

Agricultural Growth Program - Agribusiness and Market Development (AMDe) Project, Ethiopia

External Mid-Term Performance Evaluation Report (USAID Task Order AID #663-TO-11-00003)

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Acronyms

ACDI/ VOCA	Agricultural Cooperative Development International/ Volunteer Overseas Cooperative Association
AMSAP	Advanced Maize Seed Adoption Program
AKLDP	Agriculture Knowledge, Learning, Documentation and Policy Project
AGP	Agricultural Growth Program of the Ministry of Agriculture
ATA	Agricultural Transformation Agency
ATVETs	Agricultural Training for Vocational Extension Trainers
BCC	Behavior Change Communication
CASCAPE	Capacity Building for Scaling up of Evidence Based Best Practices in Agricultural production in Ethiopia
CIAFS	Capacity to Improve Agriculture and Food Security
DAs	MoA Extension Development Agents
ENGINE	Empowering New Generations to Improve Nutrition and Economic Opportunities Ethiopia Project
EAB	Ethiopian Apiculture Board
EIAR	Ethiopian Institute of Agricultural Research
ECEA	Ethiopian Coffee Exporters Association
ECX	Ethiopian Commodities Exchange
EGTE	Ethiopian Grain Trade Enterprise
EHBPEA	Ethiopian Honey and Bees-Wax Producers and Exporters Association.
EPOSPEA	Ethiopian Pulses, Oil Seeds and Spices Processers and Exporters Association
ETB	Ethiopian Birr
FCA	Federal Cooperative Agency
FCU	Farmers' Cooperative Union
FTC	Farmers Training Centre
FTF	Feed the Future Strategy of the United States Government
GoE	Government of Ethiopia
GRAD	Graduation with Resilience to Achieve Sustainable Development
Ha	Hectare (10,000 m ²)
LOP	Life of Project
MoA	Ministry of Agriculture
MoH	Ministry of Health
Mol	Ministry of Industry
MoT	Ministry of Trade
MIS	Management Information System
MTE	Mid Term Evaluation
M4	Membership, Money, Management and Marketing Assessment
NARS	National Agricultural Research System
NRM	Natural Resource Management
NNP	National Nutrition Program
PC	Primary Cooperative
PMP	Performance Management Plan
PSNP	Productive Safety Net Program
PRIME	Pastoralist Areas Resilience Improvement through Marketing Expansion
P4P	Purchase for Progress
RuSACCO	Rural Savings and Credit Cooperative
SLMP	Sustainable Land Management Project
SMFM	Sell More For More (a training module)
SNNPR	Southern Nations, Nationalities and Peoples Region
SOW	Statement of Work

USAID	United States Agency for International Development
USG	US Government
VC	Value Chain
WALN	Woman Agricultural Leadership Network
WFP	UN World Food Program
ZOI	Zones of Influence

Note on Ethiopia's administrative structure

Kebele - the smallest administrative unit in Ethiopia

Woreda - is equivalent to a district in other countries and the second lowest tier of local government

Zone - consists of a number of *woredas*

Kilil or Region - consists of a number of zones and Ethiopia comprises 8 main regions

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This cooperation notwithstanding, the views expressed in this Mid-Term Evaluation are those of the Evaluation Team and any mistakes or misrepresentations are the responsibility of the Team alone.

Executive Summary

This External Mid-Term Evaluation (MTE) of the USAID Ethiopia Mission (USAID) funded Agricultural Growth Program - Agribusiness and Market Development (AMDe) project was carried out in two phases, November and December 2014 and January 2015. The Evaluation Team followed the Scope of Work developed by USAID (see Annex A).

The AMDe is funded through USAID Ethiopia's Feed the Future (FTF) programme with a budget of USD50 million.¹ Launched in June 2011, the AMDe is funded for five years with an end date of May 2016. It is planned the AMDe will reach 1 million smallholder farmers. This MTE has been delayed past the mid-point with the result the AMDe now has only 15 months of implementation left. This is unfortunate as the period in which adjustments can be made is short. Recommendations include suggested modifications that it is hoped will help inform the design of a follow-on project.

The AMDe is aligned with the Ministry of Agriculture's (MoA), Agricultural Growth Program (AGP)² which is funded by the Government of Ethiopia (GoE) together with the World Bank, Canada, Denmark, Germany, Netherlands, Spain and United Kingdom³ and technically supported by the Agricultural Transformation Agency (ATA).⁴ The AMDe implements AGP's Component 1, sub-component 1.3: *Market and Agribusiness Development*.

During the period of review, the Evaluation Team visited 26 AGP *woredas* in Ethiopia's four main regions, interviewing 215 individuals from 66 organizations that included the MoA - at federal and local level - local government, industry associations, private sector businesses, Farmers Cooperative Unions (FCUs), Primary Cooperatives (PCs), smallholder farmers - men and women - and AMDe staff.

Key findings

The MTE review findings are both generic and specific. At the generic level, the Evaluation Team welcomes USAID's engagement in Ethiopia's higher potential agriculture areas. The program is also aligned with the MoA's AGP. The USAID is therefore supporting a positive move by government to achieve a better balance of development investment across the country. Within this context, the Evaluation Team finds the AMDe has made a useful contribution.

It is however recognized that agriculture follows a seasonal calendar and that as AMDe has been operational for only 3 full growing seasons that it is too early to expect that lessons being learned by the project team can be consolidated and taken to scale. The Evaluation Team finds that progress towards FTF development objectives could have perhaps been accelerated if the ZOI had been smaller and the interventions better supported by the layering of other USAID programs - social protection, WASH, nutrition, health and education. The Evaluation Team finds the AMDe could have focused on smallholder farmers with holdings of one hectare or less and women smallholder

¹ USAID Ethiopia's FTF portfolio is valued at around USD 270 million over five years. It is implemented in 154 Zone of Influence *woredas* that are home to an estimated 17 million people.

² The AGP is implemented in 96 *woredas*. It is planned AGPII will be implemented in 157 *woredas*. The AGP is structured as follows: **Component 1** - Agriculture production and commercialization with sub-components on institutional strengthening and development; scaling-up good practice; and market and agribusiness development; and **Component 2** - Rural Infrastructure Development and Management with sub-components on small-scale agriculture water management and market infrastructure development. The project is led by a Coordination Unit at federal and regional levels and is guided by Steering and Technical Committees

³ The AGP is estimated to cost about USD 265 million of which USAID provides 19 per cent through AMDe and Livestock Marketing Development (LMD) projects.

⁴ The ATA – Agricultural Transformation Agency, www.ata.gov.et

farmers, both women-headed households and women in male-headed households and in this way better contributed to targeting FTF planned beneficiaries. Finally in this generic section the Evaluation Team finds the USAID could have done much more to contextualize FTF indicators to Ethiopia's agriculture sector and agro-ecology. At present some AMDe indicators appear rather meaningless.

Moving from the general to the specific, the Evaluation Team present findings under each of the key questions outlined in the SoW.

Key Question 1: To what extent is the AMDe Project progressing against planned objectives as outlined in its performance management plan and work plan?

The Evaluation Team learned the AMDe tracks 42 targets and indicators across Results 1 to 4. Of these, 21 per cent have been fully achieved; 20 per cent are very likely to be achieved; 14 per cent are likely to be achieved with focused additional support; and 45 per cent are thought unlikely to be achieved. Details are presented below for each.

Result 1: Improved Competitiveness of the Value Chains

- The number of hectares under new technology (indicator #1) is progressing slowly and it is unlikely it will be met for any of the value chains
- The number of farmers benefiting from access to new technology - seed, fertilizer and training (indicator #3) is progressing. For farmers in the coffee and sesame value chains the LOP target has been achieved; for maize progress is 57 per cent of the LOP target and may be achieved; but for wheat, chickpea and honey it is unlikely the LOP targets will be met
- The increased value of improved productivity and production (indicator #4) appears to be progressing well but the progress reported appears to contrast with progress under indicator #1. As the two indicators appear to be linked as the # hectares under improved management contributes to increased productivity, the progress reported needs to be reviewed⁵
- The value of incremental sales (indicator #6) is 96 per cent of the LOP target and is likely to be exceeded
- The value of exports (indicator #10) is 62 per cent of the LOP target and may be met

Result 2: Improved Access to Finance

- The value of agricultural and rural loans target (indicator #14) has been met and is likely to be exceeded
- The number of clients benefitting from financial services (indicator #18) is 60 per cent of the LOP target and may be met

Result 3: Improved Enabling Environment

- The 7 policies/regulations/administrative procedures target is progressing:
 - Stage 1: Analyzed Stage (7 targets met)
 - Stage 2: Drafted and presented for public/stakeholder consultation stage (4 targets met)
 - Stage 3: Presented for legislation/decreed Stage (2 targets met)
 - Stage 4: Passed/approved (2 targets met);
 - Stage 5: Passed for which implementation has been completed (0 targets met)

⁵ The only meaningful way to measure outcomes and impact is through sampling against a control group or through an impact assessment. While end of the life of the project evaluations are planned, it is unlikely statistically significant impacts will be observed in such a short period within the agriculture sector as the period of implementation will only cover 4 growing seasons and agriculture sector change invariably takes longer than this

The number and choice of the seven policy issues however appears somewhat arbitrary and all future FTF policy work should be informed by FTF's development objectives

Result 4: Stimulate Innovation and Investment

- Progress against the leveraged investment (indicator #22) is 50 per cent of the LOP target and may be met

Key Question 2: To what extent has this project contributed to gender equity in terms of access to credit, capacity building support, improved inputs and technologies resulting in an increase in sales of agricultural commodities? Are there evidences supporting positive changes in the aforementioned areas?

The AMDe launched the *Women in Agribusiness Leadership Network (WALN)*⁶ and has promoted a women membership drive in cooperatives resulting in an additional 78,000 members (not all new) in the period, March to December 2014. These are successful contributions to gender equity. The membership drive was supported by incentives - women received small gifts and the best performing cooperatives were awarded travel grants. The Evaluation Team finds the continued use of incentives unnecessary.

The Evaluation Team finds that USAID gave inadequate attention to gender in the AMDe design phase, as four of the six value chains have a strong export focus. While aligning with the AGP more consideration might have been given to the fact that agriculture sector exports are primarily dominated by men. The selection of other and complementary value chains focusing on domestic markets might have afforded increased opportunities for women smallholders, traders and agro-processors. The USAID also did not designate specific funds to support AMDe's gender equity work.

