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Report on the 2018 Country Visit of the Executive Board

Note to Executive Board representatives

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For: Review

Report on the 2018 Country Visit of the IFAD Executive Board

1. Summary. The Executive Board's annual country visit took place in the Federal Democratic Republic of Ethiopia from 14 to 18 May 2018.¹ Thanks to the tireless work of IFAD and project staff, the delegation had an inspiring and instructive field visit. Highlights during the trip included: (i) portfolio presentation delivered by the project team and presentation made by the Independent Office of Evaluation of IFAD (IOE) on key findings and recommendations proposed in the country programme evaluation (CPE) for Ethiopia; (ii) direct observation and interaction with beneficiaries and local communities of three IFAD-financed projects in Tigray Region and Afar Region; and (iii) discussion with high-level government authorities and key in-country development partners, which included the Minister for Agriculture and Livestock, State Minister for Finance and Economic Cooperation, and representatives of development partners in the Rural Economic Development and Food Security Sector Working Group.
2. Overview of the field visit. The three-day visit to the project sites, which took place from 15 to 17 May, provided Board members with an opportunity to observe first-hand the impact of IFAD-supported projects on the ground and to obtain a comprehensive picture of the project benefits, the challenges faced by the project partners and beneficiaries, and the lessons to be taken into consideration in the design of future projects. The project sites visited were located in Tigray Region – the northernmost region of Ethiopia – and Afar Region.
3. Members observed the benefits generated by the projects, which included school buildings constructed by the Pastoral Community Development Project (PCDP III), member-based financial institutions (such as rural savings and credit cooperatives, pastoralists' savings and credit cooperatives) established with support from the Rural Financial Intermediation Programme (RUFIP II), and irrigation schemes in Tanqua Abergele woreda and Emba Alaje woreda supported by the Participatory Small-scale Irrigation Development Programme (PASIDP I and PASIDP II respectively).
4. Overall, Board members were satisfied with the achievements of these projects and impressed by the ownership demonstrated by the project beneficiaries. IFAD's operations in the region are closely aligned with the Government's Growth and Transformation Plan (GTP II) and with IFAD's strategic objectives, which are focused on providing smallholder farmers, pastoralists and agropastoralists with the critical assets they require to enhance productivity and resilience.
5. Members felt that although the projects visited by the team were already in the second or third phase, potential remained for further work, especially in terms of irrigation and the microfinance sector. Project beneficiaries interviewed by the team were satisfied with what the project had achieved; however, they seemed to lack the longer-term vision of improving family income and livelihoods and did not know how to progress further; for example, by investing the proceedings generated from the savings and credit cooperatives in order to achieve long-term sustainable income.
6. The Board noted limited access to the market as a common issue across the three projects visited. Due to the lack of information and access to markets, smallholder farmers are in an unfavourable position in the value chain. This is because they are price takers and cannot predict decreases in market prices, nor do they have

¹ The IFAD delegation was composed by seven Executive Board representatives from Algeria (Imed Selatnia), Brazil (Marcelo Aguiar Cerri), Cameroon (Médi MOUNGUI), China (Liu Weihua, List C Convenor: Shi Jiaoqun), Kenya (Teresa Tumwet), Mexico (H.E. Martha Elena Federica Bárcena Coqui) and Nigeria (Dr Yaya O. Olaniran); and six IFAD staff members (Donal Brown, Oscar Garcia, Ides De Willebois, Stefania Lenoci, Flavia Antonelli and William Skinner).

recourse to useful guidance/information to make better decisions on what to grow to mitigate such risks. Board members had the impression that project beneficiaries' expectations were unclear about households earnings, etc. Members encouraged IFAD to explore piloting more efficient use of water in the project sites so as to increase the value added to the agricultural products.

