IEG
INDEPENDENT EVALUATION GROUP
WORLD BANK GROUP
World Bank • IFC • MIGA

PROJECT PERFORMANCE ASSESSMENT REPORT

WHAT WORKS

ETHIOPIA

Pastoral Community Development Project:

Phases I and II

Report No. 104210-ET
MARCH 30, 2016

© 2016 International Bank for Reconstruction and Development / The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

Report No. 104210-ET

PROJECT PERFORMANCE ASSESSMENT REPORT

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

PASTORAL COMMUNITY DEVELOPMENT PROJECT PHASE I
(COFN-04500, IDAH0380, TF- 52888)

PASTORAL COMMUNITY DEVELOPMENT PROJECT PHASE II
(COFN-C1210, COFN-C1220, IDA-44580, IDA-H3950)

March 30, 2016

IEG Sustainable Development
Independent Evaluation Group

Currency Equivalent

Currency Unit = Ethiopian Birr
USD 1.00 = Br 19 (Jan 2014)

2003	US$1.00	Br 8.55000032
2004	US$1.00	Br 8.69365037
2005	US$1.00	Br 8.72360031
2006	US$1.00	Br 8.79835034
2007	US$1.00	Br 9.20000018
2008	US$1.00	Br 9.92499975

Abbreviations and Acronyms

APL	Adaptable program loan
CAP	Community action plan
CAS	Country assistance strategy
CDD	Community-driven development
CIF	Community Investment Fund
DPCF	Disaster Preparedness and Contingency Fund
DPCP	Disaster Preparedness and Contingency Plan
DPSIP	Disaster Preparedness Strategic Investment Plan
EWR	Early warning and response
EWRB	Early warning and response bureau
EWRD	Early warning and response desk
EWS	Early warning system
FAO	Food and Agriculture Organization
FPCU	Federal Project Coordination Unit
GDP	Gross domestic product
GNI	Gross national income
GTP	Growth and Transformation Plan
HDI	Human Development Index
HICE	Household, Income, Consumption, and Expenditure (survey)
ICR	Implementation Completion and Results Report
IDA	International Development Association
IEG	Independent Evaluation Group
IFAD	International Fund for Agricultural Development
IGA	Income-generating activities
M&E	Monitoring and evaluation
MoA	Ministry of Agriculture
MoFA	Ministry of Federal Affairs
MST	Mobile support team
MTR	Mid-term review
NGO	Nongovernmental organization
PAD	Project appraisal document
PASDEP	Plan for Accelerated and Sustained Development Program
PCDP I	Pastoral Community Development Project – Phase I
PCDP II	Pastoral Community Development Project – Phase II
PDO	Project development objective
PMU	Project management unit

PPAR	Project Performance Assessment Report
RUSACCO	Rural savings and credit cooperative
SNNPR	Southern Nations, Nationalities and People's Region
WDC	Woreda Development Committee

Glossary

Woreda	District
Kebele	A local community consisting of one or more villages

Fiscal Year

Government: July 8–July 7

Contents

This report was report was prepared by Lauren Kelly, Task Team Leader, Kendra White and Inder Sud, Consultants, IEG. It was peer and panel reviewed, respectively, by Marjory-Anne-Bromhead and Judy Twigg, Consultants, IEG. Marie Charles and Vibhuti Narang Khanna provided administrative support.

Boxes

Tables

Figures

Principal Ratings

Ethiopia Pastoral Community Development Project, Phase I (COFN-04500, IDAH0380, TF- 52888)

PCDP I	ICR*	ICR Review*	PPAR
Outcome	Moderately satisfactory	Moderately unsatisfactory	Moderately unsatisfactory
Risk to development outcome	Moderate	Significant	Significant
Bank performance	Moderately unsatisfactory	Unsatisfactory	Moderately unsatisfactory
Borrower performance	Moderately unsatisfactory	Unsatisfactory	Moderately unsatisfactory

* The Implementation Completion Report (ICR) is a self-evaluation by the responsible Bank department. The ICR Review is an intermediate IEGWB product that seeks to independently verify the findings of the ICR.

Ethiopia Pastoral Community Development Project, Phase II (COFN-C1210, COFN-C1220, IDA-44580, IDA-H3950)

PCDP II	ICR*	ICR Review*	PPAR
Outcome	Moderately satisfactory	Moderately satisfactory	Moderately satisfactory
Risk to development outcome	Significant	Significant	Significant
Bank performance	Moderately satisfactory	Moderately satisfactory	Moderately satisfactory
Borrower performance	Satisfactory	Moderately satisfactory	Satisfactory

* The Implementation Completion Report (ICR) is a self-evaluation by the responsible Bank department. The ICR Review is an intermediate IEGWB product that seeks to independently verify the findings of the ICR.

Key Staff Responsible

Ethiopia Pastoral Community Development Project, Phase I
(COFN-04500, IDAH0380, TF- 52888)

Project PCDP I	Task Manager/Leader	Division Chief/ Sector Director	Country Director
Appraisal	Daniel M. Sellen	Karen Brooks	Ishac Diwan
Completion	Assaye Legesse	Karen Mcconnell Brooks	Kenichi Ohashi

Ethiopia Pastoral Community Development Project, Phase II
(COFN-C1210, COFN-C1220, IDA-44580, IDA-H3950)

Project PCDP II	Task Manager/Leader	Division Chief/ Sector Director	Country Director
Appraisal	Ingo Wiederhofer	Karen Mcconnell Brooks	Kenichi Ohashi
Completion	Assaye Legesse	Tijan M. Sallah/Juergen Voegele	Guang Zhe Chen

IEG Mission: Improving World Bank Group development results through excellence in evaluation.

About this Report

The Independent Evaluation Group assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEG annually assesses 20-25 percent of the Bank's lending operations through field work. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEG staff examine project files and other documents, visit the borrowing country to discuss the operation with the government, and other in-country stakeholders, and interview Bank staff and other donor agency staff both at headquarters and in local offices as appropriate.

Each PPAR is subject to internal IEG peer review, Panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible Bank department. The PPAR is also sent to the borrower for review. IEG incorporates both Bank and borrower comments as appropriate, and the borrowers' comments are attached to the document that is sent to the Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

About the IEG Rating System for Public Sector Evaluations

IEG's use of multiple evaluation methods offers both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. IEG evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (additional information is available on the IEG website: http://worldbank.org/ieg).

Outcome: The extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance, efficacy, and efficiency. *Relevance* includes relevance of objectives and relevance of design. Relevance of objectives is the extent to which the project's objectives are consistent with the country's current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, and Operational Policies). Relevance of design is the extent to which the project's design is consistent with the stated objectives. *Efficacy* is the extent to which the project's objectives were achieved, or are expected to be achieved, taking into account their relative importance. *Efficiency* is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. The efficiency dimension generally is not applied to adjustment operations. *Possible ratings for Outcome:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Risk to Development Outcome: The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). *Possible ratings for Risk to Development Outcome:* High, Significant, Moderate, Negligible to Low, Not Evaluable.

Bank Performance: The extent to which services provided by the Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan/credit closing, toward the achievement of development outcomes. The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings for Bank Performance:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Borrower Performance: The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. *Possible ratings for Borrower Performance:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Preface

This is a Project Performance Assessment Report (PPAR) of Phase I and II of the 3-phase, 15-year Ethiopia *Pastoral Community Development Program* (PCDP). The projects were approved by the World Bank's Executive Board on May 20, 2003, and May 5th, 2008, respectively. Estimated costs for the first phase were US$59.96 million, including US$30 million of International Development Association (IDA) financing, US$20 million of financing from the International Fund for Agricultural Development (IFAD), and US$5.96 million of borrower finance, with the remaining US$4 million expected to come from community contributions. Ninety percent of PCDP I resources were disbursed 12 months prior to closing. The total costs for the second phase were US$138.7 million, including US$80 million of IDA financing, US$39 million contributed by IFAD, US$5 million of borrower financing, and US$14.7 million provided by the beneficiary communities. One hundred percent of PCDP II's IDA funds were utilized.

This report was prepared by Lauren Kelly, Task Team Leader, Kendra White, Consultant, and Inder Sud, Senior Consultant. The field team was led by Kathryn Steingraber, with support from Ebrahim Jemal, Numery Mohammed, Mohammed Mussa, and Mohammed Usman. The report was peer reviewed by Marjory-Anne Brodhead and panel reviewed by Judy Twigg. Warm thanks to Marie Charles and Vibhuti Narang Khanna for administrative support, Caroline McEuen for editorial assistance and Amen Dankul, of the Addis office, for logistics and translation support. The team undertook a mission to Ethiopia between September 23 and October 2, 2015; this was followed by an extended period of fieldwork.

This assessment was conducted in parallel to an evaluation of the second phase conducted by the International Fund and Agriculture (IFAD), a co-financier of the project. It was commissioned to provide input to the forthcoming Rural Non-Farm Macro Evaluation. The projects offered an opportunity to look at the way the World Bank has targeted and assisted some of Ethiopia's most vulnerable populations, with a focus on pastoralism and livestock.

Methodology. This assessment used a mixed-methods approach, including a desk review of documentation (Implementation Completion and Results Reports, Project Appraisal Documents, legal and project files, the mid-term and end evaluation); interviews with Bank and project staff and other stakeholders; data analysis; and beneficiary interviews. Prior to the PPAR, IEG examined secondary data obtained from the *Central Statistics Authority* to determine whether relevant Woreda level data had been collected over the project period. (A summary of the data collection and analyses methods are provided in the annexes). Since relevant, Woreda level data was not available, IEG designed and conducted a beneficiary feedback tool using a small *n* approach to test the project's theory of change and to learn about project implementation across different geographic and sociocultural areas of the country.

IEG thanks the Bank country management and staff and the PCDP management team for facilitating a highly collaborative and informative mission. Following standard IEG procedures, a copy of the draft PPAR was sent to the relevant government officials and its agencies for their review and feedback. Comments were received in the form of track changes from the government, and are summarized in Annex H. of this report.

Executive Summary

This is a Project Performance Assessment Review (PPAR) of Phases I and II of the 3-phase, 15-year Ethiopia *Pastoral Community Development Program* (PCDP). The projects were approved by the World Bank's Executive Board on May 20, 2003, and May 5th, 2008, respectively.

Pastoralists comprise a significant part of Ethiopia's population, accounting for some 12 million of the total population of about 92 million. Located largely in the eastern and southern parts of the country, bordering Somalia in the east and Kenya in the south, pastoralists are among the poorest Ethiopians. Livestock is their primary source of livelihoods, although increasingly many traditional pastoral communities are adopting agro-pastoral livelihoods in response to several natural and policy-induced constraints. Pastoralists in Ethiopia have been economically, socially, and politically marginalized because they have been given inadequate attention by policy makers in the past.

Although significant improvements have been achieved over the last decade, pastoralists face daunting challenges, including (i) poor access to basic social services, (ii) weak government institutions that are not well aligned with traditional systems, (iii) limited public participation in local decision-making processes, (iv) dependence on extensive livestock production with poorly developed support services and uneven access to markets, (v) vulnerability to recurring droughts exacerbated by climate change, and (vi) increasing competition for natural resource use and constrained mobility due to new settlements and large-scale development schemes.

The Pastoral Community Development Program, Phase I

The *Pastoral Community Development Program*, approved by the Bank in 2003, was the Bank's first major intervention to support the development of pastoral areas. It envisaged improving livelihoods of pastoralists on a sustainable basis while reducing their vulnerability to cyclical climatic shocks. Phase I of the project, approved in 2003, sought to assist the government "in establishing, within pastoral areas, effective and functional models of public service delivery, investment and disaster management that address communities' needs."

The relevance of the objective of the first phase is rated substantial. The project development objectives (PDOs) were relevant to the government strategies for alleviating rural poverty and were supportive of its decentralization process. The first-phase objective was clear and achievable; it responded to critical service delivery needs of some of Ethiopia's poorest citizens. The elevation of the disaster risk aim to the PDO statement was difficult to achieve, however. It would have been better maintained as an important component of the project, designed to achieve the broader service delivery aims of the first phase.

The relevance of design of PCDP Phase I is rated modest. The decision to proceed with a three-phase adaptable program loan (APL) made sense. It recognized the lengthy process of pastoral area development and that better integration of pastoral communities into the national economy would be more likely to be achieved through a protracted approach. The program was built around the concept of community-driven development (CDD), the first time this type of approach was implemented in Ethiopia, with a strong focus on decentralization and community empowerment. It benefited from strong collaboration with both the International Fund for Agricultural Development (IFAD) and the Food and Agriculture Organization (FAO). The relevance of design was undermined, however, by inattention to technical assistance and training of communities, especially in relation to the development of small rural enterprises. Attention to gender was also noticeably lacking in Phase I. The CDD approach required greater sensitization and awareness of how to roll this type of programming out in pastoral areas.

