

Ethiopia

Participatory Small-scale Irrigation Development Programme II

Supervision Report

Main report and appendices

Mission Dates: 27 May -7 June 2019

Document Date 19/06/2019

Project No. 2000001134

Report No. 5087-ET

East and Southern Africa Division
Programme Management Department

Abbreviations and Acronyms

ADP	Agricultural Development Plan
AGRA	Alliance for a Green Revolution in Africa
ASAP	Adaptation for Smallholder Agriculture Programme
AWPB	Annual Work Plan and Budget
BoA	Bureau of Agriculture
BoARD	Bureau of Agriculture and Rural Development
DA	Development Agent
DBE	Development Bank of Ethiopia
ECD	Environment and Climate Division
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plans
ESS	Environment and Social Safeguards
FAO	Food and Agriculture Organisation
FPCMU	Federal Programme Coordination and Management Unit
FPIC	Free prior and informed consent
FRG	Farmers' Research Group
FSP	Financial service provider
FTC	Farmers training centres
FY	Financial Year
GIS	Geo Information System
GoE	Government of Ethiopia
GPS	Global Positioning System
ICBA	International Centre for Bio-saline Agriculture
IFAD	International Fund for Agriculture
IWUA	Irrigation Water Users Association
KGDP	Kobo Grana Development Project
KML	Knowledge Management and Learning
MAA	Market Access Alliance
MFIs	Micro-Finance Institutions
MIS	Management Information System
MoALR	Ministry of Agricultural and Livestock Resources
MTR	Mid-Term Review
NRM	Natural Resources Management
O&M	Operations and maintenance
PASIDP	Participatory Small-Scale Irrigation Development Programme
PCMU	Programme Coordination and Management Unit
PDR	Programme Design Report
PIM	Project Implementation Manual
RPCMU	Regional Programme Coordination and Management Unit
RUFIP	Rural Financial Intermediation Programme

RUSACCOS	Rural Savings and Credit Cooperative
SECAP	Social, Environmental and Climate Assessment Procedures
SDR	Special Drawing Rights
SMIS	Small & Micro Irrigation Support
SMS	Subject Matter Specialists
SNNPR	Southern Nations, Nationalities and Peoples Region
SSI	Small scale irrigation
TOR	Term of Reference
ToT	Training of Trainers
USD	United States Dollar
VAT	Value Added Tax
WFP	World Food Programme

A. Project Overview

Region:	East and Southern Africa Division	Project at Risk Status:	Not at risk
Country:	Ethiopia	Environmental and Social Category:	A
Project Name:	Participatory Small-scale Irrigation Development Programme II	Climate Risk Classification:	1
Project Id:	2000001134	Executing Institution:	Ministry of Agriculture and Natural Resources
Project Type:	Irrigation	Implementing Institutions:	not available yet
CPM:	Han Ulac Demirag		
Project Director:	Mr. Nuredin Asaro		
Project Area:	Oromia Region, Amhara Region, SNNP Region and Tigray Region		

Approval Date:	22/09/2016	Last audit receipt:	07/01/2019
Signing Date:	31/10/2016	Date of Last SIS mission:	07/06/2019
Entry into Force Date:	13/02/2017	Number of SIS Missions:	5
Available for Disbursement Date:	24/03/2017	Number of extensions:	0
First Disbursement Date:	19/04/2017	Effectiveness lag:	5 months
MTR Date:	not available yet		
Original Completion Date:	31/03/2024		
Current Completion Date:	31/03/2024		
Financial Closure:	not available yet		

Project total financing

IFAD Financing breakdown	ASAP Trust Fund	\$11,000,000
	East and Southern Africa Division	\$1,500,000
	IFAD	\$102,000,000
Domestic Financing breakdown	Beneficiaries	\$12,073,000
	National Government	\$18,722,000
Co-financing breakdown,	Alliance for a Green Revolution In Africa	\$989,688
Project total financing:		\$146,284,688

Current Mission

Mission Dates:	27 May -7 June 2019
Days in the field:	5 days
Mission composition:	Mr. Ulac Demirag, Country Director, ESA, Mr. Seyoum Getachew, Country Program Officer, ESA, Ms. Paxina Chileshe - Climate & Environment Specialist, ECG, Mr. Andrew Macpherson, Agronomy and Value chain expert, Mr. Jorma Ruotsi, Rural Finance expert, Mr. Richard Batamanye, Financial Management Specialist, Mr. Befekadu Behute, Monitoring and Evaluation Consultant, ESA
Field sites visited:	Gochi, Menisa, and Shapa small scale irrigation sites in SNNP Regions

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	Ø	Rating	Project Management	Ø	Rating
Effectiveness		4	Quality of Project Management		4
Targeting and Outreach		4	Knowledge Management		3
Gender equality & women's participation		4	Value for Money		4
Agricultural Productivity		4	Coherence between AWPB and Implementation		4
Nutrition		5	Performance of M&E System		3
Adaptation to Climate Change		4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)		5

Sustainability and Scaling-up	Ø	Rating	Financial Management and Execution	Ø	Rating
Institutions and Policy Engagement		4	Acceptable Disbursement Rate		6
Partnership-building		5	Quality of Financial Management		4
Human and Social Capital and Empowerment		4	Quality and Timeliness of Audit		5
Quality of Beneficiary Participation		4	Counterparts Funds		3
Responsiveness of Service Providers		4	Compliance with Loan Covenants		4
Environment and Natural Resource Management		4	Procurement		3
Exit Strategy		4			
Potential for Scaling-up		4			

Relevance		4
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

A mission comprised of IFAD staff and experts, Government representatives from MoA and MoF as well as partner organizations staff including Programme staff visited Participatory Small Scale Irrigation Development Programme Phase II (PASIDP II) Programme areas during the period May 27 to June 7 2019. The main objectives of the mission were to (a) assess the progress made in the implementation of the 2018/2019 AWPB (b) assesses the progress made on the basis of action agreed during the last mission (9 May to 9 June 2017) (c) identify constraints to Programme implementation and agree on actions / measures that enhance effectiveness and efficiency in implementation. Particularly, the mission assessed:

- Status of implementation against expected outputs since last mission;
- Progress made against the current AWPB;
- Status of execution of agreed actions during the last mission (9 May to 9 June, 2018);
- Financial management;
- Procurement management; and
- Effectiveness of Programme Coordination.

On 27 May 2019, the mission team held an initial meeting with the PCMU to get an update on progress of the Programme against the AWPB and status of execution of agreed action items. The mission team travelled to SNNPR to visits irrigation sites namely Gochi, Menisa, and Shapa. The mission had a focus group discussions and key informant interviews with different groups of the beneficiaries including Irrigation Water Users Association (IWUA) members, women's group, woreda experts, consultants, and contractors. Overall Programme progress in each region was presented to the mission in Hosana on 30 May 2019, followed by a discussion on issues that require attention. On 3 June 2019, a pre-wrap up meeting was facilitated with FPCMU and RPCMUs to discuss and align on agreed actions and to improve performance of the Programme. A final wrap up meeting was chaired by the State Minister of Agriculture and attended by ??? , International Financial Institutions Directorate at the Ministry of Finance in Addis Ababa on 7 June 2019.

The Mission would like to express its gratitude to the GoE specifically MoA, MoF, PSIDP II FPCU and RPCMUs staff for the hospitality, cooperation and facilitation of logistics and contributions in the mission. Most importantly, the mission is grateful to the communities visited for their welcome and willingness to provide the necessary information.

Key Mission Agreements and Conclusions

PASIDP II commenced implementation in March 2017. Since then, the programme has made notable progress, and has established most of the prerequisites for reaching objectives. In the past 11 months, continued rapid progress in preparing detailed feasibility studies and scheme design has resulted in 63 new schemes having this analysis completed. Construction on 28 schemes is complete, and for 35 schemes about 60% complete. Irrigation Water Users Associations (IWUAs) are established for 56 new schemes. Good progress in development of alternative irrigation water sources is also noted. There has been improved progress in implementation of Component 2, Investment in Capacity for Sustainable Agriculture. Implementation capacity for the Agribusiness Linkages and Market Access sub-component (2.1) has been greatly improved through several in-field training events, with participation of Federal and Regional PCMU Agribusiness Experts and relevant Woreda officers. The recent appointment of a service provider (Technoserve) will, once fully operational, improve PASIDP ability to support a business approach to scheme planning and operation and the development of viable value chains. Some 48 Market Access Alliances (MAA) and 56 Farmers' Primary Cooperatives are formed and operating. These have been well supported by training and mentoring events. It is evident that a good proportion of PASIDP irrigation farmers are gaining access to viable produce markets. Farmers have also benefited from Farmers Research and Extension Group (FREG) trials mainly on vegetable production. Farmer's access to rural financial services remains insignificant.

A good start has been made with soil and water conservation activities in watersheds adjacent to irrigation schemes. About 8,271 ha has been partially treated since June 2018 and there is some obvious positive impact. Also, implementation of conservation agriculture practices in 404 ha of land has commenced. There has also been agro-forestry and fruit production development of within watersheds. It has been important that implementation has commenced early in the project to allow for full appreciation of impact of these measures.

There are also several pressing challenges for the programme, and identification of these and agreements for remediation are:

1. Participation by scheme owners (farmers) in detailed design remains inadequate. The actual cost of required maintenance and depreciation is not shared and agreed by farmers. The result is that IWUAs make inadequate levies to

provide for sustained use. *It has been agreed* that there will be strengthened participation between scheme designers and farmers, so that the latter understand and agree to all technical and financial elements prior to construction start.

2. Application of business principles to scheme design and decision-making remains sub-optimal. Many farmers are simply adding irrigation to rainfed farming techniques, with marginal gains in productivity. *It has been agreed* that an intensive approach of applying business principles to scheme design and operation will be applied to a few schemes in each region, providing a template for replication to all schemes.

3. Progress in rural finance operations has been limited. *It has been agreed* that a systematic and proactive approach will be applied in all irrigation sites, with a target of linking all scheme farmers to financial institutions, to ensure adequate funding for commercial farming.

4. Female engagement and participation and nutrition issues require further attention. It has been agreed that efforts will be redoubled to enable effective female participation in all activities, and that clean rainwater-supply demonstrations and training in household nutrition will be provided.

D. Overview and Project Progress

Component 1. The investment in Small-Scale Irrigation Infrastructure: The Programme planned to undertake study and design for 63 schemes with potential command area of 10,587 ha. The study and design works completed for 28 schemes and partial completed (60%) for 35 schemes with total irrigable land of 9,038ha. However, the design of these schemes didn't consider the future demand of beneficiaries for irrigation water. The Programme completed construction of 8 schemes (of 64 planned) with command area of 1,481 ha which benefits 2,892 households and construction of 50 schemes and under construction with a command area of 7,227ha which benefits 16,950 households. The Programme undertook quality assurance for 24 schemes (of 54 planned) through independent consultant. However, the standard of quality assurance provided by the consultants sometimes has a limitation due to lack of capacity from the consultant side. The Programme supported establishment of 56 IWUAs (of 63 planned) of which 11 IWUAs are certified and 45 IWUAs are on process of certification and 94 IWUAs were strengthened. However, there are schemes that are not officially handed over to the IWUAs. Besides, IWUAs are not well aware of their role in the operation and maintenance which require attention. Of the planned 40 community ponds, 17 are completed, 19 under construction and 4 bidding process. Of the 75 shallow wells, 28 under construction and the remaining are at site and bidding process; of planned 150 drip systems, 23 are under installation site selection bid process; of the planned 125 household ponds, 182 ponds are under construction.

Specific Issues and Progress

- An important issue regarding perceptions of scheme ownership and sustainability has been identified, particularly within PASIDP I schemes that are now being assisted with market linkages. That is, that the farmers do not exhibit behaviour consistent with their role as scheme owners and operators. In some cases, the reason given is that the scheme has not been officially handed over from the construction phase. However, common to all schemes, including those now being constructed within PASIDP II, is the almost complete lack of comprehension by farmers of the actual costs of long-term operation and maintenance. The PDR states that the costs would be calculated and communicated to farmers during the design process, and that these would be a minimum annual cost of 2% of capital cost for depreciation and 2% for maintenance. For some designs, the percentages would be higher. All farmers consulted were only actually paying a very small proportion of the required amount. In some PASIDP I schemes, lack of provision of essential maintenance is already leading to reduced water flows. Eventually, it will lead to scheme failures, leaving farmers in a renewed state of impoverishment, and non-performance of the investment. It is possible that at design, a schedule of increasing payments by farmers for scheme operation and maintenance could be agreed, reflecting increased revenues as schemes mature, so that by the fourth or fifth year of operation, farmers payments for O&M are fully consistent with actual requirements.

- The Programme should work closely with the regional government to officially handover to the completed irrigation schemes to IWUAs after completion. Structures that are damaged prior to handover should be repaired by the contractors. For completed schemes, the required training and materials needs to be provided to enable owners to understand and commit to required payments and maintenance procedures. For schemes now being designed or constructed, feasibility studies need to be updated or revisited to clearly show the required financing and procedures required for sustainability, and this must be discussed and agreed with the farmers. The programme would commence implementation of these measures immediately and have them all fully operational for all schemes by May 2020.

Component 2. Investment in Capacity for Sustainable Agriculture. There has been improved progress in implementation of Component 2.

- Implementation capacity for the Agribusiness Linkages and Market Access sub-component (2.1) has been greatly improved through several in-field training events, with participation of Federal and Regional PCMU Agribusiness Experts and relevant Woreda officers. The Programme team has provided numerous Training of Trainers (TOT) events in Market Chain Development, Business Plan development and MAA functions. Some of these events have been supported by an IFAD consultant. The recent appointment of a service provider (Technoserve) will, once fully operational, improve PASIDP ability to support a business approach to scheme planning and operation and the development of viable value chains. However, it is important that the Agribusiness Experts and the Technoserve Team are given the equipment and support needed to fully engage with farmers, cooperatives and MAAs to improve their business skills and performance. Amongst the equipment needed is portable, independently powered electronic presentation projectors, and it has been agreed that at least one set of this equipment would be purchased for each region for use by the Technoserve and Agribusiness personnel.

- Marketing of Produce. The programme has supported the formation of MAAs, and there are now some 48 established, with the number projected to increase to 69 in the near future. It has been observed that the MAAs are taking a more leading role in coordinating the marketing and other value chain services for PASIDP II farmers. While performance is variable, there is evidence that MAAs are helping the various entities develop viable market-related contacts, and brokering marketing agreements. However, it is also noted that the executive membership of many of the MAAs is dominated by non-business actors. The PCMU Agribusiness Team is continuing to provide MAAs with access to training and mentoring to make them more effective and representative of the active market entities in each locality. There is also a need for MAAs to more effectively link with and serve farmers who are active in production within watersheds adjacent to irrigation schemes.

- A new agreement has been negotiated by PASIDP with Global Malting Services (GMS) for farmers to produce malt

barley seed on a contract basis on one site in Amhara Region. This agreement is being negotiated, for production in 2019. This approach, while in its' infancy, could provide a model for mutually profitable supply and purchase agreements between farmers and larger commercial companies. The programme is also facilitating similar arrangements for five sites in Oromia, conducting a profitability analysis with GMS with a view to subsequent commercial agreements.

- Agriterra is an international agricultural service provider which is interested in cooperating with PASIDP to improve marketing and agribusiness development. It is able to provide services such as capacity-building for Cooperative Unions, also revolving funds for disbursement to cooperatives and their members. In Amhara, Agriterra has selected one union, Zengena, for potential engagement, and is now assessing information to design a means of cooperation.

- Primary Cooperatives (PCs) have been established in 56 sites, to provide an instrument for farmers to market their produce and to provide for more efficient inputs supply. It is apparent that at least some of these cooperatives have had business training and are using a business plan. This is a welcome development, providing farmers with services of aggregation for bulk produce selling and purchase of inputs, providing a clear commercial advantage. There is a good opportunity for these PCs to act as the conduit for farmers to schedule bulk production for larger markets, and to act as the manager of this scheduling and engagement with larger off-takers of produce. Included in this approach would be encouraging farmers to work in clusters to produce larger quantities of marketable produce, on an agreed schedule.

- **Rural Finance.** Access to appropriate and accessible financial services is a key factor to enable the planned productivity improvements and income increases for the PASIDP II participants. So far, most of the rural finance related PASIDP II actions have been preparatory, aiming to create a framework for the actual large-scale financial linkage operations. While this is understandable in a new Programme, it is critically important that at the current stage of Programme implementation, a more proactive and systematic approach by the is adopted in the planning and implementation of its rural finance support, if the key PASIDP II outcome targets are to be reached.

- In the past 12 months, some important achievements can be recorded that will support the future financial linkage operations. The PASIDP II agribusiness specialists are fully operational in all regions, now supported by their Technoserve counterparts, and are expected to play a key role financial linkage creation. A total of 41 of the planned 63 site-specific business plans have been prepared, integrating finance to production and marketing operations. Of the 63 sites, primary cooperative societies have so far been established at 56 sites and are expected to play a leading role in input supply, financial access and market linkage operations. Site-based studies have also been carried out on the status and capacity of local financial institutions that could effectively serve PASIDP beneficiaries. Finally, the Programme has organised financial linkage dialogue workshops for private and public sector stakeholders in regions (so far in 2 out of 4 regions), which is expected to facilitate effective linkage building.