Key Question 3: What has been AMDe's contribution to the improvement of nutritional status of women and children? What is the evidence?

Stunting levels in Ethiopia, including in AGP *woredas*, are among the highest in the world and, as mentioned, accelerated stunting reduction is one of two FTF development objectives. This said, it would appear the nutrition targets were bolted-on during AMDe's first year of implementation. As a result it is perhaps not surprising that progress is mixed: on the one-hand AMDe has contributed to improved nutrition outcomes through its chickpea value chain development and launch of three chickpea *shiro* products;⁷ on the other hand, the nutrition cascade training appears to have achieving little that can be sustained. The Evaluation Team therefore finds that agri-business and market development projects are not best placed to contribute to improved nutrition outcomes as opportunities for nutrition-sensitive agriculture are minimal.

Key Question 4: What is the impact of the resources spent (financial and human) and performance per value chain? What is the relative value generated in terms of productivity and income increase, employment generation per value chain to resources spent? Which value chains have the highest returns per dollar spent?

The AMDe monitoring capacity appears to be weak as progress reports lack consistency. The AMDe also gives inadequate attribution to the work of other stakeholders. In 2014 the USAID conducted a 'value for money analyses' across different FTF value chains and as benefit-cost information is available to USAID and made, the Evaluation Team did not spend time addressing this question.

The Evaluation Team did however learn that a considerable number of the grants to partner organizations and to value-chain actors are 'pass-through' and managed by ACDI-VOCA

⁶ The network has received national recognition through the January 2015 National Conference that was attended by 100 women entrepreneurs

⁷ Through GUTS Agro-Industry

headquarters in Washington.⁸ While this management arrangement may reduce the demands on the local AMDe staff time, the Evaluation Team finds that grants could probably be better managed by in-country staff with local knowledge.

Key Question 5: Which among the following AMDe’s partnerships have been the most effective in terms of their collaboration and coordination to implement AGP-AMDe? Which ones have been the least effective? In both cases, what is contributing to these partnerships’ success and challenges?

The AMDe works with a range of stakeholders: AGP; ATA; Capacity Building for Scaling-up of Evidence Based Best Practices in Agricultural Production in Ethiopia (CASCAPE); Federal Cooperative Agency (FCA); Ministry of Trade (MoT); private sector organizations; industry associations - Ethiopia Apiculture Board, Ethiopia Honey and Bees Wax Producers and Exporters Association, Ethiopia Pulses Oil Seeds and Spices Processers and Exporters Association and the Ethiopia Coffee Exporters Association. In addition, the AMDe works with researchers in the Ethiopia Institute of Agricultural Research and other FTF implementing partners.

The Evaluation Team finds that the strongest partnerships are with the AGP, ATA and FCA and that the USAID, ATA and AMDe have forged a tripartite coordination plan with focal points assigned for each joint activity. Although the partnership with the ATA is strong, there is little evidence that other partnerships translate into coordinated planning, implementation, monitoring and review and identification of potential good practice. In part, this can be attributed to partner differences - organizational cultures, planning cycles etc - but in part it would also seem that the development community is driven by head-quarter staff to report on and meet project targets that overlook the importance of local coordination and integration.

The Evaluation Team learned that Ethiopia’s cooperative movement markets less than 10 per cent of Ethiopia’s cereals⁹ and in contrast that the private sector traders is the main point of cereal aggregation, transport, marketing and processing. The Evaluation Team therefore finds the AMDe should strengthen links with the private sector and reduce its engagement with cooperatives.

The Evaluation Team finds the AMDe works well with other FTF implementing partners at federal and regional levels but that the quality of partnership appears to tail off at *woreda* level. The probable reasons are outlined above and do need repeating. The Evaluation Team however finds that USAID could have done more to forge a coordinated, integrated and harmonized FTF portfolio.

Key Question 6: Which of the components and/or project activities can easily be scaled up in the future based on measurable, practical, and sustainable results?

The AMDe is well established in the four AGP regions and across six value chains. Significantly, in view of the AMDe’s strong marketing focus, the project is also doing good work to address productivity issues through its work on inputs - improved seeds, blended fertilizers and crop protection and post-harvest handling technologies. The Evaluation Team finds this an important and strategic area of work in particular for small-holder farmers with less than 1ha.

In the remaining life of the project, the Evaluation Team sees opportunities for AMDe to scale-up its capacity building work with smallholder farmers, PCs, FCUs and the private sector on post-harvest handling and management - threshing, winnowing, cleaning, storage and pest control - aggregation and the marketing of agricultural surpluses. The Evaluation Team however find that the focus for

⁸ Other cost centers include: salaries and allowances - 19 per cent; travel - 5 per cent; equipment - 4 per cent; operations, rent, utilities and training - 3 per cent each; and other direct costs - 2 per cent

⁹ Cereals account for more than 60 per cent of all arable cropping

scaling-up should be on domestic markets as commodity prices in Ethiopia are generally higher than on international markets.¹⁰

The AMDe cascade-style training for cooperative capacity building and women equity could be scaled-up and mainstreamed. With regard to cooperatives, this might be done in partnership with the Ardaita Cooperative ATVET,¹¹ Oromiya Region as it provides similar training and capacity building support to PCs and FCUs in that part of Oromia. In this way, the AMDe can avoid duplication and address the issue of mainstreaming and sustainability.¹²

The Evaluation Team recognize the AMDe's support to cooperatives to improve their credit rating and secure loans from banks and Rural Savings and Credit Cooperatives (RuSACCOs) and find that this should be scaled-up with a specific focus on support for improved financial management, business plan writing and management of loans. The Evaluation Team however finds the AMDe should disengage from large warehouse construction for cooperatives.¹³

The AMDe is supporting World Food Program's (WFP) P4P initiative through the delivery of 32,898mt of maize from 13 FCUs. The Evaluation Team finds this a positive intervention as farm gate prices are volatile. To address issues of sustainability, however the Evaluation Team finds that AMDe's marketing support should be extended to the private sector.

Key Question 7: Given the findings above, does the Project have the right balance of staff and funding? Is there an appropriate balance between the resources (staff and budget), their management and the activities the project intends to accomplish?

The AMDe employs 81 full-time staff and 19 part-time staff (64 men and 36 women) including the Deputy Chief of Party Operations and finance, administration and support staff that are shared with other ACDI/VOCA projects (AMDe funds 70 per cent of these staff salaries). The Evaluation Team finds the relationship between AMDe and pooled staff unclear and in need of clarification.

Almost half of the AMDe's staff is based in Addis Ababa.¹⁴ In order to consolidate progress and ensure sustainability, increased attention needs to be given to staff AMDe's work in the regions.

Recommendations

Recommendation for Result 1

#1: *The AMDe continue to work on the 6 value chains in order not to disrupt project implementation during the remainder of the project, but the AMDe give increased focus to incomplete Results:*

- *Wheat - productivity and value addition through processing*
- *Maize- productivity including open pollinated varieties, improved post-harvest handling, cleaning, storage and diversifying domestic market outlets*
- *Coffee - post-harvest loss reduction and quality standards*
- *Sesame - post-harvest loss reduction and processing*
- *Chickpea - domestic and niche markets (Sudan for example) for the currently used varieties*
- *Honey - production and productivity through the distribution of improved equipment including modern beehives and training and equipping of beekeepers and new beekeepers*

¹⁰ The price of wheat for example in Ethiopia at the time of the MTE was nearly twice world prices. The domestic price of honey was also considerably higher than on the world market

¹¹ The Cooperative Sector Development Strategy (FCA, 2012), developed with the support of ATA, identifies Ardaita as a potential 'center of excellence' for cooperative development. While not centrally located it is planned the center will establish branches in other regions and operate as 'college without walls'

¹² During the Evaluation Team's visit to Ardaita it was learned that the AMDe had once but without follow-up

¹³ Modest support to PCs to construct warehouses may help improve aggregation of smallholders produce

¹⁴ This figure includes AMDe's Oromia Region staff that are based in Addis as their regional counterparts in the Oromia Bureau of Agriculture are based in Addis

Recommendation for Result 2

#2: Continue AMDe's engagement in agriculture sector finance in particular increased training for cooperatives and small-scale private businesses to develop business plans,¹⁵ negotiate with banks, improve accounting systems and provide more cost effective guarantees

Recommendation for Result 3

#3: Recognize the arbitrary number and nature of the planned policy targets and work more closely with other FTF implementing partners including the AKLDP.¹⁶ With other FTF partners forge a common, integrated and coordinated approach to agriculture sector policy work

Recommendation for Result 4

#4: Reduce the focus on new investments and grants and consolidate existing work to improve impact

Recommendations for gender equity

#5: Continue to support women empowerment including women membership of cooperatives - though discontinue the use of incentives - and WALN with increased emphasis on support for smaller women-led agri-businesses in the regions. Set aside funding for gender equity work

#6: Document AMDe's work with women in Tigray and SNNP Regions and share with FTF projects within and beyond Ethiopia

Recommendation for nutrition

#7: Hand-over the nutrition work to ENGINE

Recommendations for improved collaboration

#8: Continue to strengthen partnerships with key stakeholders in particular regional BoAs, ATA **Commercialization Clusters** and Regional Cooperative and Industry Association Offices to accelerate training and capacity building of regional, zonal and woreda staff in agriculture marketing that includes a better training on the private sector and its potential role in the Ethiopian agriculture

#9: Collaborate with ATA and Federal Cooperative Agency (FCA) to develop a PC/ FCU Certification system that merges ATA and AMDe (M4) accreditation criteria and results in a single system

Recommendations for scaling-up

#10: Support the MoA and ATA to improve productivity through the improved distribution of certified seeds (including open pollinated varieties), blended fertilizer, credit and extension support

#11: Continue to support the WFP-P4 P initiative but also strengthen links between farmers and private sector traders

Recommendations for management

#12: Recruit an organizational change expert to re-orientate AMDe staffing, specifically increased support for: farmer level production and productivity,¹⁷ domestic market development and gender. Clarify the responsibilities of the AMDe and ACDI/VOCA pooled staff and as appropriate move staff to the regions

¹⁵ The business plans prepared jointly by FCUs and AMDe are of a high quality. For example, the Sidama Elto FCU business plan secured loans of Eth Birr 7.6 million in 2013, Eth Birr 14.4 million in 2014 and Eth Birr 6.35 million in 2015

¹⁶ The AKLDP project provides agriculture knowledge, learning and policy support to USAID's FTF portfolio

¹⁷ The Evaluation Team is keen to see that the USAID Ethiopia mission strengthens its support of production and productivity and therefore achieves a more balanced agriculture sector portfolio. The Evaluation Team are of the view that the Mission is at present too market-focused

#13: *Recruit an M&E specialist to up-grade the M&E system. Ensure all project data is cleaned ahead of the End of Project Evaluation*

#14: *Strengthen AMDe’s capacity development work to 15 per cent of the Year 5 project budget to build the capacity of PCs and FCUs and better equip them to continue work started with AMDe. To support this reorientation, halt further investment in infrastructure development*

#15: *Include representatives from the MoA and possibly the MoT and Mol in the Final Evaluation*

Recommendations for a follow-on project

The Evaluation Team recommends that USAID commit follow-on funding for an agriculture growth project¹⁸. The Evaluation Team however recommends the follow-on project focusses: on a smaller Zol; smallholders with less than one hectare with increased emphasis on improving productivity; women in agriculture - both women-headed and women in male headed households; and working with the private sector including industry associations giving particular emphasis to small-scale aggregators and processors and a reduced focus on cooperatives.