The first phase objectives were only **Modestly Achieved**. Despite initial delays and implementation difficulties, PCDP I trained a number of local government staff and communities in the CDD approach, and significant outputs were produced under the investment model that addressed critical service-delivery needs. However, most of these investments failed, and other services, such as a disaster risk warning system, were not yet implemented by the end of the first phase. The disaster risk management activities fell short because of a lack of strategy to underpin the investments and weak implementation.

Efficiency is assessed to be modest for the first phase. PCDP I did not collect or assess the economic or social rates of return of its investments, although an external assessment of the income-generating activities did demonstrate that most of these investments ultimately failed. Rushed disbursements toward the end of the project cycle undermined the economic rates of return of the investment, and by project close, 25 percent of the subprojects initiated were not completed, and 20 percent of the completed projects were not operational.

Bank performance is rated moderately unsatisfactory for PCDP I. The Phase I project was adequately supported by sector work and was developed in close collaboration with other donors and stakeholders. The Bank responded promptly to the government's request for help at a critical time, when pastoral communities in Ethiopia were suffering from severe climatic shocks. However, because of several shortcomings, quality at entry is rated *unsatisfactory*. There was low importance given to structural and sector policy reforms for a project of this nature, where decentralization and institutional development are critical to successfully implementing an APL program. There were serious capacity constraints for implementation, particularly at the *woreda* level, and risks of elite capture. At entry, the government’s decentralization process was also just emerging. Supervision is rated *moderately unsatisfactory*. There was not enough attention to the quality and continuity of training, nor to the attitudes and needs of mobile support team members who were being asked to move to and live with pastoral communities. There were also long gaps in supervision missions. After the mid-term review (MTR), the quality and intensity of supervision picked up substantially. Phase I also experienced some financial management and procurement challenges, which would be expected from a project just starting up in very remote areas.

Borrower performance is rated unsatisfactory for the first phase of PCDP. Government performance and implementing agency performance are rated *unsatisfactory.* There was solid government commitment throughout the first phase, with the Ministry of Federal Affairs

(MoFA) providing strong leadership in ensuring good project management and coordination at the field level. However, a sudden shift of project responsibility from the Ministry of Agriculture to MoFA implementation capacity hindered project start-up. The protracted restructuring of institutions responsible for disaster preparedness and prevention hampered performance of the pastoral risk management component. Poor cooperation between government units held up implementation and delayed staff recruitment, and shortfalls in budget and staffing constrained the effectiveness of the mobile outreach teams. Actual counterpart financing was only 68 percent of the appraisal projection. The Federal Project Coordination Unit (FPCU) experienced teething pains during the launch of the CDD approach, as would be expected. However, the FPCU did not comply systematically with the procedures in the operating manual: the sequencing and selection criteria for subproject selection were not enforced, staff was not adequately trained, and coordination with partner organizations was weak. There were also failures in the management and delivery of funds, which resulted in hasty decisions, in some cases influenced by political pressure, and financial commitments beyond the financial capacity of the project.

The overall outcome for PCDP I is rated moderately unsatisfactory.

Pastoral Community Development Project, Phase II

The objective of the second phase of the Pastoral Development Community Project, approved in 2008, was to "increase pastoralist communities' resilience to external shocks and improve the livelihoods of Beneficiary Communities, thereby to contribute to overall poverty alleviation in the territory of the Recipient."

The relevance of the objectives of the second phase is rated substantial. The PDOs were relevant to the government strategies for alleviating rural poverty and were supportive of the government's decentralization process. The second-phase objective lacked specificity, however, with regard to the definition of livelihoods (defined as growth and stability of incomes, access to social and public services, improved social relations and institutions, and reduction of vulnerability in the project appraisal document). The objective was substantially relevant to the needs of pastoral communities, but the addition of the broader poverty-reduction aim was unrealistic with regard to the scope and nature of project design.

The design of the second phase gained relevance by making improvements to program design, but is rated modest by this assessment, because of several shortcomings. The income-generating activity model—focused on productive group assets—was replaced by a community investment fund that offered a simpler menu of basic public goods that groups could agree on and operate together more efficiently. Recognizing the need for access to finance, a rural savings and lending model—with a strong gender focus—was added, in line with the capacity and culture of the pastoral areas. However, Phase II design was undermined by a lack of targeting and a differentiated design for agro-pastoralists versus mainly nonsedentary herders, and a more nuanced understanding of constraints and behaviors across the very different regions of Ethiopia's lowlands. The causal chain was weakened by the lack of an explanation of how the service delivery investments would lead to poverty reduction, in light of the scope of the project in relation to the enormity of the project population's needs.

The second phase objectives were substantially achieved. The project had significant accomplishments in providing the essential social and economic livelihood services demanded by the communities: basic education, water, access roads, and human and animal health. Nevertheless, the metric used with regard to “access” versus “use” does not allow for a full validation of the number of persons that actually benefited from the project-financed infrastructure. Field visits conducted across four regions attested to the high level of relevance and sustained use of this infrastructure, while recognizing the limitations noted by the external assessment with regard to the lack of equipment and trained personnel. The rural savings and lending groups promoted by the project were highly successful in mobilizing the communities, notably women, to save and invest. However, reduction of vulnerabilities through the disaster management activities was only modestly achieved. The early warning systems supported by the project were undermined by an uncoordinated approach among donors and the government: there are many different actors and systems involved, and, critically, long response delays. The country was experiencing the worst drought since 1992 at the time of the IEG visit. Although various donor-supported early warning systems had alerted the government to the pending crises, the response (at the federal level) did not materialize within the parameters assigned by the project. Public investments, financed by the project and designed to mitigate risks, seemed to differentiate little from other project investments. The choice of assets and their strategic prioritization was also in question.

Efficiency of the second phase is rated substantial. PCDP II did not conduct an economic or financial assessment of the investments made under the second phase. It missed an opportunity, for example, to attempt to calculate some of the returns on investments made during the first phase. There are attributable positive returns that can be linked to the rural savings and lending groups, with regard to the accumulated savings, funds leveraged, and related investments. Other, infrastructure-related aspects of the project are reported to have lower costs compared with state-financed and -planned infrastructure investments.

Bank performance in the second phase of PCDP is rated moderately satisfactory. Quality at entry is rated *moderately satisfactory*. Lessons learned from implementing the first phase shaped improvements in the design and implementation arrangement of the second. The addition of new components, such as the rural savings and lending groups that addressed critical constraints reflects an awareness of the operating environment and continued learning in this program. Attention to gender was significantly improved. Supervision is rated *moderately satisfactory*.

Supervision and implementation support missions were conducted jointly with IFAD and included technical experts who provided inputs on critical aspects of this project, including gender, access to land, water and sanitation, safeguards, financial management, and procurement. The mid-term review was comprehensive, and there was timely follow-up on important issues such as the overhaul of the indicators in the results framework, which led to formal proposals for the project's restructuring. Bank financial management and procurement staff were actively involved i, and greater community ownership contributed to cost effectiveness and transparency in the procurement process.

Borrower performance of the second phase of PCDP is rated satisfactory. Government and implementing agency performance is rated satisfactory. In the second phase, the roles of government agencies involved in implementation were more clearly defined than in the first phase. Considerable institutional capacity had been built, and there is evidence that the CDD approach has been internalized by the government at different levels. MoFA provided satisfactory support to the project. It was effective in handling the project's administration at the central government level, it facilitated the mobilization of counterpart contributions at the regional level, and it has provided strong leadership in ensuring good project management and coordination at the field level. One area where government performance could have been smoother was in its coordination with the Ministry of Agriculture and the Early Warning Response Department. There were occasional lapses in the disbursement of central government funds to the regions, with resulting delays in implementation. There were also some weaknesses in the project's financial management and procurement, especially in the earlier years. Capacity constraints at the woreda level and lack of familiarity with guidelines and procedures led to poor handling of procurement, despite Bank efforts to conduct annual procurement reviews, trainings, and clinics. Financial management was also weak. Inadequate forward financial planning, insufficient management oversight, and weak accountability systems led to delayed submission of statements of expenditure. But significant improvements were made under PCDP II. The rural savings and lending groups have received the required supervision and technical support under the Federal Cooperative Agency, and reporting was generally of good quality, detailed, and submitted on time.

The overall outcome rating for PCDP II is moderately satisfactory.

Risk to development outcomes/risks to achieving the programmatic aims are rated substantial. There is a substantial risk to sustaining the level of reduced vulnerability and livelihood outcomes achieved in a non-project scenario, especially with regard to access to critical service delivery in remote rural pastoral areas. While the project has dampened the effects of crises by helping to build resilience through public investments and savings, pastoralists continue to be exposed to cyclical shock, and many of the constraints that foster this vulnerability were not addressed by the project design in either phase.

Overall, while the two projects assessed made a significant contribution to meeting critical social and economic infrastructure needs, the link from investments to the desired high-level outcomes at the programmatic level is unclear. The overall development objective for the APL was to improve livelihoods (incomes and assets) of pastoralists on a sustainable basis and reduce their vulnerability. But the thrust of the bulk of project interventions was toward the provision of social infrastructure and some limited economic infrastructure. These investments are critical to improve the well-being of the communities, and indeed are highly appreciated by the beneficiaries, but it is difficult to establish the pathway from the investments to the overall project objective of creating sustainable livelihoods. A sustainable livelihood-centered approach would have required a much broader range of coordinated investments, taking into account the combination of investments package needed to significantly elevate livelihoods. Given the constraints and challenges of pastoralist communities, a sustainable livelihood approach would be centered on water, improving livestock production and marketing chains, rangeland management, and promoting supplementary sources of income, including agriculture. PCDP interventions are far too limited and incomplete to result in sustainable livelihoods for pastoralists. While PCDP III expands the livelihood component by enhancing access to finance and helping pastoralists to develop innovative, income-diversifying business activities and/or to strengthen existing productive activities, these activities are still unlikely to be very significant in relation to the broader strategic approach needed.

Lessons

High-Level Lessons on Program Strategy and Sequencing

Programmatic approaches that involve multiple projects over a long period of time are more effective when they measure the extent to which overall programmatic objectives are being met, in addition to assessing project outputs. A results framework is needed that specifies not only the short-term objectives of each of the projects in the series, but also how these link to the overall program objectives. Monitoring and evaluation systems should track not only individual project accomplishments, but should also be designed to assess the programmatic objectives, even if these can only be achieved over time.

Triggers for moving forward with successive phases of an adaptable program are more effective when they take stock of the extent to which the project is meeting its overall program aims. This stock-taking should promote mid-course correction based on lessons. A rigorous independent impact assessment conducted after each phase can provide the more accurate information needed to ensure that the program is phased well.

The Bank can use the body of knowledge gained through its successive project interventions to help governments develop an informed sector strategy, especially in difficult and uncertain areas such as pastoral development. While the Bank may choose to proceed with project support, it is critical that in the absence of a clear approach, Bank experience be used to support the development of such a strategy through dialogue and continued engagement.

Project-Specific Lessons

Support for household or small rural income generating activities is more effective when based on needs and capacity assessments and supported by business planning, training, legal and technical assistance, and the supply of affordable finance. Group-executed activities are complex. They require trust and cooperation among members of groups that, if formed by the project, require time to build trust. The decision to support individual versus group economic activity should be based on an understanding of social norms and economic relationships.

Rural savings and credit groups can be successful when there is a strong sense of cohesion in the community, when they have a predominant focus on women, and when they are supported with adequate and sustained capacity-building support. Seed capital and clear rules of the game were also found to be key ingredients in helping to ensure the success of the rural savings and lending groups in Ethiopia.

When dealing with mobile pastoral communities, consideration should be given to different service provision approaches such as mobile schools and health to supplement the classic participatory local development model, which is better suited to sedentary populations.