- PASIDP farmers basically need three types of financial services to substantially increase their productivity and income levels: safe savings opportunities, seasonal loans for inputs and small investment loans to further develop their irrigation farming practices. Both the local RuSACCOs and the regional MFIs are capable of offering these services (for terms of services, see the Technical Report). RuSACCOs operate conveniently close to most PASIDP sites but the Mission (as well as earlier studies) noted significant differences in their management standards and service capacities. Linkages to weak RuSACCOs should be avoided until their financial and operational standards improve. At the same time the regional MFI in the Southern Region has an agent in every village of the region who has the mandate to advise the clients, collect savings and repayments, and receive and recommend loan applications. MFIs in all other regions have similar arrangements, as well as mobile credit officers and satellite branches. This, as well as the strong liquidity supported by programmes like RUFIP, makes the regional MFIs very appropriate financial service providers for PASIDP beneficiaries. The MFI agents met in Southern Region also clearly understood the reduced risks when lending to PASIDP beneficiaries, due to the combination of regular water supply and technical training provided by the Programme.

- For the approach and AWPB of 2019/20, it was agreed that the Programme agribusiness specialist finalise the assessment of the RuSACCOs and regional MFIs to define their capacities and interest to serve the PASIDP beneficiaries in each of the irrigation sites. Following this, in meetings and training sessions with irrigation farmers, the benefits of opening a savings account and later accessing seasonal loans should be explained to them, stressing that significant productivity gains are nearly impossible to achieve without appropriate input use and related seasonal loans. The ambitious target is that all PASIDP irrigation farmers will be linked to financial institutions by the end of 2019/2020. This would significantly improve the chances of reaching the Programme targets in increased incomes and asset holding. At the same time both PASIDP and IFAD would encourage EDB to increasingly channel RUFIP wholesale loans to MFIs and RuSACCOs that actively serve the PASIDP-financed irrigation scheme members.

- Outside the actual irrigation schemes, one of the key objectives of the PASIDP II watershed operations is to encourage new income generating activities in the improved watershed areas, particularly in operations such as tree crops, small livestock rearing and beekeeping. These operations also offer opportunities for targeting persons with less land and other assets. It was agreed that the Programme implementers systematically introduce such potential beneficiaries to MFI and RuSACCO offices, to initially open savings accounts. Through regular savings, small collateral-free loans can later be applied for, to finance small investments on the improved watershed. It should be noted that regional MFIs have special group loan products for employment creation for the youth. These loans can be accessed also in the PASIDP watershed areas.

- The programme has continued support for use of FREGs for development and application of site-specific agronomic and crop management messages. Support has been provided FREGs in most completed schemes, with 1,352 sites activated. Many of these are demonstrating vegetable production techniques. While this experience is positive, there is room for improvement, especially in the crop-specific vegetable techniques. For example, it has noted that at one scheme, the FREG trials for vegetables were using similar quantities of fertiliser to that which would be appropriate for rainfed maize. This is quite inadequate, and yield results show this, with yields greatly below agronomic potential. It will be important that specific nutrient recommendations are developed and applied for each individual crop and site requirements.

- Micro-watershed planning and action. Community-based Watershed Development plans were completed for 23 watershed since June 2018. Bio-physical soil and water conservation activities have been undertaken on 8,271.72 ha of watershed. Activities include bund construction, gully rehabilitation, various soil and water conservation measures including grass contour strips, conservation agriculture and agro-forestry. This is a most important activity with relevance for the large areas of non-irrigable land that are exhibiting moderate to severe degradation. The activities could be made more effective with a better understanding of conservation agriculture techniques, as well as use of biological control measures. It has been agreed that an exchange visit to Kenya and possibly also South Africa or Rwanda for key Programme, Regional/Woreda staff and Lead Farmers will be arranged in the near future for exposure to such techniques.

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
Handover of Completed Schemes Completed schemes handed over to IWUAs for PASIDP II, and agreed action plans with Woredas for handover process for PASIDP I schemes	PCMU/RPCMU & Regional Govts	06/2019
Scheme Operation and Maintenance Payments IWUAs agree to required O&M payments for sustainability and this is accurately monitored June 2019 and continuous	PCMU/RPCMU & Regional Govts	06/2019
Financing Watershed IGAs Link potential watershed IGA operators to FIs Continuous	PASIDP, Technoserve	06/2019
Fully Participatory Feasibility Studies Effective engagement between farmers & scheme designers July 2019 and continuous	FPCMU/RPCMU Technoserve to assist	07/2019
Design of schemes Apply water use efficiency and water saving techniques July 2019 and continuous	Programme team	07/2019
Construction of schemes PCMU to direct consultants to supervise the contractors and provide timely corrections in scheme completion	Programme team along with the client	07/2019
Commercial Activities in Watersheds Agribusiness teams enable MAAs engagement to provide market support for all watershed producers All watershed management teams to be MAA members July 2019 and continuous Majority private sector members of MAAs	PCMU Agribusiness Teams, Technoserve & MAAs,	07/2019

Provision of Presentation Equipment Portable electronic projection equipment for each region	PCMU	08/2019
Financial Institutions Assessment Rate the capacities of FIs to serve irrigation farmers at each site	FPCMU & RPCMU Agribusiness Team & Technoserve	09/2019
Exchange Visit for Conservation Agriculture Arrange exchange visit to Kenya for CA techniques exposure	PCMU, IFAD	09/2019
Financial Inclusion for Farmers Motivate each irrigation farmer to open a savings account, later to apply for an input loan Enable Primary Cooperatives to act as farmer's interface with financial institutions, including Regional MFIs & RUSACCOs	PASIDP,	06/2020
Financing FIs. Encourage DBE to lend to FIs serving PASIDP clients and agree a monitoring framework to track access to credit	PCMU, IFAD	12/2020

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus

Effectiveness

Rating: 4

Previous rating: 3

Justification of rating

The programme shows evidence that its objective is going to be met particularly on provision of sustainable irrigation water. The Programme has started to put in place the infrastructure for components on investment on capacity for sustainable agriculture. There exists weak links towards a realization of farmers having increased market-oriented skills and capacity for sustainable agriculture. Access to water needs to be combined with a business approach to crop selection, input use, seasonal finance and effective marketing arrangements for the PASIDP investments to achieve Programme outcome targets.

Log-Frame Analysis & Main Issues of Effectiveness

Investments in small-scale irrigation development components of the Programme are progressing, though there remains some delays in finalization of feasibility studies and constructions of some schemes on time. During about three years of Programme implementation, 22 schemes constructions (11 in Amhara, 3 in Oromia, 3 in SNNPR and 6 in Tigray) have been completed with command area of 3,944 ha (21.4 % of appraisal target) and are benefiting 7,270 HHs (5,934 MHH and 1,336FHH). Moreover, there are 72 schemes under construction, 9 schemes on QA and 17 schemes on study and design.

Likewise, investments in capacity for sustainable agricultural are also progressing particularly on watershed management activities and improving agricultural productivity via FREG piloting and demonstrations. Watershed related Programme deliverables include: area closure of 3,901ha (57.2% of appraisal target); 5,342 ha hillside communal land treatment (52.2 % of appraisal target); and 12,866 ha treatment of farmland with biophysical measures (25.8% of appraisal target).

FREG piloting and demonstrations have been undertaken to address community pressing production challenges. According to the PDR, FREG's are expected to be supported by the researchers for two years effective from operationalization of the irrigation schemes, with the assumption that the government regular extension support will support the rollout of the successful experiments. However, a concern has been raised that the regular extension support may not be able to provide practical support and are unlikely to give sufficient attention and monitoring of best practices application by farmers. This is a function considered vital for development effectiveness. Accordingly, it has been agreed to extend FREG support for an additional a year or two (depending on Programme at completion date), with allocation of budget resources for DA and kebele agricultural offices so as to mentor and monitor proper rollout of successful FREG results.

To meet nutritional targets, the Programme should promote farmer production of protein rich crops in their home gardens and encourage home consumption, so that surplus will be availed for the market.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
FREG success rollout Consider extending duration of FREG support and budget accordingly	FPCMU	10/2019
Nutrition Objective Promote production of nutrition rich (protein rich) crops at least in all home gardens and promote home consumption so as to support a realization of nutritional target of the programme	FPCMU	10/2019

Development Focus

Targeting and Outreach

Rating: 4

Previous rating: 4

Justification of rating

The Programme is delivering on some of the objectives of its targeting strategy. Food insecure farmers with less than 0.5 ha of land, main target groups, are being reached. Youth and FHH are also being targeted. Youth and job creation requires a more strategic approach however. Women in MHHs require attention in addition to FHH in gender transformative manner. Outreach wise, the programme is reporting on irrigation agriculture and watershed beneficiaries.

Main issues

In terms of geographic area targeting, the Programme is being implemented as per PDR. Food insecure 68 woreda recorded as PSNP woreda are targeted in the selected Programme regions (19 woredas in Amhara, 25 in Oromia, 25 in SNNPR and 9 in Tigray). Farmers are benefited if their land is located in the command area. Land holdings on irrigation schemes on average are 0.44 ha, though at times it goes as high as 1.7 ha as in the case of Adeyi scheme (Oromia region, Bale woreda).

At scheme level, direct targeting strategy is applied whereby FHH group, FREG group and seed producing group are selected by the Programme focal person in consultation with the community. Particularly, focus on women in MHH targeting has been limited. It is critical to target women as well and undertake interventions in gender transformative way for all women in Programme area.

Youth job creation is mostly focused on temporary job creations associated with scheme construction. It is commendable that the Programme has prepared job creation strategy per previous mission. This mission further recommend for appropriate application of the strategy, with further refining of the strategy per feedbacks provided by IFAD TA.

With respect to outreach, the mission acknowledges beneficiary recordings being undertaken by the Programme in reference to beneficiaries on irrigation scheme command areas. Likewise, the mission recommends similar recording for watershed beneficiary households. Doing so, on top of providing proper documentation for watershed beneficiaries, will also help to avoid double-counting concerns.

The Programme is likely to reach to its outreach target for irrigation scheme beneficiaries. Thus far, completed irrigation schemes are benefiting 7,270 HH (5,934 MHH and 1336 FHH). Schemes under construction, QA and feasibility study and design are anticipated to benefit 35, 973 HH (77.8% of appraisal target).

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Enhanced targeting of irrigation users 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	10/2018
Develop a job creation strategy Develop a strategy to achieve the job creation target of the programme.	FPCMU	10/2018
Develop a database for the programme clients Develop a data base for the programme clients, which clearly indicates the list of clients/households that benefited from the programme, indicating the type of service provided to them.	FPCMU	10/2018

Gender equality & women's participation

Rating: 4

Previous rating: 4

Justification of rating

The level of women's participation in PASIDP II activities is gradually increasing as a result of the efforts being made in community consultations and awareness raising. These efforts should be continued particularly to improve women's participation in irrigation scheme design, construction and operations as well as watershed management activities. More concerted efforts are also required to promote gender equality with a focus on increasing women's active membership in committees, technologies that reduce the work load and drudgery and sharing of responsibilities at the household level. Effectively implementing the gender guidelines developed for PASIDP II and use of the household methodologies will ensure the desired gender equality results.

Main issues

The programme is making efforts in expanding access to and control of assets for women through the targeting of female headed households. These households are targeted for the training in diversified crops, home gardening and cooking demonstrations. There appears to be less targeted activities for the women in male headed households, who make up the majority in the target areas. Therefore a more balanced approach is required. The programme team is encouraged to aim for 50% effective participation of females in all activities.

Most of the female participants anticipate an increase in their workload as a result of the irrigation activities. Hence they are already aware of the need to share responsibilities more equally at the household level. Their awareness can be actualised through the use of household methodologies (HHM) as stipulated during design. Capacity in the use of HHM needs to be developed including a clear roll-out strategy for the Programme. The HHM approach will need to build on the model schemes and the gender mainstreaming that will be done.

PASIDP II has comprehensive gender guidelines developed in September 2018 by the capacity building and gender officers with technical support from the ATA gender and nutrition specialist. Based on an initial assessment, the implementation of the guidelines is very limited. Part of the reason for this may be the combination of capacity building and gender roles, which should be separated. Regional gender officers would be required to be responsible for prioritising and monitoring of the identified indicators in the guidelines and rolling out of the HHM. It is recommended that these positions are proposed and discussed by the Steering Committee.

Women's participation in the decision making bodies such as IWUAs and Catchment Management Committees remains low albeit in the three communities visited only one failed to meet the minimum 20% representation articulated in the gender guidelines. Concerted efforts are required to improve representation of women and securing leadership roles in these committees.

Approaches and activities to enhance women's participation and gender equality include awareness raising on minimum representation required in committees, engaging women during the design and operation of irrigation schemes, options for domestic water supply such as roof top water harvesting and protection of springs through the watershed management activities, less labour intense watershed management techniques such as the biological grass strips and improved cook stoves as work load reducing means.

Resources are allocated for the gender related activities such as gender training and sensitisation of the teams at different levels. Subsequently, with the recruitment of gender officers, more resources will be required for the HHM and oversight of the gender guidelines implementation.

The programme is collecting sex and age-disaggregated data albeit this is more at the activity level and more will be done as results are progressively captured at the outcome level. The tools being used in M&E include specific questions to capture the gender elements.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Adapt the gender strategy developed by MoALR Adapt the gender strategy developed by MoALR to reflect PASIDP II's gender targets.	FPCMU	09/2018
Develop a gender-disaggregated plan for all interventions Plan all interventions using gender-disaggregated data and follow up on the achievement accordingly.	FPCMU and RPCMU	12/2018
Enhance women participation Increase the number of women in the different committees established by the programme, including their role in decision making.	FPCMU and RPCMU	12/2018
Gender Officers Recruit Federal level gender and nutrition officer to ensure guidelines are followed	FPCMU	08/2019
Household Methodologies Conduct ToT for HHM and develop roll-out plan	FPCMU/RPCMU	12/2019
Labour saving technologies Promote improved cook stoves in schemes where these have been included in the watershed management plans	FPCMU/RPCMU/ Woreda & Kebele teams	12/2019

Agricultural Productivity

Rating: 4

Previous rating: 4

Justification of rating

Farmers in irrigation schemes have moderately increased yields, but well below the agronomic potential, due to lack of knowledge of agronomic and irrigation techniques, poor access to inputs, equipment and finance and some water shortages. Farmers in watersheds are also producing below potential, due to lack of inputs and knowledge of production systems, and partially applied conservation measures. Farmers' financial productivity has improved in schemes with a functional primary cooperative and a link into a MAA. Both are operating well below potential. Farmers have little knowledge of business planning. Primary cooperatives have some business awareness, but need more training to improve their services. MAAs are dominated by non-market actors, and need broader business participation.

Main issues

Farmers in new irrigation schemes are keen to grow high-yielding and potentially lucrative horticultural crops. However, it is observed that specialised inputs of improved seed, fertilisers, pesticides and herbicides are either in short supply or completely unavailable.

Farm service centres that have been established by Agricultural Transformation Agency (ATA) and owned by cooperatives and individuals are currently supplying inputs and providing technical support to farmers and are somewhat addressing the issues related with input supply. The farm service centre (FSC) establishment cost is high and requires involvement of financial institution to facilitate credit for private sector and cooperative to scale it up at national level. As a means to develop the access of small-scale irrigation farmers to needed inputs services, the programme would investigate feasibility of replicating the FSC model in areas accessible to PASIDP schemes. In addition, the Programme Coordinator would advise the MoA Director of Inputs Marketing of the need for irrigation farmers to get better access to inputs to fully benefit from the PASIDP investment in irrigation. Finally, the Agribusiness Team will encourage leading farmers to establish seed multiplication of improved seeds as a business.

Lack of knowledge of agronomic knowledge impedes achievement of high yields. For example, farmers are typically

applying the same or similar levels of fertiliser for intensive vegetable crops that they use for rainfed crops such as maize. They are also generally ignorant of specific pests and diseases affecting such crops. The technology being applied through FREGs also reflects such lack of awareness. There is an urgent need for more accurate advice to be provided through FREGs, including crop and site-specific fertiliser recommendations.

Inappropriate irrigation techniques are often used, producing lower yields, especially for intensive crops. As different crops have different water needs, there is a need to demonstrate better water application techniques to farmers.

Water shortages are experienced due to heightened demand by farmers, as well as poor maintenance in older schemes (maintenance dealt with elsewhere). PASIDP should consider structures like night storages, pressurised pipe application and water saving technologies during the design of schemes.

Farmers continue to use limited equipment for irrigation production, despite the high potential of crops. Different crops require different land preparation, planting, fertiliser pesticide application techniques, and harvesting. The appropriate equipment for these tasks should be trialled and demonstrated through FREGs.

The support for watershed management, and for the farmers using this land, is a positive development. There are positive effects of reduced soil erosion, run-off control, mulching, permanent crops, agro-forestry etc. However, the farmers in watersheds are producing well below potential, for a combination of technical reasons. These include the lack of inputs (e.g. only low yielding and slow growth cassava); poor knowledge of production systems (e.g. only partial application of CA procedures), and only partially applied conservation measures on degraded land (e.g. no systematic micro-catchment application of erosion control and remediation measures). The programme should institute trials and demonstrations of all the above through site-specific FREGs for each watershed.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Implement Market Access Alliances (MAA) approach as per the PIM Systematic implementation of the MAA approach, commencing with MAA fora for each region prior to 2018 dry season irrigation planning.	FPCMU and RPCMU	07/2018
Enhance access to credit Commence actions to enable farmers to access credit, through joint agreements between them, credit suppliers, inputs suppliers and market entities.	FPCMU and RPCMU	07/2018
Strengthen business plans Strengthen cooperatives' business plans and communicate aggregated need for credit to Rural Financial Institutions and DBE to ensure sufficient liquidity.	FPCMU, RPCMU, DBE (RUFIP)	09/2018
Experience sharing 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	09/2018
Strengthen FRGs 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	10/2018
Application of Agronomic and Crop protection Techniques Use improved techniques in trials for high value crops Apply improved techniques watershed crops Organise trials for improved equipment for high value crops Provision of advice on accurate irrigation improved techniques in trials for high value crops	RPCMUs/Woreda Experts	06/2019
Improved Inputs Supply Conduct feasibility study for establishing Farmers' Service Centres for PASIDP schemes	FPCMU/Agribusiness	09/2019
Improved Inputs Supply Advice to MOA State Minister for inputs and outputs market sector on PASIDP farmers' input needs	FPCMU	09/2019
Improved Inputs Supply Encourage leading PASIDP Farmers to produce improved seed as a business	FPCMU/Agribusiness	09/2019

Justification of rating

Diversified diets are being promoted through the introduction of fruits and vegetables, training in nutrition sensitive agriculture and cooking demonstrations. These activities are primarily targeted at female headed households. A recently completed nutrition mainstreaming study for PASIDP II provides some key recommendations that need follow-up. Given that crops being promoted in the irrigation schemes (carrots, beetroots, broccoli, cucumber etc) are mainly for income generation, nutrient dense crops can also be promoted in the watershed areas. Household consumption patterns of the diversified crops will need to be monitored. In addition providing clean drinking water will contribute to improving the nutrition status of the communities.