The Evaluation Team also recommends that a follow-on project is nested in a USAID-led layered and sequenced approach that results in multiple benefits to beneficiaries- social protection, WASH, nutrition, health and education. The Evaluation Team also finds that USAID should do more to contextualize global FTF indicators in order FTF projects in Ethiopia address and report on priority local poverty reduction and stunting reduction challenges.

Specific follow-on recommendations include:

#16: *Re-orientate work on value chains: remove coffee handing this over to the planned large EU will coffee initiative; remove chickpea for export as there are opportunities for value added within domestic markets that will result in improved nutrition outcomes; and remove wheat as there are other stakeholders that are better placed to work in this value chain including the ATA. Continue to support: the honey value chain as there are opportunities to assist very poor women with little or no land; cereals, specifically maize¹⁹ while also adding malt barley and sorghum as these are grown by large numbers of poorer smallholders; and legumes for domestic markets as legumes have soil improvement and nutrition benefits. The recommended value chains are:*

- *Honey - for domestic markets (with an emphasis on women)*
- *Cereals - maize, malt barley and sorghum*
- *Legumes - for domestic markets*

#17: *Ensure that capacity building, institutional development and gender are key components of a follow-on project and appropriately funded from the outset*

#18: *Reduce the managerial complexity by sub-contracting work e.g. production and productivity, value chain development, aggregation and domestic market development to specialist international and local NGOs that are active and established in Ethiopia. In this way the project holder can better focus on management, coordination, monitoring - data collection, collation, analysis, documentation and learning – and the identification and championing of evidence-based good practice including with AGP2. The project holder would also be expected to manage all partner and capital grants in-country and to ensure high levels of compliance and associated capacity development. The vision would be to leave Ethiopian institutes, organizations and businesses better equipped to lead the transformation process of Ethiopian agriculture*

¹⁸ It is expected that marketing and agri-business would be part of this but that it would no longer be the sole focus

¹⁹ With a focus on open pollinated varieties

1. Introduction

1.1 Ethiopia's agriculture sector

Ethiopian agriculture accounts for almost 45 per cent of total GDP, 90 per cent of exports and more than 80 per cent of employment.²⁰ Production remains largely rain-dependent. Within the sector arable cropping accounts for 60 per cent of agricultural GDP. The principal crops include: cereals, pulses, oilseeds, coffee, roots and tubers - potatoes, sweet potatoes, cassava, vegetables and sugarcane. Agriculture exports include coffee, oilseeds, some pulses and livestock.

Informed by the Growth and Transformation Plan, 2010 - 2015 (GTP)²¹ the MoA launched the Policy and Investment Framework (PIF) 2010 - 2020.²² The Agriculture Growth Program (AGP) was launched as a 'flagship' project in 2010 to increase agricultural productivity and market performance of selected crop and livestock value chains in 96 high-growth *woredas* in Amhara, Oromia, SNNP and Tigray Regions. The AGP is funded by the GoE, World Bank and bilateral development partners - Canada, Denmark, Germany, Netherlands, Spain and United Kingdom and supported by the ATA.

1.2 Feed the Future and AMDe

The US Government's FTF program in Ethiopia is valued at USD 270 million.²³ FTF's development objective is to increase economic growth with resiliency in rural areas, specifically to reduce sustainably poverty²⁴ and hunger²⁵ through improvements in food availability, access and utilization.

Funded through FTF, the AMDe project supports market-based agricultural development. Aligned with the AGP, the AMDe implements AGP's sub-component 1.3: *Market and Agribusiness Development*. Funded in June 2011 for five years the total budget is USD 50 million and the intended reach is 1 million farmers. The AMDe development goal is to: *sustainably reduce poverty and hunger by improving the productivity and competitiveness of agricultural value chains that offer jobs and income activities for rural households*.²⁶ AMDe's work is structured around improving the competitiveness of six value chains: maize, wheat, sesame, coffee, chickpea and honey through technical and managerial assistance, increased access to finance and private sector investment. AMDe partners with 2,554 PCs and 251 FCUs with a total membership of 1.9 million.

The project design included a 12 month *Inception Phase* during which time ACIDI/VOCA²⁷ hired staff, established offices in each of the AGP regions, refined the implementation strategy and developed detailed work plans. The AMDe submitted its first annual work plan in November 2011. Rejected by USAID, a revised plan was submitted in March, 2012 and approved by USAID in May 2012. Follow-on plans were submitted in October 2012, July, 2013 and July 2014 and accepted without revision. The AMDe has been operational for a period of 3 years.

²⁰ AGP Project Appraisal Document, September 2010, World Bank

²¹ Growth and Transformation Plan, 2010/11-2014/15, Federal Democratic Republic of Ethiopia

²² Agriculture Sector Policy Investment Framework, 2010-2020, Ministry of Agriculture

²³ 85 per cent of the investment is however in 5 main projects: two implemented in AGP *woredas*, one in pastoral areas, one in PSNP *woredas* and one a specialist nutrition project

²⁴ To reduce household poverty by 30 per cent in the Zone of Influence within 5 years

²⁵ To reduce stunting by 20 per cent in the Zone of Influence within 5 years

²⁶ Task Order AID 663 TO 11-00003

²⁷ The PRIME implementing agency

1.3 The Mid-Term Evaluation

This Mid-Term Evaluation (MTE) is delayed and the AMDe remains with only 15 months of implementation.²⁸ While therefore the purpose of MTEs is to assess project performance and recommend adjustments during the life of the project, this MTE also includes recommendations for the design of a follow-on project. The MTE addressed the following questions detailed in the SOW:

1. To what extent is the AMDe project progressing against planned objectives as outlined in its performance management plan (PMP) and work plan?
2. To what extent has this project contributed to gender equity in terms of access to credit, capacity building support, improved inputs and technologies resulting in an increase in sales of agricultural commodities? Are there evidences supporting positive changes in the aforementioned areas?
3. What has been AMDe's contribution to the improvement of nutritional status of women and children? What is the evidence?
4. What is the impact of the resources spent (financial and human) and performance per value chain? What is the relative value generated in terms of productivity and income increase, employment generation per value chain to resources spent? Which value chains have the highest returns per dollar spent?
5. Which among the AMDe's partnerships have been the most effective in terms of their collaboration and coordination to implement AGP-AMDe? Which have been the least effective? In both cases, what is contributing to these partnerships' success and challenges?
6. Which of the components and/or project activities can easily be scaled up in the future based on measurable, practical and sustainable results?
7. Given the findings to these questions, does the Project have the right balance of staff and funding? Is there an appropriate balance between staff and budget, their management and the activities the project intends to accomplish?

1.4 Methodology

The Evaluation Team comprising a Team Leader and three local consultants²⁹ carried out the MTE in two phases, mid-November to mid- December 2014 and January 2015. In the first week of the review, the team was briefed by the AKLDP team and USAID. The Evaluation Team also developed a work plan that was presented and approved by USAID (Annex B).

The Evaluation Team reviewed key documents including the project proposal, monitoring and other major reports (Annex C). The Evaluation Team also visited 26 *woredas* in AGP regions, interviewed 215 informants from 66 organizations including farmer organizations, primary cooperatives, farmer cooperative unions, partner organizations, industry associations and the private sector (Annex D). Interviews were structured using a guideline developed by the Evaluation Team (Annex E).

Limitations

While recognizing the large amount of information that was collected and reviewed, the Evaluation Team recognizes the following limitations: time did not allow detailed comparative study between beneficiary and non-beneficiary households or access to all stakeholders. There was also an inevitable bias to stakeholders and activities that were accessible by all-weather roads. The Evaluation Team is however reasonably confident that its findings are useful both as a guide to the progress made and the design of a follow-on project.

²⁸ The project will close out in May 2016

²⁹ John Fox, together with Dr Nigussie Alemayehu, Dr Amare Ghizaw and Dr Amdissa Teshome

2. Evaluation Findings

The MTE review findings are generic and specific. At the generic level, the Evaluation Team welcomes USAID's engagement in agriculture in the better rainfall areas of Ethiopia including that this investment is aligned with the AGP. As a result, the USAID is supporting a wider government-led initiative to shift development resources from the lowlands to Ethiopia's more productive agriculture areas. Within this context, the Evaluation Team finds the AMDe has made a useful contribution.

The Evaluation Team however recognizes that learning in the agriculture is seasonal and that with only 3 full seasons of learning that the AMDe is still a work in progress. For example, the Evaluation Team find that AMDe could have made a more significant contribution to the FTF development objectives if the ZoI had been smaller and interventions better supported by other USAID programs - social protection, WASH, nutrition, health and education. The Evaluation Team also finds that the AMDe could have focused more specifically on smallholder farmers with holdings of one hectare or less and women smallholder farmers, both women-headed households and women in male-headed households and in this way contributed more to FTF development objectives. Finally in this overview, the Evaluation Team finds the USAID could have done more contextualize FTF indicators in order the AMDe address issues of impact and sustainability as opposed to LOP targets which are at times rather meaningless.

Moving from the general to the specific, the Evaluation Team present findings under each of the key questions outlined in the SoW.

