

Project Completion Report Validation
Pastoral Community Development Project (PCDP), Ethiopia

A. Basic Data

A. Basic Project Data			Approval (US\$ m)		Actual (US\$ m)	
Region	ESA	Total project costs	60		61.9	
Country	Ethiopia	IFAD Loan and % of total	20	34%	21.14	34 %
Loan Number	I-612-ET	Borrower	5.955	10%	3.92	6 %
Type of project (sub-sector)	Rural Development	IDA grant for debt vulnerable	30	50%	31.89	52 %
Financing Type	C	Co-financier 2	n/a			
Lending Terms ¹	HC	Co-financier 3	n/a			
Date of Approval	11 Sep 2003	Co-financier 4	n/a			
Date of Loan Signature	10 Oct 2003	Local communities	4	6%	4.95	8 %
Date of Effectiveness	5 April 2004					
Loan Amendments	Three amendments to the WB's Development Credit Agreement ² .	Number of beneficiaries	450 000 rural households			
Loan Closure Extensions	n/a	Cooperating Institution	WB / IDA			
Country Programme Managers	Mutandi Robson (current), John Gicharu	Loan Closing Date	31 Dec 2009			
Regional Director(s)	Ides de Willebois (current), Gary Howe, Joseph Yayock (interim)	Mid-Term Review	June 12 – July 3, 2006			
PCR Reviewer	Katrin Aidnell	IFAD Loan Disbursement at project completion (%)	99 %			
PCR Quality Control Panel	Anne-Marie Lambert, Ashwani Muthoo					

Sources: PPMS database, WB's ICR, President's Report PCDP, and MTR PCDP.

¹ According to IFAD's Lending Policies and Criteria, there are four types of lending terms: (i) special loans on highly concessional terms, free of interest but bearing a service charge of three fourths of one per cent (0.75%) per annum and having a maturity period of 40 years, including a grace period of 10 years; (ii) loans on hardened terms bearing a service charge of three fourths of one per cent (0.75%) per annum and having a maturity period of 20 years, including a grace period of 10 years; (iii) loans on intermediate terms with a rate of interest per annum equivalent to 50% of the variable reference interest rate, and a maturity period of 20 years, including a grace period of 5 years; (iv) loans on ordinary terms with a rate of interest per annum equivalent to one hundred per cent (100%) of the variable reference interest rate, and a maturity period of 15 to eighteen 18 years, including a grace period of 3 years.

² World Bank Implementation Completion and Results Report, PCDP, pp. 3-4

B. Project Outline

1. Pastoral Community Development Project (PCDP) phase I covered an area of 32 *woredas* (districts) of Afar and Somali Regions, the Borana and South Omo zones of Oromiya and the Southern Nations, Nationalities and People's Regional States in Ethiopia. The beneficiaries comprised about 450 000 poor pastoral and agro-pastoral households. These households obtain most of their livelihoods from transhumant husbandry of livestock on natural pastures. They also supplement household incomes by engaging in opportunistic crop farming, trading, handicrafts, salt excavation, labor migration, etc. Out of the people living in the lowlands a few hold substantial assets in the form of livestock, hence a large number of poor people have small herds and flocks, and a limited number of people are dependent upon cropping or sale of their labor (agro-pastoralists).

2. The development objective of PCDP was to provide capacity-building and establish effective models of public service delivery, investment and disaster management in pastoral areas that address communities' priority needs and reduce their vulnerability. The aim of PCDP was to contribute to: (i) growth and stability of household income; (ii) improved access to social and public services; (iii) improved social relations, institutions and the natural environment; and (iv) reduced vulnerability to natural disaster. The project had three major components including: (i) Sustainable Livelihood Enhancement, (ii) Pastoral Risk Management, and (iii) Project Implementation Support and Policy Reform. As indicated in the PCDP Preparation-cum-Formulation³ report the project was based on the assumption that pastoral livelihoods can be improved by strengthening the self-management capacities of indigenous communities.

3. The project was jointly funded by the World Bank/IDA, IFAD and the Government of Ethiopia, as well as beneficiary contribution. The IDA contribution was a grant while IFAD provided funds through loan. PCDP represent the first phase of a fifteen year programme. PCDP was implemented from 2003 to 2008. The project was designed using an Adaptable Programme Lending (APL) instrument with a subsequent phase included in the formulation if the first phase met its objectives. Moving from phase 1 to phase 2 depended upon satisfaction of triggers (see table 1, page 4) related to satisfactory implementation of activities as well as the capacity of the woreda administration to expand geographically. As a result of successful implementation of the triggers the extension of PCDP phase II was approved by IFAD's Executive Board in September 2009 with a project closing date of September 2015. The project continued to be co-financed by the three parties mentioned above, with the largest contribution from WB/IDA.