Main issues

IFAD in collaboration with Bioversity International recently completed a nutrition mainstreaming study for PASIDP II. The study highlights the need to expand the food basket to incorporate food items of high nutrition value but less attractive to the market this would include the local vegetables such as kale and pumpkin; ensuring a framework to measure the extent to which the information and skills received are retained and put into practice by both males and females and; the need to enhance understanding of the linkages between production, nutrition and health and the importance of sectors such as education, health, agriculture and social services working together. These recommendations will need to be integrated into the PASIDP II activities and specific FPCMU member assigned to follow-up on their implementation.

The production of crops of good nutritional value that are less attractive for the market and thus not suitable for the irrigation plots can be encouraged in the catchment areas. In most communities the land available in the catchment areas is higher than what is available in the irrigation plots and thus community members have more scope to include these crops. The local production of the crops will also ensure they are available on the market for community members to access once they have improved incomes from the irrigation plots.

Consumption of the diversified diets will need to be monitored, which can be done in partnership with the health officers at Kebele level. A community-based nutrition monitoring system to be developed by MoA and FAO was anticipated in the last supervision. However this does not appear to have been adopted by the PASIDP team. Female participants of PASIDP II in the schemes visited during the mission appreciated the health benefits of improved and diversified diets. They also appreciated the cooking demonstration sessions provided. More can be done to ensure the sharing of nutritional knowledge and skills among the community members.

Community members raised the issue of limited access to clean drinking water. Though this was in the context of the workload of women, the improved access to clean water also has significant nutrition and health benefits. PASIDP II can therefore promote different techniques such as roof top rainwater harvesting and protection of springs for communities to better access potable water. This issue was also raised in the previous supervision mission, however no action seems to have been taken.

PASIDP II has established some partnerships for nutrition improvement for example working with WFP to conduct a baseline survey on the nutrition status of the communities and facilitating training on consumption of nutrition dense crops. The Sekota Declaration Program is also working with PASIDP II to promote production/ consumption of nutritious crops. These partnerships need to be optimised and reach assured to each of the schemes and micro-catchment areas.

Nutrition related activities are captured in the AWPB. The nutrition sensitive agriculture training is provided internally with technical support being drawn from Government agencies and regional teams.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Provide equipment for FTCs Provide the necessary equipment for FTCs to deliver food demonstration training.	RPCMUs	09/2018
Water harvesting Conduct demonstrations of rainwater harvesting for households.	RPCMU	05/2019
Nutrition mainstreaming study Designate team member to follow-up on recommendations pending recruitment of the Federal Gender and Nutrition Officer	FPCMU/RCMU	06/2019
Potable water supply Demonstrate technologies for supply of potable water for communities	FPCMU/RPCMU	12/2019
Monitoring improved nutrition Establish linkages with health and education officers to develop effective monitoring tool	FPCMU/RPCMU/ Kebele teams	12/2019

Adaptation to Climate Change

Rating: 4

Previous rating: 4

Justification of rating

The main climate change related risk being faced by PASIDP II beneficiaries is increasing rainfall variability (distribution, quantity and timing). In the watersheds, conservation agriculture is being promoted, which will improve the water moisture retention and thus reduce the crop loss due to unreliable rainfall. The irrigation schemes contribute to addressing fluctuations in production of selected crops and also provide increased incomes as an adaptation measure for smallholders. However, given the level of water stress in some locations, the scheme designs can be improved by including water storage structures and closed irrigation systems. On the operational level, water use efficiency measures should also be promoted in the schemes.

Main issues

Conservation agriculture (CA) techniques already being promoted include minimum tillage, cover crops/mulching and crop rotation/inter cropping. These practices need to be scaled up given their potential to enhance the climate resilience of PASIDP II target beneficiaries and the dual emphasis on both the irrigation and watershed areas. Technical Assistance for CA will be provided with support from AGRA. The TA can contribute to identifying site specific CA techniques in each of the watersheds. In addition to CA improved varieties, for instance early maturing maize and drought tolerant cassava can also be promoted in the watershed areas.

Irrigation schemes are undoubtedly a means of coping with climate change in PASIDP II target areas. However the schemes being developed need to be modified to better address the specific climate change risks of rainfall variability leading to increasing water stress. Measures such as reservoirs for storage, closed systems as opposed to open furrows and pressurised irrigation systems for increased water use efficiency can be promoted in the PASIDP schemes. The irrigation scheme design guidelines incorporating climate change risk management are yet to be developed with the support of CGIAR partners. An exchange visit to Kenya is being planned through the SSTC grant focusing on pressurised irrigation systems.

Alternative water sources being developed for productive uses also contribute to enhancing the resilience to climate change both through the crop production and water as well as feed availability for livestock during periods of water stress. The ponds and apiculture that is being promoted in some areas also contribute to livelihood diversification, which is also a climate change adaptation strategy.

Additional measures for climate change adaptation have been identified in the climate smart agriculture manual developed for PASIDP II in collaboration with the Sustainable Land Management and Environment and Climate Change Directorate.

The measures are expected to be promoted with the watershed management plans. The harmonised approach is encouraging, however the manual can provide further options for climate change adaptation particularly for the watershed areas. These measures can be informed by the local climate risk analysis being done for the schemes that can beneficially include trends analysis with communities along with the downscaled climate projections as outlined in the SECAP section.

An additional risk linked to climate change is increasing salinization. PASIDP II has engaged the International Centre for Bio-saline Agriculture to support beneficiaries in reducing the risk of salinity in some parts of Amhara and Tigray and improving soil fertility through the introduction of different plant species.

The challenge of pests and diseases is being faced by several communities in the PASIDP II target areas. This challenge can be exacerbated by climate change and therefore if clear links are established between the incidence of particular pests and diseases and climatic events, adaptation measures such as integrated pest and diseases management can be promoted for the smallholders (see ENRM section).

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Experience sharing Conduct a field trip for key PCMU staff to selected participatory watershed development sites supported by the CGIAR Climate Change, Agriculture and Food Security Project in Ethiopia.	FPCMU	08/2018
Develop guidelines on resilient construction standards as well as guidelines for climate-smart water resources management The RPCMUs and staff at lower administrative levels should be trained on the guidelines and their application at the community and households levels.	FPCMU	03/2019
Climate Smart Agriculture Manual Include further options for climate change adaptation particularly in the watershed areas (e.g. perennial crops, non-timber forest products)	FPCMU	09/2019
Improved varieties Promote drought tolerant crop varieties in watershed areas	RPCMU/Woreda teams	12/2019
Conservation agriculture Scale up appropriate CA techniques in all watershed areas	FPCMU/RPCMU/Woreda teams	05/2020

b. Sustainability and Scaling up

Institutions and Policy Engagement

Rating: 4

Previous rating: 4

Justification of rating

The programme implementation is providing valuable practical policy development material for Ethiopia, and these Programme are being actively discussed by programme management and IFAD with the relevant policy-makers in the Government. The areas of policy engagement are in enhanced inputs supply, adoption of a business approach to irrigation and watershed production systems, costs of scheme operation and maintenance and improved water-use efficiency in irrigation schemes.

Main issues

Provision of appropriate inputs to irrigation farmers is currently constrained by the existing system that provides standardised inputs through multi-purpose cooperatives. The standardised inputs are designed to assist small-scale, mostly subsistence-oriented production, and are thus not suited to intensive production of irrigated crops. There is a need

for modification to this system, possibly through greater involvement of private-sector providers.

Business approach for irrigated and enhanced rainfed production. Ethiopia has in the past supported a production-oriented system for smallholders. The implementation of PASIDP II, has adopted a market-oriented business approach, and this is now being recognised by the Government as an appropriate strategy for smallholder development.

Cost of Water for Irrigation Schemes. Previously, the cost of water has not been a factor in management and operation of smallholder irrigation schemes. However, it is noted that this often leads to scheme failure, as there is little or no provision made for operation, maintenance and depreciation costs. In recognition of this, the PASIDP II design explicitly identifies the need for provision to be made by IWUAs, through levies on their members, for these costs. This approach is now being implemented through PASIDP.

Water use efficiency (WUE). Previous smallholder scheme designs normally used flood or furrow irrigation application methods. While these are low cost to install, they are high cost in terms of poor water use efficiency. Typically, such techniques only provide WUE of about 40%. There are numerous opportunities for relatively low-cost pressurised systems, using drip or sprinkler application techniques, as well as using night-storage reservoirs as a means of maximising WUE. The programme has commenced plans to implement these techniques in a few schemes for demonstration purposes, financed through an SSTC grant.

Partnership-building **Rating: 5** **Previous rating: 4**

Justification of rating

The Programme is coordinating with different initiatives in the country and abroad to get support in delivering the planned outputs and outcomes better. AGRA is providing TA through Technoserve to strengthen MAAs which are comprised of farmers’ cooperatives, service, representatives of lead farmers in each of the schemes. The Programme is leveraging the experience of SMIS Programme on gender model family and capacity building of IWUAs, ICBA is working with the Programme on improvement of soil fertility and reducing salinity, WFP and Sekota Declaration Program are working closely with the Programme in promoting nutrition whereas KGDP is working on marketing of produces with the Programme. The Programme is working as well with Micro Insurance Centre at Millinium to promote insurance. The Programme is also involved in National Agricultural Water Management Platform where policy issues are discussed. In addition, there has been recent partnership between Global Malting Services for a commercial engagement with PASIDP farmers for production of seed barley.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Sustainability and Scaling up		
Establish linkages with other programmes and private sector	PCMU	08/2018
PCMU to work with other on-going programmes to share experience and lessons.		

Human and Social Capital and Empowerment **Rating: 4** **Previous rating: 4**

Justification of rating

The Programme has supported the beneficiaries to establish and strengthen their organizations (IWUA, market oriented cooperative and MAA). Reportedly, the Programme has provided various trainings and exposure visits to capacitate the beneficiaries, mainly to IWUA leaders. The impact of these empowerment efforts are yet to be observed on women and the youth and community at large.

Quality of Beneficiary Participation **Rating: 4** **Previous rating: 3**

Justification of rating

Beneficiaries’ consultation mechanisms are in place. Beneficiaries’ views are taken into consideration during planning and implementation, though there remains some cases where this is overlooked. Beneficiaries’ labour contributions are generally at the level envisaged at design. Beneficiaries’ buy-in of the schemes is not yet fully visible as their contributions for O&M remain small. Nonetheless, O&M contribution are reportedly improving with the programme sensitization activities.

Main issues

Established IWUA are the channels used for consultation and the IWUA leadership are the facilitators for the beneficiary community participation. According to IWUA committee members visited by the mission, decisions within the committees are done in a consultative manner and if some committee members' view is different, they will discuss until agreement is reached. If committees do not agree, the majority vote will be applied. In such cases, it is a concern that the voice of vulnerable groups (like women) may not be heard. Women representation in the IWUA committee is limited (E.g. in Menisa Scheme, out of 15 committee members, women are only 5 and of this only 2 are in the leadership of the committee).

Reportedly, IWUA are also the channels for the community grievance and redress mechanisms. If not addressed within the organization, they coordinate with the concerned administrative body and/or project team to address the issue. For example, in Menisa scheme, for those farmers that the main canal cross through their farm but whom technically could not access the water, IWUAs leadership has negotiated and agreed with project team to provide them with water pumps, so that they will not be excluded, and their grievance be addressed. In a related case, during the mission visit to Menisa scheme, a flood risk in heavy rainy season, in association with structural problem of the headwork, has been reported by the community. The mission has visited the structure along with project team and the contractors, and it was agreed to undertake corrective construction measures immediately before the arrival of the heavy rainy season.

Community participation measured in terms of labour contribution has two sides. Reportedly, at Programme level estimated ETB 37.4 million in kind contribution has been provided by the community in terms of labour support for irrigation scheme construction work and watershed management activities. In particular, the community contribution in labour and material cost (about 2.7%) for the irrigation scheme is less than what was envisaged at design. 30% At the same time the community in-kind contribution for watershed activity is as envisaged at design (44%).

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling up		
Strengthening of Participatory Processes Include a dedicated budget line in the AWPB to enable Regional ESS Specialists to actively oversee participation processes, equity issues, following up on grievances, social documentation including FPIC, and E&S safeguards issues for scheme sustainability.	FPCMU, RPCMU	07/2018
Develop a capacity building program for the IWUAs that can be used by the different RPCMUs. 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.	FPCMU and RPCMU	12/2018
Strengthening Participation Guidelines Develop guidelines at regional level to ensure full participation by the farmers and communities for all programme activities from design, agribusiness, research, watershed management, and M&E.	RPCMU	03/2019
Strengthening of Grievance Redress Mechanisms 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.	RPCMU	03/2019
Strengthening of Grievance Redress Mechanisms Develop guidelines at regional level to ensure full participation by the farmers and communities for all programme activities from design, agribusiness, research, watershed management, and M&E.	RPCMU	03/2019

Responsiveness of Service Providers**Rating: 4****Previous rating: 3****Justification of rating**

In addition to partnerships with various donors and other institutions (see above), the Programme has, during the past year, concluded various new contracts with service providers whose support operations are financed from the PASIDP II funds. These service provider contracts, if successfully implemented, can substantially increase the potential of reaching the key output and outcome targets of the Programme. Apart from infrastructure-related activities, most of the service provider contracts are recently finalised, and their impact on PASIDP II performance cannot yet be effectively evaluated.

Main issues

Service Provider contracts are now operational in six PASIDP II activity areas. First, various private firms and consultants operate with the site design and construction Programmes. Their progress and challenges are assessed in detail elsewhere in this report. Second, private service providers have recently been engaged to support market assessments and studies, to create basis for successful marketing linkages. Third, the important contract with Technoserve was recently signed, to support the commercial aspects of the Programme operations, which are critically important for reaching the key outcome targets of PASIDP II.

In specific areas related to agronomy and environment, three additional service provider contracts are operational, all with international organisations. IWMI works on water-related issues, specifically to set up an effective water monitoring system. ICRSAT assists in tropical agronomy subjects, including plant protection issues. ICRAF support importantly covers the operations in the watersheds around the irrigation sites and include support to income generating activities with agro-forestry, including fruit trees Programmes.

All service provider contacts under PASIDP II require active and continuous follow up by the PMU, to ensure good returns for the invested Programme funds and measurable impact on the Programme beneficiaries.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Sustainability and Scaling up		
Develop a monitoring system to ensure systematic follow-up on all service provider contracts	FPCMU	06/2019
continuous		

Environment and Natural Resource Management**Rating: 4****Previous rating: 4****Justification of rating**

Environment and natural resources management is being improved in PASIDP II target areas through watershed management practices and the irrigation schemes. So far 84 watershed management plans have been developed. There is some scope to further improve the management by promoting more sustainable biological erosion control measures such as grass strips, engaging the community further during the selection of the appropriate measures, promoting soil fertility improvement measures and water use efficiency. Environmental management can also be further improved through the protection of embankments in the irrigation schemes, promotion of integrated pest management techniques including tree based systems (e.g. neem tree), early detection of pests, crop rotation and timely planting.

Main issues

The techniques being promoted for watershed management include biophysical structures such as trenches, vegetated bunds, check dams, grass strips (with dual purpose for forage), agro forestry (fruit trees) as well as controlled grazing (with area closures). These techniques are promoted based on the watershed management guidelines and are included in the five year watershed management plans developed by communities. The management plans are also informed by the hotspot mapping done by the Woreda/Kebele officers.. The trenches that are labour intensive are less sustainable and require resources as currently provided through the social safety net programmes. Grass strips on other hand are more sustainable as they need less maintenance, can contribute to terracing, are a source of feed for livestock and can also be done by women. Consequently more focus should be placed on the biological solutions such as grass strips including vetiver species that can be used on steep slopes.

Each community has a watershed management committee that raises awareness and sensitises other community members on the benefits of watershed management and leads the implementation of the management plans. The committees were functional in the three sites visited during the mission. The plans developed are also comprehensive.

The incentives for managing the watershed that were highlighted by communities included protection of the irrigation infrastructure, maintaining the micro-climate and maintaining productivity of the areas. Community members appreciated the training being provided by the PASIDP II team, which effectively supplements their traditional knowledge. The catchment management concept is still yet to be fully reflected in the micro-watershed schemes. Though the maps are a starting point for the hotspot mapping more can be done to make use of the mapping capacity to illustrate the interdependency of communities and further the implementation of catchment level management plans.

