The Borrower/Recipient shall exercise best efforts to ensure continuity in key Project personnel throughout the Project Implementation Period. The Borrower/Recipient or the Lead Project Agency shall insure key Project personnel against health and accident risks to the extent consistent with sound commercial practice or its customary practice in respect of	Continuous	Will be monitored as implementation proceeds	Complied

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
GC Section 7.12. Project Parties	its national civil service, whichever is appropriate. Each Project Party shall, as required to carry out the Project in accordance with Section 7.01: (a) promptly take all necessary or appropriate action to maintain its corporate existence and to acquire, maintain and renew its rights, properties, powers, privileges and franchises; (b) employ competent and experienced management and personnel; (c) operate, maintain and replace its plant, equipment and other properties; (d) not sell, lease or otherwise dispose of any of the Project's assets, except in the normal course of business or as agreed by the Fund.	Continuous	Will be monitored as implementation proceeds	Complied
GC Section 7.13. Allocation of Project Resources	The Borrower/Recipient and the Project Parties shall ensure that the resources and benefits of the Project, to the fullest extent practicable, are allocated among the Target Population using gender disaggregated methods.	Continuous	Will be monitored as implementation proceeds	This will be adequately addressed when the M & E system is improved
GC Section 7.14. Environmental Factors	The Borrower/Recipient and the Project Parties shall take all reasonable measures to ensure that the Project is carried out with due diligence in regard to environmental factors and in conformity with national environmental laws and any international treaties to which the Project Member State may be party. In particular, the Project Parties shall maintain appropriate pest management practices under the Project and, to that end, shall comply with the principles of the International Code of Conduct on the Distribution and Use of Pesticides of FAO, as amended, and ensure that pesticides procured under the Project do not include any pesticide formulation which would be classified as Extremely Hazardous (Class Ia) or Highly Hazardous (Class Ib) according to the WHO Recommended Classification of Pesticides by Hazard, as amended.	Continuous	Will be monitored as implementation proceeds	
GC Section 7.15. Relending Rates	The Borrower/Recipient and the Fund shall periodically review the interest rates applicable to any credits extended to members of the Target Population which are financed (directly or indirectly) by the Financing. These reviews shall be conducted jointly with the objective of reaching or maintaining positive interest rates over time. The Borrower/Recipient shall take any appropriate measures, consistent with its policies and the Fund's policies, to achieve that objective. Among such measures, the Borrower/Recipient and each Project Party extending such credits shall endeavour to minimize its costs. For purposes of this Section, the term "positive interest rate" means, in respect of any credit extended by any Project Party, an interest rate which, after giving effect to inflation, permits such Project Party to recover its costs and achieve sustainability.	Continuous	N/A	
GC Section 8.02(a)	The LPA shall establish and thereafter maintain an appropriate information management system in accordance with the Fund's Guide for Project Monitoring and Evaluation with which it shall continuously monitor the Project;	Year 1		Complied
GC Section 8.03/Sec 4.02 and 4.03. Progress Report and Mid-Term Reviews	(a)The Lead Project Agency shall furnish to the Fund periodic progress reports on the Project, in such form and substance as the Fund shall reasonably request. At a minimum, such reports shall address (i) quantitative and qualitative progress made in implementing the Project and achieving its objectives, (ii) problems encountered during the reporting period, (iii) steps taken or proposed to be taken to remedy these problems, and (iv) the proposed programme of activities and the	Continuous	Will be monitored as implementation proceeds	Complied