2.1 Progress made under each of the four major results

Question 1: To what extent is the AMDe project progressing against planned objectives as outlined in its performance management plan (PMP) and work plan?

At times, the Evaluation Team found it difficult to confirm progress as the quality of the project data appears to be inconsistent. The Evaluation Team presents 'best estimates' that are summarized in Table 2: Progress to December 2014 and are color coded:

- Fully achieved or 100 per cent of the LOP target - blue
- Very likely to be achieved or 80-100% per cent of the LOP target - green
- Likely to be achieved but requiring additional focus i.e. 60-79 per of the LOP target - yellow
- Unlikely to be achieved or <60 per cent of the LOP target -red
- Not assessed – uncolored

From Table 2 it can be seen that of the 42 targets and indicators: 21 per cent have been fully achieved; 20 per cent are very likely to be achieved; 14 per cent are likely to be achieved with specific additional support; and 45 per cent are thought unlikely to be achieved.

Result 1: Improved Competitiveness of the Value Chains

Indicator #1: Number of hectares under improved technologies or management practices as a result of USG assistance

Progress against LOP targets is low across all value chains: 7 per cent of the 12,000 hectares (ha) target for wheat, one per cent of the target of 15,670 ha for maize and 11, 20 and 36 per cent for coffee, sesame and chickpea respectively. Year 4 targets appear ambitious and it would seem unlikely that the Year 4 or LOP targets will be achieved.

The Evaluation Team however recognizes the character of Ethiopian agriculture: 11 million smallholder farming families, each with 2 or 3 or more scattered plots that typically total less than a hectare. Smallholders also prize cropping diversity that meets household food security needs and are therefore resistant to standard extension packages that invariably focus on single crops. The

Evaluation Team is therefore not surprised progress against this indicator is slow and finds that in future USAID Ethiopia could contextualize FTF targets.

Indicator #3: Number of beneficiaries supported by AMDe assisted value chains

The LOP targets for sesame and coffee have been surpassed: the target of 74,980 beneficiaries for sesame was exceeded by 47,752 or 164 per cent as was the target of 110,515 beneficiaries for coffee exceeded by 17,963 or 116 per cent. Progress across other value chains has been slower and it seems unlikely LOP targets will be achieved: 23,130 of the planned 286,951 beneficiaries for wheat or 8 per cent; 167,290 of the planned 295,404 beneficiaries for maize or 57 per cent; 30,704 of the planned 143,974 beneficiaries for chickpea or 21 per cent; and finally 19,755 of the planned 88,282 beneficiaries for honey or 22 per cent.

Indicator # 4: Average yield per hectare/hive (Kg)

The LOP targets for increased yields per hectare for wheat and coffee have been achieved at 110 and 104 per cent respectively and the LOP targets for maize, sesame and honey are likely to be achieved with progress at 95, 84 and 80 per cent respectively of LOP targets. The LOP target for chickpea is unlikely to be achieved as progress is 44 per cent of the LOP target.

Table 1: Average yield increases to December 2014

Value Chain	LOP yield targets (Kg/ha)	Achieved increased yields (kg/ha)	Achieved increased yields (%)
Wheat	2,969	3,266	110
Maize	3,703	3,517	95
Coffee	976	1,015	104
Sesame	800	672	84
Chickpeas	3,305	1,454	44
Honey	15	12	80

Source: Abstracted from project PMP Reports

Reasons offered for improved productivity include: support for farmer training, field demonstrations of good practice, farmer-to-farmer experience sharing forums and exchange visits and access to inputs - improved seeds (maize - BH661³⁰ and sesame Humera-1 and Setit-1), fertilizer and credit.

The Evaluation Team notes the difference in performance between the average yield increases presented above and Indicator #1: Number of hectares under improved management. As noted: wheat is 7 per cent of the 12,000ha LOP target for land under improved management while maize is one per cent of the 15,670ha LOP target. The Evaluation Team is therefore unable to reconcile the stated increases in Table 1 above with the low levels of hectares under improvement management.

Indicator #5: Gross margin per unit of land/ hive (USD)

The target LOP gross margins for wheat and sesame have been achieved at 101 and 186 per cent respectively and progress against LOP targets for maize and chickpea are current 86 and 85 per cent respectively. Progress for improved gross margins for coffee are more modest at 66 per cent of the

³⁰ The maize BH661 hybrid is being popularized through the Advance Maize Seed Adoption Program (AMSAP) partnership of which AMDe is a member. While recognizing the value of increasing yields, the Evaluation Team is concerned the AMDe is being unwittingly pulled into a narrow focus on yields that is potentially unsustainable as open pollinated varieties are often better suited to the needs of poorer smallholder farmers in the more marginal areas of the AGP's four main regions

LOP target despite the progress made to address production constraints. The Evaluation Team however finds the AMDe reporting on gross margins somewhat misleading as it is not clear to what extent AMDe has played the lead role or what extent AMDe is reporting improvements across the agriculture sector, the result of a series of good years of rainfall, Ethiopia's expanded road network and improvements in input supply.

The Evaluation Team learned the Gozamen FCU, Debre-Markos is holding several thousands of quintals of maize that were purchased from farmers at prices set on production costs. The purchase price now stands above wholesale price. While maize prices can be expected to rise in the coming months, the FCU is understandably reluctant to purchase more maize. As a result, some farmers are selling maize at the costs of production or even at a loss. The Evaluation Team finds therefore that gross margins should be up-dated monthly to more accurately reflect the complexity of the commodity markets.³¹

Indicator #6: Value of incremental sales at farm-level attributed to FTF implementation

The LOP target for coffee sales has reached USD 32 million or 127 per cent of planned sales. The LOP targets for the incremental sales of maize and sesame appear achievable as progress is respectively 87 and 80 per cent. In contrast, the targets for wheat and chickpea are unlike to be achieved as progress against the LOP targets is respectively 20 and 19 per cent. Here again, the Evaluation Team finds this indicator inadequate as the value of incremental sales is primarily informed by fluctuating commodity prices. According therefore to the timing of the data collection, progress can appear to be better or worse.

Indicator #10: Value of exports of targeted agricultural commodities as a result of USG assistance

The LOP target for coffee has been surpassed at 120 per cent of the target or value of exports worth USD 120 million. The LOP export target for sesame was USD 74 million and exports to date are USD 46 million or 63 per cent. The target might therefore be achieved. In contrast, it would seem the LOP targets for chickpea³² and honey³³ will not be met.

Despite the challenges, the Ethiopia Beekeepers Association has assisted Ethiopia secure International Organization for Standardization accreditation to export honey to niche markets in Europe (see Text Box 1).

Text Box 1: Support to Trade Associations

AMDe is providing support to a number of industry associations: Coffee Exporters Association; Coffee Producers and Exporters Association; Beekeepers Association; Honey and Beeswax Producers and Exporters Association; Ethiopia Apiculture Board; and Ethiopian Pulses, Oil Seeds and Spices Processers and Exporters Association. AMDe's primary support is capacity-building in the area of exposure to international trade fairs.

AMDe together with Oxfam, SNV and SOS Sahel assisted the Ethiopia Apiculture Board (EAB) host the *Third Api-Africa International Conference* that was attended by international experts and beekeepers from all over Africa including Ethiopia. AMDe also assisted the Ethiopia Beekeepers Association (EBA) to secure EU accreditation to export honey to Europe as it appears that there is an expanding market for Ethiopian honey in Europe.

The LOP targets for this indicator were informed by an export market assessment jointly carried out by USAID and the ATA and that it would appear the assessment did not adequately address domestic versus international and quality issues. Moreover, the Evaluation Team finds that the assessment could have given increased emphasis to value chains that benefit smallholders with less than 1ha and are therefore more likely to be FTF beneficiaries.

³¹ Coffee farm gate prices have for example fluctuated by as much as 50 per cent in just two years. At the time of the MTE domestic wheat prices were roughly twice international prices.

³² Ethiopia does not yet produce export quality chickpea for export to the Middle East

³³ The domestic price for honey is higher than export prices

Indicator #12: Volume of processed products (MT)

Progress against planned LOP targets for the volume of processed products is as follows: honey 79 per cent of the planned 1,916mt; coffee 57 per cent of the planned 29,627mt; and maize 52 per cent of the planned 19,265mt. Progress for wheat and sesame are 20 per cent of their respective targets and chickpea only 3 per cent. It is likely the LOP target for honey, coffee and maize will be met as good progress was made in Year 3 when annual targets were exceeded by 287, 224 and 121 per cent respectively. The LOP targets wheat, sesame and chickpea are unlikely to be met.

Indicator #13: Percentage decrease of post-harvest losses as a result of AMDe intervention

The planned reductions in post-harvest losses are: 14 to 9 per cent for wheat; 23 to 7 per cent for maize; 25 to 10 per cent for coffee; 10 to 5 per cent for sesame; and finally 20 to 3 per cent for chickpea. To date, reported progress is impressive: wheat losses are down to 8 per cent, maize losses to 11 per cent and chickpea losses to 6 per cent. In contrast progress in sesame and coffee are more modest with losses down by only 20 and 7 per cent of the planned reductions. The Evaluation Team however learned from key interviews the PHL data in Ethiopia has been slightly inflated and that losses are more modest than reported. If losses are more modest than was thought, the AMDe baseline might need to be revisited in order that the impressive progress reported by AMDe is confirmed.