Marvin Taylor-Dormond
Director, Financial, Private Sector, and
Sustainable Development Department

1. Background and Context

Country Context

1.1 Ethiopia is a landlocked country in the Horn of Africa. It covers 1.1 million square kilometers, and nearly half of this area is characterized by pastoralist lowlands. It has a wide range of climates, soils, and vegetation, but it is also vulnerable to food and fuel terms-of-trade shocks, as well as weather-related shocks. Ethiopia has the sixth-largest economy in Sub-Saharan Africa, although this ranking is a product of its large population rather than high per capita income. Ethiopia's per capita income of US$500 in 2014 made it one of the poorest countries in the world. With a population estimated at approximately 92 million in 2014 (EIU 2015), Ethiopia is the second-most populous country in Sub-Saharan Africa (World Bank Group 2013). The rural population is estimated at 78 million, or 81 percent of the total population. Population growth remains high, at 2 percent, and Ethiopia is expected to reach a population of over 120 million by 2030.[1]

1.2 Ethiopia has a federal democratic government system, established in the early 1990s, with nine autonomous states (regions) and two chartered cities. Decentralization of governance to the regional and district (*woreda*) levels has been actively pursued, intensively since 2003. The Ethiopian People's Revolutionary Democratic Front has been in power in Ethiopia since 1991. Its nine regions, based on ethno-linguistic communities, or *kililoch*, are: Afar, Amhara, Benishangul-Gumuz, Gambela, Harari, Oromia, Somali, Southern Nations, Nationalities and Peoples (SNNPR) Region, and Tigray. These regions are further subdivided into 68 zones and 770 woredas, or districts, of which 670 are rural and 100 are urban. Each woreda is composed of a number of *kebeles* (Amharic for "village"), or wards, which are the smallest unit of local government in Ethiopia. Districts are governed by a Woreda Council, whose members are directly elected to represent each kebele in the relevant district. Each kebele consists of at least 500 families, or the equivalent of 3,500–4,000 persons. There is at least one in every town with a population over 2,000. A *Keftanya*, or representative, has jurisdiction over 6 to 12 kebeles World Bank Group 2013).

1.3 The country has experienced strong economic growth in the last decade—averaging 10.4 percent since 2004 (World Bank Group 2015). This has led to a significant improvement in social and human development over the past decade (Table 1.1). Indeed, Ethiopia is among the countries that have made the fastest progress on the Millennium Development Goals over the past decade. Good progress has been achieved in universal primary education, although the reduction of maternal mortality remains a key challenge (World Bank Group 2013). Despite the major economic and social improvements over the last decade, some 25 million Ethiopians currently remain trapped in poverty and vulnerability. With a Human Development Index (HDI) of 0.435 in 2013, the country is still classified as a *low human development* country, based on the United Nations Development Program's (UNDP's) Human Development Index.

[1] World Bank Group, World Development Indicators.

1.4 Sustained high economic growth has helped reduce overall poverty in both urban and rural areas. Since 2005, 2.5 million people have been lifted out of poverty, and the share of the population below the poverty line has fallen from 38.7 percent in 2004/05 to 29.6 percent in 2010/11, using a national poverty line of US$0.6/day (World Bank Group 2013, p. 2), or 38.9 percent in 2005 to 36.7 percent in 2010, using US$1.25/day.[2] Because of high population growth, the absolute number of poor has remained unchanged over the past 15 years.

Table 1.1. Select Human Development Indicators

Ethiopia	***2003/04***	***2014/15 available***
GNI per capita (Atlas method, US$)	130	550
Poverty headcount ratio at national poverty line (% of population)	39	30[a]
Life expectancy at birth (years)	56	64[b]
Infant mortality (per 1,000 live births)	74	41
Access to electricity, rural (% of rural population)	5	8[c]
Improved sanitation facilities, rural (% of rural population with access	12	28
Improved water source, rural (% of rural population with access)	27	49
GINI Coefficient	30	34

Source: World Development Indicators.
a. Data only available for 2010. b. Data only available for 2013. c. Data only available for 2012.

1.5 While overall growth over the project period has had a positive effect on both urban and rural areas in Ethiopia, parts of the lowlands inhabited primarily by pastoral and agro-pastoral communities continue to be extremely vulnerable in the face of shocks. Climate shocks, such as severe drought, are common in Ethiopia and often lead to poor or failed harvests, unseasonal migration, and livestock deaths, which result in high levels of acute food insecurity and loss of income. The 2015 droughts, for example, have been reported to be as catastrophic as the droughts that befell Ethiopia in 1965–66, 1972–73, and 1984–85. The hardest-hit areas are Ethiopia's eastern Afar and southern Somali regions, areas targeted by the projects under review, while pastures and water resources are also unusually low in central and eastern Oromo region and the northern Tigray and Amhara districts, all areas where the population is predominately pastoral. Pastoral livelihoods are also challenged by a deteriorating resource base that amplifies exposure to substantial environmental and climate risks that affect food and water security, energy, and human health, among other matters.

Project Context

1.6 **Pastoralism in Ethiopia relates both to an economic livelihood system that is based primarily on extensive livestock production and to the characteristics of**

[2] World Development Indicators, April 2015.

communities that live in the arid and semi-arid lowlands of Ethiopia (Box 1.1). Pastoralism is extensively practiced in the Afar and Somali regions, and in some zones of the Oromia region, and in the SNNPR—areas that were targeted by the projects under review. These lowlands include over 7 million people and 11 million animals. Pastoralists' only assets are their animals, but they diversify their livestock portfolios by breeding cows, goats, camels, and sheep. Pastoralist households can be categorized into three groups: (i) the comparatively wealthy, who hold substantial livestock assets; (ii) households with small herds and flocks and who, to some extent, depend on cropping, petty trading, or sale of their labor ("agro-pastoralists"); and (iii) those who are gradually abandoning pastoral livelihoods. Pastoralist areas are characterized by constraints that include low levels of infrastructure development and weak social services such as health and education, and pastoral communities in Ethiopia are among the poorest and most neglected sections of the population (World Bank Group 2013).

1.7 **Livestock production plays an important role in the Ethiopian economy, and livestock trade is a key element in the livelihood systems of the country's pastoralists**. At the beginning of the Pastoral Community Development Program (PCDP) period, about 93 percent of Ethiopia's pastoral area population depended directly on livestock for subsistence. An increase in demand for livestock in both domestic and regional markets in neighboring countries such as Somalia, Djibouti, Kenya, and the Sudan has been driving changes in pastoralist livelihood systems. Most particularly, there has been an increase in commercialization of livestock, which led to a consolidation of herds. While some pastoral households have been able to improve their livestock-based livelihoods, others have been unable to maintain their traditional livelihoods as viable undertakings.

1.8 A number of factors affect the success of pastoralists in their attempts to grow their livestock production systems. The most important of these are access to good rangeland as well as mobility, access to markets, access to services (such as animal health care), and severity of climatic shocks. Pastoralists, who employ mobility as a key strategy for raising livestock, are prone to periodic and unexpected climatic shocks, perhaps more than sedentary farmers. Livestock dynamics in pastoral areas (especially in Afar and Somali) follow up-and-down patterns. The livestock population collapses following droughts, but then revives with a few good years. The livestock population in pastoral areas is therefore subject to sudden and considerable variation, depending on the intensity and duration of droughts and rainfall (USAID 2003).

Box 1.1: Applying Livelihoods Analysis to Understand the Characteristics of Pastoral Communities

Livelihoods analysis aims to understand how people source, develop, and use assets within a complex set of trends, shocks, and formal and informal policies and institutional settings. Such analysis is commonly based on a livelihoods framework that categorizes assets in terms of five main types of capital:

Human capital represents the skills, knowledge, ability to labor, and good health that enable people to pursue different ways of making a living. In pastoral areas, formal education and health services are often poorly developed, and literacy and health are low. However, pastoralists possess rich indigenous knowledge on livestock health and production, and some communities have traditional healers and traditional schools.

Social capital is the social resources people use to pursue different ways of making a living. It includes networks, group membership, relationships of trust, and access to wider institutions of society, including political institutions. The concept of reciprocity is important, as are the exchanges that facilitate cooperation, reduce transaction costs, and safeguard the poor. Pastoralists often have strong social capital at the community level, with complex systems of indigenous social support based on the exchange of livestock.

Financial capital is the financial resources that people use to achieve livelihood objectives. It relates to both production and consumption, and the availability of cash, which enables conversion to other types of capital. In pastoralist communities, financial capital is based on the ownership of livestock or access to livestock resources. People consume directly from livestock and sell livestock and products. Markets are a crucial factor in the attainment of financial capital.

Natural capital is the natural resources people use to make a living, including soil, water, vegetation, and wildlife, and encompassing access rights and land ownership. In general, pastoralist areas are characterized by low rainfall with high spatial variability. It is this rainfall pattern that largely determines the seasonal movement of pastoral herds and the seasonal variations in production and markets.

Physical capital is the infrastructure and producer goods needed to support livelihoods. In pastoral areas, the physical capital required to support production—including roads, information and communications technology, other infrastructure, and markets—is poorly developed.

Access to and use of these different types of capital is determined by various factors:

Seasonality, including variations in rainfall, livestock production, and the terms of trade for livestock and cereals.

Trends, such as global climatic trends, the increasing occurrence and severity of drought, the growth of export markets for livestock, environmental change associated with bush encroachment, private enclosure of rangeland, and human population growth.

Shocks, such as livestock disease epidemics and conflict. As drought becomes more regular and predictable, it might be categorized as a seasonal factor rather than a shock.

n addition, pastoralist livelihoods are affected by various formal and informal norms, policies, and institutions.

Source: IEG adaptation of Ethiopia 2008.

1.9 Humanitarian assistance in pastoral areas has been dominated by food aid since emergency interventions began in the 1970s, and food aid provision has been based on the objective of saving human lives. However, it is increasingly recognized that support provided in response to recurrent droughts or floods should be part of a more systematically delivered development assistance program that focuses on developing sustainable livelihoods and enhancing resilience to recurrent shocks. In pastoral areas, livelihoods-based emergency programming means protection of pastoral livestock in appropriate numbers and support to the services and markets needed to assist in a rapid recovery.

1.10 **Ethiopia has developed a formal policy for pastoral development that promotes voluntary sedentarization, but there is not yet a well-articulated strategy to achieve the policy objective.** The 1995 constitution incorporated the issues of pastoralists for the first time. It provided pastoralists with the right to free land grazing and to not be displaced from their own lands against their wishes. It also formed a department in the Ministry of Federal Affairs (MoFA) that coordinates and facilitates development in pastoral areas, and set up a Pastoralist Affairs Standing Committee in the parliament, which oversees pastoral development activities in the country. Pastoral development is included in national development plans (2000–04 and 2005–09), the Plan for Accelerated and Sustained Development to End Poverty (PASDEP 2005/06–2009/10), and the Growth and Transformation Plan (GTP 2010–15), The GTP's plan for pastoral development gives priority to water development and sets ambitious targets of increasing combined export earnings from live animals and meat exports from US$125 million in 2009/10 to US$1 billion in 2014/15. The GTP seeks to facilitate the voluntary transition of pastoralists toward permanent settlement, particularly through the development of both small- and large-scale irrigation infrastructure, improvement in human capital, development of market networks, development of financial services, and investment in road infrastructure and communication networks. However, there is no overarching, cohesive pastoral development strategy for the country. Donors, while subscribing to the policy as long as sedentarization is truly voluntary, have been cautious, owing to concerns that some settlement activities have not been voluntary. There is also a high level of reputational risk associated with these activities because of their high level of exposure by civil society.

2. The Pastoral Community Development Program

2.1 The 2003 approval of the Adaptable Program Loan (APL) for the PCDP was the Bank's first major intervention to support development of pastoral areas. It envisaged improving the livelihoods of pastoralists on a sustainable basis while reducing their vulnerability to the climatic shocks they have been experiencing with increasing regularity in recent years. The underlying approach was to provide basic essential social services to pastoral communities, help with diversification of income-generation activities, provide early warning of impending disasters to allow ameliorative measures to be implemented, and promote infrastructure and related investments to help cope with disasters. The program was built around the concept of community-driven development (CDD). This was the first time the approach was attempted in Ethiopia, with its emphasis on the importance of decentralization and community empowerment. This was a considerable innovation for the country. The 15-year, 3-phased program (currently in Phase III, as of November 2015) covered a total of 55 pastoral and agro-pastoral woredas in communities in the Afar, Somali, Oromia, Amhara, Tigray, and SNNP regions (Box 2.1). During the first phase, a total of 32 woredas in four regions (25 percent of total pastoral and agro-pastoral woredas) were reached by the project. For the second phase, the number of woredas was raised to 57 (32 existing and 25 new) in the same regions, including Afar (14 woredas), Somali (21 woredas), SNNP (6 woredas), and Oromiya (14 woredas). This represents approximately 45 percent of pastoral and agro-pastoral woredas in the country.