Productivity in the watershed areas is limited by land degradation, lack of access to good inputs including agrochemicals and climate variability. Land degradation is being addressed through the biophysical watershed management and erosion control measures outlined above, while conservation agriculture is being promoted to deal with climate variability. Techniques for integrated pest management and soil fertility enhancement using agroforestry can also contribute to improving productivity in the watershed areas while also improving environmental and natural resources management. Currently tree species such as Cordia Africana, croton macrostachias, sesbania sesban, lecunea lecocifa are being promoted, the options can be widened to include neem and faidherbia albida along with the fruit trees in the package for smallholders. The benefits of these tree species should be further explained to communities to incentivize adoption. The composting and use of organic fertilizers also needs to be further encouraged.

Water resources management can be improved in some of the schemes. In one of the sites visited during the mission, the banks along the canal were bare resulting in increased siltation. The scheme members can be encouraged to vegetate the banks and where feasible geotextile can also be utilised. This issue was raised in the last supervision mission but action seems to be ad-hoc and limited. In addition the drainage of the irrigation schemes is currently the responsibility of the scheme members. The drainage systems are included in the scheme design and it is important for community members to be adequately guided in their installation. Once the schemes become fully operational water quality at the discharge points will have to be tested.

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling up		
Provide implementation support mission to watershed component of PASIDP-II 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.	FPCMU	12/2018
Watershed Management Techniques Prioritise biological options including vetiver grasses to ensure sustainability of measures	FPCMU/RPCMU	12/2019
Soil fertility enhancement Include more soil fertility enhancement and pest control trees in the agro-forestry packages	FPCMU/RPCMU	12/2019

Exit Strategy

Rating: 4

Previous rating: 4

Justification of rating

Key elements of the exit strategy developed as part of the programme design include supporting farmers to enhance their productivity, establishing solid value chain and market linkages and functioning IWUAs, backed by consistent policies to sustain their operations. Besides, the effort made to participate the community in the program design and implementation will be another exit strategy as there will be true ownership of the program interventions by the community. These elements remain relevant and are pursued in implementation, which is still at an early stage. The major agreements reached during the mission will enhance the performance of implementation against the key elements of the exit strategy.

Potential for Scaling-up

Rating: 4

Previous rating: 5

Justification of rating

PASIDP II is demonstrating different approaches which can be scaled up in other programs/projects. The programme's

disbursement rate is rated as highly satisfactory and implementation is well coordinated and going well. The programme is able to mobilize additional fund of US\$ 499, 905 from China- IFAD SSTC grant which supports the on-going effort to enhance water use efficiency and productivity. During the mission, it is observed that the programme is highly relevant and has strong potential for scaling up both, small scale irrigation development, as well as sustainable watershed management practices and climate change adaptation.

c. Project Management

Quality of Project Management	Rating: 4	Previous rating: 4
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Justification of rating

The governance structure for the programme is functioning well. This structure includes steering and technical committee. These structures are established at all levels (Federal, Zonal, Woreda and Kebele) and are carrying out their responsibilities and making close follow up on the progress of the programme. Over all there is an excellent leadership in the management of the programme. These structures conduct periodic field visits and supervisions to identify issues and provide support. The support provided by these structures enables the program to get implemented smoothly. There are also federal and regional learning forums where the progress of the programme is evaluated along with the challenges. All the key positions are also recruited with competent staff.

Main issues

Woreda level focal persons and kebele development agents are not prioritizing PASIDP II related assignments sometimes because of competing priorities and in other cases because of lack of willingness. There is a tendency to consider PASIDP II is an separate Programme from the government which is affecting the timely delivery of assignments.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Project Management		
Engagement of woreda focal persons and DAs Make a follow up with the reforms going on in MoA and implement the reform as soon as endorsed	Steering Committee and FPCMU	07/2019

Knowledge Management	Rating: 3	Previous rating: 3
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Justification of rating

The Programme does not have a KM strategy. Nonetheless, there are some KM activities included in the AWPB. There is no specialized staffing for KM activities. Rather, KM is an add-on to M&E staff of the Programme. As a result the staff has limited capacity and would benefit from guidance and trainings. Programme experiences, best practices and learnings are not well documented and shared. Efforts are on progress to document Programme experiences and improve visibility.

Main issues

At scheme level, the mission has observed, farmers research groups (FREG) are the platforms for generation and sharing of knowledge concerning scheme level production challenges. Selected farmers (groups of 20) supported by researchers from agricultural research institute (Areka agricultural research institute researchers for Ofla woreda schemes) and accompanied by development agents and kebele agricultural office officials, identify the main pressing challenge of the community (i.e., water shortage, productivity, crop health, agronomic practice, etc.), then conduct experimental pilots based on the knowledge exists within the research institutes on designated farmers land, and conduct demonstration to other farmers on farmers day event, following the experimental success results. To this end, as agreed above under development effectiveness section, provision of enough time and budgeting for FREG success rollout is critical. Furthermore, it has also been agreed to capture FREG experiments and other best practices in a video so as to support rollouts.

At regional and FPCMU level, KM activities are done in the form of consultation workshops, which bring together Programme personnel from different regions to discuss on best practices and learn from each other. The best practices and lesson learned are not yet properly documented and widely shared. This is mainly attributed to lack of skilled human resources at PCMU and RPCMU level on KM. Currently, KM activity is an add-on on the M&E experts. To this end, it has been agreed to provide a specialized training to this M&E staff on how KM deliveries are carried out.

Furthermore, different KM activities are included in AWPB and are budgeted. KM deliverables in AWPB include: 26 TOT for PCMU staff and concerned stakeholders delivery; one experience sharing visits on irrigation agronomy; 25 experts' participation on exposure visits (abroad) for experience sharing and 5 (1 at federal and 4 at regional level) public consultation workshop on FPIC, RAP. Additionally, as part of communication strategy, each RPMU via their local media and FPCMU via nationwide media have delivered Programme visibility news and are also on the process of preparing documentary video to promote Programme best practices.

Furthermore, the Programme is piloting different innovative approaches with the support of different service providers (CG centres) and partners (AGRA, Technoserve, etc.). From the KM point of view, it has been agreed that such accumulated knowledge will be documented properly, organized and disseminated within the Programme and to benefit other similar IFAD Programmes and contribute to SSTC and KM activities in IFAD.

Agreed Action	Responsibility	Agreed Date
Project Management		
Develop a “Learning & Knowledge Management Strategy” 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.	FPCMU	12/2018
Capacitate KM staff Arrange specialized trainings by international specialist for KM assigned staff both at Federal and regional level on the basics of KM	FPCMU and RPCMU	08/2019

Value for Money **Rating: 4** **Previous rating: 4**

Justification of rating

Programme implementation is going well particularly on the irrigation investments. There is a need to go aggressively and improve the weak linkages of the capacity for agriculture component of the project so as to ensure good value for money.

Main issues

This is at early stage to evaluate value for money as the programme is yet to report on outcomes. Nonetheless, there is indication of good value for money. As discussed above, there is a need to substantially work on the weak links in relation to irrigation efficiency, agricultural productivity and commercialization to ensure good value for money. The programme needs systematically and aggressively utilize various partnerships and initiatives.

Coherence between AWPB and Implementation **Rating: 4** **Previous rating: 3**

Justification of rating

Most of programme activities conform to the AWPB. However, the linkages between budget utilization and physical progress are not always clear. The programme has submitted AWPB for 2018/19 on time.

AWPB Inputs and Outputs Review and Implementation Progress

AWPB review revealed that the programme will mostly execute planned activities for the year both in terms of budget utilization and physical progress. During the 11 months of AWPB, only about 62.6% of budget has been utilized. However, it has been reported that about 30% of AWPB (ETB 251,097,235.20) has been advanced to regions to be invoiced during this budget year. If realized, this will bring budget utilization to about 93%.

On the other hand, during the 11 months of AWPB, physical progress demonstrates delays for most critical project components and sub-components. For instance, feasibility and detailed engineering design of schemes is at 37% of AWPB for diversion schemes that include 12 rollovers schemes from the previous year and 34 new schemes planned for this year. Likewise, construction of irrigation schemes stood at 27.7% of AWPB for diversion schemes that included 21 rollovers from the previous year and 15 new schemes. No progress has been reported for the review period in relation to planned development of alternative water sources. Analysis of physical progress compared against the financial utilization has been difficult to make as the project did not provide detailed information on financial progress by component and sub-

components vis-à-vis plans.

Agreed Action	Responsibility	Agreed Date
Project Management		
Prepare a revised annual work plan and budget for the period July 2018 to June 2019 Revise targets as the current AWPB targets may have been ambitious.	PCMU	07/2018
Expedite activities planned under component B and C Particularly agribusiness linkages under component B and program management, monitoring and evaluation, and knowledge management and learning under component C.	FPCMU & RPCMU	06/2019

Performance of M&E System

Rating: 3

Previous rating: 3

Justification of rating

M&E system is inadequate. Reporting is limited to activities and outputs. Program management team use some of M&E information for planning and decision making process.

M&E System Review

M&E guideline has been given for the mission for review, which provides adequate sets of direction and guides for good M&E system that is able to support appropriate result based program monitoring and evaluation and to produce output, outcome and impact level data that facilitate development effectiveness of the programme. Nonetheless, the guideline implementation is very limited and the Programme reports only activity and output level performance.

The Programme is preparing to carry out its first annual outcome assessment as part of its M&E system and, outcome study data collection tools has also been submitted to the mission for review. The tools are satisfactory for collecting the desired data. This outcome data collection and assessment is being planned to be carried out by the Programme team (in-house), whereby capacitating training is anticipated to be provided to the team by Ethiopian Statistics Association including data collection tool programming (e.g. CPro) and data analysis statistical software's (e.g. SPSS). Although using in-house resources is valuable to capacitate Programme management, it potentially has an adverse effect on the quality of data and analysis. To this end, it has been agreed to ensure the Ethiopian Statistics Association support is provided beyond this training. It is proposed that this organisation is also involved during data collection in the tool programming and analysis stage. This is to ensure that the schedule to collect outcome data (July 2019) is achieved. There presumably are existing outcomes to be captured from PASIDP I schemes that received agricultural support and PASIDP II schemes (14 schemes) that have already been operational for a year.

The Baseline Study, a key part of the M&E system, has been undertaken on the first 75 batch of new irrigation schemes. However, the final report of the baseline study (after two year and half of Programme implementation) has not yet been submitted which creates difficulties to update logframe baseline data.

It has been proposed that the programme M&E/KM effort would benefit from an exchange visit to IFAD projects in Indonesia that are known to have been applying the best standards of these functions. If agreed, IFAD will provide support in organisation of such tours for key M&E personnel.

Agreed Action	Responsibility	Agreed Date
Project Management		
Amend the logical framework indicators to make these more measurable, specific and relevant Activities in the AWPB should directly follow from the outputs and outcomes specified in the logical framework.	Federal and regional PCMU	09/2018
Prepare detailed data templates for M&E on outputs and outcomes The templates should specify relevant output and outcome indicators.	M&E specialists at FPCMU and RPCMU	09/2018
Prepare an elaborated M&E plan M&E plan should specify the output and outcome indicators, and in particular outcome indicators which are currently missing.	M&E specialists at FPCMU and RPCMU	10/2018
Expedite the establishment of an MIS system for M&E 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.	FPCMU and RPCMU	12/2018
Annual outcome assessment Execute data collection for outcome assessment per agreed schedule with significant technical support from Ethiopian Statistics Association	FPCMU	07/2019
M&E Personnel Exchange Visit Exchange tour to Indonesia to be arranged	FPCMU and IFAD	07/2019

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

Rating: 5

Previous rating: 4

Justification of rating

PASIDP II is categorised as A due to the size of the irrigation schemes being developed (some exceed the 100ha threshold). The schemes have environmental impact assessments that start with the risk screening by the Kebele officers. The impact studies are supervised by the regional teams and conducted by independent consultants. Annual audits of the studies have been initiated in each of the four PASIDP II regions. Identified gaps include the comprehensiveness of mitigation measures and ability of Kebele staff to monitor the implementation of ESMPs. The climate risk is moderate and a basic risk analysis informs the adaptation measures. More region specific climate risk analysis are being undertaken that can inform the irrigation scheme designs and climate smart agriculture techniques

SECAP Review

SECAP related documents are being produced particularly the impact assessments where impact rating is B (majority of the schemes according to national procedures). Based on feasibility studies, three full and 19 partial ESIA's have been developed, while from the detailed designs 10 full and 40 partial ESIA's have been produced. The standard of the documents continues to improve following the capacity building of lower level officers. The SECAP audits highlighted the limited consultation of communities and perhaps negligence in the identification of the potential negative impacts i.e. the social aspects. The weaknesses identified can be addressed through additional capacity building of Woreda and Kebele level officers and to the extent possible the consultants undertaking the studies. In the irrigation schemes the FPIC principals are followed through the pre-requisite for first level land certificates for scheme members.

The PASIDP II team is effectively engaging the environmental protection officers at different levels (Woreda and Regional), which should contribute to improved outcomes from the SECAP. However, as noted above there is a need for further capacity building at these levels in some specific technical areas such as water flow estimates, determination of minimum environmental flows and impact ratings.

The SECAP activities are incorporated into the AWPB and procurement plans and therefore are fully operational and contributing to reducing the potential negative impacts of the PASIDP II both for environment and social aspects. Resources are also provided for the monitoring of ESMPs by the Woreda and Kebele teams. Grievance redress mechanisms have been elaborated with conflicts being documented and resolved through IWUA committees. Capacity building in conflict resolution has also been provided.

Participatory implementation of ESMPs can be ensured as a means of capacity building of the local communities and contributing to the sustainability of the irrigation schemes. This can also contribute to improved operational health and safety during construction and operation of irrigation schemes. The participatory implementation should be introduced during the engagement of the communities in the impact studies and development of the plans. The ESMPs need to be coherent with the watershed management plans as the latter are in some cases aimed at protecting the irrigation infrastructure and ensuring its sustainability.

The consultations being conducted should include all Programme affected communities and not just the irrigation scheme participants as appears to be the case at present. Communities both upstream and downstream of irrigation schemes have to be included in the consultations. This will reduce potential conflicts and also raise awareness regarding the interdependency of communities as well as benefit sharing.

Scheme level climate risk analysis has been initiated. This should be done systematically to inform the design and operation of the schemes. The downscaled climate Programme should be complemented by trends analysis with community members to also build their capacity in climate change risk management.

Agreed Action	Responsibility	Agreed Date
Project Management		
Budget Allocation for Environmental and Social Monitoring and Management Dedicate an appropriate budget for environmental and social monitoring and management during construction and scheme operation, as well as other programme activities.	FPCMU and RPCMU	07/2018
Maintaining Documentation Compile all documentation (including copies of originals kept at woreda level) related to stakeholder consultations and file it at the Regional Offices. Submit summary consultation logs to the FPCMU for recording purposes.	FPCMU and RPCMU	09/2018
Training in determining environmental flow Technical assistance to train FPCMU and RPCMU ESS Specialists and Engineers, consultants, Members of the Bureau of Water, EPLAUA in the concepts and establishment of environmental flow.	FPCMU	10/2018
Capacity building for technical teams Conduct training in impact rating and environmental flow assessment	IFAD/FPCMU	10/2019
Environment and Social Management Plans Ensure participatory implementation of ESMPs and coherence with the watershed management plans and coherence with the watershed management plans	RPCMU/Woreda and Kebele teams	12/2019
Climate risk analysis Include trends analysis with communities in the scheme level risk analyses	RPCMU/Woreda and Kebele teams	05/2020

d. Financial Management & Execution

Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$12,073,000		
	National Government	\$18,722,000		
Co-financing breakdown,	Alliance for a Green Revolution In Africa	\$989,688		

Acceptable Disbursement Rate**Rating: 6****Previous rating: 6****Justification of rating**

Automated rating based on IFAD disbursement data

Main issues**Justification of rating**

The project is in its 3rd year of implementation having become effective on 13 February, 2017 and its actual disbursement rate is 33%. There has been no extension. The IFAD loan is disbursed at 35%, the IFAD grant at 28%, while the ASAP grant is disbursed at 18%. Compared to disbursement of a project with the same disbursement profile, the rate of disbursement is highly satisfactory.

Main issues

As at 30 April 2019, the IFAD loan, the IFAD grant and the ASAP grant were disbursed as summarised below (SDR'000).

Financing product	Allocation	Actual disbursement	% actual disbursed	Pending WAs	Total including pending WAs	Balance	%
IFAD loan	72,950.00	25,652.00	35%	6,353.10	32,005.10	40,944.90	44%
IFAD grant	1,080.00	305.71	18%	10.60	316.31	763.69	29%
ASAP grant	7,870.00	1,379.90	28%	194.53	1,574.43	6,295.57	20%
Total	81,900.00	27,337.61	33%	6,558.23	33,895.84	48,004.16	41%

As at 30 April 2019, the IFAD loan was SDR 25,652,002.73 disbursed representing 35% of loan allocation. The IFAD grant was SDR 305,713.48 disbursed, representing 18% of grant allocation and the ASAP grant was SDR 1,379,903.96 representing 28% of the allocation. Considering the pending withdrawal applications of equivalents of SDR 6,558,225.41 being processed, the IFAD loan, IFAD grant and ASAP grant will be 44%, 29% and 20% disbursed respectively making the combined disbursement SDR 33,895,845.58 representing 41% of the total allocation. The disbursed amount includes the authorised allocation of USD 10.0 million which the programme is using to replenish the designated account. The balance available to be accessed from IFAD will be SDR 48,004,154.42 equivalents of USD 66,725,774.64 with which PASIDP II will have to plan for the remaining implementation period. Implementation efforts should be stepped up on ASAP financed investments to align disbursements on the grant with that on the IFAD loan.