Table 2: Result 1 - Progress against indicators and LOP targets

S. No	Indicator	Value chain	LOP Target	Cumulative (Years 1-3)				Year 4 target	% Achievable
				Target	Result	% Result	% Lop		
IR 1: Improved Competitiveness of selected VCs									
1	Number of hectares under improved technologies or management practices as a result of USG assistance	Wheat	12,000	6017	846	14	7%	7501	70%
		Maize	15,670	8527	106	1	1%	9984	64%
		Coffee	3,200	900	362	40	11%	1380	54%
		Sesame	3,788	2252	762.5	34	20%	2075	75%
		Chickpeas	21,000	15822	7554	48	36%	15600	110%
3	Number of beneficiaries supported by AGP-AMDe assisted value chains	Wheat	286,951	173,968	23,130	13	8%	72,995	33%
		Maize	295,440	176,948	167,290	95	57%	74,995	82%
		Coffee	110,515	70,529	128,478	182	116%	19,994	134%
		Sesame	74,980	57,984	122,732	212	164%	9,997	177%
		Chickpeas	143,974	53,997	30,704	57	21%	44,989	53%
		Honey	88,282	37,292	19,755	53	22%	29,994	56%
4	Average yield per hectare/hive (kg)	Wheat	2,969		3276		110%	2,801	94%
		Maize	3,703		3517		95%	3,300	89%
		Coffee	976		1012		104%	976	100%
		Sesame	800		674		84%	775	97%
		Chickpeas	3,305		1470		44%	2,754	83%
		Honey	15		12		80%	15	100%
5	Gross margin per unit of land/ hive of selected crops (USD)	Wheat	822		833		101%	748	192%
		Maize	648		558		86%	589	177%
		Coffee	2,453		1630		66%	2,336	162%
		Sesame	581		1079		186%	571	284%
		Chickpeas	750		636		85%	736	183%

6	Value of incremental sales (collected at farm-level) attributed to FTF implementation (USD)	Wheat	9,120,344	17,127,039	1,830,662	11	20%	3,500,000	58%
		Maize	12,449,951	7,665,348	10,817,419	141	87%	2,046,875	103%
		Coffee	25,274,365	8,074,365	32,129,763	398	127%	5,000,000	147%
		Sesame	37,544,955	22,236,251	29,951,240	135	80%	9,221,550	104%
		Chickpeas	8,403,233	1,508,233	1,599,002	106	19%	2,016,000	43%
		Honey	1,940,883	1,750,079	1,292,527	74	67%	85,684	71%
10	Value of exports of targeted agricultural commodities as a result of USG assistance (USD)	Coffee	63,998,000	37,837,000	76,732,508	203	120%	20,000,000	151%
		Sesame	74,644,250	38,398,000	46,859,399	122	63%	20,475,000	90%
		Chickpeas	6,073,807	4,390,337	-			-	
		Honey	3,520,000	1,373,600	907,211	66	26%	1,000,000	54%
12	Volume of processed products (MT)	Wheat	132,582	79,095	25,867	33	20%	37,541	48%
		Maize	19,265	8,317	10,071	121	52%	3,918	73%
		Coffee	29,627	7,565	16,944	224	57%	15,617	110%
		Sesame	171,927	93,335	34,503	37	20%	46,850	47%
		Chickpeas	36,019	25,107	915	4	3%	8,999	28%
		Honey	1,916	530	1,519	287	79%	574	109%
13	Percentage decrease of post-harvest losses as a result of AMDe intervention	Wheat	9 (14)	8	6		120%	1	200%
		Maize	7 (23)	4	12		75%	3	100%
		Coffee	10 (25)	7	1		7%	3	27%
		Sesame	5 (10)	4	1		20%	1	40%
		Chickpeas	3 (20)	12	14		82%	3	100%

Result 2: Improved Access to Finance

Indicator #14: Value of agricultural and rural loans

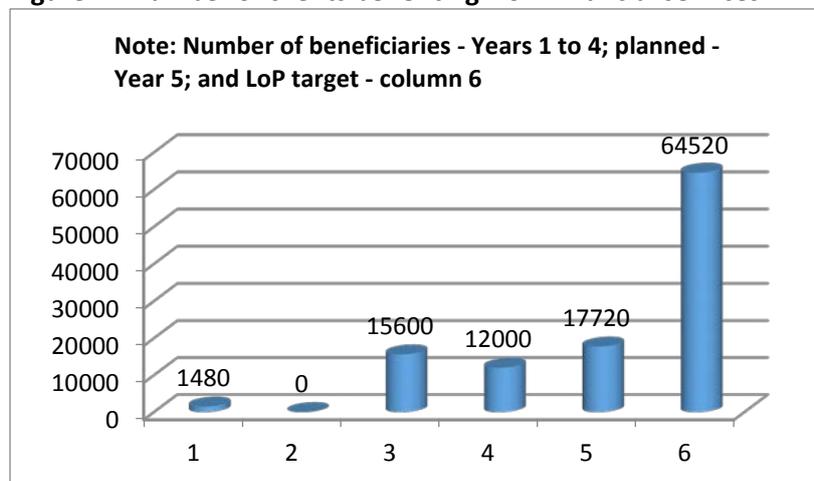
The LOP target set for this indicator was USD 39,134,157. As of December 2014, the AMDe has facilitated grants and loans valued at USD 42,178,096 or 107 per cent of the LOP target.

A range of stakeholders confirmed the importance of this area of work as banks in Ethiopia typically make few loans to the agriculture sector,³⁴ with the result that smallholder farmers, PCs and FCUs are short of credit, resulting in a slower up-take of inputs and new technology and therefore reducing potential productivity increases.

AMDe has assisted PCs and FCUs write loan proposals to banks for crop aggregation and the purchase of cleaning machinery. As however FCUs have a poor track record in loan repayment and banks are therefore reluctant to make loans, AMDe has also provided grants to support the work of FCUs. Under this initiative, the AMDe has grant-funded warehouses up to 70 per cent. While recognizing the strategic importance of improved storage, the Evaluation Team learned that warehouses had immediately been used as collateral to secure additional loans. The Evaluation Team finds this an expensive and unsustainable approach to securing bank loans.



Figure 1: Number of clients benefiting from financial services



Indicator #18: Number of clients (households and/or microenterprises) benefitting from financial services provided through USG assisted financial intermediaries, including non-financial institutions or actors

The number of planned LOP clients is 64,520 of which 29,080 or 45 per cent has been achieved. As presented in Figure 1 (above), the number of planned beneficiaries for Year 5 is 17,720. If the Year 5 target is reached, the end of the project total will be 46,800 or 72.54 per cent of the LOP target.

³⁴ The Evaluation Team learned that only 6 per cent of loans made by the Ethiopia Commercial Bank are made to the agriculture sector

Result 3: Improved Enabling Environment

AMDe is working with the AGP, ATA and the FCA at federal and regional levels. In addition, the AMDe is working with industry associations including: Ethiopia Apiculture Board; Ethiopia Honey and Bees-Wax Producers and Exporters Association; Ethiopia Pulses, Oil Seeds and Spices Processers and Exporters Association; and Ethiopia Coffee Exporters Association. In addition, the AMDe is working with researchers the Ethiopia Institute of Agricultural Research.

Indicator #21: Numbers of policies/regulations/administrative procedures improved as a result of USG assistance

The progress made against this indicator is presented in Table 3 below. As can be seen, AMDe reports that two policy issues have been progressed to Stage 4, one to Stage 3 and four to Stage 2.

Table 3: Policies, regulations, administrative procedures by their stages of development

Specific Policy Targets	Development Stage*	Remark/note
Seed system that supports the growth of private seed industry	Stage 3: Presented for legislation/decree	National Seed Regulations have been submitted by MoA to the Prime Minister's Office for passage by Council of Ministers'
Addressing restrictions for private sector engagement in fertilizer production and marketing	Stage 2: Drafted and Presented for public consultation	MoA has prepared and presented a policy proposal for revision of the national fertilizer policy and re-establishment of the National Fertilizer Industry Agency, which was dissolved in 2006
Regulatory framework for a third party warehouse and grading system	Stage 4: Passed/approved	A Regulation to establish a Warehouse Public Enterprise was passed by the Council of Ministers. Implementation which will begin once the Regulation is gazette, would separate the ECX warehousing system from the ECX trading system and be an important first step to third party or private sector warehousing
Removal of wheat import subsidies and export ban on maize	Stage 4: Passed/approved	The Ministry of Trade has lifted the export ban on maize to commercial producers, farmer cooperative unions, and Ethiopian Grain Trade Enterprise
Provision of a National Agricultural Finance system to meet the needs of Small Commercial farmers	Stage 2: Drafted and presented for public consultation	
Coffee institutional structure	Stage 2: Drafted and Presented for public consultation	
Enhance efficiency of transport and logistics to improve competitiveness of value chains	Stage 2 :Drafted and Presented for public consultation	Strategy for improved transport and logistics for Ethiopia's fertilizer imports has been presented to key stockholders. Domestic transport cost analysis is underway

The various stages are as follows: Stage 1: Analyzed; Stage 2: Drafted and presented for public/stakeholder consultation; Stage 3: Presented for legislation/decree; Stage 4: Passed/approved; and Stage 5: Passed for which implementation has begun.

While recognizing the work done by AMDe to advance agriculture policy processes, the Evaluation Team finds that link to the enabling environment that will improve outcomes for FTF beneficiaries to be tenuous. Furthermore, it would appear that AMDe engagement in some of these policy processes was unnecessary as they were national priorities e.g. blended fertilizer and therefore championed by the MoA and the ATA. In contrast, engagement in other policy areas e.g. wheat subsidies and maize export bans appears optimistic in view of the complexity of these policy processes, despite the fact that the AMDe sub-contracted some of this policy work to John Mellor Associates.

Result 4: Stimulate Innovation and Investment

The key indicator for Result 4 is the amount of capital invested in new technologies that will strengthen institutions working on AMDe supported value chains. In order to leverage additional new investment the AMDe has issued grants of USD15.8 million or 49.5 per cent of the planned USD 32 million LOP grant fund. To the end of 2014, the AMDe Grant Tracker System reports that 19.8 per cent of major grants have completed agreed milestones and have been completed; 52.5 per cent are partially completed; 5 per cent are ready to be signed having agreed milestones; and 8.9 per cent are awaiting initial milestone assessment (see Table 4 below).

Table 4: Status of major grants awarded by stage

Status of major grants	Number of grantees	%
All milestones completed	20	19.8%
Partially completed milestones (i.e. at least one completed)	53	52.5%
Signing scheduled	5	5.0%
Awaiting milestone assessment	9	8.9%
Procurement in process (In-kind grants)	14	13.9%
Total	101	100%

AMDe grants leverage additional investment - including new investors such as the Cooperative Bank of Oromia and Kifya.³⁵ AMDe grants are generally 50 per cent of the planned costs and have been used to support cooperatives to construct warehouses and a fertilizer blending plant³⁶, purchase machinery - seed and grain cleaners, tractors, planters, honey homogenizers and washing stations. As a result, cooperatives have expanded the range of services they provide their members. Grants have also been used to support common interest groups - women's cooperatives and women entrepreneurs - including the purchase and distribution of coffee seedlings, modern beehives and processors for chickpea milling. The AMDe has also made grants to 18 private and 12 public sector institutions.

