



Investing in rural people

## Aide-Memoire

# Mission Objectives and Key Conclusions

### Background and main objective of the mission

A supervision and implementation support mission for the Participatory Small-Scale Irrigation Development Programme (PASIDP II) was conducted during the period of June 11-22, 2018. The main objective of the mission was to assess the progress made in the implementation of the 2017/2018 Annual Work Plan and Budget (AWPB); the status of agreed action from the previous mission; identify constraints to project implementation and agree in close consultation with the key stakeholders involved in implementation on actions and measures that enhance effectiveness and efficiency in implementation.

The mission members were divided into two groups, one visiting Tigray and Amhara region and the other visiting Oromia region. The regional team members from SNNPR have joined the Oromia team. Overall progress of the project was presented to all mission members in Addis Ababa on 11 June 2018, followed by specific regional briefing sessions and in-depth interactions with the Government counterparts and implementing partners in the regions. The mission teams interacted with the project clients and implementing partners at various sites, including: Giba and Adi Kerakero in Tigray region; Borkena, Sewer 3 and Amitu in Amhara region; and Basala, Langanu and Dhoma in Oromia region. The mission team has also interacted with contractors and traders who are currently working with the project. Regional wrap-up meetings took place on 14 and 16 June in Harar with Oromia and SNNPR RPCMU teams and in Gina Ager with the Amhara RPCMU team. Debriefing sessions on 18 and 19 June 2018 allowed the mission to refine and agree key actions with the regional and federal PCMUs. Final wrap-up meetings, chaired by the State Minister of Agriculture and Livestock Resources and the Director of IFI Cooperation at the Ministry of Finance and Economic Cooperation took place on 21 June 2018.

### Key mission agreements and Conclusions

The mission recognizes that impressive progress has been made in the 15 months since programme start-up. Most staff are in place, and a large volume of activities in infrastructure development and training has been undertaken. The mission's interactions with the programme clients confirmed that farmers are very positively inclined towards the programme, and most confirm that they intend to pursue largely commercial agriculture within the irrigation areas. However, the mission also noted a number of areas that require improvement for the programme to meet its development objective. These include the following points:

1. Participation by farmers in planning of schemes is not as yet optimal, with the result that local knowledge is not always effectively incorporated into scheme designs, and farmers have incomplete ownership and knowledge of costs of operation and maintenance;
2. Feasibility studies do not adequately incorporate market factors, business plans and opportunities for more modern and efficient means of irrigation;
3. The catchments and watersheds adjacent to many schemes are in very poor physical condition, with a high degree of degradation and very low productivity. These areas present a great risk to the livelihoods of the communities, and to irrigation and other infrastructure through land-slides and soil erosion;
4. The M&E functions of the programme are providing excellent information on activities and expenditure. However, there is a general absence of effective reporting and analysis of outputs and outcomes derived from the activities.
5. In certain instances, regional and woreda government officials and staff demonstrated limited ownership, based on the perception that the programme was not among the Government's key investment programmes and thus constituted an add-on to their core responsibility. This perception is exacerbated by some of the Government's flagship programme's practice to provide programme-specific resources at regional and woreda levels (staff, equipment etc.), resulting in an expectation that the IFAD-funded PASIDP II should do the same.