The project has been using direct payments to settle invoices of equivalents of USD 100,000 and above, in line with the provisions of the Letter to the Borrower. It has however recently been observed that there were transfer related delays in processing direct payments related to the banks leading to failure by government to honour its contractual obligations on a timely basis and delays in execution of civil works where most direct payments have been applied. To mitigate these delays and efficiently finance the 2019/20 AWBP, IFAD suggests avoiding direct payments, and instead increasing the authorized allocation of the designated accounts from currently USD 10 million (total) to USD 15 million to allow all payments to be made through the operational account. .

As the IFAD and ASAP grants are not affected by civil works, the increase of USD 5.0 million will be on IFAD loan. To justify this increase, a cash flow projection will be submitted to IFAD upon approval of the 2019/20 AWBP.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Increased authorized allocation Submit a cash flow projection to support the need for increase in authorised allocation on the IFAD loan by USD 5.0 million to USD 14.0 million	Finance Manager/National Programme Coordinator	06/2019
Disbursement process To use the operating account to settle all local payments regardless of amount to mitigate risks against delays experienced in processing direct payments.	Finance Manager/National Programme Coordinator	07/2019

Fiduciary aspects

Quality of Financial Management

Rating: 4

Previous rating: 4

Justification of rating

Project accounting is done under QuickBooks accounting system. This has been implemented at FPCMU and RPCMUs using a uniform chart of accounts. At individual cost centre level, data posting is up to date. The finance team at FPCMU has not consolidated data from RPCMUs, budgets are not posted in the accounting software and there is lack of adequate segregation of duties.

Main issues

Main issues

Accounting. The project has implemented QuickBooks accounting software that has been uniformly coded across RPCMUs and FPCMU. Data from RPCMUs has not been consolidated at FPCMUs making the cost centers to appear as standalone entities. It was noted that the approved budget was not posted in the accounting software both at the FPCMU and RPCMUs making budget monitoring and control difficult. Data has to be extracted manually, manipulated in MS Excel to determine the current status of budget execution.

The mission further notes that the programme has not implemented proper segregation of duties despite having the minimum required staff numbers. There are cases where the Finance Manager at FPCMU has initiated transactions, posted the transactions in the accounting software, performed reconciliations and reported on the transactions including generation of withdrawal applications. This is compromising internal controls and the very purpose of segregation of duties; to ensure proper oversight, detection of errors and fraud prevention. Internal audit at RPCMUs have been provided by the respective Agricultural Bureaus but the MoA has not provided audit services to FPCMU to facilitate improvement in the internal control environment.

AWPB. Budget performance for the current budget is at 45%. Budget performance by component for 2018/19 is broken down as follows: Investment in Small-Scale Irrigation Infrastructure (58%); Investment for Capacity in Sustainable Agriculture (28%); and Project Management (24%). The mission noted that whereas the 2019/20 AWPB has been submitted to IFAD with a request for No Objection, the related procurement plan has not been uploaded on NOTUS. The programme is reminded that the procurement plan is an integral part of the AWPB and needs to be submitted together to facilitate its review along with the AWPB

SOEs. The mission reviewed SOEs number 13 in respect of IFAD loan and grant; and number 06 in respect of ASAP grant. The reviewed amounts were eligible and there were adequate supporting documents. A few SOE quality issues will require management attention like in cases of mix up of payment reference numbers and wrong narrations on SOEs relative to payment vouchers which make traceability of documents cumbersome.

Under WA number 13, category 1 - summary sheet 1 exchange rates were not appropriately applied for items 3 and 4, claiming the same amount of ETB and USD as shown below:

Item #	JV #	ETB Claimed	USD Claimed	Exchange rate	Appropriate claim (USD)	Amount over claimed (USD)

3	0767076	5,730.00	5,730.00	27.2501	210.27	5,519.73
4	0767062	229,904.25	229,904.25	27.2501	8,436.82	221,467.43
Total		235,634.25	235,634.25	27.2501	8,647.09	226,987.15

The above led to over payment by USD 226,987.15 under the withdrawal application. Checking and approval of documents to enhance internal controls will require to be strengthened to address these shortcomings.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
internal control issues Specifically assign roles to accounting staff to facilitate segregation of duties, both at FPCMU and RPCMUs	National Programme Coordinator	07/2019
Over-claimed amount under WA number 13 To recover the over-claimed USD 226,987.15 from the next replenishment withdrawal application.	Finance Manager/ National Programme Coordinator	08/2019

Quality and Timeliness of Audit

Rating: 5

Previous rating: 6

Justification of rating

The quality and timeliness of audit for the period ended 30 June 2018 conducted by the Audit Services Corporation was rated satisfactory and the report was acceptable to IFAD. The opinion on financial statements was unqualified and the financial statements prepared in accordance with modified cash basis were informative. The audit report together with the management letter were submitted on time.

Main issues

The Auditor raised a number of issues for management attention including taking physical inventory of assets; approvals of payment and journal vouchers and proper contract management and monitoring among others. Whereas management was in agreement with the observations, no documented evidence is available to track progress in implementation of audit recommendations.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Implementation of audit recommendations Develop an action plan for implementation of audit recommendations, whose progress should be reported to IFAD as part of semi-annual reports/Interim financial reports	finance manager	01/2020

Counterparts Funds

Rating: 3

Previous rating: 3

Justification of rating

GoE is providing funds to meet taxes and duties. Since project inception GoE has provided 18% of the overall targeted cash contribution and 31% of the budgeted counterpart contribution for 2018/19. In kind contribution from government is being quantified and is expected to be reported in the 2018/19 financial statements.

Main issues

Main issues

Government is expected to provide a total of USD 18.72 million as counterpart contribution, representing 13% of the project cost to finance taxes and duties. As of 30 April, 2019, equivalents of USD 3.32 million representing 18% of the target had been reported. For the financial year 2018/19, equivalents of USD 1.22 million (representing 31% of the budgeted USD 4.00 million) has been provided by the counterpart. The mission noted that counterpart financing transfers are ad-hoc on the basis of actual expenditure rather than the AWPB. As a consequence, these have been inadequate and not timely leading to pre-financing of VAT from the loan and grant resources. As at 30 April, 2019, ETB 21,973,819.91 equivalents of USD 779,213.47 had been pre-financed by the loan/grant funds at FPCMU and RPCMUs as follows:

Programme office	Pre-financed VAT (ETB)	USD Equivalents
FPCMU	1,251,744.08	44,388.09
Amhara RPCMU	8,199,493.76	290,762.19
Oromia RPCMU	5,127,259.77	181,817.72
SNNPR RPCMU	7,321,764.84	259,637.05
Tigray RPCMU	73,557.46	2,608.42
Total	21,973,819.91	779,213.47

GoE has provided in kind contribution in the form of office space, staff time, among others which is being quantified. Similarly, in-kind contribution has been realised from beneficiaries under small – scale irrigation infrastructure and watershed management activities. In line with guidance provided by IFAD on the quantification and reporting of in kind contribution, these will be disclosed in the 2018/19 financial statements.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
GoE contribution Claim and follow up un refunded VAT from government both at RPCMUs and FPCMU.	Finance Manager	06/2018
Beneficiary contribution Develop and implement a uniform community beneficiary contribution tracking forms/tools at all RPCMUs.	Finance Manager/M&E Specialist	08/2018
GoE Counterpart contribution Government contribution to be released as foreseen in the approved budget to avoid IFAD funding to pre-finance taxes. Refund pre-financed VAT to ensure that a refund is done before end of the fiscal year 2018/19	MOF	06/2019
GoE and beneficiary in kind contribution GoE and beneficiary in kind contribution Update and report in-kind contribution in line with guidance provided by IFAD	Finance Manager	06/2019

Compliance with Loan Covenants

Rating: 4

Previous rating: 5

Justification of rating

The Programme is being implemented in compliance with the financing agreement except for timely submission of AWPB and full implementation of the accounting software.

Main issues

A summary of compliance status is shown at appendix 3

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
AWPB Submit the 2018/19 AWPB to IFAD for review and No Objection.	PCMU	07/2018

Procurement

Procurement

Rating: 3

Previous rating: 4

Justification of rating

The Procurement plan is submitted on time but needed an in-depth reviewing and updating as it was not as descriptive as it should have been lacking enough description of items to be procured. The Procurement plan was not updated regularly resulting in inconsistency with actual procurement and planned procurement activities. Documentation of procurement activities exist but in a dispersed manner. Some Procurement documents are kept at the Ministry of Agriculture Procurement Department and others are kept at the PCMU and some are kept at the Regional Bureau of Agriculture. The qualities of such procurement documents as Bid documents need to further improved. The Procurement process is in general in compliance with IFAD's guidelines and Government procedure and is applied transparently.

Procurement Review

The Procurement plan prepared for the period in review lacks detail description of the items to be procured. As a living document, this plan also need to be updated regularly to reflect changes, progress and new demands. On this Plan it shows that a procurement method used is National Competitive bidding while the actual procurement method adopted is QCBS. This needs to be properly captured in the documents even if it might just be a simple typo.

Delays in procurement activities is experienced which is attributable to the luck of procurement specialist working for the Programme at Federal and Regional level. Procurement documents submitted to IFAD for review often return with common minor errors which would have been resolved in the presence of a procurement specialists. Procurement documents such as Bid documents are being prepared by Technical experts with less, if any, involvement of Procurement Specialists. These documents need to at least be thoroughly revised and fine-tuned by the Procurement Specialist before submission to IFAD. It is observed that on request for IFAD's No Objection while evaluating firms for their technical capability (availability of Machineries) for works, upon their submission of bid documents, while this should have been dealt with by screening according to their responsiveness and non-responsiveness, a rating was given risking inclusion of suppliers with a lack of capacity to undertake the work. This is believed to have occurred due to the absence of procurement personnel both at Regional and Federal level at the time of submission.

The Programme has on boarded Procurement Specialist at FPCMU replacing the one who resigned after working for a very short time. The Regional Procurement Assistants have also started working most recently. With this arrangement training should be organized for the Programme Procurement Staffs to help them come fully on board with IFAD Procurement Procedures. Additionally, materializing the new adjustment to the PASDIP II Letter to the Borrower to raise the threshold for prior review to US\$ 200,000.00 will help in expediting procurement activities.

A clear catalogue of contract register is not presented. The Programme need to use a clear and detailed contract register which is regularly updated. IFAD will share best sample/template to be adopted by the Programme.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Refresher Training IFAD to organize a refresher training on procurement methods, evaluation for consulting services, and record keeping	IFAD, PCMU	11/2018
Training Procurement training to be conducted for federal and regional procurement experts	IFAD/FPCMU	06/2019

F. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
Handover of Completed Schemes Completed schemes handed over to IWUAs for PASIDP II, and agreed action plans with Woredas for handover process for PASIDP I schemes	PCMU/RPCMU & Regional Govts	06/2019
Scheme Operation and Maintenance Payments IWUAs agree to required O&M payments for sustainability and this is accurately monitored June 2019 and continuous	PCMU/RPCMU & Regional Govts	06/2019
Financing Watershed IGAs Link potential watershed IGA operators to FIs Continuous	PASIDP, Technoserve	06/2019
Fully Participatory Feasibility Studies Effective engagement between farmers & scheme designers July 2019 and continuous	FPCMU/RPCMU Technoserve to assist	07/2019
Design of schemes Apply water use efficiency and water saving techniques July 2019 and continuous	Programme team	07/2019
Construction of schemes PCMU to direct consultants to supervise the contractors and provide timely corrections in scheme completion	Programme team along with the client	07/2019
Commercial Activities in Watersheds Agribusiness teams enable MAAs engagement to provide market support for all watershed producers All watershed management teams to be MAA members July 2019 and continuous Majority private sector members of MAAs	PCMU Agribusiness Teams, Technoserve & MAAs,	07/2019

Provision of Presentation Equipment Portable electronic projection equipment for each region	PCMU	08/2019
Financial Institutions Assessment Rate the capacities of FIs to serve irrigation farmers at each site	FPCMU & RPCMU Agribusiness Team & Technoserve	09/2019
Exchange Visit for Conservation Agriculture Arrange exchange visit to Kenya for CA techniques exposure	PCMU, IFAD	09/2019
Financial Inclusion for Farmers Motivate each irrigation farmer to open a savings account, later to apply for an input loan Enable Primary Cooperatives to act as farmer's interface with financial institutions, including Regional MFIs & RUSACCOs	PASIDP,	06/2020
Financing FIs. Encourage DBE to lend to FIs serving PASIDP clients and agree a monitoring framework to track access to credit	PCMU, IFAD	12/2020
Development Effectiveness		
Implement Market Access Alliances (MAA) approach as per the PIM Systematic implementation of the MAA approach, commencing with MAA fora for each region prior to 2018 dry season irrigation planning.	FPCMU and RPCMU	07/2018
Enhance access to credit Commence actions to enable farmers to access credit, through joint agreements between them, credit suppliers, inputs suppliers and market entities.	FPCMU and RPCMU	07/2018
Experience sharing Conduct a field trip for key PCMU staff to selected participatory watershed development sites supported by the CGIAR Climate Change, Agriculture and Food Security Project in Ethiopia.	FPCMU	08/2018
Strengthen business plans Strengthen cooperatives' business plans and communicate aggregated need for credit to Rural Financial Institutions and DBE to ensure sufficient liquidity.	FPCMU, RPCMU, DBE (RUFIP)	09/2018
Experience sharing 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	09/2018

<p>Adapt the gender strategy developed by MoALR</p> <p>Adapt the gender strategy developed by MoALR to reflect PASIDP II's gender targets.</p>	FPCMU	09/2018
<p>Provide equipment for FTCs</p> <p>Provide the necessary equipment for FTCs to deliver food demonstration training.</p>	RPCMUs	09/2018
<p>Enhanced targeting of irrigation users</p> <p>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.</p>	FPCMU & RPCMU	10/2018
<p>Develop a job creation strategy</p> <p>Develop a strategy to achieve the job creation target of the programme.</p>	FPCMU	10/2018
<p>Develop a database for the programme clients</p> <p>Develop a data base for the programme clients, which clearly indicates the list of clients/households that benefited from the programme, indicating the type of service provided to them.</p>	FPCMU	10/2018
<p>Strengthen FRGs</p> <p>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.</p>	FPCMU and RPCMU	10/2018
<p>Develop a gender-disaggregated plan for all interventions</p> <p>Plan all interventions using gender-disaggregated data and follow up on the achievement accordingly.</p>	FPCMU and RPCMU	12/2018
<p>Enhance women participation</p> <p>Increase the number of women in the different committees established by the programme, including their role in decision making.</p>	FPCMU and RPCMU	12/2018
<p>Develop guidelines on resilient construction standards as well as guidelines for climate-smart water resources management</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	03/2019
<p>Water harvesting</p> <p>Conduct demonstrations of rainwater harvesting for households.</p>	RPCMU	05/2019

<p>Application of Agronomic and Crop protection Techniques</p> <p>Use improved techniques in trials for high value crops Apply improved techniques watershed crops Organise trials for improved equipment for high value crops Provision of advice on accurate irrigation improved techniques in trials for high value crops</p>	RPCMUs/Woreda Experts	06/2019
<p>Nutrition mainstreaming study</p> <p>Designate team member to follow-up on recommendations pending recruitment of the Federal Gender and Nutrition Officer</p>	FPCMU/RCMU	06/2019
<p>Gender Officers</p> <p>Recruit Federal level gender and nutrition officer to ensure guidelines are followed</p>	FPCMU	08/2019
<p>Improved Inputs Supply</p> <p>Conduct feasibility study for establishing Farmers' Service Centres for PASIDP schemes</p>	FPCMU/Agribusiness	09/2019
<p>Improved Inputs Supply</p> <p>Advice to MOA State Minister for inputs and outputs market sector on PASIDP farmers' input needs</p>	FPCMU	09/2019
<p>Improved Inputs Supply</p> <p>Encourage leading PASIDP Farmers to produce improved seed as a business</p>	FPCMU/Agribusiness	09/2019
<p>Climate Smart Agriculture Manual</p> <p>Include further options for climate change adaptation particularly in the watershed areas (e.g. perennial crops, non-timber forest products)</p>	FPCMU	09/2019
<p>FREG success rollout</p> <p>Consider extending duration of FREG support and budget accordingly</p>	FPCMU	10/2019
<p>Nutrition Objective</p> <p>Promote production of nutrition rich (protein rich) crops at least in all home gardens and promote home consumption so as to support a realization of nutritional target of the programme</p>	FPCMU	10/2019
<p>Household Methodologies</p> <p>Conduct ToT for HHM and develop roll-out plan</p>	FPCMU/RCMU	12/2019
<p>Labour saving technologies</p> <p>Promote improved cook stoves in schemes where these have been included in the watershed management plans</p>	FPCMU/RCMU/ Woreda & Kebele teams	12/2019

