

profile

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Ethiopia Country Programme Evaluation

Ethiopia is one of the poorest countries in the world, with a per capita income of US\$200.00 per annum. The United Nations Development Programme's Human Development Report for 2007-2008 ranked Ethiopia 169th out of 177 countries on the Human Development Index. About one third of all rural households live in pastoral or drought-prone areas that are particularly vulnerable to risky weather conditions. About 38 per cent of children are reported to be malnourished and some 5-7 million Ethiopians are chronically food insecure.

Agriculture is the primary source of income for more than 85 per cent of Ethiopia's population of nearly 80 million and accounts for 47.5 per cent of the gross domestic product (GDP). Services account for about 40 per cent, and manufacturing and construction for around 5 per cent. The country is dependent on external food aid and, by African standards, the indicators for economic infrastructure, such as roads, electricity and telecommunications, all of which are provided by the state, are far below average. In addition, the country faces a number of very significant macro-economic imbalances, largely due to extremely poor levels of savings that constraint efforts to develop the already very low capital and technology base. The first Country Strategic Opportunities Paper (COSOP) for Ethiopia, formulated by the Government and IFAD in 1999, focused on a set of subsector priorities for project portfolio development. These included rural finance; small-scale irrigation; agriculture diversification and marketing; portfolio management; and policy dialogue. In 2002, the Government introduced its first Poverty Reduction Strategy Paper (PRSP). Its second-generation PRSP of 2005 accorded priority to agriculture as a vehicle of growth.

Main findings

In 2007-2008, the Office of Evaluation (OE) carried out a Country Programme Evaluation (CPE) in Ethiopia, covering IFAD-funded operations between 1997-2007. The CPE included an assessment of seven of the 13 projects approved for IFAD financing since 1980, a review of non-lending activities (policy dialogue, partnership-building and knowledge management) and an analysis of grant-financed activities.

The CPE found the COSOP's subsector priorities, including rural finance, small-scale irrigation, agricultural diversification and marketing, to be highly relevant, although it would have been desirable for a more in-depth analysis to have been made of constraints on private-sector development. The COSOP's portfolio management directions were found to have been generally complied with, although there has been limited progress in conducting baseline surveys and strengthening project-level monitoring and evaluation systems. The policy dialogue objectives were assessed as relevant by the CPE; at the same time, the targeting strategy for rural poverty reduction was not sufficiently detailed. Moreover, the COSOP did not clarify how to ensure linkages and synergies among the various projects/programmes funded by IFAD in the country.



Woman collecting water at protected springs where pipes allow the flow of clean and safe water from the mouth of the spring to the water point.

IFAD photo by Alberto Conti

ETHIOPIA AT A GLANCE

Population: 77.2 million

Population growth: 2.0%

GDP growth: 10.9%

GDP per capita growth: 8.6%

**Poverty headcount ratio
At US\$2 a day (PPP):** 78%

Agriculture: 47.5% of GDP

Industry: 12.6% of GDP

Manufacturing: 4.5% of GDP

Services: 39.9% of GDP

Total IFAD lending: US\$235.8 million

Source:

*World Bank, Development Indicators (2006)
International Fund for Agricultural
Development*

At the same time, the CPE concluded that the performance of IFAD supported projects/programmes in Ethiopia has been better than the average for IFAD operations worldwide. In particular, good performance was observed in small-scale irrigation, rural finance and pastoral community development, where IFAD operations have helped reduce rural poverty. Good progress has been made also in the critical area of local governance. More limited performance and results were seen both in cooperative development and in agricultural research, where any large-scale impact on farmers' livelihoods may not become apparent until after project/programme interventions have come to an end. This was also found to be the case with regard to engagement of the private sector.

The CPE noted that IFAD-assisted activities, including regional grant-funded initiatives, were designed and implemented with limited linkages among them.

The Country Programme Forum, established by IFAD in 2007 as a framework for exchanging information and cross-fertilizing experiences among IFAD-financed projects/programmes in the country, should contribute to building up synergies and lead to better coordination of the country programme.

Overall, the prospects for sustainability are good, partly because the Government has allocated a sizeable share of its budget to agriculture and rural development. In addition, innovative features of the country programme are expected to be given more financial support, especially the promotion of participatory research among farmers and local partnerships among the public and private sectors and civil society.

Key recommendations

Where to focus

- Include a targeting strategy in the new COSOP; identify measures to link different interventions and ensure better synergy;
- For the next ten years, give priority to areas where IFAD has both developed a lead position and made satisfactory, promising achievements such as in small-scale irrigation and rural finance;
- Develop a strategy for dealing with the degradation of natural resources.

Tools to promote innovations

- Use grants judiciously for knowledge management and pilot testing;
- Promote specific studies and symposia on thematic issues and organize well-targeted study tours to other countries that have experienced similar challenges to those faced by Ethiopia.

Working with whom?

- Increase focus on forging partnerships between civil society and the public and private sectors at the regional and subregional levels;
- Avoid involving cofinanciers and cooperating institutions unless one set of procedures and rules for procurement can be agreed upon.

Programme and project cycle management

- Implement a proper assessment of financial/human resources requirements and training needs for the management of direct supervision.



Cement tubes dug vertically in the basin bottom to realize a siphon-like system.

IFAD photo by Franco Mattioli

Further information:

Ethiopia, Country Programme Evaluation, Report #2045-ET, May 2009, Office of Evaluation, IFAD, Via Paolo di Dono 44, 00142 Rome, Italy. The full report and profile are available online at www.ifad.org/evaluation; email: evaluation@ifad.org.