**The main agreements reached during the mission include that:**

1. The detailed feasibility studies for PASIDP II schemes will be revisited to ensure that they incorporate:
  - a. Detailed and inclusive participation by farmers;
  - b. A comprehensive assessment of potential crops that can be grown, including perennial crops;
  - c. A complete and realistic business plan for the scheme;
  - d. Thorough assessment of all the alternative forms of water delivery and irrigation application technology, including piped and pressurised water delivery and drip and sprinkler field application;
  - e. Realistic advice for farmers on the costs for operation, maintenance and depreciation charges for irrigation infrastructure.
2. A concerted effort will be made to assist farmers to produce for markets in a profitable way. The support provided will include:
  - a. Facilitation and analytical support for farmers and farmers organisations such as cooperatives, to engage with other value chain entities to develop production and marketing chains;
  - b. Assistance for farmers to access credit;
  - c. Training for farmers on means of effectively competing in markets.
3. The programme will take urgent action to rehabilitate watersheds and catchments, in a way that stabilises the environment and provides a basis for sustainable profitable production. The actions will include measures to complete participatory watershed management plans, followed by actual investment and management in mainly using fodder, crops and trees as well as management interventions, including conservation agriculture, pasture production and establishment of commercially viable timber species;
4. The M&E functions of the programme will be broadened to include comprehensive reporting and analysis of outputs and outcomes. This will properly inform management, and provide for sharing of knowledge about programme performance.
5. The Ministry of Agriculture and Livestock communicate the Borrower's full commitment to the PASIDP II as part of its core investments to regional bureaus and woreda offices, and clarify the implementation arrangements and roles and responsibilities to all stakeholders in order to ensure appropriate ownership and collaboration at all administrative levels.

**Targeting and Outreach**

<b>Actions</b>	<b>Responsibility</b>	<b>Deadline</b>	<b>Status</b>
<b>Develop a database for the project clients</b> Develop a data base for the project clients, which clearly indicates the list of clients/households that benefited from the project, indicating the type of service provided to them.	FPCMU	31 Oct/ 2018	Agreed
<b>Develop a job creation strategy</b> Develop a strategy to achieve the job creation target of the project.	FPCMU	31 Oct/ 2018	Agreed
<b>Enhanced targeting of irrigation users</b> Set clear criteria for the allocation of irrigable land among the irrigation users, to ensure equitable ownership in the command area, to be used during feasibility assessments and detailed designs.	FPCMU & RPCMU	31 Oct/ 2018	Agreed

## Gender equality & women's participation

Actions	Responsibility	Deadline	Status
<b>Adapt the gender strategy developed by MoALR</b> Adapt the gender strategy developed by MoALR to reflect PASIDP II's gender targets.	FPCMU	30 Sept/ 2018	Agreed
<b>Enhance women participation</b> Increase the number of women in the different committees established by the project, including their role in decision making.	FPCMU and RPCMU	31 Dec/ 2018	Agreed
<b>Develop a gender-disaggregated plan for all interventions</b> Plan all interventions using gender-disaggregated data and follow up on the achievement accordingly.	FPCMU and RPCMU	31 Dec/ 2018	Agreed

## Agricultural Productivity

Actions	Responsibility	Deadline	Status
<b>Implement Market Access Alliances (MAA) approach as per the PIM</b> Systematic implementation of the MAA approach, commencing with MAA fora for each region prior to 2018 dry season irrigation planning.	FPCMU and RPCMU	1 July/ 2018	Agreed
<b>Enhance access to credit</b> Commence actions to enable farmers to access credit, through joint agreements between them, credit suppliers, inputs suppliers and market entities.	FPCMU and RPCMU	1 July/ 2018	Agreed
<b>Strengthen business plans</b> Strengthen cooperatives' business plans and communicate aggregated need for credit to Rural Financial Institutions and DBE to ensure sufficient liquidity.	FPCMU, RPCMU, DBE (RUFIP)	1 Sep/ 2018	Agreed
<b>Strengthen FRGs</b> FRGs should add demonstrations of improved irrigation application techniques and conduct an analysis of financial outcomes. Farmers should participate directly in FRG activity planning. FRGs should also be strengthened regarding rain fed agriculture development in the watersheds.	FPCMU and RPCMU	1 Oct/ 2018	Agreed
<b>Experience sharing</b> Exchange visit within East or Southern Africa for key stakeholders to observe and learn from viable commercial smallholder value chain operations and viable irrigation systems using advanced technology.	FPCMU & IFAD	30 Sept/ 2018	Agreed

## Nutrition

Actions	Responsibility	Deadline	Status
<b>Provide equipment for FTCs</b> Provide the necessary equipment for FTCs to deliver food demonstration training.	RPCMUs	31 Sept/ 2018	Agreed
<b>Water harvesting</b> Conduct demonstrations of rainwater harvesting for households.	RPCMU	1 May/ 2019	Agreed