C. Main Assessment – Review of Findings by Criterion⁴

4. In this report, the document of validation is a World Bank Implementation Completion and Results Report (ICR). As expected, the ICR follows the WB's guidelines for report writing and not the annotated outline in IFAD's guidelines for project completion. The WB document builds, partly, on a Borrower's ICR (in this case the Federal Republic of Ethiopia). To not confuse the reader, in this PCRV the World Bank's ICR is referred to as the WB's ICR or simply the ICR, whereas the Borrower's ICR is referred to as the GoE's ICR. The quality of the WB's ICR is further discussed in section D; Assessment of the PCR quality. Moreover, IFAD's Independent Office of Evaluation conducted a Country Programme Evaluation (CPE) of Ethiopia in 2009. The CPE assessed PCDP, however, the main CPE mission was conducted in September to October 2007, two years before project completion. The CPE is used as an additional source of information, in this PCRV, when there was not sufficient coverage on a criterion provided in the ICR. The CPE is also used as a reference document for triangulation of information stated in the ICR or implementation documents. It is also worth mentioning that PMD refers to the CPE in their assessment remarks of the ICR.

Project Performance

³ This document is also referred to as the Formulation report/document.

⁴ For definition of and guidance on the criteria, please refer to the Evaluation Manual:
http://www.ifad.org/evaluation/process_methodology/doc/manual.pdf

C.1 Relevance

5. The CPE notes that the support for pastoral community development was not foreseen in the COSOP (1999) which neglected the special issues of pastoral areas. Reportedly, IFAD's approval of a loan for the World Bank initiated PCDP was part of a concerted and urgent response of the United Nations system to address the recurrent drought crises in the Horn of Africa which had severe impact on pastoral communities in Ethiopia.

6. Main challenges facing the pastoral communities in Ethiopia are periodic droughts. The lowlands have also been issued to weak governmental services, the state of human health services is poor as well as the educational service reach. Moreover, customary law and natural resource management practices are giving way to population pressure and landlessness. Conflicts between farmers and pastoralists are common and widespread, and claim many lives.

7. In the light of the aforementioned two paragraphs, and despite the fact that pastoral community development was not planned for in the COSOP, the project was highly relevant to IFAD's mandate as well as to the beneficiaries in the pastoral communities. The project was also in line with the GoE's sustainable development and poverty reduction programme, of the time of formulation, which focused on promoting rapid economic growth.

8. According to this PCRV all project components were highly relevant to the needs of the pastoral communities. PCDP's first component included a community driven development approach, where community activities took the form of participatory research to investigate, test and adapt promising small scale projects⁵ in order to improve local livelihoods. Examples of small scale projects brought forward by the project were infrastructure, educational and human health investments, as well as income generating activities (IGA) in order to develop alternative livelihoods for the target group. The communities were required to provide at least 20 per cent of community cash in-kind to demonstrate commitment. The project's second component supported a participatory disaster-management programme to reduce the vulnerability of pastoral communities to droughts and other natural disasters. The third and last component of PCDP was highly relevant since it focused on project implementation and policy reform. One of the sub-components aimed at supporting necessary policy and institutional reforms to strengthen pastoral livelihoods and reduce risk by focusing mainly on targeted studies, research, training and outreach activities.

9. The holistic and participatory-driven project design remained relevant throughout the project implementation and no major⁶ design changes were undertaken during the five years of implementation. A beneficiary assessment completed by the project in 2007 reported that more than 80 per cent of communities and local stakeholders were satisfied with PCDP and wished to continue the project into phase II. Some of the shortcomings of the design were that the project could have focused more on dealing with the expansion of dry land farming and competition with outside investors for land as well as the widely-dispersed regions. It was also noted in the ICR that the designed sequencing of the activities under the disaster management component was poorly planned (also see paragraph 12). Moreover, the design of the results framework was weak. The ICR states that the outcome indicators were not clearly linked to the project's development objectives and the differentiation from input/output indicators were not present. Nevertheless, the relevance of the project is rated *satisfactory* (5) due to the high relevance of the projects objectives and components.

C.2 Effectiveness

10. During the first years of implementation PCDP showed rather slow progress. This was recognized during the mid-term review (MTR) in 2006, where the project was, among other issues, criticized for its slow implementation of environmental and social management, the pastoral risk management component as well as a poor M&E system. However, the last supervision report from late 2007 was overall satisfied with the progress of the project. It was evident that PCDP had made a

⁵ Also described as sub-projects, micro projects and IGAs.