7. Board members also pointed out that IFAD should strengthen its capacity on policy dialogue with the Government. This would facilitate communication and increase the possibility of supporting the Government to adopt more flexible approaches in implementing/testing new policies. One potential way of increasing the added value of agricultural products might be to pilot an approach whereby smallholder farmers sell their products directly in the market in certain project areas.
8. Members were received with great hospitality by the rural communities they visited and community members expressed their gratitude for IFAD's valuable support in improving their livelihoods and social status (especially women). Through close interaction with local rural people, Board members noticed the cultural differences among the various communities and concluded that awareness of cultural issues should also be considered as a key factor when dealing with IFAD's operations in Ethiopia.
9. Board members had a rich discussion with the Resident Coordinator of the United Nations system in Ethiopia and members of the United Nations country team. The Board members were pleased to note the strong desire of United Nations agencies to work with IFAD with a focus on exploring synergy and complementarity at the kebele and woreda levels to achieve the Sustainable Development Goals. In particular, collaboration could be strengthened in the design and implementation of key strategic and programmatic investments. Participants in the discussion agreed that any engagement/collaboration among United Nations agencies would need to be strategic and related to the core business and main programme of each agency. The members also stressed the principal role that the Government plays in Rome-based agency (RBA) collaboration.
10. Challenges. On the basis of the field visit and discussions with a broad range of partners, Board members highlighted the following challenges faced by IFAD in its operations in Ethiopia and encouraged IFAD Management and the country team to explore solutions in future project design and country strategy development.
 - (i) Accessing markets is a challenge for smallholder farmers in the project sites. Due to domestic regulations and the predominance of the public sector, there are only a few licensed merchants that the farmers are allowed to sell to and in this case, the prices are dictated. This poses an obstacle to being innovative in broadening market access during the project design and also erodes the individual income of farmers.
 - (ii) Ensuring the sustainability of the project benefits is also a challenge, as was exemplified during interactions with stakeholders of the completed Participatory Small Scale Irrigation Development Project. Despite the fact that the beneficiaries are satisfied with the project's achievements, the majority do not know the next step to take or how to scale up the benefits. This indicates either (i) the lack of exit strategy in the design of IFAD-financed projects or (ii) questionable effectiveness of the designed exit strategy. Beneficiaries continue to need skills, knowledge and information after project completion, therefore capacity-building is important in the first phase of projects.
11. IFAD's capacity in policy engagement. The country visit has confirmed the importance of close collaboration and strong partnership between the Government of Ethiopia and IFAD. At the same time, IFAD-financed projects have been constrained in terms of innovation and piloting new approaches due to specific

domestic regulations and policies. Members believe that it would be more feasible to involve partners such as the World Bank, the African Development Bank and other development partners to strengthen the capacity of the development community to work with the Government to explore certain market-oriented policies on a pilot basis.

12. Recommendations. The following recommendations are made for future country visits: (i) encourage broader participation of Board members from Lists A, B and C respectively; (ii) link country visits to evaluations conducted by IOE so as to facilitate the implementation of IOE recommendations in the field; (iii) identify a Board member who could speak for the whole team during the field visit should the need arise.
13. Conclusions. Ethiopia is highly committed to rural poverty alleviation and also greatly values IFAD's support to the country, which began in 1980. Board members observed the important role that the IFAD Country Office plays in Ethiopia and therefore reaffirmed the validity of IFAD's efforts in the decentralization process. The country visit also provided an valuable opportunity for Board members to "get to know the institution through the beneficiaries' eyes" and to assess if the institution's operations are achieving the expected results in the field. Overall, the country visit served the expected role of strengthening dialogue and communication among Board members, IFAD Management, IOE and key in-country partners.
14. Acknowledgements. The Board members participating in the country visit would like to express their deepest appreciation to all the colleagues who contributed to the organization of this useful and fruitful country visit. In particular, we thank IFAD Management, the Office of the Secretary, as well as IFAD country team in Ethiopia for the outstanding way in which this country visit was organized, and the project staff for their readiness to share their perspectives with us. We thank the IOE Director for joining us on this trip; this provided a great opportunity to enhance learning and knowledge-sharing from independent evaluations. Our appreciation also goes to Ethiopian government officials for their valuable time in sharing their insights on the partnership between Ethiopia and IFAD. Finally, our appreciation goes to all the rural people that we met, including beneficiaries of IFAD-financed projects, for their warm and memorable hospitality and for their availability and willingness to communicate with the delegation.

Terms of reference for the 2018 Country Visit of the Executive Board to the
Federal Democratic Republic of Ethiopia

14 to 18 May 2018

Background

1. In line with the procedure approved at its session in December 2012, the Executive Board has decided to undertake its 2018 country visit to the Federal Democratic Republic of Ethiopia.
2. The visit is intended as an opportunity to gain knowledge and understanding of IFAD's work in the field, including the challenges and constraints faced by IFAD-supported operations. The visit will allow Board representatives to witness IFAD's work on the ground and observe at first-hand the opportunities and challenges that it faces in carrying out its mandate.