Box 2.1. The Pastoral Community Development Program

Duration: 2003–18 (15 years)

Implementation: 3 phases (2003–08, 2008–13, 2013–18)

Project intervention: Phase I in 32 woredas; Phase II in 55 woredas; Phase III in 113 woredas

Beneficiary communities: Phase I – 600,000; Phase II – 1,300,000Phase III – 2,600,000

Project budget: $408.9 million: Phase I – US$60m; Phase II – US$138.7m; Phase III – US$210.2m

Source: IEG adaptation from project documentation

Beneficiaries and Targeting

2.2 The primary target population of the APL is the pastoral and agro-pastoral population of Ethiopia living in the arid and semi-arid areas of the country, and reaches approximately 55 pastoral and agro-pastoral woredas of the Afar, Somali, Oromiya, and SNNP National Regional States, representing approximately 45 percent of the pastoral and agro-pastoral woredas in Ethiopia.

2.3 The APL did not use poverty targeting *per se*, although the pastoral areas are generally recognized as among the poorest areas in the country. However, within the pastoral areas the project documentation does not give an explanation as to how different woredas within the pastoral areas, or how kebeles within a woreda, were selected. This was presumably based on the assumption that the level of poverty is similar in all of them. Unfortunately, there was not adequate poverty data available for pastoral areas to underpin this assumption, so the evaluation cannot confirm the adequacy of the targeting approach. Moreover, while the project did not have an explicit gender focus, women were active in the project-supported rural savings and credit cooperatives (RUSACCOs).

Financing

2.4 PCDP I and II were financed by the World Bank, the International Fund for Agricultural Development (IFAD), the government of Ethiopia, and beneficiary communities. Phase I became effective in September 2003 and closed in December 2008. Estimated project costs were US$59.96 million, including US$30 million of International Development Association (IDA) grant financing, US$20 million of IFAD financing, and US$5.96 million of borrower financing; the remaining US$4 million was expected to come from community contributions. Ninet-four percent of PCDP I funds were disbursed 12 months before closing (XDR 21.6 million of XDR 22.0 million was disbursed at closing) (World Bank Group 2008d).

2.5 Phase II became effective in October 2008 and closed in December 2013. The total budget earmarked for the second phase of the project was US$138.7 million—US$80 million was covered by the World Bank, US$39 million by IFAD, US$5 million by borrower financing, and US$14.7 million by the beneficiary communities. One hundred percent of PCDP II's IDA funds were utilized (World Bank Group 2014).

2.6 The lion's share of financing (Table 2.1) for both phases of this project was spent on *rural livelihoods enhancement*, where a total of US$130 million (69 percent of the total portfolio) was spent during Phase I and II. Financing did not shift much from the Project Appraisal Document (PAD) to the Implementation Completion and Results Report (ICR), except that a considerable amount of financing for *pastoral risk management* was downsized in Phase II (from US$28 million in the PAD to US$15 million as reported in the ICR).

Table 2.1. Project Costs by Component

Component		***Estimated (US$ million)***	***Actual (US$ million)***	***Total actual (US$ million)***
Rural livelihoods	Phase I	33.1	39.3	130.24
	Phase II	90.79	90.94	
Pastoral risk management	Phase I	15.5	16	31.46
	Phase II	28.03	15.46	
Project support and policy reform	Phase I	6.6	14.3	26.61
	Phase II	7.04	12.31	
Participatory learning and knowledge management	Phase II	1.51	1.03	1.03

Source: World Bank Group 2003b, 2008d, 2009, 20014.

Implementation Arrangements

2.7 The Federal Project Coordination Unit (FPCU), located in MoFA, was responsible for overall PCDP I and II management, annual planning, and fiduciary management, liaison with stakeholders at the federal level, communication, monitoring and evaluation (M&E) and reporting, capacity-building, and technical backstopping. MoFA, though not a technical ministry, is mandated to coordinate development activities in marginalized and remote areas. With its decentralized structure, the project was administered at the regional and woreda levels. At the regional level, the pastoral commissions and pastoral development bureaus housed the regional project coordination units and had overall responsibility for implementation.

2.8 The Federal Cooperatives Agency, housed under the Ministry of Agriculture (MoA), implemented the Rural Livelihoods Program through the regional cooperative promotion bureaus and relevant woreda cooperative promotion desks. Mobile support teams (MSTs) provided basic training and support to pastoral RUSACCOs at the community level in areas where the promotion desks required support.

2.9 The early warning and response desks (EWRDs) of MoA managed the Pastoral Risk Management Component under a Memorandum of Understanding with MoFA, and this component was implemented by the regional early warning and response bureaus (EWRBs) and woreda EWRDs. Early responses were financed through Disaster Early Response Grants, which were administered at the regional level under a EWRD/EWRB management system supported by regional project coordination units.

2.10 At the woreda level, the Woreda Development Committee (WDC)—comprised of the heads of the offices of pastoral development for agriculture, water, education, health, rural roads, small and micro enterprises, and cooperative promotion, as well as representatives of nongovernmental organizations (NGOs) active in the woredas and of microfinance institutions (if available), and chaired by the woreda administrator or his deputy—is responsible for all woreda-level activities. At the kebele level, the Kebele Development Council, comprised of the kebele chairman, community procurement member, development agent, a teacher or school director, and the like, is responsible for all kebele-level activities.

2.11 There was a late change (at PCDP I appraisal) of the anticipated project-executing agency from the MoA to MoFA, a change that had material implications since MoA was more decentralized and experienced in pastoral development issues and participatory approaches. MoFA was new, and, by its own admission, was more "an agency that pulls federal resources to states" than a project implementing agency (World Bank Group 2009b, p. 5).

3. Pastoral Community Development Project – Phase I

Objective, Activities, and Relevance of Objectives

3.1 Phase I's Development Grant Agreement, approved in 2003, proposed to pursue the program objectives by assisting the government "*in establishing, within pastoral areas, effective and functional models of public service delivery, investment and disaster management that address communities' needs.*" (World Bank Group 2003a, p. 17). The PAD further disaggregated this into three objectives: (1) build local capacity, (2) establish effective models of public service delivery and investment, and (3) establish effective models of disaster management in pastoral areas. While this evaluation assesses Phase I in terms of the objectives as stated in the Development Grant Agreement, it also considers (but does not rate) project support for capacity building. PCDP I emphasized capacity building and pilot testing to set the stage for larger follow-on investments under the APL, although at the same time it had an ambitious investment program goal of covering 32 woredas. There were specific triggers that PCDP I had to meet before proceeding to follow up Phase II investments.

3.2 PCDP Phase I largely set up the community-driven approach within the government's decentralization plan, delegating increased authority and responsibility and the relevant mechanisms to the kebele (subdistrict) and woreda (district) levels, operating within the regional government structure. This was to enable pastoralists to identify, design, and implement community-driven micro-projects that reflected their development priorities. Under the **Sustainable Livelihoods Component**, project activities included: (i) capacity building, where MSTs would work with woreda administrations and their technical and social support offices to train communities, using participatory learning and action tools to formulate community action plans (CAPs) reflective of their development priorities, which would then be amalgamated into woreda development plans; (ii) the Community Investment Fund (CIF), that provided funding for community-prepared and WDC-appraised subprojects and income-generating activities (IGAs); and (iii) support services, to finance infrastructure investments and strengthen public service delivery at the regional and woreda levels.

3.3 The **Pastoral Risk Management Component** aimed to improve drought preparation through steps to mitigate risk and reduce vulnerability. Project activities included: (i) community-based early warning systems (EWSs), to build on ongoing efforts of the federal Disaster Prevention and Preparedness Commission and NGOs to establish (at the woreda level) the collection and analysis of basic household welfare data using a pastoral production systems survey instrument; (ii) disaster contingency planning, to invest in capacity at the woreda and regional levels to prepare disaster preparedness and contingency plans (DPCPs), including both mitigation activities and rapid response activities, monitor local disaster indicators, and manage disaster response funds; and (iii) a Disaster Preparedness and Contingency Fund (DPCF), to provide the woredas with grants to finance activities identified in their DPCPs.

3.4 The **Project Support and Policy Reform Component** aimed to provide operational and training support to the FPCU in Addis Ababa and the regional project coordination units. Activities included project support and coordination, M&E; and policy analysis and reform.

Relevance of Project Objectives

3.5 ***The relevance of objectives for PCDP I is rated substantial.*** The Phase I objectives are relevant to the country's national development plans. The government singled out pastoral development as a key element of its Plan for Accelerated and Sustainable Development to End Poverty, 2005–10. Pastoral development is included in national development plans (2000–04 and 2005–09), the Plan for Accelerated and Sustained Development to End Poverty (PASDEP 2005/06–2009/10), and the Growth and Transformation Plan (GTP 2010–15).

3.6 PCDP I was implemented over three Country Assistance Strategy (CAS) cycles. The FY03–05 CAS was based on Ethiopia's Sustainable Development and Poverty Reduction Program (SDPRP, as the PRSP is known) and focused on: (i) fostering pro-poor growth; (ii) enhancing human development outcomes by improving governance; and (iii) reducing vulnerability. PCDP I (and II) were the main investment programs in the lowland areas in promotion of the FY06–07 Interim Country Assistance Strategy objective of addressing vulnerability and growth. The strategic objective in the FY08–11 CAS was consistent with the PASDEP—that is, fostering economic growth to sustain the emerging economic take-off, improving access to and quality of basic service delivery, and reducing vulnerability to help improve the prospects for sustainability. Hence, the project objectives continued to be in line with the Bank's strategic partnership with Ethiopia until PCDP I closed in December 2008.

3.7 Phase I’s objectives of "(i) establishing effective models of public service delivery and investment; and (ii) establishing effective models of disaster management in pastoral areas that address communities needs and reduce their vulnerability" were clear and achievable, and they responded to critical service delivery needs of some of Ethiopia’s poorest citizens. The elevation of the disaster risk management aim to the PDO statement was more difficult to achieve, however, and would have been better maintained as an important component of the project, designed to achieve the broader service delivery aims of this first phase.

Relevance of Project Design

3.8 ***The relevance of design of Phase I is rated modest.*** Overall, PCDP I design benefited from strong collaboration with both IFAD and the Food and Agriculture Organization (FAO). The decision to proceed with a three-phase APL made sense. The programmatic approach recognized the longevity of the effort and the need for a continued engagement and a sustained response.

3.9 PCDP I was designed as a pilot to introduce new models of public service delivery to better identify and address communities’ priority needs and to reduce their vulnerability. It was the first time a CDD approach was piloted there; it deviated significantly from the way that service delivery had been done in the country. The approach facilitated the effective implementation of the community investment fund. It promoted participation of both men and women in the preparation of the community action plans that were also intended to reach the poorer and most vulnerable members of the communities. The CAPs were then reviewed by WDCs, comprising representatives of the woreda administration, customary institutions, and beneficiary communities, with the support of the MSTs.[3] The Project Performance Assessment Report (PPAR) mission learned that beneficiaries and Ethiopian regional government officials appreciate the approach, and that there is interest in integrating this style of engagement in other proposed projects in the country.

3.10 However, the project design did not fully articulate how the proposed CDD model would work in the Ethiopian administrative context and in the context of reaching non-sedentary citizens. It did not detail how the consultative process would work at the level of the kebele (whose needs count?) not did it introduce accountability mechanisms capable of tracking these expressed needs through the decision-making process through the kebele and woreda council level discussions, back to the community. The external end-line assessment (Loyya Consult, 2014)[4] highlighted the role that the WDCs played in deciding on the

[3] IEG desk review and field-level interviews.

[4] IEG reviewed the quality of the end-line assessment to determine whether the reported findings were acceptable. One of the limitations of the end-line assessment was that the assessment did not reveal its sampling frame. Sixteen “sample woredas and kebeles were carefully selected by the regional PCUs in consultation with the federal PCUs” (Loyya Consult 2014, p. 9). the PMU. The only criteria reported was that

allocation of investments—a role that the WDC traditionally plays, for example. It would have been useful for the end-line assessment to have weighed in on the difference that community engagement made, separate from the additional benefits achieved due to project funding.

3.11 valid

3.12 The IEG mission learned that the CDD process was congruous to the customary community consultation process at the kebele level within the lowlands. However the design of the first phase could have more relevantly placed the CDD process within the broader process of administrative decentralization. While the consultative process was in line with customary practices, the project introduced new and unfamiliar requirements in areas with little history of project intervention. In areas characterized by civil unrest, for example, the placement of a well can matter from the point of view of disputed territorial claims. Likewise, in such areas, there is a strong propensity for local power brokers to distort resource allocations to meet their own needs.

