

1. Project Data

Project ID

P113032

Project Name

ET: Agricultural Growth Program

Country

Ethiopia

Practice Area(Lead)

Agriculture

L/C/TF Number(s)

IDA-47830,IDA-H6000,TF-99729

Closing Date (Original)

30-Sep-2015

Total Project Cost (USD)

417,800,000.00

Bank Approval Date

30-Sep-2010

Closing Date (Actual)

30-Apr-2017

IBRD/IDA (USD)
Grants (USD)

Original Commitment

150,000,000.00

56,200,000.00

Revised Commitment

149,934,863.20

56,200,000.00

Actual

148,604,630.84

56,200,000.00

Prepared by

Hassan Wally

Reviewed by

Peter Nigel Freeman

ICR Review Coordinator

Christopher David Nelson

Group

IEGSD (Unit 4)

Project ID

P127507

Project Name

ET: AF Agricultural Growth Program (P127507)

L/C/TF Number(s)
Closing Date (Original)
Total Project Cost (USD)

50,000,000.00



government in Ethiopia.

- Kebel: is the smallest administrative unit of Ethiopia, similar to a ward, a



3. Relevance FAAAAH 11.5 Tf 1 0 0 -1 0





drought that impacted the country, which was described by the ICR "as the worst in 50 years." On the positive side the results reported in the ICR (p. 20, para 41) impacted ()Tj 1.4BA 817 0 Td ((p.)Tj ()Tj 15.8930

- The economic internal rate of return (ERR) of the project was estimated at 19.9% with a net present value (NPV) of US\$138 million. The economic analysis was based on a 20-year period during which the project was expected to generate benefits. Based on an opportunity cost of capital of 12%, the project was expected to generate a satisfactory ERR and was therefore justified on economic grounds. The analysis did not include all potential economic benefits for example: environmental benefits; other direct and indirect benefits of rural roads.
- The ex ante economic analysis was based on estimating farm and enterprise-level incremental benefits arising from the project. Financial budgets for representative crop, livestock, and agro-enterprises were prepared, converted to economic budgets (valued at economic prices), and aggregated on the basis of the AGP outreach assumptions.
- The financial analysis examined the financial viability of the main farm and value-chain enterprises that would be supported by the project and assessed their potential for increased profitability and income as a result of project interventions. The analysis compared two scenarios: "future without project" and "future with project". The ex ante analysis did not include an overall financial rate of return.
- A sensitivity analysis showed that project viability was robust to adverse changes in project costs, and the project would still remain viable with increases in capital and recurrent costs, the

sensitivity analysis a two year delay was expected to reduce the project's ERR to 18% - which is still above the opportunity cost of capital of 12%, but lower than the appraisal estimate at 19.9%. Implementation of the small scale irrigation works and infrastructure suffered from delays. These were the main cause for extending the closing date by 19 months. The implementing agency suffered from key capacity gaps in safeguards, procurement, financial management, and rural infrastructure (ICR, para 18, p. 11).

Efficiency is rated modest due to these weaknesses at the administrative and institutional level.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	19.90	100.00 <input type="checkbox"/>

- **Institutional risk.** The Common Interest Groups (CIGs) and Water User Associations (WUA) need to be functional and sustainable. Both

- Design also reflected lessons from other projects implemented in the country including: supporting private–public partnerships that can connect smallholders with agricultural markets, supporting a competitive process to fund participation by the full range of stakeholders in research and development; and enhancing the capacity of service providers to better link research to farmers.
- Design was complex, and included a broad range of activities and many implementation partners. It covered 96 woredas and 2,423 kebeles. Design complexity combined with broad geographical coverage posed a challenge for project coordination especially at the beginning of implementation. In addition, capacity-building attempts at the start of the project were not enough since implementing agencies continued to be weak. This impacted implementation of activities and resulted in the extension of the closing date by 19 months.
- Aspects of procurement, financial management, safeguard compliance issues, and technical aspects of financial and economic analyses were covered in detail at appraisal; and seemed adequate.
- Nine risks were identified at appraisal. Six risks were rated high and three were rated substantial. While the risk analysis in the PAD reflected relevant mitigation measures, there were weaknesses in the implementation and M&E capacity.
- M&E suffered from design and implementation weaknesses (see section 9 for more details).

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

The Bank's task team conducted regular implementation support missions and consistently responded to the needs

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

M&E took place at four levels: federal, regional, woreda, and kebele/sub-kebele. Overall M&E was coordinated at the federal level (AGP-PCU at the Ministry of Agriculture) by a Monitoring and Evaluation Officer in collaboration with M&E Officers based at the regional AGP offices. M&E design was complex and coordination was challenging.

The PDO was assessed by two outcome indicators. These were adequate and measurable to assess the project's impact on productivity and commercialization. However, there was no specific outcome indicator to assess the increased participation of women and youth. M&E started with a preliminary baseline data that was obtained from a Rapid Baseline Survey with limited geographical scope and sample size. This obtained



indicators. These were not formally





14. Comments on Quality of ICR

04