⁶ A minor change from the original design was the expansion of the project areas from 30 to 32 woredas.

strong effort to meet the triggers mentioned in paragraph 3, in order to successfully complete phase I and be granted the extension into phase II. The last supervision report states that six of the seven triggers were met satisfactory. The seventh trigger, which included the Government's support for decentralization and community-based development of pastoral areas, as well as the formulation of a Pastoral Area Development Strategy (PADS) was still not fully developed. However, at the time of issuing the ICR also this trigger was satisfactory implemented. On the negative side, it was noted in the ICR that several project activities seemed to have been implemented in a rush and ineffective manner between the MTR and project closing in order to satisfy the phase I triggers.

11. As mentioned in the paragraph above the project's M&E system was by the MTR assessed as insufficient. One year later, it was stated in the supervision report that the improvements of the M&E system were satisfactory, however the ICR refers to the M&E system as poor. The ICR also states that this resulted in many uncompleted sub-projects and shortage of funds due to inconsistent data available for planning. Without measurable indicators it is difficult to determine how far the achievements of the results per project component have influenced the overall project's objectives. Another weakness of the monitoring system is that most of the focus is on an output level rather than outcome level. For example, as can be seen in table 1, a majority of the project triggers were output oriented with a focus of interventions delivered or completed rather than benefits or behavioral changes achieved as a result of the inputs provided by the programme.

Table 1: PCDP Triggers

Triggers	Outcome Indicators
1) Beneficiary assessments indicate that 80% of communities and local stakeholders are satisfied with the PCDP and wish to continue.	Report verifying 80% satisfaction of surveyed communities.
2) At least 50% of communities in woredas targeted in the first phase have received capacity-building support and have formally articulated their local development plans (LDP).	Report verifying that at least 50% of surveyed beneficiary communities have prepared LDPs using participatory approaches with facilitation of PCDP.
3) At least two-thirds of woredas have submitted approved Disaster Preparedness Contingency Plans (DPCPs)	20 DPCPs prepared and submitted to the regional DPPBs and the FPCU.
4) At least one-half of the Community Investment Fund (CIF) has been disbursed for micro-projects which were approved and successfully implemented.	Proportion of CIF disbursed for community micro-projects and consultant report showing the number and proportion of micro-projects providing the intended services.
5) At least one-half of the Disaster Preparedness and Contingency Fund (DPCF) has been disbursed for subprojects which were approved and successfully implemented.	Proportion of DPCF disbursed and consultant report showing the number and proportion of micro-projects providing the intended services.
6) The Pastoral Development Network (PDN) is active and operational and has made substantial progress towards harmonization of decentralized development approaches.	Highlight activities of the PDN in terms of facilitating harmonized development approaches in pastoral areas. PDN part of the pastoral development strategy
7) Government, through its reforms and support to phase 1, continues to demonstrate strong support for decentralization and community-based development in pastoral areas, and has produced a Pastoral Area Development Strategy (PADS) that has been validated at the regional and local level through consultation with a broad spectrum of stakeholders.	Formal letter from MoFA on the status of decentralization in pastoral areas (devolution of power and fiscal decentralization) Process to develop PADS - Consultation processes with concerned stakeholders. - Strategy developed and endorsed by all stakeholders.

12. On a similar note, the GoE's ICR states that adequate and reliable quantitative information from the project woredas and regions was not available to analyze the outcomes of the project interventions. Instead the WB's ICR attempts to assess the project by looking at the project development objectives (PDO) in two parts: (i) providing capacity building and establishing effective models of public service delivery and investment; and (ii) establishing effective models of disaster management in pastoral areas that address communities' needs and reduce their vulnerability. The ICR found that the project has been satisfactory in providing capacity building training at community and public service provider levels. In the Beneficiary Assessment (May 2007) and the Assessment of Income Generating Activities (May 2008)⁷, there is clear endorsement that the community driven development approach had built capacity, created empowerment and fostered a sense of ownership of project activities by

⁷ Studies referred to in the ICR.

pastoral communities. On the other hand, the ICR states that PCDDP has been marginally unsatisfactory in achieving the second part of the PDO. This was partly due to, the reorganization of the implementing agency, the federal Disaster Prevention and Preparedness Commission (DPPC), which made it almost impossible to stick to the pre-established conditions and sequencing. As a result, completion of disaster preparedness and contingency plans were only achieved shortly before project closing. It was also reported that drought struck many areas during the stalemate of DPPC. Since the resources were available, regions used the fund (based on local and traditional knowledge of communities to reduce vulnerability) to intervene in drought-affected areas both inside and outside project woredas. However, the procedures followed differed by region and were described by the ICR as ad-hoc.

13. Despite the lack of data, it is fair to trust that the project was moving towards the overall goal to reduce poverty, food insecurity and vulnerability based on the results of the seven triggers and the assessment made by the ICR. However, the weak results framework as well as the poor implementation of the disaster-management component brings down the rating of effectiveness to *moderately satisfactory* (4), which is the same as PMD's rating⁸.