3.13 Several other design lessons have emerged form Phase I, including many that have been integrated in the design of the second phase. The formulation of a group lending model to encourage the development of small rural enterprises (the income generating activity component) fell short of understanding the local business climate, capacity, and the complexity of integrating economic activities into a group business model. At the time, there was limited public sector support for nano and small rural enterprises, including a lack of experience in generating concepts and ideas that could be competitive and sustained. Many of the income generating activities in the first phase were not sustained, also because the nano enterprises were not able to sustain the costs of operation and maintenance after project end (MoFA 2008).

3.14 There was also a lack of a clear link between the project interventions and the overarching program objective of promoting sustainable livelihoods of pastoralists. The basic social and (limited) economic infrastructure that is provided under the projects, while necessary, has, at best, only a tenuous link with sustainable livelihoods. The income-generation components (through savings and credit) would no doubt help strengthen livelihoods, but the scale is far too small to have any significant impact. Thus, it is difficult to see the project interventions leading to improved livelihoods for pastoralists or to reducing risk to any significant extent.

Implementation

3.15 Significant efforts were made early on in the implementation of Phase I, particularly under the Sustainable Livelihoods Component, to set up the new CDD model. WDCs were formed in all 10 first-year woredas. Woredas were actively reviewing community proposals and approving projects (construction of schools, human and animal health posts, small-scale

---

the Woredas were selected "to get a good representation of project performance." In discussions with Lloya, IEG learned that both insecure and remote areas were eliminated from the sample. Thus, it is reasonable to assume that the effects reported are not representative of these areas, and that it is likely that, the results reported do not represent the average.

irrigation, and the like) in early 2004, just seven months after project effectiveness. The CDD approach appeared to be working well, and one implementation support mission[5] noted a shift from skepticism to satisfaction with the CDD process among government officials. By the mid-term review (MTR) (conducted in June 2006), 2,057 CIF subprojects had been initiated in 465 kebeles, and 47 percent were completed and were providing the required services. Training and capacity building activities had been undertaken at all levels (for example, on community consultation, awareness creation, and the preparation of community action plans) to ensure that communities were able to select and implement subprojects, and a pastoral EWS manual had been prepared and was operational.

3.16 However, there was a tendency for the project to disburse funds quickly, particularly for IGAs, without regard to the speed with which pastoralists could cope, nor the sufficiency of funds to complete and operationalize approved subprojects. At MTR, a large number of IGAs were found to be unprofitable, with inadequate accounting and transparency of earnings, undeveloped plans for use of income, and so on. The MTR recommended undertaking a comprehensive reassessment of IGAs (Ethiopia, MoFA 2008) (hereafter referred to as the IGA Assessment) to determine their financial and technical sustainability (see the results of the IGA Assessment summarized in Box 4.1) (World Bank Group 2004). The MTR mission also cautioned against being overambitious and advised the project to complete ongoing CIF subprojects and make them operational before initiating new ones. The MTR also warned that project design did not sufficiently address how the CDD process might be institutionalized through continuous training and capacity building for communities and other stakeholders, rather than remaining a one-off participatory rural appraisal and participatory learning approach exercise. Continuous training, responsive to community needs identified during implementation, was not being sufficiently addressed. This issue was demonstrated by the MSTs: they were not "camping" with pastoralists for 10–15 days, as proposed in the Project Implementation Manual, so community training activities were too short. MSTs reportedly spent too little time with the communities to begin the CDD process (World Bank Group 2006).

3.17 A year after the MTR (November 2007), supervision documentation reported concern that there were insufficient resources for completion of all CIF approved subprojects because more subprojects were approved in 2005/06 than could be financed within the APL I financing envelope. These (329) community subprojects were still incomplete at project closing, and they were to be implemented to fully operational under the subsequent phase.

3.18 The Pastoral Risk Management Component progressed more slowly throughout the Phase I project cycle. Though discussions with communities were initiated on the development of the EWS, it was reported that overall implementation progress of this component was significantly lagging behind schedule at MTR. The EWS manual had been developed, but the system was still not operational, and related woreda-level contingency plans were not yet in place. Implementation delays were reportedly the result of a lack of institutional ownership/unclear institutional arrangements (MoFA versus MoA) and procurement delays (lack of an implementing partner).[6]

---

[5] World Bank Group, PCDP I, ISM, Aide Memoire, November 15-30, 2004.
[6] IEG review of PCDP I ISRs and Aide Memoires.

3.19 Despite the above-mentioned challenges faced by PCDP I, key triggers required to move to the second phase were met, though several activities under these two components seem to have been implemented in a rushed and ineffective manner between the MTR and project closing in order to satisfy the Phase 1 triggers. By November 2007, six of the seven triggers had been met satisfactorily, though the last trigger, a Government Pastoral Areas Development Strategy, was still a work in progress.[7]

Safeguard Requirements and Compliance

3.20 For Phase I, the relevant safeguards identified at appraisal were: OP 4.01, Environmental Assessment; OP 4.04, Natural Habitats; and OP 4.09, Pest Management. The main issues were that the subprojects were not screened for potential adverse environmental and social impacts (as per OP 4.01), a pest management plan for subprojects was not developed for small-scale irrigation subprojects (as per OP 4.09), and a working definition for the identification of natural habitats was not developed (as per OP 4.04). In sum, there is evidence that the project did not comply with the World Bank's operational policies.

Fiduciary Management and Procurement

3.21 PCDP I experienced the financial management and procurement challenges one would expect from a project just starting up in very remote areas. It proved time-consuming to collect statements of expenditures for all of the CIF subprojects, aggregate them at the woreda level, and send them up the chain through the regional governments and to the FPCU. Hasty project approvals resulted in rushed disbursement, which introduced fiduciary challenges and difficulties for sectoral actors to provide the staff/equipment resources necessary to ensure service delivery.[8] In the first year, project management appeared concerned with low disbursement rates and launched an aggressive campaign among communities to use project resources. In this push for rapid disbursement, the perception developed that all projects would be financed as long as they met the defined set of criteria. No consideration was given to the balance available in the CIF when approving subproject requests. Furthermore, no indicative annual budget ceilings were defined and provided for the regional project coordination units and woredas. By the end of the fourth year of PCDP I, about 91 percent of the available budget had been spent. This issue was not picked up until the MTR. Some 25 percent of the subprojects could not be completed due to lack of funds, and regions were advised to abandon projects with a low level of performance (IFAD 2008, p. 29). The project also experienced weak procurement supervision (that is, limited transparency in fund allocation, lack of accountability at the woreda level) because of capacity constraints and general lack of familiarity with guidelines and procedures. This affected implementation and raised some concerns about the appropriate (transparent) use of resources toward realization of the agreed PDOs (World Bank Group 2009b, pp. 10–11).

Monitoring and Evaluation

3.22 **M&E Design.** Phase I M&E design, the responsibility of the FPCU, was weak. PCDP I expenditure-linked key performance indicators appear to have focused implementation efforts on maximizing the speed of fund disbursement, when the PDO was to

---

[7] World Bank Group, PCDP I, ISM and PCDP II Identification Mission, Aide Memoire, November 2007.
[8] IEG review of ISRs and Aide Memoires, and Country Director's comments in ISR, March 26, 2008.

provide capacity building and establish effective models of public service delivery, investment, and disaster management (IEG 2011). This may have affected quality and efficiency, particularly given the commitment to a CDD approach that was new and needed time and effort to take root in such traditional and disadvantaged communities. The first two key performance indicators did not particularly encourage giving time to communities to prioritize, plan, implement, and monitor their development activities in a learning-by-doing manner. There was also no baseline established at the outset.

3.23 **M&E Implementation.** M&E implementation under Phase I was also weak. The project envisaged a participatory monitoring system, but it was never implemented. The lack of baseline indicators further weakened M&E implementation. Baseline surveys (without control groups) of 25 woredas were conducted in the third year of PCDP, but there were no follow-up surveys, making it difficult to assess project achievements. Both the learning and accountability functions of M&E were neglected. The MTR observed that implementation was too output-centered (World Bank Group 2006) and suggested the sorts of outcome indicators that should be tracked, but the implementing agencies did not follow these recommendations. Progress reports assessed outcomes by using national norms rather than actual data (World Bank Group 2009b, p. 8).

3.24 Baseline surveys (without control groups) of 25 *woreda*s were conducted in the third year of PCDP, but there were no follow-up surveys, making it hard to assess project achievements. and suggested the types of outcome indicators that should be tracked, but the implementing agencies did not follow these recommendations The project did commission a rather frank IGA Assessment (previously discussed in this report), which was quoted quite extensively within the operational ICR, and the findings generated by this assessment, as well as other design flaws discussed earlier, appear to have been taken into account during the design and implementation of Phase II.

3.25 **M&E Utilization.** During Phase I, the learning and accountability functions of M&E were neglected and, beyond the useful and necessary reports on disbursement progress, the other data generated did not help inform management decisions during implementation. But these design flaws were taken into account in the follow-on project.

3.26 ***M&E design, implementation, and utilization for PCDP I is rated negligible.***

Achievement of Objectives

3.27 As a first step in conducting the PCDP (I and II) PPAR, IEG worked with MMA, a local consulting firm in Addis, to determine whether relevant data existed to support an assessment of the *contribution* of the projects to their stated objectives of (1) reducing vulnerability and (2) enhancing pastoral livelihoods over the project period (2003–13). Data were sought outside of the project's reporting framework, since the data collected by the project was limited to output indicators (number of schools built, number of wells functioning, and the like). IEG and MMA utilized data collected by the Central Statistics Authority and the Ministry of Finance and Economic Development, the two government bodies responsible for undertaking periodic nationwide income, poverty, and welfare surveys. After a comprehensive review, IEG determined that while comparable welfare data were available at the national and regional levels, it was not available at the woreda level.

And, while the quality of data has improved over the project period, data had only recently begun to be collected in nonsedentary or pastoral areas.

3.28 The ICR for PCDP I correctly notes that insufficient and conflicting data and several outcome indicators that did not necessarily reflect the PDO made it a challenge to accurately evaluate if PCDP I achieved its objectives. The government's ICR states that "adequate and reliable quantitative information from project woredas and regions was not available to analyze the outcomes of project interventions."[9] Although several outputs were generated, as indicated below, and a large population was covered, the evidence on outcomes in relation to achievement of the PDO is weak.

3.29 This section attempts to assess achievement of objectives for Phase I by looking at the PDO in two parts: (1) establishing effective models of public service delivery and investment and (2) establishing effective models of disaster management in pastoral areas. It also considers the extent to which the project built local capacity, since, according to the PAD, this was a measure that would allow the project to achieve its objectives. However, since it is not an explicit objective, it is not rated. This section is organized according to four types of evidence to support achievement ratings for each PDO: ICR assessment of PDO and intermediate indicators (June 2009), the IEG ICR Review (February 2011), additional evidence generated through the Assessment of Income-Generating Activities commissioned by MoFA (May 2008; it reviewed the performances of IGA projects financed under the CIF, see Box 3.1), and IEG PPAR research and field work (August–October 2015).

Local Capacity Building

3.30 *The CDD model was a critical innovation for the country, but attention to its institutionalization and sustainability was insufficient.* As stated above, building local capacity was a critical means to achieve relevant and sustained public service delivery and investment. Local capacity is also critical for ensuring an effective EWS that responds to local needs.

3.31 The ICR, beneficiary assessments, and the IGA Assessment all point to a clear conclusion that the CDD approach built capacity, created empowerment, and fostered a sense of ownership of project activities by pastoral communities. The project was introduced at a time when there were no real decentralized institutions or processes in place (Yilmaz and Venugopal 2008), and there was limited capacity to decentralize, so PCDP was a true pioneer of decentralization in Ethiopia. The project introduced an idea and laid important groundwork for a process that would take a long time to become ingrained.

[9] World Bank Group 2009, quoting government of Ethiopia ICR, p. 26.

3.32 MSTs worked with woreda administrations and their technical and social support offices to train communities, using the CDD approach of participatory learning and action tools to design local development projects. A number of community members and leaders were trained in various disciplines (including needs assessment, project identification, proposal preparation, project implementation and management, finance, and procurement procedures), thereby creating increased local capacity compared with capacity levels prior to the project. The ICR reports that a number of teachers and animal and human health workers were trained, thus improving service delivery compared with the pre-project period, but no information is provided on what kind of training was provided or its depth. IEG interviews with Kebele Development Council members indicated that there is a strong perception that the project increased their capacity in the following areas: prioritization, planning, procurement, contracting, project management, M&E, and maintenance of infrastructure.