Objectives

3. The main objectives of this country visit are to: (i) visit projects co-funded by IFAD and the Government of the Federal Democratic Republic of Ethiopia, including the Participatory Small Scale Irrigation Development Programme (PASIDP II), and the Pastoral Community Development Programme (PCDP III) so as to increase the Executive Board's awareness of the activities on the ground and allow Board representatives to meet beneficiaries, government officials and other partners; (ii) promote dialogue with the state and government officials, regarding, among other themes, IFAD's role in Ethiopia; (iii) gain insights into public policies on family farming, which could prove useful for other developing countries; (iv) better understand the lessons emerging from Independent Office of Evaluation of IFAD evaluations of IFAD-supported operations in the country and provide Board representatives with a more comprehensive perspective of the country situation and the challenges faced by IFAD operations; and (v) enable Board representatives to provide informed guidance on strategic and operational matters to the rest of the Executive Board to enhance their critical oversight and strategic role.
4. The programme for the 2018 country visit has three parts:
 - (i) Part one will include a portfolio presentation by the project teams and a presentation by the IOE on the Ethiopia Country Programme and Strategy Evaluation (CSPE);
 - (ii) Part two will include visit to IFAD-supported operations in the regions of Tigray and Afar. During the field visit, Board representatives will have an opportunity to hold discussions with beneficiaries, farmers' organizations, cooperatives, private-sector representatives and local government authorities; and
 - (iii) Part three will entail discussions with high-level government authorities at the national level and development partners.
5. At the central Government's level, Board representatives will meet with the Minister for Agriculture and National Resources, who is the accredited Governor of IFAD for Ethiopia and the State Minister for Finance. In addition, they will have meetings with other high-level officials, to discuss the Government's vision and framework for IFAD activities for the coming years. Board representatives will also hold discussions with selected multilateral aid agencies such as the United Nations Country Team, Rome-based agencies and other development partners on the recent political and economic shifts in Ethiopia, and on how to promote effective synergies and/or scaling up of the successful models supported by IFAD since 1980.
6. The Executive Board will report on the country visit and share its findings at its September session. It will also provide IFAD Management with recommendations for future field visits.

Executive Board Country Visit (draft programme)

Day	Time	Activities	Place
Arrival Sunday 13 May	06.45 12.00 – 15.00	Welcome of Executive Board representatives at Addis Ababa airport and transfer to International Livestock Research Institute (ILRI) campus Arrival at ILRI campus and check-in (welcome coffee) City and market tour (optional) Free evening	ILRI campus Addis Ababa
Day 1 Monday 14 May Briefings and interaction with key stakeholders in Addis Ababa	09.00 – 09.30 09.30 – 10.00 10.00 – 11.00 11.00 – 11.15 11.15 – 11.30 11.30 – 13.00 13.00 – 14.00 14.00 – 16.00 16.00 – 16.30 16.30 – 17.30 19.00	Welcome, review of the programme and security briefing Walk to the Ministry of Agriculture and Livestock (including quick tour of IFAD Country Office) Courtesy call on H.E. Shiferaw Shigutie, Minister for Agriculture and Livestock, IFAD Governor Transfer to ILRI campus (walking) Coffee break Briefing by IFAD country team on: the country strategic opportunities programme, key ongoing activities, opportunities and challenges, portfolio performance and discussion Lunch Briefing by project teams – presentation of four ongoing projects, and discussion Coffee break Presentation by IOE on Ethiopia CSPE and discussion Free evening	ILRI Campus – Konso room ILRI campus Ministry of Agriculture and Livestock ILRI campus – Lalibela room ILRI campus ILRI campus Lalibela room ILRI campus ILRI campus
Day 2 Tuesday 15 May Project sites in Tigray Region: Participatory Small Scale	06.30 – 07.15 07.45 – 09.10 09.20 – 09.40 09.40 – 11.40	Transfer from ILRI campus to airport and check-in Flight to Mekelle Convenience break at the airport Road travel to “Giba” – PASIDP Phase I irrigation scheme in Tanqua Abergele woreda (district) in Tigray region – 100 km from Mekelle	ILRI campus Tigray region