C.3 Efficiency

14. The loan to the Government of Ethiopia for the execution of the PCDDP became effective seven months after board approval. This is faster than IFAD's global average (12.4 months) and the average for the Eastern and Southern Africa Division (ESA) (11.6 months). The originally established closing date was not extended.

15. The ICR notes that given the demand-driven nature of the sub-projects, conventional calculations of net present values and economic rates of return would have little meaning, as: benefits of the capacity-building components (support to communities and local governance) cannot easily be quantified in monetary terms.

16. It is identified in the Ethiopia CPE, as well as other supporting documents, that by the end of PY 4, about 91 per cent of the available budget had been spent⁹. The high spending of the funds, in the last three years of implementation, was first identified by the MTR. The review recommended that efforts should be made to complete the ongoing sub-projects and make them operational before encouraging communities to initiate new sub-projects. The ICR mentions that some 25 per cent of the sub-projects could not be completed due to lack of funds, a major efficiency loss.

17. The background to this unfortunate development is described in the CPE. It is noted that the previous PCDDP management was concerned with the low rates of disbursement in the first two years of the project and therefore launched a campaign among communities to utilize project resources. In this push for rapid disbursement, the perception developed that all projects would be financed as long as they met the defined set of criteria. In reality no indicative annual budget ceilings were, however, defined. According to the CPE, PCDDP was taking various initiatives to solve the problem, and the GoE had assured that the required funds would be made available. However, the main solution to the lack of funds was to place the projects on a waiting list to be funded and completed in the first years of PCDDP II.

18. On the other hand, the CPE points out that the unit costs were favorable. The CPE states that PCDDP interventions managed to provide training to a large number of people at a cost that was far below the budget originally allocated. The ICR notes, without supporting quantitative data, that construction costs for health posts and schools within PCDDP compared favorably with those of NGOs following similar construction standards. The relatively low unit costs in the PCDDP-financed micro projects may be due to the communities' involvement in implementation, control, supervision and purchase of materials through community project management committees, with no or low overhead cost. Based on the above insights, project efficiency is rated *moderately satisfactory* (4).

⁸ Ratings prepared by IFAD's Programme Management Department.

⁹ At project completion 99 per cent of the funds were spent.

Rural Poverty Impact

C.4 Impact

19. As identified in the above section on effectiveness the project's M&E system was insufficient. Moreover, project baseline data was collected two to three years after the project start. As an effect, data found on outcomes and impacts in the supportive documents were poor. This section on impact is therefore describing possible impacts based on the input and output data given in the ICR and other relevant documents.

(a) Household Income and Net Assets

20. It is well known, and also discussed in IFAD's rural poverty report (2011), that the absence of alternative employment and income generating opportunities aggravate the poverty in rural areas. Under the first project component (sustainable livelihoods enhancement) a strategy, to overcome this problem, was to diversify income and create alternative employment opportunities for the beneficiaries. This was done through various income generating activities (IGA). The GoU's ICR reports that 386 IGAs were executed in PCDP project woredas, out of which 327 (87 per cent) received the required funds from the project. Of these 327 (90 per cent) were still operational in October 2008. However, the WB's ICR notes that a number of IGAs established were not economically viable and not able to consistently cover costs of operation and maintenance. In some instances there had been inadequate attention to markets and especially market prices, resulting in IGAs charging lower prices than on the local market. However, the ICR also notes that the M&E of the IGAs has been minimal, as there were no government offices and project mechanisms to monitor IGA performance, which means that it was not possible to assess the complete impact (negative and positive) of this activity.

21. The last supervision report states that the IGAs are typically being promoted among poorer households, usually defined by the communities as those with few or no large livestock. In some cases, both women and men reported that the IGAs were generating enough income (no quantifiable data provided) that they could send some of their children to school and build more permanent dwellings. However, the supervision report mentions that it is questionable whether some of the IGAs were generating income for beneficiaries, as some of the beneficiary groups were not sharing the dividends. Nevertheless, participants in IGAs such as grain mills, shops and rental of accommodation to government employees expressed a feeling of having benefited, either because they had the amenities closer at hand and/or had accumulated savings to invest in further community development activities and enterprises. PMD rated this impact criteria as satisfactory (5), however, based on the limited information provided in the reviewed documents this PCRV does not find evidence enough to support the rating. That said, given the potential of IGAs to improve livelihoods of resource-poor pastoral households and the fairly positive reporting from the last supervision report, household income and assets is rated *moderately satisfactory* (4).

(b) Human and Social Capital and Empowerment

22. It is mentioned in the GoE's ICR, the schools constructed as part of PCDP were functioning and contributing to an increased enrolment of children and access to education in the project area. Furthermore, the integration of schools with other basic infrastructure such as water supply, human and animal health facilities, further increased the enrolment of children as their mobility were reduced. This type of "package" infrastructure has contributed to permanent settlement of pastoral families, in particular women and children.