3.33 Before PCDP, the WDC was the administrative body that had the final decision on how to allocate resources between kebeles. The PCDP project maintained this decision-making structure, but the project introduced a mechanism that solicited input from the kebeles, asking them to self-identify their most pressing needs. When interviewed by IEG, the WDCs indicated that they used varying criteria to determine where to allocate project resources. The criteria were not consistent across woredas, but included the following: WDC knowledge about kebele needs and infrastructure gaps; population size of kebeles; presence of other actors/projects (to avoid duplication of resources); distance between kebeles; and accessibility of kebeles. At the kebele level, the Kebele Development Councils consistently described a process for selecting community assets. They were trained in the CDD approach by project staff, and then assisted in convening community meetings where community members outlined needs in the community. A pairwise voting process then took place, resulting in a list of community needs ranked by priority. In some cases, communities reported making decisions based on knowledge of what other development agents (government, NGOs) planned to fund. Interviews with community members not involved in community leadership confirmed that, for the most part, the infrastructure selected matched the community needs at the time. In a minority of cases there was discontent over the location of some of the infrastructure, and in one village it was reported that only the elite (village leadership) had access to irrigation schemes financed under the project.

3.34 Attention to the institutionalization and sustainability of the CDD model was insufficient. Continuous training, responsive to community needs identified during implementation, was not sufficiently addressed. The project did set up development committees in 32 woredas and project management committees in 592 kebeles, but actual capacity built is questionable. Beneficiaries indicated that “capacity building activity at the community level remains weak as they still lack confidence to undertake procurement and financial management, and most committees and local governments feel that they still have to rely on external support to propose and execute projects" (World Bank Group 2009b, p. 15). For example, the IGA Assessment found the “low technical capacity of the target community/beneficiaries and language barrier to fill the application form (Ethiopia, MoFA 2008, p. 17),” a significant challenge to the successful implementation of the grant application process (Ethiopia, MoFA 2008).

3.35 The IEG field mission visited five woredas that were covered under Phase I of the project and spoke to several regional and local project implementation staff with institutional memory of Phase I . During interviews with regional-, woreda-, and kebele-level governments, as well as direct project beneficiaries, IEG learned that the main challenges during the first phase of PCDP were awareness creation, mobilization, and understanding on the part of the communities (and in some cases the woredas). This impacted the implementation of the project and in some cases caused delays. The project staff and community members both reported that the MST members were key in resolving this issue, spending extra time with communities and explaining the new process for community decision making, the rationale behind requiring community contributions (in kind/cash), and the responsibility and roles of both the woreda government and the community members. While it was difficult to disentangle Phase I project impacts from Phase II impacts, all of the meetings IEG held with Kebele Development Council members indicated that there is a strong perception that the project increased capacity of the members in a number of areas (discussed previously). Meetings with the WDC also reflect the perception that the project provided capacity building for woreda-level officials, especially in project-specific topics, roles of the WDC and community, procurement, and improving livelihoods. The WDC members generally appreciated the training; some thought it was completely adequate, while others indicated that there were some areas where further training and capacity building would have been appreciated, including climate change variability, disaster reduction, water harvesting, and natural resource management. Some WDCs indicated that more training for communities would have been good and that they needed continuous training to account for turnover on the WDC.

Objective (1): Establish effective models of public service delivery and investment

3.36 *Significant outputs were produced under the CIF (for example, community development and action plans and subprojects such as the construction of schools), which filled development gaps and helped to prevent pastoral communities from completely falling off the map, but progress was constrained by procedural delays and inadequate capacity development during the project period.*

3.37 Activities under this component included, but were not limited to, water development; construction and rehabilitation of schools and animal and human health institutions; support for income-generating schemes; development of local support services; road construction; and small-scale irrigation construction and rehabilitation works. Indicators (number of community development plans approved, number of micro-investments and subprojects approved and executed, and the like) were, for the most part, achieved, though a number of intermediate indicators (such as literacy rates, access and use of mobile and stationary health and education services) were not measured.

3.38 The ICR found that PCDP I was successful in introducing a new local development process that has built commitment and ownership within local communities, as well as providing them access to a wider range of public services through subprojects (such as education and health). The PPAR's beneficiary assessment work in the field confirmed that communities felt empowered to identify their priority needs and had received the assets they had prioritized: education and human and animal health posts.

3.39 The model for service delivery was set up. MSTs were trained, and they deployed participatory planning tools to help communities plan subprojects based on their community development plans, and efforts were made to build capacity of woreda-level staff to manage subproject approval and disbursement of funds.

3.40 Under the CIF subcomponent, 500 community development plans were prepared at the kebele level, 1,025 subprojects were completed (823 of these are operational), and over 10,000 people were trained, including 3,174 community-based workers. The most popular subprojects were IGAs (23 percent of all subprojects) and public goods investments in education (20 percent), water (20 percent), and human health (13 percent). The IGA Assessment concluded that, overall, subprojects resulted in a "tremendous work load reduction, saving time and energy of the women, assisted members to develop entrepreneurship skill, enhanced youth participation and strengthened social bonds and cultivated the culture of self-supporting during emergencies. In some instances, it demonstrated that the poor can save" (Ethiopia, MoFA 2008, p. 52). Altogether, 3.9 million people were covered by the subproject investments, 47 percent of whom were female (Table 3.1) (World Bank Group 2009b, p. 30).

Table 3.1. Total Beneficiaries, 2003–08

	Beneficiaries			
Region	***Male***	***Female***	***Total***	***Percentage female***
Somali	1,154,341	989,343	2,143,686	46.2
Oromia	484,483	486,251	970,732	50.1
Afar	354,859	278,973	633,832	44.0
SNNPR	94,349	91,057	185,406	49.1
Total	**2,088,032**	**1,845,624**	**3,933,656**	**46.9**

Source: World Bank Group 2009b (FPCUP/CDP M&E office, June 2008).

3.41 Despite these good signs, progress in implementing the new model was limited by capacity constraints and procedural bottlenecks, particularly in relation to the procedures for the CIF component. The result was that by the end of the project period, 25 percent (332) of the subprojects initiated were not completed; and 20 percent of the completed projects were not operational (Table 3.2). The ICR reported that the frequent MST visits to subprojects in the first year (2–3 times a week) declined with the rapid increase in project woredas and kebeles. Dissatisfied beneficiaries point to the limited amount, duration, and types of training and the high turnover of staff in the project development offices.

3.42 Moreover, although WDCs approved proposals submitted by a large number of communities, regional project coordination units did not release funds, as budget requirements of approved subproject proposals in some woredas far exceeded the available project budget. In some cases, communities could not complete subprojects and obtain services (World Bank Group 2009b, p. 14).

Table 3.2. Status of Subprojects by Region at Project Closing (2003–08)

Project type	***Ongoing***	***Completed***	***Total number***
Education	85	208	293
IGAs	59	233	292
Water	41	207	248
Human health	85	129	214
Animal health	43	77	120
Local-level support	15	102	117
Irrigation	3	34	37
Community roads	0	29	29
Natural resources	0	5	5
Rural energy	1	1	2
Total	**332**	**1,025**	**1,357**

Source: World Bank Group 2009b (government ICR and PCDP data).

3.43 A considerable portion of project support was directed toward IGAs, with the aim of improving pastoralists' livelihoods by raising their income and employment opportunities. Financing was spent on the main business activities: grinding mills, shops, cafeterias, brick production, and so on, which were run and owned collectively by groups or cooperatives and were supposed to pay dividends to individual members, and petty trade, fattening, and livestock trades that were managed and owned by individuals (Table 3.3). Though performance varied widely among different types of business activities and project woredas, the IGA Assessment provided evidence that profitability, growth, and sustainability of IGAs were not sufficiently emphasized during implementation (see Box 3.1). As a result, a number of IGAs were established that were not economically viable. The assessment reported quite frankly that financial documents and statements were not available or limited to fragmented and limited records: "52.5 percent of the sampled IGAs have no documents and records…The unavailability of such financial documents and records made to determine the profitability of the IGAs unlikely" (Ethiopia, MoFA 2008, p. 17). The assessment goes on to say that: "the sustainability of 72 percent of the sampled IGAs is doubtful" (Ethiopia, MoFA 2008, p. 18). Discussions with communities during the IEG mission confirmed the difficulties that could have been anticipated in attempting to develop collectively-owned, for-profit enterprises.

Table 3.3. Major IGA Activities under the CIF

Business activities	***Percentage***
Grinding mills	20
Services (video house, music band, tire repair, garage brick production, and cafeteria)	20
Livestock marketing and rearing	20
Petty trade	17.5
Fruit and vegetable production and marketing	7.5
Sanitation and hygiene, shower, toilets	7.5
Handcrafts	2.5
Wood work	2.5
Rental house	2.5
Total	100

Source: World Bank Group 2009 (government ICR and PCDP data).

Box 3.1. Assessment of Income-Generating Activities Financed During Phase I of the PCDP

In May 2008, the Ministry of Federal Affairs and the PCDP team undertook an assessment of the performance of income-generating activities (IGAs) financed under PCDP I. The IGAs were housed under the Community Investment Fund (CIF) (one of the subcomponents of the Sustainable Livelihood Component of the PCDP I project). According to project reports, PCDP I assisted a total of 441 IGAs, of which 105, 22, 308, and 6 are in the Somali, Afar, Oromia, and SNNPR regions respectively. This assessment was done on a sample of 40 IGAs. Both qualitative and quantitative information was generated and used for analysis to draw findings and lessons. The sampled IGA groups were engaged in different activities (such as tire repair, cafeterias, grinding mills, fruit and vegetable production and marketing, handcrafts, livestock marketing, and petty trade).

Main Findings

- **Sustainability is a critical area of concern—the sustainability of 72 percent of IGAs is doubtful.** IGAs running petty trade and services are seen as potentially sustainable if the required technical assistance is provided. However, there is a lack of demand for grinding mills (some of the grinding mills are no longer operating).
- Jobless youth and women, in particular, stressed the relevance of the IGAs to the improvement of their livelihood in terms of generating additional income, creating self-employment, and strengthening social bonds.
- In all sampled IGAs, beneficiaries selected the type of activity based on their past experience, but were not successful in expanding or diversifying their activities because of lack of knowledge and technical capacity.
- Over half of the sampled IGAs have no legal entity, while the rest are registered at their respective Bureau of Cooperatives. Groups with legal status are vibrant, while those operating without legal status are fragile.
- The beneficiaries know the grant application and processing procedure well, but the procedure itself is not very transparent. The challenge lies in the low technical capacity of the target community/beneficiaries and the language barrier that makes it difficult to fill out the application form. Moreover, with few exceptions, IGA groups interviewed expressed that they do not know the amount of the grant they received from the project.
- Financial documents and statements are either not available or limited to fragmented and poor records, which makes it virtually impossible to conduct an assessment of the profitability of the IGAs.
- There is a demand for services, vegetables, handicrafts, livestock trading, and petty trade.
- All sampled IGAs are well organized (that is, their management body), but 68 percent of the sampled IGAs had not received any training on how to manage the IGAs. Moreover, a large majority of members are illiterate and innumerate.
- Of the sampled IGAs, only 35 percent are saving, while the rest have no savings component.
- Technical assistance, from the cooperative, PCDP, and sector offices, is minimal and limited.

- About half of the IGAs interviewed reported that there is no monitoring of activities, either by the sector office or members of the IGAs. Forty-two percent reported that they have been visited by the PCDP or sector office.

Source: Ethiopia, MoFA 2008.

3.44 Furthermore, there were no operational manuals or guidelines on IGA operations, and it is difficult to assess who the target beneficiaries were. This difficulty is compounded by the intricate social system in pastoral society. The culture of sharing—for example, in the Afar region, is unique to pastoral areas, which makes it difficult to decipher who is really poor, and who is poor but perhaps a little better off.

3.45 Despite the problems, however, the project did serve its purpose of introducing—and, to some extent, institutionalizing—the CDD approach as the new model of service delivery.

3.46 ***Achievement of this objective is rated substantial.***

Objective (2): Establish effective models of disaster management in pastoral areas.