Irrigation Development Programme (PASIDP II)	11.40 – 13.40	Site visit and interaction with programme clients: - Group 1. Irrigation water users' association - Group 2. Farmers		
	13.40 – 14.30			
	Rural Financial Intermediation Programme (RUFIP II)	14.30 – 16.00		Drive back from Giba site and lunch (in the vehicle) Briefing and interaction with Indamariam rural savings and credit cooperative clients: - Group 1. Rural savings and credit cooperative committee - Group 2. Rural savings and credit cooperative members
	16.00 – 17.30			
		17.30 – 17.45		Road travel to Mekelle
	18.00 – 19.00	Hotel check-in	Planet Hotel (Tekeze Hall)	
	19.00	Wrap-up meeting		
		Free evening		
Day	Time	Activities	Place	
Day 3 Wednesday 16 May Project sites in Afar region: Pastoral Community Development Project (PCDP III)	07.00 – 08.30	Road travel to Abala woreda in Afar region – 60 km from Mekelle	Field	
	08.30 – 09.30	Visit the school constructed by PCDP III and interact with students (Hudimo kebele, near the next site)		
	09.30 – 11.30	Site visit and interactions with PCDP III clients (Urkudi kebele): - Group 1. Pastoralists' saving and credit cooperative committee - Group 2. Pastoralist' saving and credit cooperative members (women)		
	11.30 – 13.30	Drive to Adi Kello village (39 km from Urkudi)		
	13.30 – 15.30	Site visit and interaction with programme clients: - Group 1. Deep borehole project management committee - Group 2. Pastoralists		
	15.30 – 16.30	Drive back (lunch in the vehicle), visit of PCDP III primary school at Gubee village and interaction with community (21 km from Adi Kello)		
	16.30 – 17.15	Return to Mekelle by road		
	17.15 – 18.15	Wrap-up meeting	Planet Hotel (Tekeze Hall)	
	19.00	Free evening		

<p>Day 4 Thursday 17 May</p> <p>Project sites in Tigray region: Participatory Small Scale Irrigation Development Programme (PASIDP II)</p>	06.45 – 07.00	Hotel check-out	<p>Field</p> <p>ILRI campus – Konso room</p> <p>Sheraton Hotel</p>
	07.00 – 09.00	Road travel to “Adi-kerakiro” – PASIDP II irrigation scheme in Emba-Alaje woreda in Tigray region – 100 km from Mekele	
	09.00 – 11.00	Site visit and interaction with programme clients: <ul style="list-style-type: none"> - Group 1. Irrigation water users’ association and rural savings and credit cooperative - Group 2. Land rehabilitation works 	
	11.00 – 13.00	Road travel to Mekelle (lunch during road trip)	
	13.00 – 13.30	Airport check-in	
	14.15 – 15.40	Flight to Addis Ababa	
	15.50 – 16.20	Transfer to ILRI campus and check-in	
	16.30 – 17.30	Private time	
	17.30 – 18.30	Wrap-up meeting	
<p>Day 5 Friday 18 May</p> <p>Meeting with key partners in Addis Ababa and wrap-up</p>	19.00 – 19.30	Transfer to restaurant	
	19.30 – 21.30	Dinner hosted by the Secretary of IFAD	
	08.30 – 09.30	Meeting with RBA team	ILRI Campus Konso room
	09.30 – 10.00	Coffee	
	10.00 – 11.30	Meeting with selected development partners’ representatives in the Rural Economic Development and Food Security Sector Working Group	ILRI Campus Lalibela room
	11.30 – 12.00	Transfer to United Nations Economic Commission for Africa (ECA) compound	
	12.00 – 13.30	Working lunch with United Nations Resident Coordinator and selected members of United Nations Country Team	UNECA- Limat meeting room
	13.30 – 14.00	Transfer to Ministry of Finance and Economic Cooperation	Ministry of Finance and Economic Cooperation
	14.00 – 15.30	Courtesy call on State Minister of Finance and Economic Cooperation, and Director of International Financial Institutions Directorate	
	15.30 – 16.00	Transfer to ILRI campus	
16.00 – 18.30	Wrap-up session for Executive Board representatives	ILRI campus – Konso room	
18.30 – 21.00	Free time		
21.00 – 22.00	Transfer to airport and check-in for return flight to Rome		