23. As part of the third project component (project implementation and policy reform) PCDP aimed at empowering pastoralist leadership. The intervention endeavored to broaden the beneficiaries understanding of their livelihood strategies in relation to the policy environment and their capability to articulate needs at both grassroots as well as the national levels. The GoE's ICR states that a number of community members and leaders were trained in various disciplines including need assessment,

project identification, project implementation and management, finance and community procurement procedures, in order to position themselves better as active community stakeholders and ensure efficient service delivery. It is reported that the capacity increased both among the beneficiaries as well as the local government.

24. Taking into account the positive outcomes from the infrastructure sub-component, i.e. the improved educational facilities, as well as capacity gained from the policy support and policy reform component (see paragraph 23), it is clear that PCDP has made a strong effort to work towards this criteria. The overall rating for human and social capital and empowerment is therefore rated as *satisfactory* (5).

(c) Food Security and Agricultural Productivity

25. As mentioned in paragraph 19, the baseline data was collected two to three years after the project start, therefore there were no reference indicators available at the project start on data such as child malnutrition. However, improved technologies were introduced to the project area, for example small scale irrigation schemes to improve crop production and food security. PCDP also developed animal health sub projects. The projects second component (pastoral risk management) aimed at compiling and analyzing trends in household welfare and environment, economic and social conditions in discrete areas. The data was used to plan and implement a better early warning system for risk management. The GoE's ICR states that although activities were undertaken as part of this component the overall implementation of the intervention was not satisfactory.

26. As stated in PMD's assessment remarks, neither the WB's ICR nor the GoE's ICR provide data in order to quantify the magnitude of this impact criterion. Neither does the MTR, last supervision report or the CPE present adequate information for assessing this domain. Therefore no rating is provided.

(d) Natural Resources and Environment (including climate change issues)

27. PCDP was assigned the environmental category "B". The formulation report states that environmental capacity building will be carried out in the process of meetings and discussions during planning and implementation of micro projects under PCDP first component. One planned activity was training on how to use environmental screening forms and impacts assessments of proposed micro projects. The MTR brings up the concern of the slow implementation of the environmental and social screening list for the community sub-projects. The report also urges the project to start providing environmental training to project and woreda staff. As of the last supervision report, it is noted that training had been completed at woreda level, but some of the district staff indicated to the supervision mission that not all of the planned community-level training had been completed as a result of fund shortage, thus the screening procedure had not be applied in some cases. The latest PCDP quarterly report indicates that training on social and environmental screening had come to a stand-still. The supervision report strongly recommended that community-level training for safeguards would be resumed. Additionally, the ICR noted that the project had aimed to appoint an Environmental Coordinator at the federal project coordination level and Environmental Focal Points at the regional levels. However, the same report also points out that none of these steps were taken. Instead, the project hired four water engineers.

28. The PMD assessment mentions that PCDP's promotion of improved management of pasture development and grazing areas, and soil erosion control projects had contributed to an improved environment which provides for a moderately satisfactory (4) rating. However, the experiences are not adequately recorded or monitored and without the support from the federal project coordination unit, in terms of staffing, as well as sufficient capacity building the environmental sustainability of these positive environmental impacts are questionable.

29. Consequently, natural resources and environment (including climate change issues) is rated as *moderately unsatisfactory* (3).

(e) Institutions and Policies

30. The ICR notes that PCDP contributed to some longer-term institutional development by progressively strengthening the decentralization process (through training woreda and kebele officers) and mainstreaming institutional change through building and demonstrating the community driven development models. Broader access to essential public services, including trained local staff and equipment at health posts, schools, and kebele administrative offices in beneficiary woredas were reported. There was also increased awareness and improved action among government sector staff to harmonize interventions through joint planning in order to respond to community needs in a demand-driven and integrated manner.

31. As part of the third project component (policy implementation and policy reform) an important intervention was to produce policy studies in order to bridging the existing knowledge gap among national policy planners concerning the dynamics of pastoralist. It is mentioned in the GoE's ICR that the following studies were commissioned by external consultants: (i) participatory research and social analysis with special reference to gender; (ii) participatory M&E manual, (iii) pastoral early warning system; (iv) disaster preparedness and contingency plan preparation manual; and (v) community procurement manuals. The report concludes that the studies had a "great contribution in bridging the existing knowledge gaps". However, the last supervision report reveals that the research had progressed slowly during the first four years of the project. The outputs of the studies was reportedly handed over to MoFA for dissemination, yet other stakeholders (e.g. the Ethiopian Institute of Agricultural Research and NGOs working in pastoral areas) indicated that they were not informed nor received copies of these outputs. Because of limited dissemination, the studies had a limited impact in informing policy or development practice. The supervision mission urged the project to develop a dissemination strategy. The WB's ICR does not specifically mention if this recommendation was followed, however, the report notes that the lack of a systematic communication strategy limited project implementation. Moreover, the report mentions that the studies served as a basis for the government to prepare its Pastoral Area Development Strategy. However, as stated in the Ministry of Federal Affairs (MoFA) Project Performance M&E Report, April 2006¹⁰, most of these studies were more appropriate to the sedentary agriculturalists. Therefore, the ICR states that the effectiveness of these studies to influence the livelihoods of the majority of pastoralists was debatable.