3.47 *A number of outputs were produced, albeit late in the project cycle, but there is little evidence available on the effectiveness of the EWS model.*

3.48 The indicator set for this PDO was met. One hundred percent of funds allocated for the DPCF were used for approved subprojects (though 95 percent of the IDA allocation under the CPCF disbursed, it was used mostly in response to emergencies and not based on DPCPs). According to the ICR, 1,447 DPCF subprojects were executed, 387 (87 percent) were completed, 363 (94 percent) were operational, and 60 subprojects were still ongoing at project closing (Table 3.4). Activities supported under this fund included water development, community road construction, natural resource development, and the like. A pastoral EWS manual was prepared and initial investments were made to make it operational (World Bank Group 2006). Disaster preparedness and contingency plans were prepared for 23 woredas, and 447 disaster-preparedness subprojects were financed. These activities served as a good starting point.

Table 3.4. Status of Subprojects under the DPCF at Project Completion (2003–08)

Project type	*Ongoing at project completion*	*Completed*	*Total*
Water	44	221	265
Animal health	0	1	1
Local-level support	2	3	5
Income-generating activities	0	94	94
Irrigation	3	4	7
Community roads	9	43	52

Project type	*Ongoing at project completion*	*Completed*	*Total*
Natural resources	1	15	16
Restocking	0	3	3
Grain store	1	3	4
Total	**60**	**387**	**447**

Source: IEG adaptation from ICR, June 2009.

3.49 However, these interventions occurred late in the project and had less impact than expected. The ICR correctly noted that the project "did not establish an effective model of disaster management in pastoral areas due to the restructuring and subsequent lack of uptake by the institution that was to carry out the component. The activities were therefore badly sequenced with the planning mechanisms being completed only shortly before project closing" (World Bank Group 2009b, p. 17). Because of this late and generally ineffective implementation, several intermediate indicator targets (for example, timely delivery of remote-sensed information to woreda*s*, food security assessment applied in threatened areas, implementation of disaster plans) were not achieved.

3.50 The DPCF was to finance activities identified in the woreda DPCP in the project woredas. However, in the absence of woreda DPCPs and a manual of procedures for fund use, the fund seems to have been implemented in an ad hoc manner. It was then decided that the project would use the fund for projects based on local and traditional knowledge of communities to reduce vulnerability to disaster and provide rapid reaction to crises in these areas. Project activities were financed, but without following the procedures set out in the Project Implementation Manual (World Bank Group 2009b, p. 33). Moreover, it is difficult to discern the difference between financing of activities and subprojects under the CIF and those under the DPCF, which are very similar (for example, IGAs or an animal health post could be financed from either).

3.51 Performance may also have been affected by disruptions caused by the unexpected institutional reorganization (of the Disaster Preparedness and Prevention Commission into the Disaster Preparedness and Prevention Agency) and the reassignment of responsibilities for disaster management. Later on, MoFA and the Federal Project Coordination Unit, in cooperation with Regional Disaster Preparedness and Prevention Bureaus, took the lead to manage the pastoral risk management component. The ICR reported that "the protracted restructuring of the Disaster Prevention and Preparedness Commission (Federal) led to unclear institutional arrangements and lack of leadership for the implementation of the component, impairing the overall effectiveness of the component…Drought emergency response was uneven, resource use was often not efficient. In the absence of a coherent, overarching institutional framework, the various regions adopted different procedures, some more successfully than others (World Bank Group 2009b, pp. 17, 32). Establishment of mandates between the various government bodies, as well as with other donor institutions, on issues such as early warning and contingency plans seems to have been a major grey area.

3.52 Overall, the IEG mission got the impression that the component was an "add-on" to the project. It was not well prepared and there was insufficient information available about it. The component was managed by MoA, apparently quite autonomously from the project management unit (PMU), which limited MoFA's ability to plan, prepare, and supervise it effectively.

3.53 ***Achievement of this objective is rated negligible.***

Efficiency

3.54 The IEG ICR Review of PCDP I noted that "the project could have sponsored an ex-post estimate of a random stratified sample of subprojects. But this did not happen. ["The project did not collect any comprehensive quantitative input/output/revenue data that would enable the ICR to carry out the conventional analyses."] (World Bank Group 2009b, p. 17). While the operational ICR noted that construction costs of health posts and schools compared favorably with those of similar NGO-led initiatives, no quantitative data were provided to support this statement. Actual project costs were as envisaged at appraisal, but there was some shortfall in outputs. For example, 25 percent of the subprojects initiated were not completed, and 20 percent of the completed projects were not operational (World Bank 229, pp. 13, 36). Based on the lack of data, the significant number of subprojects that are incomplete or not working, and the ICR's admission of poor financial management, the ICR Review rated efficiency as modest.

3.55 Given the community-driven nature of PCDP subprojects, conventional calculations of net present values and economic rates of return would likely carry little meaning, since the benefits of the capacity-building components (support to communities and local governance) cannot easily be quantified in monetary terms; the investment component cannot be known ex ante, since it is demand-driven and defined in the course of the project; and many benefits from anticipated investments would be difficult to quantify.

3.56 PCDP I was completed on time, in five years. Ninety-eight percent of PCDP I resources were disbursed 12 months before the closing date. The main efficiency issue was related to disbursements. PCDP I experienced low disbursement rates in the early years of implementation, brought about by delays in submission of expenditure statements from woredas to the regions, and upwards to the FPCU. Concerned with this low disbursement, PCDP project management launched an aggressive campaign to use project resources. This introduced some fiduciary challenges and difficulties for sectoral actors to provide the staff and equipment necessary to ensure service delivery. Moreover, in this push for rapid disbursement, the perception developed that all subprojects under the CIF would be financed, as long as they met the defined set of criteria, but no consideration was given to the balance available in the CIF when approving subproject requests. The result was that by the end of the fourth year of PCDP I, about 91 percent of the available budget had been spent, and some 25 percent of the subprojects could not be completed because of lack of funds.

3.57 ***Efficiency of PCDP I is rated modest.***

Outcome

3.58 **Overall outcome for Phase I is rated moderately unsatisfactory.** The objectives were *substantially relevant* to the government strategies for alleviating rural poverty, as well as supporting the government's decentralization process. Project design, rated *modest*, featured a CDD approach, which was a considerable innovation for the country. However, there were a number of shortcomings, such as a poorly designed income-generating subcomponent and a lack of a clear link between project interventions and the objective of promoting sustainable livelihoods. Progress made against the first objective, of establishing effective models of public service delivery and investment, was *substantial.* Significant outputs were produced under the CIF that filled development gaps and helped to prevent pastoral communities from completely falling off the map. The second objective, of establishing effective models of disaster management, is rated *negligible*. A number of outputs were produced, but there is little evidence available on the effectiveness of the early warning system model. Efficiency is rated *modest*, because the project did not collect any data that could have been used to conduct an assessment of the economic or social rates of return of its investments and to implementation efficiency losses experienced early on in the project cycle.

RISK TO DEVELOPMENT OUTCOME

3.59 The main risks to development outcomes are related to livelihoods and vulnerability, both of which, for both project phases, are associated with sustainable service delivery and exogenous factors such as the shocks created by droughts and climate change.

3.60 **Risk associated with livelihoods is significant**. The responsibility assumed by communities throughout both project phases—from the selection of investments, to their implementation, to operations and maintenance, and the requirement of a mandatory community contribution—provide a reason for optimism about their sustainability. Barring the aforementioned human and financial resource constraints that may emerge, it is likely that communities will remain committed to the operation and maintenance of their assets. The knowledge and experience communities have gained in project management has been immense. Beneficiaries feel that the basic infrastructure and services developed by the project belong to them and that they are ready to protect and maintain them for proper utilization. Certainly more investments are needed in such a resource-constrained environment, but the broader country focus on local government development through several large national programs increases the chances of success (of the CDD/CIF activities).

3.61 **Risks associated with vulnerability are significant**. IEG acknowledges other intervening factors that may impede or enhance the effects of the project, such as external shocks (climatic, epidemic, or macroeconomic), interventions from other national projects, and overall changes in the macro-environment. Weak evidence of effective implementation of the early warning system under the Disaster Risk Management Component may pose a risk to decreasing vulnerability on a sustainable basis.

3.62 ***Risk to development outcome for PCDP I is rated significant.***

Bank Performance

3.63 PCDP I had important objectives, and managed to deliver much-needed social and economic infrastructure to pastoral communities based on a CDD approach. Project objectives were developed in close collaboration with other donors and stakeholders, and they were highly relevant to the country's national development plans, the Bank's own strategies for the country, and community (beneficiary) needs. The decision to proceed through a three-phased program was the right choice, the CDD model was an innovative design approach, and project activities were appropriately sequenced.

3.64 **Quality at entry for Phase I.** The project objectives were adequately supported by sector work and were developed in close collaboration with other donors and stakeholders. The Bank responded promptly to the government's request for help in reducing the information gap on pastoral development (IEG 2011). Studies were conducted jointly with IFAD and FAO. Project proposals were discussed in stakeholder workshops (World Bank Group 2009b, p. 4). At the same time, in its quality-at-entry assessment, the Quality Assurance Group identified four shortcomings: (i) the low importance given to structural and sector policy reforms in a project of this nature, where decentralization and institutional development are critical to successfully implementing an APL program; (ii) the serious capacity constraints for implementation, particularly at the woreda level, and that the project had not yet worked out the operational details to address these constraints; (iii) the risks of elite capture; and (iv) the government's lack of the instruments or the experience needed to guarantee success in decentralization of decision making (World Bank Group 2009b, p. 22). The ICR also refers to the inadequate provision for M&E, an aspect of design for which the Bank was responsible.

3.65 Moreover, as previously discussed, inadequate attention was given to training staff in CDD; the livelihoods component (IGAs) for Phase I was poorly designed; there was lack of clarity on the design of the EWS for both phases; and, perhaps more important, the results framework of both projects was deficient, and as a result did not allow a considered assessment of the program objectives. There were no indicators developed for measuring and assessing "sustainable livelihoods" or "vulnerability." While recognizing the difficulty of quantifying these concepts and that these may well be achievable in the long-term only, an attempt should have been made to establish even proxy indicators and to put monitoring place that—at least toward the latter half of the program—would have allowed an assessment of whether the program was meeting its objectives.

3.66 ***Quality at entry for PCDP I is rated unsatisfactory***.

3.67 **Quality of supervision for Phase I**. Initially, there were long gaps in PCDP I supervision missions—there was a gap of eight months between the second (November 2004) and third supervision missions (July/August 2005), and one year between the third and the MTR (in June/July 2006). After the MTR, however, the quality and intensity of supervision picked up considerably. The ICR candidly reported on a number of supervision issues, including the failure to follow up on problems identified during supervision missions, the persistence in focusing on disbursement progress rather than development impact, the lack of follow-up on the project's remedies to limit procurement problems and misallocation of funds, and the lack of attention to environmental assessment. There was also evidence that the project did not comply with the World Bank's safeguards policies. After the MTR, however, reporting became more candid. The increased quality and intensity of supervision is also reflected in the marked increase in the budget for supervision.

3.68 ***Quality of supervision for PCDP I is rated moderately unsatisfactory.***

3.69 ***The overall rating of Bank performance in PCDP I is rated moderately unsatisfactory.***

BORROWER PERFORMANCE

3.70 **Government performance for Phase I.** Government has demonstrated a strong commitment to pastoral communities and to decentralization throughout both phases. However, there were shortcomings before and during Phase I project implementation. First, without providing advance notice to the Bank, the government shifted responsibility for the project from MoA to MoFA. This sudden shift disrupted the building of implementation capacity, hindering project start-up. Second, the protracted restructuring of the institutions responsible for disaster preparedness and prevention hampered performance of the Pastoral Risk Management Component. Third, poor cooperation between government units held up implementation and delayed staff recruitment. Fourth, the mobile outreach teams were hamstrung by shortfalls in budget and staffing. Fifth, government collaboration with NGOs—a key part of project design—was weak (World Bank Group 2009b, p. 22). Finally, government counterpart funding was only 68 percent of the appraisal projection (World Bank Group 2009b, p. 25).

3.71 ***Government performance for Phase I is rated unsatisfactory.***

3.72 **Implementing Agency Performance for Phase I.** FPCU project teams were carrying out a project using an approach that is naturally intensive in its use of personnel and complex in the nature of relationships required for successful implementation. They are also working in very remote areas under quite challenging circumstances.

3.73 However, the FPCU did not systematically comply with procedures in the operating manual: the sequencing and selection criteria for subproject selection were not enforced, staff was not adequately trained, and coordination with partner organizations was weak. "There were also clear failures in the management and delivery of funds, leading to cases of misprocurement. This resulted in hasty decisions, in some cases influenced by political pressure, and financial commitments beyond the funds available for the project" (World Bank Group 2009b, p. 23).