Text Box 2: Embaba Haya RuSACCO, Tigray

The Embaba Haya RuSACCO was established in December 2002 with 51 members (43 men and 8 women) with savings of Eth Birr 1,020. The membership increased steadily to 1,109 (515 men and 594 women) in 2012. With the support of AMDe membership has increased further to 1,332 (620 men and 712 women) in 2013, and 1,479 (690 men and 789 women) in 2014. Savings are now valued at Eth Birr 5,196,000

From a regional perspective, AMDe has made grants valuing US\$5 million to a range of stakeholders in Oromia Region, while grants for Amhara, SNNP and Tigray Regions total between US\$2.2 and 2.4 million (see Table 5 below).

³⁵ A local technology group that designs information systems for the public sector such as payment of telephone and electricity bills

³⁶ The AMDe has supported the Becho Wolliso FCU construct a blended fertilizer plant that will have the capacity to produce 60,000mt and serve an estimated 300,000 smallholder farmers

Table 5: Status of all grants by region

Region	#of Grants Awarded To End FY '14	Amount Awarded, To-date (USD)	# of Grants Awarded, this Quarter	Amount Awarded, this Quarter (USD)
Amhara	52	2,428,093	5	220,952
Tigray	43	2,144,182	1	100,000
SNNPR	52	2,196,241		
Oromia	92	5,021,268	4	270,141
Addis	12	464,705	1	48,199
Total	251	12,254,489	11	639,291

Support provided by AMDe since March 2013 includes training on:

- savings methods and membership mobilization
- financial management
- risk analysis in saving mobilization
- basic computing - Peachtree Accounting Software
- leadership

With this and AMDe's support for office equipment - desktop computers, laptop, photocopier, printer, LCD projector, Sony camera, chairs, tables, filing cabinet, and fax machine - the Embaba Haya has graduated from a RuSACCO to a rural bank.

2.2 Improvements in gender equity

Question 2: To what extent has this project contributed to gender equity in terms of access to credit, capacity building support, improved inputs and technologies resulting in an increase in sales of agricultural commodities? Are there evidences supporting positive changes in the aforementioned areas?

In accordance with GoE policy targets for women participation in Ethiopia's economic, political and social development, the AMDe set 30 per cent women's participation quota for all AMDe supported training, exchange visits and investment support.³⁷

Amongst its main gender equity related successes, the AMDe has supported the launch and development of the Women in Agribusiness Leadership Network (WALN) in May 2014 that operates nationally and regionally. The Network offers business development training - negotiation, marketing, networking, financial planning and communication skills - leadership training, mentoring and coaching support and networking opportunities for women leaders operating in in Ethiopia's agribusiness sub-sector³⁸. The primary purpose of AMDe's support is to increase the profitability of women-led businesses and to promote women as sector leaders.³⁹

The AMDe has also initiated an incentive-based scheme to encourage FCUs and PCs to increase the number of women members. As a result of the membership drive, an additional 78,000 women joined cooperatives in the 9 month period from March to December 2014 (see Table 5 below).

³⁷ Women-headed households account for 28 per cent of households in AGP *woredas* and women in male-headed households typically constitute 50 per cent of family labor. The 30 per cent figure therefore under-represents women in agriculture

³⁸ WALN currently supports 100 women in its training program. The AMDe has invested US\$1.5 million in support of the Network to-date

³⁹ The network has received national recognition through the January 2015 national conference that was added by more than 100 women entrepreneurs

Table 5: Incentive-based women membership drive

Region	Number of FCUs	Number of PCs	Number women registering	Number of women registering for the first time	% of women registering for the first time
Oromia	14	761	14,161	2,781	19.6
Amhara	10	548	30,573	10,009	32.7
SNNPRs	9	237	19,227	13,066	68.0
Tigray	9	129	14,408	10,744	74.6
Total	42	1,675	78,369	36,600	46.7

While the Evaluation Team recognizes the impressive progress made and that early membership drives may benefit from incentives - small gifts to individual women and travel grants to the best performing cooperatives - the Evaluation Team finds that the use of incentives can be discontinued.

The Evaluation Team finds that inadequate attention was given to gender related issues and challenges in the design phase as four of AMDe’s six value chains have an export focus that in Ethiopia are inevitably dominated by men. In future, the Evaluation Team find that increased emphasis should be given to domestic markets and value chains, such as honey and pulses in which women are increasingly active.

2.3 Improvements in nutritional outcomes

Key question 3: To what extent has AMDe contributed to the improved nutritional status of women and children?

The AMDe design did not include improved nutrition outcomes for women and children and nutrition targets were added later at the request of USAID Ethiopia Mission.

In the first year of implementation the AMDe subsequently commissioned a Cost of Nutritious Diet Baseline Study against

which it is planned that nutrition-related progress can be measured at the end of the life of the project. The findings of the study also inform AMDe’s cascade training.

While the Evaluation Team recognize the importance of improving nutrition outcomes in Ethiopia⁴⁰ and that nutrition is a development objective of FTF, the Evaluation Team is concerned that the AMDe’s agri-business and market development focus does not naturally lend itself to improved nutrition outcomes. The Evaluation Team is not surprised to learn therefore that nutrition related progress is mixed. On the one hand, the AMDe has contributed to improved nutrition outcomes through the chickpea value chain development and the launch of three chickpea *shiro* products (see Text Box 2), while on the other hand the Evaluation Team can find little evidence to support the continuation of the cascade-based nutrition training as, at times, it appears to be little more than a requirement for cooperatives to secure grants. The Evaluation Team finds that the nutrition component might be better implemented through FTF’s ENGINE project⁴¹.

Text Box 3: Processed chickpea for improved nutrition outcomes

Together with Guts Agro Industry (GUTS) the AMDe has supported the launch of three chickpea-based *shiro* products and roasted chickpea snacks.

These new and nutritious chickpea products are processed from chickpeas purchased through FCUs that have a memorandum of understanding with GUTS for 4,000 metric tonnes of chickpea.

It is estimated that the MoU benefits 52,000 smallholder farmers.

Source: AGP-AMDe Annual Report (2014)

⁴⁰ Stunting rates are above 40 per cent in AGP *woredas* and amongst the highest in the world

⁴¹ Empowering New Generations in Improved Nutrition and Economic Opportunities implemented by Save the Children International

2.4 Effective resource use

Question 4: What is the impact of the resources spent and performance per value chain? What is the relative value generated in terms of productivity and income increase, employment generation per value chain to resources spent? Which have the highest returns per dollar spent? In order to address the component parts of this question, the Evaluation Team draws on information presented in relation to Question 1 specifically yield and income increases (Table 6 and 7).

Table 6: Average yield increases to December 2014

Value Chain	LOP yield targets (Kg/ha)	Achieved increased yields (kg/ha)	Achieved increased yields (%)
Wheat	2,969	3,266	110
Maize	3,703	3,517	95
Coffee	976	1,015	104
Sesame	800	672	84
Chickpeas	3,305	1,454	44
Honey	15	12	80

Table 7: Value of incremental sales attributed to FTF interventions

VC	LOP targets – increased sales (USD)	Actual increased sales (USD)	Actual increased sales (% of LOP target)
Wheat	9,120,344	1,824,068	20
Maize	12,449,951	10,831,457	87
Coffee	25,274,365	32,098,443	127
Sesame	37,544,955	30,035,964	80
Chickpeas	8,403,233	1,596,614	19
Honey	1,904,833	1,276,238	67
Total	94,697,681	77,662,784	82

While the information provides indicative information regarding the performance of AMDe's value chains, the Evaluation Team are cautious to make further analysis as there are inconsistencies in the data. As mention for example, reported achieved increased in productivity appear unsupported by progress made to increase the number of hectares under improved management. Faced with these and other inconsistencies the Evaluation Team did not address this question.

With regard to progress made by AMDe to generate employment, the Evaluation Team was able to collate the information as presented in Table 8. As can be seen, the AMDe reports that it has created 4,231 new jobs in years 1 to 3 with a range across the different value chains from 3 for chickpeas to 2,690. While recognizing the good work done, the Evaluation Team finds that some of the jobs created by cooperatives and trading enterprises are seasonal in nature. The Evaluation Team therefore finds that the AMDe could have disaggregated the data to reflect accurately seasonal and permanent employment.

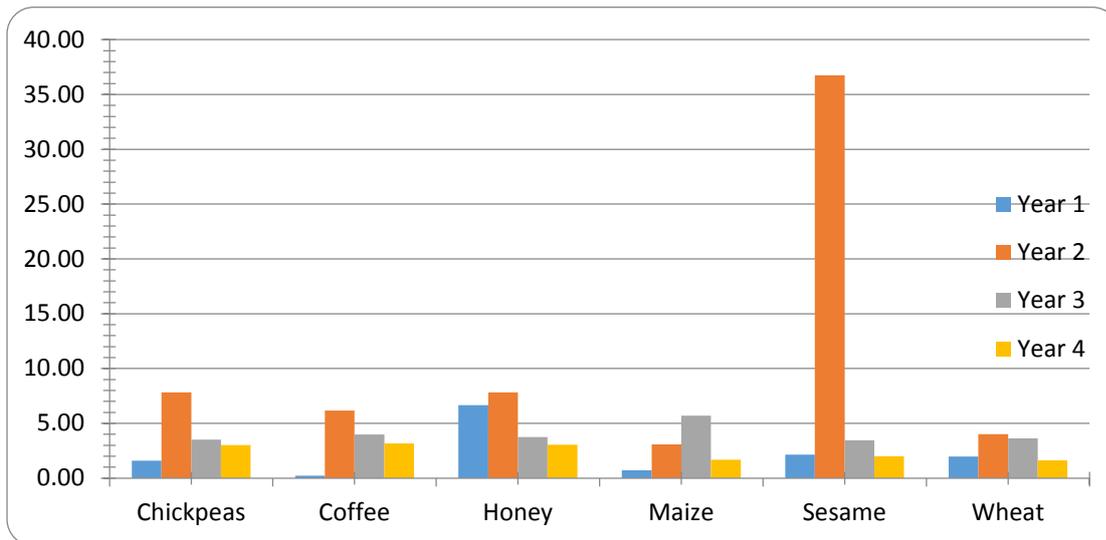
Table 8: Number of jobs created

Indicator	Value chain	LOP target	Total # of jobs created (years 1-3)	% LOP
Number of jobs attributed to FTF implementation	Wheat	2,268	143	6
	Maize	2,060	2,690	130
	Coffee	2,533	575	23
	Sesame	1,556	538	34.5
	Chickpeas	1,238	3	-
	Honey	1,100	282	25.6
Total		10,755	4,231	39.3

Source: Abstracted from AMDe PMP Reports

A review of budget utilization is presented in Figure 2. As can be seen, investment across the value chains varies by year from between one and seven per cent with the exception of sesame (Year 2), when a 35 per cent of the annual budget was invested in the sesame value chain at the request of the MoA (investment included warehousing, equipment and loans). While recognizing that the MoA requested this investment as a 'national priority', the Evaluation Team finds that such skewed investment must almost certainly have resulted in a negative impact on investment in and support for other value chains.