32. The last supervision report brings up the establishment by MoFA in October 2006 of the Ethiopian Pastoral and Agropastoral Development and Governance Network (EPADGoN)¹¹. According to the ICR the network was established in 2007. The aim of EPADGoN was to provide a platform for consultation at federal level with a broad range of stakeholders with a view to harmonizing decentralized development approaches. The impact of EPADGoN is not discussed in the ICR.

33. As a consequent to the limited information available in the ICR, which does not provide full follow up on significant interventions (i.e. EPADGoN and the dissemination and effectiveness of the policy document) this PCRV does not find supportive evidence to agree with PMD's rating (a satisfactory rating of 5). Therefore institutions and policies is rated *moderately satisfactory* (4).

Other Performance Criteria

C.5 Sustainability

34. The ICR mentions three points that work in favour of the project's sustainability rating, these are: (i) GoE's commitment to pastoral development; (ii) the high ownership of PCDP I by local government and by beneficiaries through the community driven development process; and (iii) the relatively low to modest financial risks linked to sustainability of most micro-investments. However, on the other hand the same report notes that PCDP's design should have paid more attention to sustainability of its activities. This concern is applicable to all three components. For example, under

¹⁰ Referred to in the ICR report.

¹¹ As part of the recorded status of the sixth trigger.

the first component, the design did not sufficiently address how the community driven development process might be institutionalized, through continuous training and capacity building for communities and other stakeholders. Moreover, profitability, growth and sustainability of IGAs were not sufficiently emphasized during implementation. As a result a number of IGAs were established that were not economically viable, and not being able to consistently cover costs of operation and maintenance (also see section on household income and net assets).

35. The GoE's ICR brings up the importance of continuing the capacity building component in phase II in order to ensure the adoption and sustainability of grassroots development. It is mentioned in the President's report for PCDP-II that the federal and regional governments have demonstrated their support for participatory approaches that enhance ownership and community empowerment. This support will be further underpinned during phase-II by capacity-building at the community and local levels so that this approach can systematically be institutionalized within the decentralized regional administrations. In addition, the President's report recommends the communities to identify funding mechanisms for repair and maintenance of common facilities, and the woreda council and regional bureaus will be required to commit resources for complementary services prior to approval of related sub-projects. This is a positive improvement from phase-I where many sub-projects were at a stand still due to lack of funding. The improvement indicates a commitment to project sustainability.

36. According to the CPE the sustainability prospects in Ethiopia are significantly better than they are, on average, for IFAD-funded projects across other regions. In recent years, more than 10 per cent of the Ethiopian Government's budget has been allocated for agriculture and food security. Another positive element is that project management units are well embedded within the decentralized government structure, as in the case of PCDP.

37. Taking into account both areas of strength (such as GoU's and phase-II commitment) and weaknesses (design flaws and implementation of IGAs) sustainability is rated as *moderately satisfactory* (4).

C.6 Pro-Poor Innovation, Replication and Scaling-Up

38. As reported in the CPE and the ICR, the support for pastoral communities includes some highly innovative features that have potentials for up-scaling, not only in pastoral areas but also nationally. The community driven development approach has proven to be a successful innovation within the country, and the woredas, with participation of government, civil society and the private sector, are working and contributing to local ownership/accountability in public investments and activities. Moreover, the flexible funding mechanisms to finance community identified and implemented interventions, it sought to promote ownership and sustainability of the development process, which is identified as an innovation in the pastoral communities in Ethiopia.

39. In terms of replication and scaling-up, the approach has already been scaled-up in PCDP-II. The President's report for phase-II indicates that the main thrust of the project is to scale up the effective delivery of basic social services to some of the poorest households by increasing: (i) the geographic coverage from 32 to 57 districts; and (ii) the number of beneficiary households from around 200,000¹² to 600,000.

40. Overall pro-poor innovation, replication and scaling-up is rated *satisfactory* (5).

C.7 Gender equality and women's empowerment

41. The ICR brings up some positive changes in regards to gender equality and women's empowerment. Perhaps the strongest evidence on successful interventions is the water supply facilities which directly benefited women by reducing their workload. Women have also started to engage in non-farm activities as a result of the income generating activities which add assets and income to the

¹² Note, this is contradicting with the figures provided in the ICR, where the number of beneficiary households are estimated to 450 000.

household, as well as it might have an empowering effect on the engaged women. As mentioned in the section on institutions and policies, PCDDP did undertake a policy study on participatory research and social analysis with special reference to gender. However, it is not mentioned in the ICR how this report was taken further in order to improve gender equality and women's empowerment in the project area.