## Adaptation to Climate Change

Actions	Responsibility	Deadline	Status
<p><b>Develop guidelines on resilient construction standards as well as guidelines for climate-smart water resources management</b></p> <p>The RPCMUs and staff at lower administrative levels should be trained on the guidelines and their application at the community and households levels.</p>	FPCMU	30 March/ 2019	Agreed
<p><b>Experience sharing</b></p> <p>Conduct a field trip for key PCMU staff to selected participatory watershed development sites supported by the CGIAR Climate Change Adaptation and Food Security Project in Ethiopia.</p>	FPCMU	31 Aug/ 2018	Agreed

## Partnership-building

Actions	Responsibility	Deadline	Status
<p><b>Establish linkages with other programmes and private sector</b></p> <p>PCMU to work with other ongoing programmes to share experience and lessons.</p>	PCMU	31 Aug/ 2018	Agreed

## Quality of beneficiary participation

Actions	Responsibility	Deadline	Status
<p><b>Strengthening of Participatory Processes</b></p> <p>Include a dedicated budget line to enable Regional ESS Specialists to actively oversee participation processes, equity issues, following up on grievances, social documentation including FPIC, and E&amp;S safeguards issues for scheme sustainability.</p>	FPCMU, RPCMU	31 July/ 2018	Agreed
<p><b>Strengthening Participation Guidelines</b></p> <p>Develop guidelines at regional level to ensure full participation by the farmers and communities for all project activities from design, agribusiness, research, watershed management, and M&amp;E.</p>	RPCMU	31 March/ 2019	Agreed
<p><b>Strengthening of Grievance Redress Mechanisms</b></p> <p>The existing grievance redress processes should be followed and documented so that grievances can be followed up and complainants receive feedback in a transparent and timely manner.</p>	RPCMU	31 March/ 2019	Agreed
<p><b>Develop a capacity building program for the IWUAs that can be used by the different RPCMUs.</b></p> <p>The program will have training of the trainers (ToT) package for the staff at the zones and woredas that will be involved in IWUA capacity building. The capacity building to designed as a continuous program that comprehensively covers the organisational and management skills that the IWUAs require to sustainably operate and maintain the irrigation infrastructure.</p>	FPCMU and RPCMU	31 Dec/ 2018	Agreed

## Environment and natural resource management

Actions	Responsibility	Deadline	Status
<p><b>Provide implementation support mission to watershed component of PASIDP-II</b></p> <p>The mission should focus on reviewing the scope of potential income generation opportunities within micro-watersheds; and providing guidance on the identification and promotion of climate smart agricultural practices.</p>	FPCMU	1 Dec/ 2018	Agreed

## Knowledge Management

Actions	Responsibility	Deadline	Status
<p><b>Develop a “Learning &amp; Knowledge Management Strategy”</b></p> <p>The PCMU should proceed contracting an international consultant to develop the strategy. The strategy should include aggregated impact- level measurement of programme activities to allow the programme to start measuring its effectiveness.</p>	FPCMU	31 Dec/ 2018	Agreed

## Coherence btw. AWPB and implementation

Actions	Responsibility	Deadline	Status
<p><b>Prepare a revised annual work plan and budget for the period July 2018 to June 2019</b></p> <p>Revise targets as the current AWPB targets may have been ambitious.</p>	PCMU	31 July/ 2018	Agreed
<p><b>Expedite activities planned under component B and C</b></p> <p>Particularly agribusiness linkages under component B and program management, monitoring and evaluation, and knowledge management and learning under component C.</p>	FPCMU & RPCMU	30 June/ 2019	Agreed