Figure 2: Budget use by value chain



Further analysis of budget use by cost center reveals that 45 per cent of project costs are 'pass-through grants' to partner organizations and value-chain related investments and therefore made directly from ACIDI-VOCA headquarters in Washington.⁴² While this practice may reduce the demands on the local staff team, the Evaluation Team find that this practice should be discontinued and that grant management should be led by in-country staff with local knowledge and in a position to follow-up in person.

The Evaluation Team learned that AMDe invests on only three per cent of project costs in training from its cross-cutting cost center. The Evaluation Team found that this was inadequate to support the consolidation and institutionalization of lessons learned by the AMDe across the six value chains.

2.5 Project Design and Management

Question 5: Among AMDe's partnerships which are being most effective in terms of their collaboration and coordination?

AMDe supports the MoA to deliver Component 1, sub-component 1.3: *Market and Agribusiness Development*⁴³. In order to deliver the sub-component AMDe works closely with both the MoA, ATA⁴⁴, FCA and industry associations at federal and regional levels, the result of common interests to

⁴² Other cost centers include: salaries and allowances - 19 per cent; travel - 5 per cent; equipment - 4 per cent; operations, rent, utilities and training - 3 per cent each; and other direct costs - 2 per cent

⁴³ Through the delivery of the MoA's Agriculture Sector Policy Investment Framework, 2010-2020 (PIF), the MoA has sought to re-orientate donor funding from funding emergency food security projects to social protection (PSNP) and longer-term development (AGP and SLMP). USAID's funding for AMDe is welcomed by the MoA as part of this commitment

⁴⁴ The USAID, ATA and AMDe have forged a tripartite coordination plan with focal points assigned for each joint activity

implement the AGP. For example, the AMDe has supported soil mapping, co-financed Ethiopia's first fertilizer blending plant, supported the drafting of a regulatory framework for third-party warehousing, constructed warehouses for sesame and in partnership with Technoserve assisted in the aggregation of maize for WFP's P4P initiative. While these partnerships are strong, there is actual little evidence to suggest that partnership translates into joint planning or coordinated implementation, monitoring and review, and scaling-up of evidence-based good practice. In part, this is the inevitable result of the partners' different roles and responsibilities and the pressures exerted by the donor community - including in head-quarters thousands of miles away - to meet project targets. As a result, opportunities for coordinated implementation, learning and mainstreaming emerging good practice are lost.

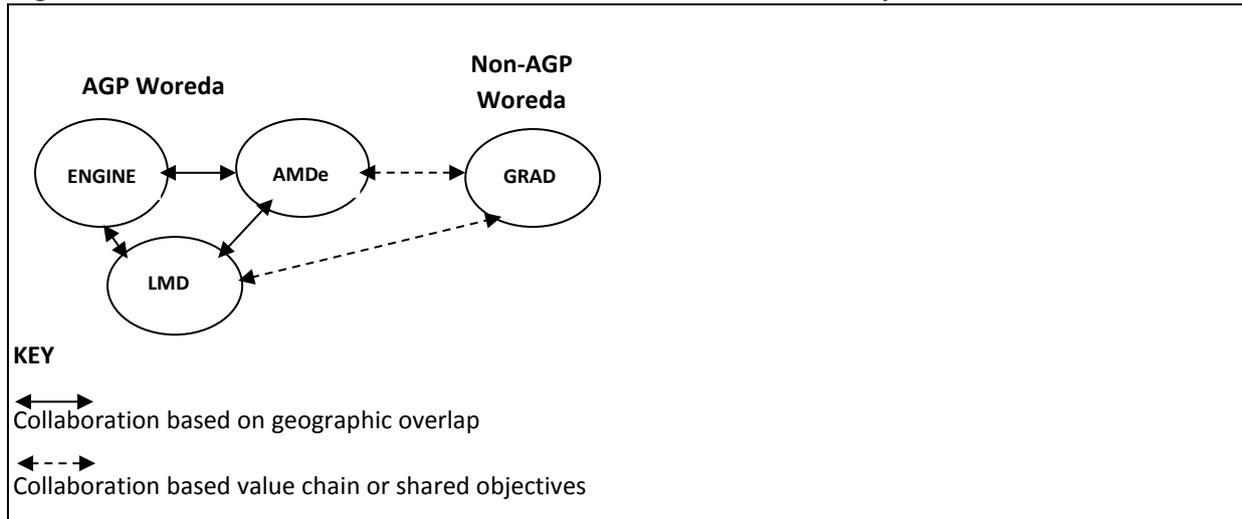
The AMDe has also forged a range of partnerships including the following⁴⁵:

- **Capacity Building for Scaling-Up of Evidence-based Best Practice in Agricultural Production in Ethiopia (CASCAPE):** the CASCAPE project is a joint initiative between the Netherlands and Ethiopia to improve agricultural productivity. The AMDe is partnering with CASCAPE to improve soil testing and to promote improved seeds
- **Capacity to Improve Agriculture and Food Security (CIAFS):** the AMDe is working with CIAFS on fertilizer policy, honey and coffee value chain, capacity building for cooperatives and a coordinated initiative to promote private sector-led seed multiplication and certification
- **Ethiopian Commodity Exchange (ECX):** the AMDe is working with the ECX to train warehouse operators and management firms and ECX staff on quality grading and coffee certification. In addition, the AMDe is working with the ECX to revise and strengthen coffee standards including the planned launch of a traceability management information system. Finally, the AMDe is supporting cooperatives to become permanent members of the ECX
- **Federal Cooperative Agency (FCA):** the AMDe is supporting the FCA to strengthen primary cooperatives and cooperative unions including to increase the number of women members and in leadership roles and the roll-out of an improved audit system
- **Ministry of Trade:** the Agricultural Marketing Directorate, MoT is mandated to build capacity in the supply, distribution and marketing of agricultural inputs. AMDe is collaborating with the MoT to assess regional and international marketing opportunities and warehouse regulations
- **Other FTF project partners:** the Evaluation Team facilitated a meeting of FTF implementing partners on 16th December, 2014 that was attended by three Chiefs of Party (COP), four DCOP (Deputy COPs) and 4 other senior staff representing the AMDe, ENGINE, GRAD, LMD and PRIME projects. In the meeting it was agreed that FTF partners would:
 - Coordinate activities in AGP *woredas* and therefore where interventions can benefit the same household or where two projects are working in the same value chain e.g. LMD and GRAD for the sheep and goat and AMDe and GRAD for the honey value chains (Figure 3)
 - Share social behavior change communication (SBCC) materials on nutrition and coordinate nutrition interventions in Amhara Region
 - Share lessons in gender mainstreaming including through the USAID-led Gender Champions Network
 - Collaborate in the organization/ participation in local and international trade fairs

Overall, the Evaluation Team finds that the quality of AMDe's partnerships is mixed. The AMDe orks well with the MoA, ATA and trade associations and with CIAFs and FTF partners at federal and regional levels. In contrast, partnerships appear less active at regional, zonal and *woredas* levels as projects pursue different interests, operate in different communities, are aligned to different MoA departments and are focused on the delivery of their own LOP targets.

⁴⁵ This list is not exhaustive but rather offers an overview of the sorts of relationships and partnerships developed by AMDe

Figure 3: An illustration of the collaborative mechanisms between FTF partners



The Evaluation Team are hopeful that following the re-design of the PSNP4 and AGP2 it may be that FTF implementing partners - AMDe, LMD and GRAD - will be able to identify increased opportunities for alignment, collaboration and coordination at the operational level and also with the AKLDP on policy processes.

2.6: Sustainability

Question 6: Which of the components and/or project activities can be scaled up in the future based on measurable, practical, and sustainable results?

As expected at this stage of the project cycle, the AMDe is well established in each of the four AGP regions and across the six value chains. In order to address the issue of sustainability and specifically which project activities and in which regions can be scaled-up, the Evaluation Team has structured its findings around the following four themes as required by the SOW:

- Enhancing agricultural productivity
- Access to finance and
- Access to markets
- Cross-cutting

Enhancing agriculture productivity: the Evaluation Team recognizes the concerns expressed by some AMDe field staff that more can be done to increase smallholder farmer productivity that will enable AMDe to aggregate and market surpluses. It is perhaps not surprising therefore the AMDe has engaged in input supply - improved seeds, blended fertilizers, crop protection - and post-harvest handling practices, through PCs and private sector agri-dealers. This engagement appears to have been successful and the Evaluation Team finds that this work should be continued and expanded.

Text Box 4: AMDe support to Sidama Elto FCU

Sidama Elto FCU was established in 2004 with 1000 members (only 22 women). It has grown to 15,000 members (1,400 women) while its capital has increased from Eth Birr 6,100 to 15 million AMDe facilitated links to WFP P4P in 2010. Initially it was not easy to meet quality standards. The FCU is however now able to supply maize to WFP the result of AMDe support – improved storage (including moisture testing), shellers, cleaning and fumigation sheets.

In support of the G8 New Alliance for Food Security and Nutrition⁴⁶, the AMDe is supporting the MoA, ATA and DuPont Pioneer⁴⁷ in a three year partnership under the Advanced Maize Seed Adoption Program (AMSAP). The program's primary purpose is to transition smallholders from open pollinated to hybrid maize varieties to increased yields. The program has expanded from 320 model farmers in 2013 to 3,200 smallholder farmers in 2014. The AMDe also supports the BH-661 Program that started with 100 lead farmers in 16 *woredas* in Amhara and Oromia and in 2014 expanded into SNNP region.