42. The formulation report points out that several NGOs and bilateral projects operating in pastoral areas in Ethiopia are addressing the challenges of gender issues in development. The most vulnerable women's groups are identified to widows and those exposed to early marriage. Some of the shortcomings of the project's gender approach are; (i) the supportive documentation did not indicate collaboration with NGOs and other bilateral project in the area of gender equality and women's empowerment in order to gain and build on others experiences; and (ii) the project did not commission a gender strategy. It was also noted by the last supervision report that women were underrepresented in all levels of project implementation bodies. As a consequence to the positive and slightly more negative indications given in this section, gender equality and women's empowerment is rated *moderately satisfactory* (4).

C.8 Performance of Partners

(a) IFAD's Performance

43. The ICR, MTR and last supervision report provide limited information on IFAD's performance, therefore the CPE is the main source used in this validation for the assessment of this criteria. The CPE points out that during the major part of the project period, IFAD operated under the old business model whereby implementation support and supervision was delegated to the cooperating institution and IFAD's main operational engagement during implementation was to approve proposals on reallocations between expenditure categories. In this role, government partners appreciated IFAD as being a flexible and responsive partner but some did also express the wish for IFAD to be more proactive and supportive in the implementation, which, however, was not possible due to the limited operational budget for the CPM and for implementation support. IFAD did become more involved in implementation issues, in particular from 2005 when the field presence office was established. Since then, the Field Support Manager participated in supervision and implementation support missions and served as the daily contact for project partners that had issues to be resolved. Given the limited information provided on IFAD's performance, this PCRV has not supportive evidence to follow the rating of satisfactory (5) provided by PMD. Therefore the criteria is rated *moderately satisfactory* (4).

(b) Government's Performance

44. The CPE notes that in the support for pastoral community development, the government, at federal, regional and woreda level, played a positive facilitating role, creating conducive environment for the project. Generally, government availed manpower for project implementation and for the PCDDP financed schools, health posts etc. In some cases, woreda officers felt that PCDDP imposed new responsibilities and burdens on them while failing to allocate more staff and financial resources. One dent in the performance was the approval of micro projects beyond the financial balance available, further discussed in the section on efficiency. Moreover, the ICR presents some weaker aspects to the performance of the government. A selection of these are; (i) the GoE counterpart funding was only 68 per cent of the appraisal projection; (ii) the GoE moved the responsibility for the project from the Ministry of Agriculture to the Ministry of Federal Affairs without notice to the World Bank. The shift undermined readiness for implementation, (iii) poor cooperation between and across Government administrative units led to inaction and delays in appointing adequate numbers and level of staff; and (iv) the GoE did not collaborate successfully with NGOs, as was foreseen during PCDDP's design. The overall rating of government's performance is rated *moderately unsatisfactory* (3).

C) Cooperating Institution (World Bank / IDA)

45. PCDDP was a WB initiated project as part of a concerted and urgent response of the United Nations (UN) system to address the recurrent drought crises in the Horn of Africa. The project design

was highly relevant to the daily needs of the pastoral communities and the country of Ethiopia. The implementation support/supervision of PCDP was managed from the WB's Ethiopia Country Office which provided close and active support according to the CPE. Moreover, the CPE mentions that IFAD and the WB truly co-finance all items. However, the ICR rates the WB's performance as moderately unsatisfactory, based on ineffective supervision, with significant lapses in terms of the failure to act on the rapid disbursements for sub-projects over a two-year period that left about 25 percent of the approved sub-projects incomplete, the lack of action in light of the failure of PCDP to implement M&E, and weak procurement supervision, including the absence of follow up on the project's remedies to limit mis-procurement and misallocation of funds. The ICR also notes that the Bank did not adequately follow-up on several shortcomings in design, i.e. lack of outcome indicators, no useful baseline studies, and sequencing issues, especially under the risk management component, which was considered critical to safeguarding the vulnerability of pastoralists.

46. PMD rates the WB's performance as moderately satisfactory (4) mainly based on the positive assessment in the CPE. However, since the CPE main mission in Ethiopia took place before project completion this PCRV trusts the WB ICR as the main source of information. As a consequence the Bank's performance is rated *moderately unsatisfactory* (3).