## Performance of M&E System

Actions	Responsibility	Deadline	Status
<p><b>Prepare detailed data templates for M&amp;E on outputs and outcomes</b></p> <p>The templates should specify relevant output and outcome indicators.</p>	M&E specialists at FPCMU and RPCMU	30 Sept/ 2018	Agreed
<p><b>Prepare an elaborated M&amp;E plan</b></p> <p>M&amp;E plan should specify the output and outcome indicators, and in particular outcome indicators which are currently missing.</p>	M&E specialists at FPCMU and RPCMU	30 Oct/ 2018	Agreed
<p><b>Expedite the establishment of an MIS system for M&amp;E</b></p> <p>The programme’s MIS should be developed considering the MIS established in Amhara region, scaling it up to manage the programme’s spatial and non-spatial data.</p>	FPCMU and RPCMU	31 Dec/ 2018	Agreed
<p><b>Amend the logical framework indicators to make these more measurable, specific and relevant</b></p> <p>Activities in the AWPB should directly follow from the outputs and outcomes specified in the logical framework.</p>	Federal and regional PCMU	30 Sept/ 2018	Agreed

## Requirements of SECAP

Actions	Responsibility	Deadline	Status
<p><b>Budget Allocation for Environmental and Social Monitoring and Management</b></p> <p>A dedicated budget line should be allocated for environmental and social monitoring and management during construction and scheme operation, as well as other project activities.</p>	FPCMU and RPCMU	31 July/ 2018	Agreed
<p><b>Training in determining environmental flow</b></p> <p>Technical assistance to train project staff and others in the concepts and establishment of environmental flow. Training would be targeted at FPCMU and RPCMU ESS Specialists and Engineers, consultants, Members of the Bureaux of Water, EPLAUA.</p>	FPCMU	31 Oct/ 2018	Agreed

## Acceptable Disbursement Rate

Actions	Responsibility	Deadline	Status
<p><b>Withdrawal applications</b></p> <p>Follow up on advances with RPCMU and submit a withdrawal application for all eligible expenditure from 1 February, 2018 to 31 May, 2018. Withdrawal applications should be submitted when expenditure reaches 30% of the authorised allocation or every 90 days from the previous application.</p>	Finance Manager	31 July/ 2018	Agreed
<p><b>Statements of Expenditure</b></p> <p>Make full use of the Direct Payment method to pay contractors and service providers with an amount of or more than USD 100,000 and improve the quality of support documents by ensuring all fields provided for are fully completed before approving transactions.</p>	Finance Manager	31 July/ 2018	Agreed

## Quality of financial management

Actions	Responsibility	Deadline	Status
<p><b>Use of accounting software</b></p> <p>QuickBooks accounting software should be fully implemented with transactions posted up-to-date, budget posted in the software and bank reconciliations done in the accounting software at most by the 10th day of the subsequent month.</p>	Finance Manager	31 Aug/ 2018	Agreed
<p><b>Training on accounting software</b></p> <p>The accounting software supplier/service provider should be engaged to provide support in addressing gaps identified during implementation and to provide re-fresher training on the use of the software.</p>	Programme Coordinator	31 July/ 2018	Agreed

### Quality and timeliness of audit

Actions	Responsibility	Deadline	Status
<b>Readiness for the 2017/18 statutory audit</b> Draft financial statements together with audit terms of reference should be completed and submitted to IFAD with a request for No Objection.	Finance Manager	1 Sept/ 2018	Agreed

### Counterpart funds

Actions	Responsibility	Deadline	Status
<b>GoE contribution</b> Claim and follow up un refunded VAT from government both at RPCMUs and FPCMU.	Finance Manager	30 June/ 2018	Agreed
<b>Beneficiary Contribution</b> Develop and implement a uniform community beneficiary contribution tracking forms/tools at all RPCMUs.	Finance Manager/M&E Specialist	31 Aug/ 2018	Agreed

### Compliance with loan covenants

Actions	Responsibility	Deadline	Status
<b>AWPB</b> Submit the 2018/19 AWPB to IFAD for review and No Objection.	Programme Coordinator	31 July/ 2018	Agreed

IFAD and the Government of the Federal Democratic Republic of Ethiopia endorse the findings of the supervision mission and the agreed actions listed above.

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Dr. Ulaç Demirag  
Country Director, IFAD

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Date

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H.E Dr. Kaba Uregessa  
State Minister, Ministry of Agriculture  
and Livestock Resources

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Date

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Mr. Fisseha Aberra  
Director, IFI Directorate, Ministry  
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Cooperation

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Date