

profile

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FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA COUNTRY PROGRAMME EVALUATION

A strong and effective partnership for rural poverty alleviation

Since 1980, the International Fund for Agricultural Development (IFAD) has invested US\$473 million in Ethiopia in the form of loans and grants in 17 programmes and projects with an overall cost of US\$1.2 billion. Ethiopia is currently IFAD's largest programme in Africa and was among the first countries to have an IFAD country office in the context of the Field Presence Pilot Programme (2005). The country presence was elevated in 2010 when the Country Programme Manager was relocated to the field with the rank of Country Director.

This is the second Country Programme Evaluation (CPE) by the Independent Office of Evaluation (IOE), covering the period 2007-2015. During this period, the Executive Board of the Fund approved five new projects for a total of US\$277 million out of a total cost of US\$682 million. Areas of IFAD support in this period included small-scale irrigation, rural finance, natural resources management and, jointly with the World Bank, support for pastoral communities. In addition, a project to support agricultural marketing that was approved in 2004 was largely implemented during the CPE review period.

The main objectives of the CPE were to assess the performance of IFAD-funded operations in the country and, based on these, make recommendations that could serve as building blocks for the country strategic opportunities programme (COSOP) to be developed by IFAD management and the Government of Ethiopia following the completion of the CPE process.

Main evaluation findings

The CPE rates portfolio performance as satisfactory, with all the criteria assessed as “moderately satisfactory” or above. In most dimensions, IFAD's Ethiopia portfolio performs higher than the average for East and Southern Africa.

Among the strongest features of the portfolio were the emphasis given to human and social capital, and project designs that were fully aligned with the Government's decentralization thrust. Sustainability, scaling up and gender were also areas that yielded



The Community-based Integrated Natural Resources Management Project model farmer with improved water management for vegetable production in Lake Tana watershed area.

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ETHIOPIA AT A GLANCE

Population: **96.5 million (2014)**

Rural population: **78 million (81% of total population, 2014)**

Gross Domestic Product growth: **10.7% (2004-2014)**

Poverty head count ratio (% of population): **29.6 (2010/11)**

Life expectancy at birth: **60 (2013)**

Human development index: **0.435 (2013); Ranking = 173 out of 187 countries**

Total number of IFAD loan-funded projects: **17**

IFAD lending approved since 1980: **US\$473 million**

Sources: IIFAD Flex Cube; Ministry of Finance and Economic Development, Ethiopia; United Nations Development Programme: Human Development Report; World Bank Databank.

satisfactory results. A strong and effective partnership with the World Bank and the programmatic approach spanning over three lending operations (in 15 years) were particularly noteworthy features that could be replicated in other operations.

Among the areas that could be improved are the programme's impact on institutions and policies. IFAD did not take advantage of its strong programme and well-regarded field presence to have a commensurate influence on shaping sector policies. A lack of an effective monitoring and evaluation system for the COSOP inhibited effective feedback and learning. Monitoring and evaluation was also weak at project level and did not enable reporting on outcomes.

Knowledge management and partnership aspects were generally satisfactory. There was a commendable effort by the country management to generate useful knowledge from the various operation, although more could have been done to disseminate the experiences and link them to lessons learned and policy dialogue.

The CPE assessed the COSOP to be highly relevant, with a largely appropriate choice of interventions to support the COSOP objectives. Effectiveness was assessed as "moderately satisfactory" but despite weaknesses, the CPE rated COSOP performance on balance to have been satisfactory.

IFAD's programme focuses on crucial areas for rural poverty alleviation. In two of these – small-scale irrigation and rural finance – IFAD has clearly been the lead or major development partner. IFAD, associated with the World Bank, has also been a long-standing and substantial partner supporting the development of pastoral communities. By promoting community participation in most interventions, IFAD has introduced or strengthened a bottom-up approach, which increases downward accountability, effectiveness of development support, and the Government's decentralization efforts.

IFAD has been able to scale up its support for pastoral development and rural finance, and there is potential to do so in small-scale irrigation. This country programme clearly contributes to IFAD's objective to lift 80 million poor rural people out of poverty, based on the population covered, the extent of poverty in Ethiopia and the likely programme impact.

Overall, the CPE concludes that there has been a highly effective partnership between IFAD and the Government of Ethiopia. IFAD has built trust and confidence with the Government, derived from the solid results on the ground and the constructive way of engaging. This is also clearly demonstrated by the Government's continuing strong demand for IFAD support.

Key recommendations

- **Focus on fewer thematic areas.** IFAD should use its limited resources to focus on those areas where it has a comparative advantage and where it has already established, or has the potential to establish, a leadership position. Support to small-scale irrigation, rural finance and pastoral communities should be the areas for such support. This would allow IFAD to build on experiences, deepen its involvement, enhance the quality of its interventions, and use them to pursue a more in-depth institutional and policy development agenda.
- **Use longer-term programmatic approach to lending.** IFAD should develop its project interventions around a longer-term programme approach, following the very successful model of a succession of phases in the pastoral programme. This would mean supporting a theme with a series of projects over a 15- to 20-year time period.
- **Sharpen the focus on non-lending services.** With its strong partnership with the Government and its unique lead position on rural finance and small-scale irrigation, IFAD is well placed to play a much stronger role in being a source of advice on policy and sector development. There are few IFAD knowledge products or policy papers that would normally form the basis for policy discussions with the Government. Although a lack of formal documents prepared by IFAD does not necessarily mean that policy dialogue did not take place, it is important that there be a stronger institutional memory and that dialogue is sustained.
- **Enhance strategic partnerships.** Based on the solid work in small-scale irrigation and rural finance, IFAD should consider deepening and expanding its results by attracting partners with additional financial means, similar to its partnership with the World Bank in the case of pastoral development. Regarding the small-scale irrigation project, IFAD should engage with an appropriate partner that could address the marketing constraints that producers face.



Participatory Small-scale Irrigation Development Programme. A woman weeds a demonstration site in a 82 hectare irrigation scheme in Arsingele, Ethiopia. Working in groups of five and lead by a model farmer, groups manage the demonstration sites to learn improved agricultural technique and viewing the benefits of new varieties gradually adopting these farming technologies on their farms.

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