<p>Potable water supply</p> <p>Demonstrate technologies for supply of potable water for communities</p>	FPCMU/RPCMU	12/2019
<p>Monitoring improved nutrition</p> <p>Establish linkages with health and education officers to develop effective monitoring tool</p>	FPCMU/RPCMU/ Kebele teams	12/2019
<p>Improved varieties</p> <p>Promote drought tolerant crop varieties in watershed areas</p>	RPCMU/Woreda teams	12/2019
<p>Conservation agriculture</p> <p>Scale up appropriate CA techniques in all watershed areas</p>	FPCMU/RPCMU/ Woreda teams	05/2020
Sustainability and Scaling up		
<p>Strengthening of Participatory Processes</p> <p>Include a dedicated budget line in the AWPB to enable Regional ESS Specialists to actively oversee participation processes, equity issues, following up on grievances, social documentation including FPIC, and E&S safeguards issues for scheme sustainability.</p>	FPCMU, RPCMU	07/2018
<p>Establish linkages with other programmes and private sector</p> <p>PCMU to work with other on-going programmes to share experience and lessons.</p>	PCMU	08/2018
<p>Develop a capacity building program for the IWUAs that can be used by the different RPCMUs.</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	12/2018
<p>Provide implementation support mission to watershed component of PASIDP-II</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	12/2018
<p>Strengthening Participation Guidelines</p> <p>Develop guidelines at regional level to ensure full participation by the farmers and communities for all programme activities from design, agribusiness, research, watershed management, and M&E.</p>	RPCMU	03/2019

<p>Strengthening of Grievance Redress Mechanisms</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	03/2019
<p>Strengthening of Grievance Redress Mechanisms</p> <p>Develop guidelines at regional level to ensure full participation by the farmers and communities for all programme activities from design, agribusiness, research, watershed management, and M&E.</p>	RPCMU	03/2019
<p>Develop a monitoring system to ensure systematic follow-up on all service provider contracts</p> <p>continuous</p>	FPCMU	06/2019
<p>Watershed Management Techniques</p> <p>Prioritise biological options including vetiver grasses to ensure sustainability of measures</p>	FPCMU/RPCMU	12/2019
<p>Soil fertility enhancement</p> <p>Include more soil fertility enhancement and pest control trees in the agro-forestry packages</p>	FPCMU/RPCMU	12/2019
Project Management		
<p>Prepare a revised annual work plan and budget for the period July 2018 to June 2019</p> <p>Revise targets as the current AWPB targets may have been ambitious.</p>	PCMU	07/2018
<p>Budget Allocation for Environmental and Social Monitoring and Management</p> <p>Dedicate an appropriate budget for environmental and social monitoring and management during construction and scheme operation, as well as other programme activities.</p>	FPCMU and RPCMU	07/2018
<p>Amend the logical framework indicators to make these more measurable, specific and relevant</p> <p>Activities in the AWPB should directly follow from the outputs and outcomes specified in the logical framework.</p>	Federal and regional PCMU	09/2018
<p>Prepare detailed data templates for M&E on outputs and outcomes</p> <p>The templates should specify relevant output and outcome indicators.</p>	M&E specialists at FPCMU and RPCMU	09/2018
<p>Maintaining Documentation</p> <p>Compile all documentation (including copies of originals kept at woreda level) related to stakeholder consultations and file it at the Regional Offices. Submit summary consultation logs to the FPCMU for recording purposes.</p>	FPCMU and RPCMU	09/2018

<p>Prepare an elaborated M&E plan</p> <p>M&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	10/2018
<p>Training in determining environmental flow</p> <p>Technical assistance to train FPCMU and RPCMU ESS Specialists and Engineers, consultants, Members of the Bureau of Water, EPLAUA in the concepts and establishment of environmental flow.</p>	FPCMU	10/2018
<p>Develop a “Learning & Knowledge Management Strategy”</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	12/2018
<p>Expedite the establishment of an MIS system for M&E</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	12/2018
<p>Expedite activities planned under component B and C</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	06/2019
<p>Engagement of woreda focal persons and DAs</p> <p>Make a follow up with the reforms going on in MoA and implement the reform as soon as endorsed</p>	Steering Committee and FPCMU	07/2019
<p>Annual outcome assessment</p> <p>Execute data collection for outcome assessment per agreed schedule with significant technical support from Ethiopian Statistics Association</p>	FPCMU	07/2019
<p>M&E Personnel Exchange Visit</p> <p>Exchange tour to Indonesia to be arranged</p>	FPCMU and IFAD	07/2019
<p>Capacitate KM staff</p> <p>Arrange specialized trainings by international specialist for KM assigned staff both at Federal and regional level on the basics of KM</p>	FPCMU and RPCMU	08/2019
<p>Capacity building for technical teams</p> <p>Conduct training in impact rating and environmental flow assessment</p>	IFAD/FPCMU	10/2019

<p>Environment and Social Management Plans</p> <p>Ensure participatory implementation of ESMPs and coherence with the watershed management plans and coherence with the watershed management plans</p>	RPCMU/Woreda and Kebele teams	12/2019
<p>Climate risk analysis</p> <p>Include trends analysis with communities in the scheme level risk analyses</p>	RPCMU/Woreda and Kebele teams	05/2020
Financial Management & Execution		
<p>GoE contribution</p> <p>Claim and follow up un refunded VAT from government both at RPCMUs and FPCMU.</p>	Finance Manager	06/2018
<p>AWPB</p> <p>Submit the 2018/19 AWPB to IFAD for review and No Objection.</p>	PCMU	07/2018
<p>Beneficiary contribution</p> <p>Develop and implement a uniform community beneficiary contribution tracking forms/tools at all RPCMUs.</p>	Finance Manager/M&E Specialist	08/2018
<p>Refresher Training</p> <p>IFAD to organize a refresher training on procurement methods, evaluation for consulting services, and record keeping</p>	IFAD, PCMU	11/2018
<p>Training</p> <p>Procurement training to be conducted for federal and regional procurement experts</p>	IFAD/FPCMU	06/2019
<p>Increased authorized allocation</p> <p>Submit a cash flow projection to support the need for increase in authorised allocation on the IFAD loan by USD 5.0 million to USD 14.0 million</p>	Finance Manager/National Programme Coordinator	06/2019
<p>GoE Counterpart contribution</p> <p>Gouvernement contribution to be released as foreseen in the approved budget to avoid IFAD funding to pre-finance taxes. Refund pre-financed VAT to ensure that a refund is done before end of the fiscal year 2018/19</p>	MOF	06/2019
<p>GoE and beneficiary in kind contribution</p> <p>GoE and beneficiary in kind contribution Update and report in-kind contribution in line with guidance provided by IFAD</p>	Finance Manager	06/2019

<p>Disbursement process</p> <p>To use the operating account to settle all local payments regardless of amount to mitigate risks against delays experienced in processing direct payments.</p>	<p>Finance Manager/National Programme Coordinator</p>	<p>07/2019</p>
<p>internal control issues</p> <p>Specifically assign roles to accounting staff to facilitate segregation of duties, both at FPCMU and RPCMUs</p>	<p>National Programme Coordinator</p>	<p>07/2019</p>
<p>Over-claimed amount under WA number 13</p> <p>To recover the over-claimed USD 226,987.15 from the next replenishment withdrawal application.</p>	<p>Finance Manager/National Programme Coordinator</p>	<p>08/2019</p>
<p>Implementation of audit recommendations</p> <p>Develop an action plan for implementation of audit recommendations, whose progress should be reported to IFAD as part of semi-annual reports/Interim financial reports</p>	<p>finance manager</p>	<p>01/2020</p>

Participatory Small-scale Irrigation Development Programme II

Logical Framework

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members										Assumptions for target values: 1) 5 members on average in one HH, 2) All 5 members of the HHs reached by the project are assumed to receive the project support. This is because it is difficult to distinguish the irrigation and watershed beneficiaries by gender. 3) 20% HHs that receive project support are female headed, 4) 51% of persons receiving project support are women, 5) 58 % of persons receiving project support are the youth (51% of them women). The youth is defined as persons aged between 15 and 35 (inclusive).
	Household members			543 750	79 620	203 148	37.4				
	1.a Corresponding number of households reached							Progress reports	Annual	FPCMU, consulting firm	
	Non-women-headed households			87 000	9 909	27 309	31.4				
	Women-headed households			21 750	2 365	5 553	25.5				
	Households			108 750	12 274	32 862	30.2				
	1 Persons receiving services promoted or supported by the project										
	Males			53 288							
	Females			55 463							
	Young			63 075							
	Not Young			45 675							
Total number of persons receiving services			108 750								

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Project Goal Increased prosperity and improved resilience to shocks in food insecure areas of Ethiopia	# of HH participating in the Programme graduated above the poverty line 3/4 years after schemes are operational							Reference surveys	PY1, PY7	FPCMU, consulting firm	Assumptions for baseline values: 1) The number of HHs considered to be poor are both in command and watershed areas 2) HH's value of asset is the sum of HH's average value of durable and productive assets 3) The % of stunted children reported as baseline refers to the % of children who fall below minus three standard deviations from the reference population median. This refers to the % of severely malnourished children. Note that the data was obtained from the Demographic and Health Survey (DHD) conducted by the CSA in 2016 4) 51% of HH members supported in coping with climate change are females 5) 58% of HH members supported with climate change are young (51% of them women)
	Total Households below poverty line										
	Male headed households										
	Women headed households										
	% increase in value of assets of participating households							Reference surveys	PY1, PY7	FPCMU, consulting firm	
	Value of Asset per HH (ETB)										
	% reduction in prevalence of child malnutrition							Reference surveys	PY1, PY7	FPCMU, consulting firm	
	% of stunted children under 5										
	Poor smallholder household members supported in coping with the effects of climate change							Reference surveys	PY1, PY3, PY7	FPCMU, consulting firm	
	Males			235 200							
Females			244 800								

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	Total household members	0		480 000							
Development Objective Improved income and food security for rural households on a sustainable basis	Increase in household income from project support							Reference surveys	PY1, PY3, PY7	FPCMU, consulting firm	Effective agribusiness linkages Efficient start-up (A)
	Farm model A – 1 ha (ETB)	5 210		18 772							
	Farm model B – 1 ha (ETB)	7 833		29 072							
	Farm model C – 1 ha (ETB)	5 499		19 583							
	Farm model D – 1 ha (ETB)	6 298		2 984							
	Farm model E – 1 ha (ETB)	5 295		9 665							
	Farm model F – 1 ha (ETB)	9 108		15 073							

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Outcome Outcome 1 Farmers have sustainable access to irrigation schemes	# of households that have access to irrigation schemes							Surveys and specialized studies	PY1, PY3, PY7	RPCMU, implementers	Ownership of beneficiaries in irrigation schemes (A) No elite capture. Assumptions about targets: 1)20% of HHs that have access to irrigation schemes are women Access to financial services (A) Sufficient capacity of public services (A) Climate change measures adopted (A). Additional assumptions: 20% of HHs reporting reduced water shortages are women-headed
	Total Households			46 250	7 270	17 150	37.1				
	Women headed households			9 250	1 336	9 243	99.9				
	Male headed households			37 000	5 934	7 907	21.4				
	1.2.3 Households reporting reduced water shortage vis-à-vis production needs							Survey	PY1, PY3, PY7	PCMU, Implementers	
	Total household members			80 000							
	Women-headed households			16 000							
Non-women-headed households			64 000								
Output Output 1.1 Selection of irrigation schemes for investment	# of feasibility studies approved							Progress report	Quarterly	RPCMU, implementers	Ownership of beneficiaries in irrigation schemes (A) No elite capture (R)
	Hectares of land			18 400	3 580	6 517	35.4				
	Number of IWUAs established							Progress Report	Quarterly	RPCMU, Implementers	
IWUAs established			150	56	118	78.7					
Output Output 1.2 Irrigation schemes developed or upgraded on 18,400 ha	New or existing rural infrastructure protected from climate events (US\$' 000/Km)							Progress Report	Annual	FPCMU	Ownership of beneficiaries in irrigation schemes (A) No elite capture (R)
	Value			80 000							
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated							Survey	PY1, PY3, PY7	RPCMU, Implementers	
	Hectares of land			18 400	1 481	5 033	27.4				

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Outcome Outcome 2: Farmers have increased market-oriented skills and capacity for sustainable agriculture.	70,000 households achieve at least 50% increase in farm income							Surveys and specialized studies	PY1, PY3, PY7	FPCMU and consulting firm	Access to financial services (A) Sufficient capacity of public services (A) Climate change measures adopted (A)
	Maize MT/ha	1.5		3							
	Wheat MT/ha	1.5		2.7							
	Onion MT/ha	4		10							
	Chickpea MT/ha	0.7		1.8							
Output Output 2.1 Improved access to appropriate inputs, access to agricultural and financial services for smallholder producers	Number of persons with In and off farm employment							Progress Report	Quarterly	RPCMU, Implementer	Access to financial services (A) Sufficient capacity of public services (A) Climate change measures adopted (A). For the target values, it is assumed that 1) 20% of POs are assumed to be women headed 2) A total of 50,000 HHS are expected to receive a financial literacy support and 1 person per HH is expected to receive this support, 3) 51% of persons receiving financial support are women, 4) 58% of persons receiving financial support are the youth (51% of them women) 5) From the Number of persons with in and off farm employment 51% are women and 58% are the youth
	Females			7 650							
	Males			7 350							
	Young Male			4 263							
	Not Young			6 300							
	Households			15 000							
	Young Female			4 437							
	2.1.2 Persons trained in income-generating activities or business management							Progress Report	Quarterly	RPCMU Watershed Management	
	Males			7 350	2 598	4 341	59.1				
	Females			7 650	1 053	1 489	19.5				
	Young			8 700							
	Not Young			6 300							
	Persons trained in IGAs or BM (total)			15 000	3 651	5 830	38.9				
	1.1.7 Persons in rural areas trained in financial literacy and/or use of financial products and services							Progress Report	Quarterly	RPCMU, Implementers	
	Males			24 500							
Females			25 500								

Results hierarchy	Indicators							Means of verification			Assumptions			
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility				
	Young			29 000							<p>(51% of these are women) For the target values, it is assumed that 1)51% of persons trained in income-generating activities are assumed to be women 2) 58% of persons trained in income-generating activities are the youth (51% of them women) For the target values, it is assumed that 1)51% of rural producers accessing production inputs are women 2)58% of rural producers accessing production inputs are the youth (51% of them women)</p>			
	Not Young			21 000										
	Persons in rural areas trained in FL and/or use of FProd and Services (total)			19 500	3 471	3 493	17.9							
	1.1.3 Rural producers accessing production inputs and/or technological packages							Progress Report & MTR	Quarterly & Mid of project life	RPCMU, Implementers				
	Males			22 662	1 442	2 934	12.9							
	Females			23 588	857	1 444	6.1							
	Young			26 825										
	Not Young			19 425										
	Total rural producers			46 250	2 299	4 378	9.5							
	2.1.3 Rural producers' organizations supported											Progress Report	Quarterly	RPCMU, Implementers
	Rural POs supported			100	56	101	101							
	Women in leadership position			20										

Results hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Output Output 2.2 Improved productivity in intervention areas	Individuals engaged in NRM and climate risk management activities							Progress report	Quarterly	RPCMU, implementers	Access to financial services (A) Sufficient capacity of public services (A) Climate change measures adopted (A) For the target values it is assumed that 1) 20% of individuals engaged in NRM are women 2) 58% of individuals engaged in NRM are the youth (51% of them women)
	Total			37 500	5 750	18 450	49.2				
	Males			18 375	4 600	15 349	83.5				
	Females			19 125	1 150	3 101	16.2				
Output Output 2.3 Improved and sustainable watershed management	Extent of land with rehabilitated or restored ecosystem services							LDSF	PY1, PY3, PY7	RPCMU, implementers	Access to financial services (A) Sufficient capacity of public services (A) Climate change measures adopted (A)
	Extent of land			40							
	Crop yield stability over seasons							Survey	PY1, PY3, PY7	RPCMU, implementers	
	micro-watershed development plans	0		150	23	85	56.7				
	Land under climate-resilient practices							Progress report	Quartely	RPCMU, implementers	
	Land area			73 600	8 272	23 873	32.4				



Investing in rural people

Ethiopia

Participatory Small-scale Irrigation Development Programme II

Supervision Report

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

Mission Dates: 27 May -7 June 2019
Document Date 19/06/2019
Project No. 2000001134
Report No. 5087-ET

East and Southern Africa Division
Programme Management Department

Appendix 2: Financial: Actual financial performance by financier; by component and disbursements by category

Table 2A: Financial performance by financier as at 30 April, 2019

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	102,000	35,768	35%
IFAD grant	1,500	423	28%
ASAP grant	11,000	1,915	17%
Government	18,722	3,315	18%
Beneficiaries	12,072	3,582	30%
Total	145,294	45,003	31%

Table 2B: Financial Performance by Financier by Component as at 30 April 2019 (USD'000)**

Component	IFAD loan and grant			ASAP grant			Government			Beneficiaries			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1. Investment in Small-Scale Irrigation Infrastructure	83,226	19,278	23%	1,288	423	33%	15,523	2,533	16%	4,452	696	16%	104,489	22,930	22%
2. Investment for Capacity in Sustainable Agriculture	11,571	2,632	23%	8,516	631	7%	2,108	141	7%	7,621	2,886	38%	29,815	6,290	21%
3. Programme Management	8,703	3,588	41%	1,196	49	4%	1,091	641	59%	-	-	-	10,990	4,278	39%
TOTAL	103,500	25,498	25%	11,000	1,103	10%	18,722	3,315	18%	12,072	3,582	30%	145,294	33,498	23%

** Actual expenditure in table 2A differs from expenditure in table 2B. This is because 5A represents funds made available while 5B represents funds that have actually been spent.