While recognizing the importance of improving access to quality seeds, the Evaluation Team is concerned the AMDe is being pulled into a narrow focus on hybrid maize. Certainly, hybrid maize out-yields open pollinated varieties but the appropriateness, affordability and sustainability of the hybrid maize focus can be questioned in particular as maize production is particularly vulnerable to temperature changes⁴⁸. The Evaluation Team therefore find the AMDe should provide more balanced support to the seed sector that includes work on open pollinated varieties and to a range of dissemination models that include farmer to farmer exchanges and community seed fairs.

Access to finance: It is widely recognized in the agriculture sector that in order to sustain the impressive growth rates of the last decade, that additional investment will be needed. The Evaluation Team therefore found that AMDe's work in this area is important and should be a priority during the remaining life of project.

Specifically however, the Evaluation Team find the AMDe should focus on business plan development support, development negotiating with banks, improved accounting systems and providing alternatives and more cost effective guarantees. This sort of support could also be scaled-up to private sector stakeholders in the sector.

Access to markets: the Evaluation Team are of the view that in the remaining period of implementation that the AMDe should focus exclusively on improving access to domestic markets and that support to exports be scaled-back. AMDe has already invested considerable resources in the sesame value chain and this is considered to be more than adequate for the life of the project.

The Evaluation Team see an important role for AMDe to build the technical, managerial and administrative skills and capacities of PC and FCUs to more effectively aggregate, grade, clean and ready quality surpluses for traders. While part of the way forward may include facilitating links between FCUs and World Food Program's (WFP) Purchase for Progress (P4P), the Evaluation Team find that the AMDe will need to identify alternative markets that link FCUs to private traders.

Cross-cutting: The Evaluation Team find that the AMDe cascade-style training modules for building the capacity of cooperatives and addressing women equity issues could be scaled-up and mainstreamed. One way to do this might be to work with the Ardaita Cooperative ATVET,⁴⁹ Oromiya Region as it already provides similar training and capacity building support to PCs and FCUs in that

⁴⁶ Launched in Ethiopia in the autumn of 2012

⁴⁷ DuPont Pioneer is investing US\$2.3 million to provide hybrid maize. AMDe is supporting this investment with USD1 million to support training, field demonstrations, direct retail distribution networks, commercial credit schemes, post-harvest storage, soil sampling at demonstration sites, logistics and market access and development

⁴⁸ Temperatures in Ethiopia are rising as they are elsewhere in Africa the result of climate change

⁴⁹ The Cooperative Sector Development Strategy (FCA, 2012), developed with the support of ATA, identifies Ardaita as a potential 'center of excellence' for cooperative development. While not centrally located it is planned the center will establish branches in other regions and operate as 'college without walls'

part of Oromia. In this way, not only can the AMDe help build the capacity of Ardaita but also avoid duplication and address issues of sustainability.⁵⁰

2.7 Management

Question 7: Does the project have the right balance of staff and funding given activity priorities?

The AMDe employs a team of 81 full-time staff and 19 part-time staff (64 men and 36 women) - Deputy Chief of Party, Operations and finance, administration and other support staff - that are shared with other ACDI/VOCA projects. For the majority, the AMDe funds 70 per cent of their salaries. A break-down of AMDe staff reveals the following:

- Senior managers - 11 per cent
- Administration, finance and support - 11, 10 and 28 per cent respectively
- Component 1: Access to markets and improved competitiveness - 26 per cent
- Component 2: Access to loans - 5 per cent
- Component 3: Enabling Environment - a single staff member
- Component 4: Innovation and Capital Grants - 2 per cent
- Cross cutting - 11 per cent

The Evaluation Team learned that almost half of AMDe staff are based in Addis Ababa.⁵¹ In order to consolidate the gains made during the life of the project, the Evaluation Team find that AMDe will need to invest more resources on capacity building and institutional support in the regions. To support this reorientation, the AMDe might benefit from the support of an organizational change expert that can also address other tasks including the review and harmonization of job titles and clarification of roles and responsibilities amongst pooled workers.

The Evaluation Team also recommends the AMDe strengthen its M&E capacity with a view to improving the quality of its reporting and ensuring all data is cleaned ahead of the final evaluation.

3. Recommendations

Recommendation for Result 1

#1: *The AMDe continue to work on the 6 value chains in order not to disrupt project implementation during the remainder of the project, but the AMDe give increased focus to incomplete Results:*

- *Wheat - productivity and value addition through processing*
- *Maize- productivity including open pollinated varieties, improved post-harvest handling, cleaning, storage and diversifying domestic market outlets*
- *Coffee - post-harvest loss reduction and quality standards*
- *Sesame - post-harvest loss reduction and processing*
- *Chickpea - domestic and niche markets (Sudan for example) for the currently used varieties*
- *Honey - production and productivity through the distribution of improved equipment including modern beehives and training and equipping of beekeepers and new beekeepers*

⁵⁰ During the Evaluation Team's visit to Ardaita it was learned that the AMDe had once but without follow-up

⁵¹ This figure includes the AMDe Oromia Region staff are based with the national team which is not unusual as the Bureau of Agriculture, Oromia Region is similarly based in Addis Ababa

Recommendation for Result 2

#2: Continue AMDe's engagement in agriculture sector finance in particular increased training for cooperatives and small-scale private businesses to develop business plans,⁵² negotiate with banks, improve accounting systems and provide more cost effective guarantees

Recommendation for Result 3

#3: Recognize the arbitrary number and nature of the planned policy targets and work more closely with other FTF implementing partners including the AKLDP.⁵³ With other FTF partners forge a common, integrated and coordinated approach to agriculture sector policy work

Recommendation for Result 4

#4: Reduce the focus on new investments and grants and consolidate existing work to improve impact

Recommendations for gender equity

#5: Continue to support women empowerment including women membership of cooperatives - though discontinue the use of incentives - and WALN with increased emphasis on support for smaller women-led agri-businesses in the regions. Set aside funding for gender equity work

#6: Document AMDe's work with women in Tigray and SNNP Regions and share with FTF projects within and beyond Ethiopia

Recommendation for nutrition

#7: Hand-over the nutrition work to ENGINE

Recommendations for improved collaboration

#8: Continue to strengthen partnerships with key stakeholders in particular regional BoAs, ATA **Commercialization Clusters** and Regional Cooperative and Industry Association Offices to accelerate training and capacity building of regional, zonal and woreda staff in agriculture marketing that includes a better training on the private sector and its potential role in the Ethiopian agriculture

#9: Collaborate with ATA and Federal Cooperative Agency (FCA) to develop a PC/FCU Certification system that merges ATA and AMDe (M4) accreditation criteria and results in a single system

Recommendations for scaling-up

#10: Support the MoA and ATA to improve productivity through the improved distribution of certified seeds (including open pollinated varieties), blended fertilizer, credit and extension support

#11: Continue to support the WFP-P4 P initiative but also strengthen links between farmers and private sector traders

Recommendations for management

#12: Recruit an organizational change expert to re-orientate AMDe staffing, specifically increased support for: farmer level production and productivity,⁵⁴ domestic market development and gender. Clarify the responsibilities of the AMDe and ACDI/VOCA pooled staff and as appropriate move staff to the regions

⁵² The business plans prepared jointly by FCUs and AMDe are of a high quality. For example, the Sidama Elto FCU business plan secured loans of Eth Birr 7.6 million in 2013, Eth Birr 14.4 million in 2014 and Eth Birr 6.35 million in 2015

⁵³ The AKLDP project provides agriculture knowledge, learning and policy support to USAID's FTF portfolio

⁵⁴ The Evaluation Team is keen to see that the USAID Ethiopia mission strengthens its support of production and productivity and therefore achieves a more balanced agriculture sector portfolio. The Evaluation Team are of the view that the Mission is at present too market-focused

#13: *Recruit an M&E specialist to up-grade the M&E system. Ensure all project data is cleaned ahead of the End of Project Evaluation*

#14: *Strengthen AMDe’s capacity development work to 15 per cent of the Year 5 project budget to build the capacity of PCs and FCUs and better equip them to continue work started with AMDe. To support this reorientation, halt further investment in infrastructure development*

#15: *Include representatives from the MoA and possibly the MoT and Mol in the Final Evaluation*

Recommendations for a follow-on project

The Evaluation Team recommends that USAID commit follow-on funding for an agriculture growth project⁵⁵. The Evaluation Team however recommends the follow-on project focusses: on a smaller Zol; smallholders with less than one hectare with increased emphasis on improving productivity; women in agriculture - both women-headed and women in male headed households; and working with the private sector including industry associations giving particular emphasis to small-scale aggregators and processors and a reduced focus on cooperatives.

The Evaluation Team also recommends that a follow-on project is nested in a USAID-led layered and sequenced approach that results in multiple benefits to beneficiaries- social protection, WASH, nutrition, health and education. The Evaluation Team also finds that USAID should do more to contextualize global FTF indicators in order FTF projects in Ethiopia address and report on priority local poverty reduction and stunting reduction challenges.

Specific follow-on recommendations include:

#16: *Re-orientate work on value chains: remove coffee handing this over to the planned large EU will coffee initiative; remove chickpea for export as there are opportunities for value added within domestic markets that will result in improved nutrition outcomes; and remove wheat as there are other stakeholders that are better placed to work in this value chain including the ATA. Continue to support: the honey value chain as there are opportunities to assist very poor women with little or no land; cereals, specifically maize⁵⁶ while also adding malt barley and sorghum as these are grown by large numbers of poorer smallholders; and legumes for domestic markets as legumes have soil improvement and nutrition benefits. The recommended value chains are:*

- *Honey - for domestic markets (with an emphasis on women)*
- *Cereals - maize, malt barley and sorghum*
- *Legumes - for domestic markets*

#17: *Ensure that capacity building, institutional development and gender are key components of a follow-on project and appropriately funded from the outset*

#18: *Reduce the managerial complexity by sub-contracting work e.g. production and productivity, value chain development, aggregation and domestic market development to specialist international and local NGOs that are active and established in Ethiopia. In this way the project holder can better focus on management, coordination, monitoring - data collection, collation, analysis, documentation and learning – and the identification and championing of evidence-based good practice including with AGP2. The project holder would also be expected to manage all partner and capital grants in-country and to ensure high levels of compliance and associated capacity development. The vision would be to leave Ethiopian institutes, organizations and businesses better equipped to lead the transformation process of Ethiopian agriculture*

⁵⁵ It is expected that marketing and agri-business would be part of this but that it would no longer be the sole focus

⁵⁶ With a focus on open pollinated varieties