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	<p>progress expected during the following reporting period.</p> <p>(b)The Lead Project Agency and the Fund shall jointly carry out a review of Project implementation no later than the midpoint of the Project Implementation Period (the "Mid-Term Review") based on terms of reference prepared by the Lead Project Agency and approved by the Fund. Among other things, the Mid-Term Review shall consider the achievement of Project objectives and the constraints thereon, and recommend such reorientation as may be required to achieve such objectives and remove such constraints.</p> <p>(c)The Borrower/Recipient shall ensure that the recommendations resulting from the Mid-Term Review are implemented within the specified time therefor and to the satisfaction of the Fund. Such recommendations may result in modifications to the Agreement or cancellation of the Financing.</p>	September 2013	Mid-term review was carried out in February 2015	Delayed but was carried out
GC, Section 8.04. Completion Report	No later than the Financing Closing Date the Borrower/Recipient shall furnish to the Fund a report on the overall implementation of the Project. At a minimum, such report shall address (i) the costs and benefits of the Project, (ii) the achievement of its objectives, (iii) the performance by the Borrower/Recipient, the Project Parties, the Fund of their respective obligations under the Agreement and (iv) lessons learned.	30 September 2017	Not yet due	
GC Section 9.02. Financial Statements	The Borrower/Recipient shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within 4 months of the end of each Fiscal Year.	7 th November annually		Not complied
GC, Section 4.05/11.10b. Audit of Accounts	<p>The Borrower/Recipient shall:</p> <p>(a)each Fiscal Year, have the accounts relating to the Project audited in accordance with auditing standards acceptable to the Fund and the Fund's Guidelines on Project Audits (for Borrowers' Use);</p> <p>(b) within 6 months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The Borrower/Recipient shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof;</p> <p>(c) if the Borrower/Recipient does not timely furnish any required audit report in satisfactory form and the Fund determines that the Borrower/ Recipient is unlikely to do so within a reasonable period, the Fund may engage independent auditors of its choice to audit the accounts relating to the Project. The Fund may finance the cost of such audit by withdrawal from the Loan and/or Grant Accounts.</p>	07 January annually	Audit report for 2014/15 received by IFAD on 15 January 2016	Not Complied
GC Section 9.04. Other Financial Reports and Information	<p>In addition to the reports and information required by the foregoing provisions:</p> <p>(a)The Borrower/Recipient and the Project Parties shall promptly furnish to the Fund such other reports and information as the Fund shall reasonably request on any financial matter relating to the Financing or the Project or any Project Party.</p> <p>(b)The Borrower/Recipient shall promptly inform the Fund of any condition that interferes with, or threatens to interfere with, the maintenance of Loan Service Payments.</p> <p>(c) The Project Member State shall promptly furnish to the Fund all information that the Fund may reasonably request with respect to financial and economic</p>	Continuous	Will be monitored as implementation proceeds	Complied

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
GC Section 10.05. Evaluations of the Project	conditions in its territory, including its balance of payments and its external debt. (a)The Borrower/Recipient and each Project Party shall facilitate all evaluations and reviews of the Project that the Fund may carry out during the Project Implementation Period and for 10 years thereafter. (b)"Facilitate", includes providing timely logistical support by making available Project personnel and equipment and promptly taking such other action as the Fund may request in connection with such evaluations and reviews, but does not include incurring out-of-pocket expenses.	Continuous	Will be monitored as implementation proceeds	
GC Section 11.01. Taxation	(c)The use of any proceeds of the Financing to pay for Taxes is subject to the Fund's policy of requiring economy and efficiency in the use of its Financing. Therefore, if the Fund at any time determines that the amount of any such Tax is excessive, discriminatory or otherwise unreasonable, the Fund may reduce the percentages of Eligible Expenditures to be financed by the Financing.	Continuous	Will be monitored as implementation proceeds	
GC Section 11.02. Tax Refunds	If the Fund determines at any time that any amount of Financing proceeds have been used to pay Taxes that it has determined to be excessive, discriminatory or otherwise unreasonable, it may require the Borrower/ Recipient to refund such amount promptly to the Fund.	Continuous	Will be monitored as implementation proceeds	Two cases pending with EBI One case of debt by a member of staff still pending
FA Section B.6 Counterpart Financing	The Borrower/Recipient shall provide counterpart financing for the Programme in the amount of USD 2.81.	During Programme Implementation Period	Will be monitored as implementation proceeds	So far 26% has been contributed in the form of payment for taxes
Section 8.04	All notices, requests, reports, documents and other information communications relating to the LA, shall be in English Language.	Throughout Project Implementation period	Some documents are in the National Language/Amharic	FPCMU should endeavour to have documents translated whenever they are generated in Amharic.