Table 2D: IFAD grant disbursements (SDR, as at 30 April, 2019)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A # 19 pending	Balance	Per cent disbursed
200008	Consultancies	970,000.00	970,000.00	232,445.36	10,596.71	726,957.93	25%
270001	Authorised allocation	0.00	0.00	73,268.12	0.00	(73,268.12)	0%
290001	Unallocated	110,000.00	110,000.00	0.00	0.00	110,000.00	0%
Total		1,080,000.00	1,080,000.00	305,713.48	10,596.71	763,689.81	29%

Table 2C: IFAD loan disbursements (SDR, as at 30 April 2019)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/As 19,20,21 and 22 pending	Balance	Per cent disbursed
200003	Works	50,600,000.00	50,600,000.00	13,746,738.92	5,563,774.36	31,289,486.72	38%
200008	Consultancies	2,550,000.00	2,550,000.00	1,112,400.50	269,353.71	1,168,245.79	54%
200013	Goods, Services and Inputs	6,050,000.00	6,050,000.00	1,507,234.30	122,191.28	4,420,574.42	27%
200016	Operating Costs	1,550,000.00	1,550,000.00	371,255.94	112,446.65	1,066,297.41	31%
200018	Salaries and allowances	2,300,000.00	2,300,000.00	1,177,284.49	170,145.58	952,569.93	59%
200019	Training	2,700,000.00	2,700,000.00	1,142,957.36	115,189.85	1,441,852.79	47%
270001	Authorised allocation	0.00	0.00	6,594,131.22	0.00	(6,594,131.22)	0%
290001	Unallocated	7,200,000.00	7,200,000.00	0.00	0.00	7,200,000.00	0%
	Total	72,950,000.00	72,950,000.00	25,652,002.73	6,353,101.43	40,944,895.84	44%

Table 2E: ASAP grant disbursements (SDR, as at 30 April, 2019)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A # 7 pending	Balance	Per cent disbursed
200003	Works	650,000.00	650,000.00	54,774.75	59,994.18	535,231.07	18%
200008	Consultancies	1,280,000.00	1,280,000.00	15,215.36	2,370.70	1,262,413.94	1%
200013	Goods, Services and Inputs	710,000.00	710,000.00	77,997.07	32,968.92	599,034.01	16%
200018	Salaries and allowances	290,000.00	290,000.00	70,938.10	14,179.62	204,882.28	29%
200019	Training	4,170,000.00	4,170,000.00	501,565.65	85,013.85	3,583,420.50	14%
270001	Authorised allocation	0.00	0.00	659,413.12	0.00	-659,413.12	0%
290001	Unallocated	770,000.00	770,000.00	0.00	0.00	770,000.00	0%
	Total	7,870,000.00	7,870,000.00	1,379,903.96	194,527.27	6,295,568.77	20%

Figure 1: IFAD loan disbursement, comparisons between original and revised allocations and actual disbursement as at 30 April, 2019

Category	Category description	Original Allocation	Revised Allocation	Disbursement	Balance	Per cent disbursed
200003	Works	50,600,000.00	50,600,000.00	13,746,738.92	36,853,261.08	27%
200008	Consultancies	2,550,000.00	2,550,000.00	1,112,400.50	1,437,599.50	44%
200013	Goods, Services and Inputs	6,050,000.00	6,050,000.00	1,507,234.30	4,542,765.70	25%
200016	Operating Costs	1,550,000.00	1,550,000.00	371,255.94	1,178,744.06	24%
200018	Salaries and allowances	2,300,000.00	2,300,000.00	1,177,284.49	1,122,715.51	51%
200019	Training	2,700,000.00	2,700,000.00	1,142,957.36	1,557,042.64	42%
270001	Authorised allocation	0.00	0.00	6,594,131.22	(6,594,131.22)	0%
290001	Unallocated	7,200,000.00	7,200,000.00	0.00	7,200,000.00	0%
	Total	72,950,000.00	72,950,000.00	25,652,002.73	47,297,997.27	35%

Appendix 6: Compliance with legal covenants: Status of implementation

Financing Agreement:	Covenant	Compliance target date	Remarks
Section E.2 (a)	The Programme Coordination and Management Unit at Federal and Regional level duly established and key positions filled with personnel acceptable to IFAD.	Prior to disbursement	Complied
Section E.2 (b)	The Borrower/Recipient shall have established a National Programme Steering Committee (NPSC).	Prior to disbursement	Complied
Section E.2 (c)	Draft PIM in the form and substance satisfactory to the Fund	Prior to disbursement	Complied
Schedule 3. Para 1, Gender	Develop gender mainstreaming guidelines for the programme	During implementation	Complied
Schedule 3 Para 2, SECAP	Ensure that the ESMF and RAF as required by IFAD's SECAP have been adopted	Throughout implementation	Complied/On going
Schedule 3 Para 3, Implementation	Programme will be implemented in accordance with IFAD policies, strategies and procedures	Throughout implementation	On -going
Schedule 3 Para 4, Environmental audit	The development of measures to mitigate social and environment impacts and implementation will be reported upon annually and the report will be subject to an independent audit that will be submitted to IFAD and NPSC	Annually	On- going
Schedule 3 Para 5, Accounting Software	Accounting software duly implemented in accordance with a comprehensive chart of accounts satisfactory to IFAD	First year of implementation	Partially complied
Schedule 3 Para 6, Programme Financial reporting	Programme financial reporting shall cover category of expenditure, components and financier and shall be prepared on modified cash basis		Complied
GC: Article 7. S7.01 (b) AWPB	The LPA shall draft Programme AWPB for each Programme based, to the extent appropriate.	30 April, each year	Not Complied for 2019/20/On going
GC: Article 7. S7.05. Procurement	Procurement of goods, works and services in accordance with the provisions of the GOE regulations, to the extent such are consistent with the IFAD Procurement Guidelines.	During implementation	On- going
GC:S. 7.8 (a) Insurance	All goods and buildings used in the Programme against such risks.	During implementation	On- going
GC: Article 7 S.7.11	Appoint National Programme Coordinator and all other key Programme personnel in the manner specified in the FA.	By Programme start up	Complied
GC: Article 8 S 8.3 (a)	Furnish to the Fund periodic progress reports in such form and substance as required		Complied /On- going
GC: Article 7Section 8.3 (b) MTR	Jointly carry out a review of Programme implementation no later than the midpoint of the Programme Implementation	2020	Not yet due
GC: Article 7Article IX Financial Reporting	Deliver to the Fund detailed financial statements of the operations, resources	31 October, each year	Complied

Financing Agreement:	Covenant	Compliance target date	Remarks
Section 9.2	and expenditures related to the Programme for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund		
GC: Article 7Section 9.03 Audit	Each Fiscal Year, have the accounts relating to the Programme audited in accordance with auditing standards acceptable to the Fund and the Fund's <i>Guidelines on Programme Audits (for Borrowers' Use)</i> by independent auditors acceptable to the Fund;	07 January, each year	Complied

Ethiopia

Participatory Small-scale Irrigation Development Programme II Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 27 May -7 June 2019
Document Date 19/06/2019
Project No. 2000001134
Report No. 5087-ET

East and Southern Africa Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B (July 2018 to May 2019)

Ref. Code	Activities	Unit	Project life target	Plan			Actual		Percentage change		Remark
				Annual Target	Up to This Quarter	Cumulative Plan to date	Up to this Quarter	Cumulative Achievement to date	% up to this quarter	% cumulative	
A	Investment in Small Scale Irrigation Infrastructure										
A1	Irrigation Scheme Participatory Planning and Preparation										
A11	Baseline study (on going 75 sites)	No	1	1	1	1	0.75	1	75	75	
A12	Baseline study (new 69 sites)	No	1	1	1	1	0	0	0	0	
A13	Training needs assessment	No									
A14	Accounting Software installation (Refreshment Training)	No	1	11	11	11	10	10	90.91	90.91	
	Sub Total										
A15	Identification of schemes and pre-feasibility studies										
	Diversion		116	12	12	64	5	52	41.67	81.25	
	Pump irrigation (Ground /Surface)		33	4	4	15	2	13	50.00	86.67	
	Spring development		18	2	2	6	2	5	100.00	83.33	
	Micro-dam		8	1	1	5	0	15	0.00	300.00	
	Spate		12	1	1	6	1	3	100.00	50.00	
	Sub Total		187								
A16	Feasibility and Detailed engineering design of schemes (ongoing)	No									
A161	Diversion	No	85	12	12	57	5	46	41.67	80.70	
A162	Pump irrigation (Ground /Surface)	No	23	4	13	22	10	19	76.92	86.36	
A163	Spring development	No	13	2	2	7	1	4	50.00	57.14	
A164	Micro-dam	No	8	1	1	8		12	0	150.00	
A165	Spate	No	10	1	1	6	0	6	100	100.00	
	Sub Total		139								
A17	Feasibility and Detailed engineering design of schemes (ongoing)	No									
A171	Diversion	No		34	34	79	12	53	35.3	67.09	
A172	Pump irrigation (Ground /Surface)	No		8	8	17	6	15	75	88.24	
A173	Spring development	No			-	2	0	3	#DIV/0!	150.00	
A174	Micro-dam	No		13	13	16	6	18	46.15	112.50	
A175	Spate	No		8	8	13	4	10	50.00	76.92	
	Sub Total			63	63		28	99			

Ref. Code	Activities	Unit	Project life target	Plan			Actual		Percentage change		Remark
				Annual Target	Up to This Quarter	Cumulative Plan to date	Up to this Quarter	Cumulative Achievement to date	% up to this quarter	% cumulative	
A21	Community Irrigation Infrastructure Development (Construction of ongoing irrigation schemes-2009)	1.0									
A211	Diversion	No	101	20	20	12	14	14	70.00	116.67	
A212	Pump irrigation (Ground /Surface)	No	25	1	1	1		0	0.00	0.00	
A213	Spring development	No	10	2	2	2	1	1	50.00	50.00	
A214	Micro-dam	No	4	-				0	0.00	0.00	
A215	Spate	No	10	2	2	2	2	2	100.00	100.00	
	Sub Total							17			
A21	Community Irrigation Infrastructure Development (Construction of ongoing irrigation schemes-2010)	0.4									
A211	Diversion	No		21	21	21	5	5	23.81	23.81	
A212	Pump irrigation (Ground /Surface)	No		-				0	0.00	0.00	
A213	Spring development	No		-				0	0.00	0.00	
A214	Micro-dam	No		-				0	0.00	0.00	
A215	Spate	No		-				0	0.00	0.00	
	Sub Total			21			5	5			
	Command Area (Ha) of 22 schemes	Ha		3,504	3,504	3504	3944	3,944	0.00	0.00	The rest 50 schemes are under construction
	Beneficiaries	No		7,020	7,021	7021	7,270	7,270	103.55	103.55	
	Male	No		5,617	5,617	5617	5,934	5,934	105.64	105.64	
	Female	No		1,403	1,404	1404	1,336	1,336	95.16	95.16	
A21	Community Irrigation Infrastructure Development (Construction of new irrigation schemes)	0.4									
A211	Diversion	No		15	15	15	5	5	33.33	33.33	
A212	Pump irrigation (Ground /Surface)	No		3	3	3					
A213	Spring development	No		-							
A214	Micro-dam	No		-							
A215	Spate	No		-							
	Sub Total			18	18	18		0			
	Command Area (Ha)	Ha		2,480	2480	2480		0			
	Beneficiaries	No		6,092	6092	6092		0			

Ref. Code	Activities	Unit	Project life target	Plan			Actual		Percentage change		Remark
				Annual Target	Up to This Quarter	Cumulative Plan to date	Up to this Quarter	Cumulative Achievement to date	% up to this quarter	% cumulative	
	Male	No		4,746	4746	4746		0			
	Female	No		1,346	1346	1346		0			
A23	Institutional support for irrigation development							0			
A231	Equipment for BoWRD/BoWI D/ BoWI&ED/ OIDA	set	4	4	4	4	1	1	25.00	25.00	
A232	Technical training for irrigation engineers	person	84	42	42	42	39	39	92.86	92.86	
A233	GIS training for Engineers	person	110	20	20	20	20	20	100.00	100.00	
	Sub Total										
A24	Development of alternative water sources (Climate change resilience of schemes (ASAP))										
	Group ponds (1.285 Ha)	No	180	40				0			
	Household Ponds (0.4 Ha)	No	400	125				0			
	Shallow well (2 Ha)	No	300	75				0			
	Drip Irrigation (0.02 Ha)	No	800	390				0			
	Sub Total							0			
	Command Area (Ha)	Ha		254				0			
	Beneficiaries	No		636				0			
	Male	No		191				0			
	Female	No		445				0			
A25	Recurrent Costs (Institutional support for irrigation development)										
A251	Supervision and follow up missions /a (Person-Day)	PD	1,613	456				0			
	Sub Total										
A28	Consultancy service for Construction Supervision	Site/month		108							
	Sub Total										
	Total										
B1	Agribusiness Linkages and Market Access										
B11	Strengthening of Farmers Organizations and Cooperatives										
B111	Establishment and Srengthening of the farmers cooperatives	No	150	63	63	88	56	67	88.89	76.14	
B112	Training for cooperative leaders	No	5,376	882	882	2058	830	1584	94.10	76.97	
B113	Training for cooperative memebers	No	6,031	6,031	6031	6031	3471	3471	57.55	57.55	

Ref. Code	Activities	Unit	Project life target	Plan			Actual		Percentage change		Remark
				Annual Target	Up to This Quarter	Cumulative Plan to date	Up to this Quarter	Cumulative Achievement to date	% up to this quarter	% cumulative	
B114	Learning visits for producer groups/irrigation cooperatives (region level)	No	24	299	299	307	105	105	35.12	34.20	
B115	Learning visits for Producer groups/irrigation cooperatives (federal level)	No	3	118	118	118	0	0	0.00	0.00	
B116	forum on access to input sources for farmers' cooperative at federal level	No	3	50	50	50	0	0	0.00	0.00	
B117	forum on access to input sources for farmers' cooperative at regional level	No	12	585	585	745	252	252	43.08	33.83	
	Sub total			-				0			
B12	Support to cooperatives			-				0			
B121	Demonstration of post-harvest technologies	No		63	63	63	3	3	4.76	4.76	
B122	Office facilities /b	No	150	63	63	63	52	52	82.54	82.54	
B123	Farm gate Storage Facilities for harvested crops- (for example for potato- traditional aerated shelf Shealer, Plastic bags, Cassa etc)	No		63	63	63	6	6	9.52	9.52	
B126	Conduct assessment to existing challenges of Cooperatives functionality	No		4	4	4	1	2	25.00	50.00	
B127	Procurement of motor cycle	No	110	170	170	270	100	100	58.82	37.04	
B128	Farm service center establishment at selected woredas (ATA standard)		-					0			
	Sub total			-				0			
B13	Market Access Alliances			-				0			
B131	Marketing Chain Studies	No	4	4	2	4	2	2	100.00	50.00	
B132	TOT Training on marketing chain development /e	No	2	30	30	50	28	34	93.33	68.00	
B133	Establishment and strengthening MAAs	No	114	69	69	98	48	69	69.57	70.41	
B134	Training for MAA	No		396	396	396	442	442	111.62	111.62	
B135	Training on market chain dvt for woreda experts	No	360	185	185	285	179	363	96.76	127.37	
B136	conducting private public dialogue (PPD) on output market	No	488	680	680	738	19	43	2.79	5.83	
B138	Learning visits for experts	No	162	148	148	148	0	0	0.00	0.00	

Ref. Code	Activities	Unit	Project life target	Plan			Actual		Percentage change		Remark
				Annual Target	Up to This Quarter	Cumulative Plan to date	Up to this Quarter	Cumulative Achievement to date	% up to this quarter	% cumulative	
	sub total			-				0			
B14	Access to financial services			-				0			
B141	Business plan implementation guidance manual and business plan template	No	1	1	1	1	1	1	100.00	100.00	
B142	preparation of business plan for scheme	No	192	63	63	128	20	40	31.75	31.25	
B143	assessing lending institutions requirement	No	4	4	4	4	2	2	50.00	50.00	
B144	conducting financial linkag dialoge work shop	No	29	734	734	763	167	167	22.75	21.89	
B145	Exposure visit for international (agribusiness linkage)	No	162	20	20	32	15	15	75.00	46.88	
	sub total										
	Total										
B2	Institutional Capacity Building and Support										
B21	Orientation and training of resource people and facilitators										
B211	Orientation subject matter experts at woreda watershed management teams	No	1,500	214	214	764		421	0.00	55.10	
B212	Orientation of Woreda focal person	No	24	34	34	93		57	0.00	61.29	
B213	Training for programme facilitators at Kebele Level	No	450	120	131	251		64	0.00	25.50	
B214	Orientation for Agricultural Producers Cooperatives experts at woreda and kebele	No	600	440	440	660		48	0.00	7.27	
	sub total			-							
B22	Capacity building for farmers			-							
B221	TOT for PCMU and partners on irrigation agronomy (Federal, region and Zone	No	60	62	62	72	32	43	51.61	59.72	
B222	Training for Kebele D.A and woreda BoA expertise	No	2,004	289	289	979	234	445	80.97	45.45	
B223	Preparation of agricultural development plans	No	414	63	63	158	55	142	87.30	89.87	
B225	Training for Farmers Research Groups	No	16,560	1880	1880	5980	1352	2502	71.91	41.84	
B226	Capacity building of Extension Groups (demonstration & seed system)	No	4,968	756	756	1896	450	1040	59.52	54.85	
	Sub total			-							
B23	Capacity building for climate smart agriculture			-							