C.9 Overall Assessment of Project Performance

47. The ICR does not include an overall assessment of the project. Although, based on the ICR and other reviewed documents the appreciation is fairly positive. To understand the rating of the project one also needs to understand the context in which PCDP operates. The pastoral area is characterized by severe poverty, is frequently hit by ruthless droughts, and manifests an acute lack of access to basic social services such as health care, education, sanitation, transport and portable water-supply facilities. The incidence and severity of poverty has been compounded by the continued lack of support services in agricultural research, extension, livestock marketing and rural finance. Civil, political, and regional conflicts have equally contributed to insecurity and greater numbers of refugees. The attempt to design and implement a project in this area, with the aim of covering 45 per cent of the districts in the pastoral lowlands by phase-II, is noteworthy.

48. As mentioned in the project outline, the design of a five + ten year implementation, divided into two phases, could be interpreted as the first five years represented a pilot phase in order to identify if the project area was ready for the innovative approach offered by PCDP. Based on the relatively positive outcome of phase-I a decision was taken to move into phase-II. The innovative design of engaging communities in a participatory demand-driven approach in order for the beneficiaries to actively develop alternatives to improved their living conditions, as well as increase the services provided to the communities and strengthen their decision making power is highly notable. It would not be fair to the project's first phase if these steps towards the project's objectives, although not always easily tracked due to the poor M&E system and implementation delays, was not seen as achievements. Taking into account the assessment of the whole array of evaluation criteria, the overall rating for the project is *moderately satisfactory* (4).

D. Assessment of the PCR Quality

49. Given that the document of validation is a World Bank Implementation Completion Report (ICR) it does not follow the standard structure of an IFAD PCR, i.e. the scope of the completion report extends to the criteria adopted by the World Bank, but not all those adopted by IFAD. Having identified that, the ICR is comprehensive and presents a worthy assessment of the project based on the limited data provided by the project. Scope is rated *moderately satisfactory* (4), whereas quality is rated *satisfactory* (5).

50. The ICR is also candid and transparent in its appraisal. The poor M&E system is addressed and analyzed, as well as the ICR report does not anticipate to hide any of the WB's or the government's shortcomings in the implementation of the project. As a consequence candour is rated *satisfactory* (5).

51. The ICR discuss five relevant lessons learnt. The lessons learnt are focusing on design flaws and the strengthening of the project management, supervision and results framework. They are well identified and overarching without going into project details. Lessons learnt are rated *satisfactory* (5).

52. The overall quality of the ICR is rated *satisfactory* (5).

E. Final Remarks

E.1 Lessons Learned

53. The ICR has identified a number of important lessons learned and IOE concurs with them.

F. Rating Comparisons

Project ratings			
Criterion	PMD Rating¹³	IOE Rating	Net Rating Disconnect (IOE PCRV - PMD)
Relevance	5	5	0
Effectiveness	4	4	0
Efficiency	4	4	0
Project Performance¹⁴	n.p	4.33	
Rural Poverty Impact			
(a) HH Income and Net Assets	5	4	-1
(b) Human and Social Capital Empowerment	5	5	0
(c) Food Security and Agricultural Productivity	n.p	n.p	n.p
(d) Natural Resources and Environment	4	3	-1
(e) Institutions and Policies	5	4	-1
Overall rural poverty impact	4	4	0
Sustainability	4	4	0
Pro-poor Innovation, Replication and Scaling Up	5	5	0
Gender equality and women's empowerment	4	4	0
Performance of partners			
(a) IFAD	5	4	-1
(b) Government	3	3	0
(c) Cooperating Institution	4	3	-1
Overall Assessment	5	4	-1
AVERAGE Net disconnect			-0.4
Ratings of the PCR document quality	PMD rating	IOE PCRV rating	Net disconnect
(a) Scope	4	4	0
(b) Quality (methods, data, participatory process)	5	5	0
(c) Lessons	5	5	0
(d) Candour	5	5	0
Overall rating PCR document		5	

¹³ Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

¹⁴ Arithmetic average of ratings for relevance, effectiveness and efficiency.

H. List of Sources Used for PCR Validation

IFAD, President's report Proposed loan and grant to the Federal Democratic Republic of Ethiopia for the Pastoral Community Development Project (Report EB 2003/79/R.20/Rev.1), September 2003

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IFAD, Federal Democratic Republic of Ethiopia, Country Programme Evaluation, May 2009

IDA/IFAD, Ethiopia Pastoral Community Development Project, Joint IDA/IFAD preparation-cum-formulation report, working paper 1, local-level socio-institutional issues and capacity building in pastoral community development, January 2003

IDA/IFAD, Pastoral Community Development Project, Mid-term review, June 12 – July 3, 2006

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World Bank, Implementation completion and results report to the Federal Democratic Republic of Ethiopia for the pastoral Community Development Project phase I, June 2009

IFAD, PPMS database

IFAD, Official website, Ethiopia:
<http://operations.ifad.org/web/ifad/operations/country/home/tags/ethiopia> (04.02.2011)