Ref. Code	Activities	Unit	Project life target	Plan			Actual		Percentage change		Remark
				Annual Target	Up to This Quarter	Cumulative Plan to date	Up to this Quarter	Cumulative Achievement to date	% up to this quarter	% cumulative	
B231	Inventory, characterisation and targeting of best practices	No	4	4	4				0.00	0.00	
B232	Acquisition and distribution of improved resilient crop genetic material and Input support to FRG Members on climate-smart agriculture	Qtl	1,152	534.416	534.416	924	273.4	339	51.16	36.72	
B233	Gender training on farm level diversification /FHH -Home garden development	No	3,840	630	630	1280	275	819	43.65	63.98	
B236	nursery strengthen	No	30	30	30	30	20	30	66.67	100.00	
B237	Research support and visits	No	384	63	63	96	49	71	77.78	73.96	
	Sub total			-							
B24	Gender and nutrition			-							
B241	Gender mainstreaming										
B2411	Gender training of Woreda experts and DA /b	No	768	492	492	608	143	203	29.07	33.39	
B2415	Gender mainstreaming training for IWUA committee members	No	1,728	945	945	1530	192	603	20.32	39.41	
B2416	Leadership training for women in IWUA	No	1,728	189	189	349	109	328	57.67	93.98	
B2417	Analysis of gender and youth in irrigation and marketing chains	No	1	1				0			
	Sub total			-				0			
B242	Nutrition activities			-				0			
B2421	Nutrition education and behavioural change communication /e	LS	1	1	1		0	0	0.00	0.00	
B2422	TOT on Nutrition sensitive agriculture for federal regions and zone	No	80	64	64	104	0	34	0.00	32.69	
B2423	Conduct Food demonstration	No	384	63	63	128	0	10	0.00	7.81	
B2424	Training on nutrition sensitive agriculture for kebele & woreda experts /f	No	1,152	650	650	1040	357	616	54.92	59.23	
B2425	Nutrient Profile tracking along marketing chains /g	No	2	1				0	0.00	0.00	
	Sub total			-							
B243	Home gardens /i										
B2431	Home garden demonstration	No	1,920	630	630	1280	497	857	78.89	66.95	
B2432	Inputs(including nutrition sensitive seeds)	Qtl	307	101	100.8	205	87.2	105	86.51	51.37	

Ref. Code	Activities	Unit	Project life target	Plan			Actual		Percentage change		Remark
				Annual Target	Up to This Quarter	Cumulative Plan to date	Up to this Quarter	Cumulative Achievement to date	% up to this quarter	% cumulative	
B2433	farm tools (set) access to FHH	No	1,920	630	630	1280	50	160	7.94	12.50	
B2434	TOT on postharvest training for Federal, regional and zonal experts	No	80	55	55	55	32	32	58.18	58.18	
B2435	Postharvest training for woreda and D.A	No	344	220	220		168	168	76.36	#DIV/0!	
B2436	Postharvest training for farmers 25% of beneficiaries	No		5,548	5548	5548	4177	4177	75.29	75.29	
B2437	Woreda SMS technical support expenses for AD (Person-day)	PD	57,600	10,080	10080	20480	5620	11944	55.75	58.32	
B2438	FTC equipped and establishment of nutrient corner four per region	No	75	16	16		0	0	0.00	0.00	
	Sub total										
	Total										
B3	Capacity Development in Watershed Management										
B31	Capacity development in watershed management										
B311	TOT for regional and federal watershed management and environment experts	No	104	31	83	83	23	46	27.71	55.42	
B312	Development of Watershed management plans	No	150	24	24	62	23	70	95.83	112.90	
B313	Study Tours for Woreda experts and DA /a	No	1,971	200	200	713	276	508	138.00	71.25	
B314	Training of Woreda Watershed Management Teams (on integrated watershed management and climate risk management and CSA Practices)	No	3,000	558	558	1128	463	972	82.97	86.17	
B315	Training of Kebele Watershed Management Teams (on integrated watershed management and climate risk management and CSA Practices)	No	2,400	900	900	1404	862	1480	95.78	105.41	
B316	Training of Community Watershed Management Teams	No	3,300	960	960	960	942	942	98.13	98.13	
B317	Training for Farmers extension and research groups	No	6,000	480	480	1740	200	270	41.67	15.52	
B318	Input support to FRG Members on watershed management	No	5,440	480	480	1740	100	100	20.83	5.75	
B321	Training for watershed beneficiaries on IGA Activities	No	5,400	600	600	2868	630	2809	105.00	97.94	

Ref. Code	Activities	Unit	Project life target	Plan			Actual		Percentage change		Remark
				Annual Target	Up to This Quarter	Cumulative Plan to date	Up to this Quarter	Cumulative Achievement to date	% up to this quarter	% cumulative	
B322	Technical support /follow-up and supervision/ for woreda watershed team	No		21							
B323	Study tours for federal regional climate and watershed experts	No		21	21	21	0	0	0.00	0.00	
	Sub Total			5,575							
B32	Climate change resilience in watershed management			-							
B321	Training on climate variability forecasting and adaptation option for farmers	No	22,500	900	900	900	210	210	23.33	23.33	
B322	GPS based data collection on program interventions	No	150	44	44	44	24	24	54.55	54.55	
B323	Land use & land cover change mapping	No	150	46	46	46	23	23	50.00	50.00	
B324	Uploading, Updating and mapping schemes & watershed information on GIS Software	No	150	79	79	79	32	32	40.51	40.51	
B325	High level training on GIS & Remote sensing for Federal and Regional GIS/MIS experts	No	10	6	6	10	0	0	0.00	0.00	
B326	Advanced GIS & Remote sensing Training for Federal & Regional Experts	No		16	16	16	10	10	62.50	62.50	
B327	GIS training for woreda & Zone experts	No	252	68	68	138	68	137	100.00	99.28	
B328	GIS equipment Plotter	No	1		1	1	1	1	100.00	100.00	
B329	GIS equipment GPS	No	300	103	103	103	81	81	78.64	78.64	
B330	Instrumentation for catchment water budgeting	set	4								
	Sub Total			-							
B33	Input Support for Watershed Management			-							
B331	Hillside communal land treatment and management including woodlot est.	ha	10,224	1,635.84	1635.84	2401	1813	5342	110.83	222.51	
B332	Area Closure	ha	6,816	1,091	1090.56	2920	1252.5	3901	114.85	133.60	
B333	Gully and river bank rehabilitation with biophysical measures	"	1,363	218	218.112	665.11	111.5	428	51.12	64.27	
B334	Treatment of farmland with biophysical measures	"	49,757	7,961	7961.088	21586	5094.72	12866	64.00	59.60	
B335	Promoting conservation agriculture	"	450	120	120	234	404	448	336.67	191.45	1,916

Ref. Code	Activities	Unit	Project life target	Plan			Actual		Percentage change		Remark
				Annual Target	Up to This Quarter	Cumulative Plan to date	Up to this Quarter	Cumulative Achievement to date	% up to this quarter	% cumulative	
											farmers out of this (female 269)
B336	Promoting agroforestry and fruit	"	1,500	511.25	511.25	891	560.75	750	109.68	84.12	973 farmers out of this (female=188)
B337	Promotion of improved forage production	"	375	568	567.5	663	570.5	607	100.53	91.55	
B338	Promote soil fertility management practices (Vermi composting)	Ha	750	90	90	1110	186	732	206.67	65.95	
B339	Promote improved crop management at rain fed agriculture	"		393.75	393.75	394	135	135	34.29	34.29	
B340	Promotion of small scale alternative energy source (Cooking Mirt Stove, Solar panel...)	No		240	240	240	240	240	100.00	100.00	
B341	One-time supply of seeds	kg	13,125	2,100	2100	2100	3025	3025	144.05	144.05	
B342	Establishment/strengthening of community nurseries	No	150	24	24	24	24	24	100.00	100.00	
	Subtotal							0			
	Total Area of delineated micro watershed	Ha		10,906	10,906	30,925	8271.72	27452	75.85	88.77	
	Total Beneficiaries	No		3,600	3,600	3,600	12027	12027	334.08	334.08	
	Male	No		2,880	2,880	2,880	7047	7047	244.69	244.69	
	Female	No		720	720	720	4980	4980	691.67	691.67	
	Improvement of Rained Agriculture with different technologies	Ha		1,480	1,480	1,480	1317.25	1317	89.00	89.00	
	Total Beneficiaries	No		6,000	6,000	6,000		0			
	Male	No		4,800				0			
	Female	No		1,200				0			
	Total										
C185	Fuel, Lubricant and Vehicle maintenance (Federal)	months		12	12	12	12	12	100.00	100.00	
C186	Fuel, Lubricant and Vehicle maintenance (Regions)	months		12	12	12	12	12	100.00	100.00	
	Sub total			-							
C187	office and other expenses (Federal)	Ls		1				0			
C188	office and other expenses (Regions)	Ls		4				0			
	Subtotal							0			
	Total for Investment Cost										
	Total for Recurrent cost							0	0.00	0.00	

Ref. Code	Activities	Unit	Project life target	Plan			Actual		Percentage change		Remark
				Annual Target	Up to This Quarter	Cumulative Plan to date	Up to this Quarter	Cumulative Achievement to date	% up to this quarter	% cumulative	
	TOTAL										
C.2	Investment Costs for KML										
C.2.1	Documentation and dissemination of lessons and innovation										
C.2.1.1	Federal level (1/ year)	Ls	7	1	1	3	2	2	200.00	66.67	
C.2.1.2	Regional level	No	24	4	4	7	4	11	100.00	157.14	
C.2.1.3	Woreda level	No	110	92	35	263	25	156	71.43	59.32	
C.2.1.4	kebele level	No	150	147	63	843	45	449	71.43	53.26	
C.2.1.5	Atlas Preparation of PASIDP II interventions	No	-	-				0	0.00	0.00	
	Subtotal			-							
C.2.2	Workshop (internal review and learning meetings)			-							
C.2.2.1	Federal level (1/ year)	No	7	140	80	265	75	75	93.75	28.30	
C.2.2.2	Region level (2/ year)	No	52	320	240	450	210	460	87.50	102.22	
C.2.2.3	Woreda level (4 /year)	No	2,520	1,600	575	1075	525	1112	91.30	103.44	
C.2.2.4	Kebele level(1 / month)	No	9,372	1,764	445	895	385	785	86.52	87.71	
	Subtotal			-							
C.2.3	Climate change related knowledge management			-				0			
C.2.3.1	Guidelines for adaptive planning /a	No	15	4				0			
C.2.3.2	Facilitating peer to peer network for institutionalizing water harvesting	PM	6	3				0			
C.2.3.3	Documentation and sharing of best practices	Ls	3	1				0			
C.2.3.4	Facilitating peer-to-peer learning: International Exchanges	visit	1	1				0			
C.2.3.5	Facilitating of knowledge exchange between regions	Ls	3	1				0			
	Subtotal			-				0			
C.2.4	Training and Capacity building			-				0			
C.2.4.1	TOT Training PCMU and implementing partners on L &KM	No	12	43				0			
C.2.4.2	Training Woreda focal on L &KM	No	20	92				0			
C.2.4.3	L&KM strategy development - International TA	PM	1	1				0			

Ref. Code	Activities	Unit	Project life target	Plan			Actual		Percentage change		Remark
				Annual Target	Up to This Quarter	Cumulative Plan to date	Up to this Quarter	Cumulative Achievement to date	% up to this quarter	% cumulative	
C.2.4.4	Exposure visit (International)	visit	1	1				0			
C.2.4.5	Exposure visit for implementing partners-local	visit	1	1				0			
	Subtotal			-				0			
C.2.5	Equipment and material inputs			-				0			
C.2.5.1	Computer with printer for Woreda knowledge centers	No	110	53				0			
C.2.5.2	Video camera	each	110	53				0			
	Subtotal							0			
	Total							0			
C.3	Consultancy Services and Studies							0			
C.3.1	M&E manual development	No	1	-				0			
C.3.2	Impact surveys	No	2	-				0			
C.3.3	Technical assistance for surveys-international (per-month)	PM	9	-				0			
C.3.4	Monitoring, evaluation and learning - international TA (per-month)	PM	1	1				0			
C.3.5	MIS development-International TA (per-month)	PM	1	-				0			
C.3.6	MIS development-National TA	System	1	1				0			
C.3.7	On job training on the use of MIS (region and federal)	No	70	70				0			
C.3.8	Training on Data base management for Federal & Regional experts	No	16	16				0			
C.3.9	Training on Website Development for Federal & Regional experts	No	10	10				0			
	Subtotal			-							
C.4	Equipment and material			-				0			
C.4.1	Tablet for MIS at selected woreda level	No	110	53	53	81	81	76	152.83	93.83	
C.4.2	Internet connectivity for MIS at Woreda level	No	110	53	53	53	35	35	66.04	66.04	
	Subtotal			-				0			
C.5	Training and Capacity building			-				0			
C.5.1	Training PCMU staff and implementing partners on M&E	No	123	48				0			
C.5.2	Federal workshop on baseline and impact survey results	No	3	60				0			
C.5.3	Regional workshop on baseline and	No	12	-				0			

Ref. Code	Activities	Unit	Project life target	Plan			Actual		Percentage change		Remark
				Annual Target	Up to This Quarter	Cumulative Plan to date	Up to this Quarter	Cumulative Achievement to date	% up to this quarter	% cumulative	
	impact survey results										
C.5.4	Exposure visit for Implementers (international)	visit	1	1				0			
C.5.5	Exposure visit for implementers (local)	visit	3	1				0			
C.5.6	LDSF Assessment /a	doc.	2	1				0			
C.5.7	Sense maker design	LS	1	1				0			
C.5.8	Sense maker narrative collection and analysis	LS	5	-				0			
	Subtotal			-				0			
C.5	SECAP			-				0			
C.5.1	Training and Capacity building			-				0			
C.5.1.1	Training on Environmental flow for federal and regional experts (International)	No		10				0	0.00	0.00	
C.5.1.2	ToT on IPM for federal, regional and zone experts	No		31				0	0.00	0.00	
C.5.1.2	Training on ESMF, ESIA, EMP, RAP, climate risk analysis for Zone and Woreda experts	No		131				0	0.00	0.00	
C.5.1.2	Training on IPM for Woreda experts and DAs	No		131				0	0.00	0.00	
C.5.1.2	Rollout training on IPM for IWUAs	No		765				0	0.00	0.00	
C.5.1.2	Joint supervision and support by regional PCMU and partners (2 round for each regions)	Round		8				0	0.00	0.00	
C.5.1.3	Monitoring and support of safeguard issues at woreda level	# schemes		104				0	0.00	0.00	
	Subtotal			-					0.00	0.00	
C.5.2	Workshop (public consultation, FPIC, RAP etc..)			-				0	0.00	0.00	
C.5.2.1	Federal level (1/ year)	No	5	50	50	50	30	30	60.00	60.00	
C.5.2.2	Regional level	No	20	400	400	400	395	395	98.75	98.75	
	Subtotal			-				0	0.00	0.00	
C.6	Grant Financing for Monitoring and Evaluation			-				0	0.00	0.00	
C.6.1	Quality assurance	Ls	3	-				0	0.00	0.00	

Ethiopia

Participatory Small-scale Irrigation Development Programme II

Supervision Report

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 27 May -7 June 2019

Document Date 19/06/2019

Project No. 2000001134

Report No. 5087-ET

East and Southern Africa Division
Programme Management Department

Appendix 3: Compliance with legal covenants: Status of implementation

Financing Agreement:	Covenant	Compliance target date	Remarks
Section E.2 (a)	The Programme Coordination and Management Unit at Federal and Regional level duly established and key positions filled with personnel acceptable to IFAD.	Prior to disbursement	Complied
Section E.2 (b)	The Borrower/Recipient shall have established a National Programme Steering Committee (NPSC).	Prior to disbursement	Complied
Section E.2 (c)	Draft PIM in the form and substance satisfactory to the Fund	Prior to disbursement	Complied
Schedule 3. Para 1, Gender	Develop gender mainstreaming guidelines for the programme	During implementation	Complied
Schedule 3 Para 2, SECAP	Ensure that the ESMF and RAF as required by IFAD's SECAP have been adopted	Throughout implementation	Complied/On going
Schedule 3 Para 3, Implementation	Programme will be implemented in accordance with IFAD policies, strategies and procedures	Throughout implementation	On -going
Schedule 3 Para 4, Environmental audit	The development of measures to mitigate social/environment impacts and implementation will be reported upon annually; the report will be subject to an independent audit that will be submitted to IFAD and NPSC	Annually	On- going
Schedule 3 Para 5, Accounting Software	Accounting software duly implemented in accordance with comprehensive chart of accounts satisfactory to IFAD	First year of implementation	Partially complied
Schedule 3 Para 6, Programme Financial reporting	Programme financial reporting shall cover category of expenditure, components and financier and shall be prepared on modified cash basis		Complied
GC: Article 7. S7.01 (b) AWPB	The LPA shall draft Programme AWPB for each Programme based, to the extent appropriate.	30 April, each year	Partly Complied for 2019/20
GC: Article 7. S7.05. Procurement	Procurement of goods, works and services in accordance with the provisions of the GOE regulations, to the extent such are consistent with the IFAD Procurement Guidelines.	During implementation	On- going
GC:S. 7.8 (a) Insurance	All goods and buildings used in the Programme against such risks.	During implementation	On- going
GC: Article 7 S.7.11	Appoint National Programme Coordinator and all other key Programme personnel in the manner specified in the FA.	By Programme start up	Complied
GC: Article 8 S 8.3 (a)	Furnish to the Fund periodic progress reports in such form and substance as required		Complied /On- going
GC: Article 7Section 8.3 (b) MTR	Jointly carry out a review of Programme implementation no later than the midpoint of the Programme Implementation	2020	Not yet due
GC: Article 7Article IX Financial Reporting Section 9.2	Deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Programme for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund	31 October, each year	Complied
GC: Article 7Section 9.03 Audit	Each Fiscal Year, have the accounts audited in accordance with auditing standards acceptable to the Fund and the Fund's <i>Guidelines on Programme Audits (for Borrowers' Use)</i> by independent auditors acceptable to the Fund	07 January, each year	Complied