3.74 ***Implementing agency performance for Phase I is rated unsatisfactory.***

3.75 ***The overall rating of borrower performance in PCDP I is rated moderately unsatisfactory***.

4. Pastoral Community Development Project – Phase II

Objectives, Activities, and Relevance of Objectives

4.1 The objective of the second phase of the PCDP, approved in 2008, was to "increase pastoralist communities' resilience to external shocks and improve the livelihoods of Beneficiary Communities, thereby to contribute to overall poverty alleviation in the territory of the Recipient."

4.2 The components of Phase II were largely the same as Phase I, except that under the CIF, the subcomponent of IGAs was replaced with a subcomponent supporting the establishment of RUSACCOs in beneficiary communities; and a *Participatory Learning and Knowledge Management Component* was added.

Relevance of Project Objectives

4.3 **The relevance of the objectives of the second phase is rated substantial.** PCDP II was the main investment program in the lowland areas intended to promote the FY06–07 Interim Country Assistance Strategy objective of addressing vulnerability and growth in Ethiopia. The strategic objective in the Bank's CAS for Ethiopia for FY08–11 was consistent with PASDEP; that is, fostering economic growth in order to sustain the emerging economic take-off, improving access to and quality of basic service delivery, and reducing Ethiopia's vulnerability to help improve prospects for sustainability. The second pillar of the Bank's Country Partnership Strategy for FY13–16 is geared toward "enhancing resilience and reducing vulnerabilities," which includes the improved risk management and delivery of social services, the core of the PCDP II. Hence, the PDOs continued to be relevant to the Bank's strategic partnership with Ethiopia until PCDP II closed in December 2013.

4.4 The second-phase objective lacked specificity, however, with regard to the definition of livelihoods (defined in the PAD as growth and stability of incomes, access to social and public services, improved social relations and institutions, and reduction of vulnerability). The objective was substantially relevant to the needs of pastoral communities, but the addition of the broader poverty-reduction aim was unrealistic with regard to the scope and nature of project design.

Relevance of Project Design

4.5 ***The relevance of design of Phase II is rated modest.*** Phase II project design benefited from lessons learned from Phase I. Based on the government-commissioned IGA Assessment (discussed in some detail in the efficacy section), the project's course was corrected under Phase II and the IGA concept was dropped. The project also introduced the RUSACCO model in Phase II, modeled after pilots tested through an IFAD rural finance project. RUSACCOs promoted the use of savings and credit to finance IGAs, predominantly by women. It appropriately left business decisions to individuals, depending on their capability, with the members of the group vested in ensuring success. The decision to drop the IGA concept, coupled with the introduction of the RUSACCO model, continuing investments in public goods through the CIF, the importance assigned to the development of an EWS, and the sequencing of project activities, substantially increased the relevance of design of Phase II as compared to Phase I.

4.6 The design of the project management structure continued to work well to ensure effective implementation of project activities. While centrally coordinated by MoFA, it also incorporated the MoA and the Federal Cooperative Agency to implement specific components in line with their mandates and specialization. It also delegated responsibilities to regional governments to approve and finance CIFs, disaster preparedness investment programs, and emergency early responses. WDCs were mandated for the selection of beneficiary kebeles and in approving CIFs. Kebele Development Committees were empowered in identifying priority needs, procurement of goods, and implementation of subprojects.

4.7 Another substantially relevant design feature was the importance assigned to the development of the early warning systems that directly address the project objective of increasing resilience to shocks and protecting livelihoods. The design featured support for Early Warning and Response Bureaus and Woreda Early Warning and Response Desks that were designed to collect and analyze basic household-welfare data to identify the early onset of disasters at the woreda level. This, together with the subsequent preparation of disaster preparedness investment programs and coordination of pastoral risk management in the central and regional project coordinating units, was a relevant design feature. However, there were weaknesses in implementation, which are discussed later in this report.

4.8 The sequencing of activities across all three phases was also reasonable (Table 4.1), lending itself to learning and critical course correction, which was, for the most part, done in a timely manner (for example, the decision to move from IGAs in PCDP I to RUSACCOs in PCDP II).

Table 4.1. Sequencing of Project Activities across the Three Phases

Phase	***Objectives***	***Basic features***
PCDP-I 2003 – 2008	Target one-third of pastoral and agro-pastoral woredas for community development. Establish and test a Community Investment Fund (CIF). Establish and pilot community-based pastoral risk management mechanisms. Support further definition of the government's pastoral development strategy.	Identification and piloting of Community-based processes and institutional mechanisms
PCDP-II 2008-2013	Target up to two-thirds of pastoral and agro-pastoral woredas for community development (note that funding for PCDP II only allowed targeting of half the pastoral and agro-pastoral woredas). Enhance pastoral livelihoods (through expansion of credit and savings cooperative systems to pastoral areas). Expand community-based pastoral risk management	Expansion of community development and pastoral risk management systems

Phase	Objectives	Basic features
	mechanisms to all pastoral and agro-pastoral woredas.	
	Expand pastoral development networking.	
PCDP-III 2013-2018	Target most pastoral and agro-pastoral woredas for community development and work on institutionalizing the interventions.	Full geographic scale-up; consolidation and institutionalization of community development approaches
	Deepen CDD approaches and support pastoralists' income-generating activities more holistically.	
	Expand knowledge generation and dissemination and internal learning at all levels.	

Sources: World Bank Group 2014 and IEG adaptation from project documentation.

4.9 However, there were several shortcomings in design. It was centered on the provision of social infrastructure and some limited economic infrastructure. As such, the project made a significant contribution to meeting some of the critical social and economic infrastructure needs of pastoralist communities and introducing some new and innovative concepts for delivery of services and credit, but the link from investments to the desired outcomes is unclear. These investments are critical to improving the well-being of the communities, and indeed highly appreciated by the beneficiaries, but it is difficult to establish the pathway from the investments to the overall project objective of creating sustainable livelihoods. A sustainable livelihood–centered approach would have required a much broader range of coordinated investments, taking into account the package of investments needed to significantly elevate livelihoods. Given the constraints and challenges of pastoralist communities, a sustainable livelihood approach would be centered on water, improving livestock production and marketing chains, rangeland management, and promoting supplementary sources of income, including agriculture. PCDP interventions are far too limited and incomplete to result in sustainable livelihoods for pastoralists. While PCDP III expands the livelihood component by enhancing access to finance and helping pastoralists to develop innovative, income-diversifying business activities and/or to strengthen existing productive activities, these activities are still not likely to be very significant in relation to the broader strategic approach needed.

4.10 Another shortcoming of design is that more could have been done to consider the needs of the mobile populations. PCDP design focused primarily on settled agro-pastoralists. Recognizing that many agro-pastoralists are impoverished, the inclusion of this group was necessary. However, more could have been done to understand and meet the needs of the mobile population.

4.11 Project design could also have been enhanced by considering the different socioeconomic groups within the region. The target region is large geographically, with 12 million people, and economically diverse. The PCDP II appraisal document summarizes the characteristics of the different regions. The document does not, however, articulate the extent to which project design addresses the socioeconomic needs within the different regions or the lessons learned in this regard during the evolution of the program. There is no reference to quantified data on, for example, the proportion of the population that is largely settled, or the proportion that is partly mobile and partly settled, or the proportion that is mostly still mobile. PCDP does have a knowledge and learning component, and over the 15-year period of the program, more in-depth social assessments (not just social safeguard assessments) would have been helpful to inform project design.

4.12 Moreover, the geography-specific issues of livestock productivity, value chains and marketing, and competition for natural resources were not a major focus of the operation. The project supports small-scale irrigation (be used for fodder as well as food crops) as well as animal health points, but the bulk of funding appears to have been for classic community fund investments, such as water supply, schools, health posts, and rural roads.

Implementation

4.13 Phase II implementation went more smoothly than implementation of Phase I. While both phases encountered implementation challenges created by low capacity, remote and difficult access areas, and security issues, the project, during its first phase, had developed significant experience and capacity in decentralization and CDD, which could be transferred to the second phase. For example, the FPCU team had more implementation experience with CDD, and the team remained intact, so team members were well aware of the implementation challenges of a project intended to deliver services and set up systems in remote, neglected pastoral areas. Also, substantial capacity had been built at the woreda, kebele, and community levels under PCDP I, which facilitated the expansion of coverage from 32 to 55 woredas. PCDP II took a more cautious and pragmatic approach, aiming not to repeat the operational mistakes made during the first phase, including rushing implementation of activities without proper capacity building and community consultations World Bank Group 2009a).

4.14 Perhaps the most critical change from PCDP I to II was the shift from IGAs to RUSACCOs under the Rural Livelihoods Program. Although the idea was to immediately start the establishment of pastoral savings and credit cooperatives, PCDP II spent the first year building awareness and capacity at all levels and recruiting and training staff at the woreda level. Moreover, care was taken to not rush to disburse seed money until the sustainability of the financial and management aspects of the established RUSACCOs was ensured (World Bank Group 2011).

4.15 The project registered promising implementation progress in most of its intervention areas, and the performance rating of the project during the MTR was satisfactory. The disbursement rate of the project was at 50 percent and, with no disbursement lag, was also progressing well. Ninety-three percent of community subprojects were providing the required services, and a total of 300 RUSACCOs had been established (with a majority of women members). The MTR also reported that the EWS was functioning well (World Bank Group 2011).

4.16 However, there were a few implementation issues that required responses from the project team, and the project underwent a level II restructuring in December 2011 to address: lagging preparation of statements of expenditure, which reflected capacity constraints leading to construction delays in the CIF projects; security issues limiting implementation in some woredas; and the need to make some adjustments to the results framework to better measure the PDOs. A number of adjustments were made. For example, the first tranche payment of 30 percent was raised to 50 percent if the kebele was more remote, and the community cash contribution was held at 5 percent, rather than moving up a progressively increasing scale (5–7–10 percent). These measures helped to reduce delays in processing replenishments (World Bank Group 2014).

4.17 Despite the implementation challenges mentioned above, PCDP II met key triggers required for moving the project to its third phase, APL FY13–18 (ongoing).

Safeguard Requirements and Compliance

4.18 For Phase II, three safeguards policies were triggered: OP/BP 4.01, Environmental Assessment; OP/BP 4.09, Pest Management; and OP/BP 7.50, Project on International Water Ways. Attention was brought to OP/BP4.01 because PCDP II began to implement Disaster Preparedness Strategic Investment Plan (DPSIP) subprojects such as small-scale irrigation and infrastructure without first screening for environmental effects.

4.19 According to PPAR mission interviews, the Bank discovered the error quickly and course-corrected. An Environmental and Social Management Framework for community subprojects was prepared that specified subproject screening procedures. The framework also included training and capacity-building requirements at the federal, regional, and woreda levels to support effective implementation. Projects on international waterways, BP7.50, was triggered because of the small-scale irrigation investments along international waterways. Riparian notification was given to the governments of Kenya and Somalia for PCDP II investments (World Bank Group 2014, pp. 13–14).

4.20 Project documentation shows evidence of active involvement of Bank safeguards technical staff in supervision missions. This was confirmed by interviews with relevant country office staff and the PMU. The Bank has also made considerable efforts to train federal-, regional- and woreda-level safeguard staff. According to the ICR, the World Bank complied with all three triggered policies under Phase II.

Fiduciary Management and Procurement

4.21 Financial management and procurement improved under Phase II. Project documentation shows evidence of active involvement of Bank financial management and procurement staff in supervision missions. Considerable training and capacity-building efforts had been made in the previous phase, and this was continued under the second phase. This new capacity created greater community ownership and contributed to cost-effectiveness and transparency in the procurement process. Procurement by communities was a positive step in capacity building, as they gained experience in procuring skilled labor and building materials for CIF subprojects. PCDP III highlights the issue of low salaries of woreda staff and, specifically, the lack of recognition in Ethiopia of procurement as a valid profession, which leads to frequent staff turnover.

Monitoring and Evaluation

4.22 Under Phase II, the FPCU set up a sound reporting structure that allowed detailed tracking of physical progress of the project. Financial transactions were also well documented, even if the flow of data was slow because of the large number of statements of expenditure. Using community data-gatherers for the EWS was a successful design element and worked well in practice, because communities reported that they felt empowered to better track the risk of drought and to address it in advance. The main weakness was that the original M&E framework PDO outcome indicators were inappropriate for the measurement of the PDOs and, regardless, most of the PDOs could not be measured. Three out of five original PDO indicators were dropped and replaced during the project's restructuring in December 2011, and, at the same time, eight more PDO indicators were added.

4.23 M&E implementation improved considerably under Phase II. More than 80 percent of early warning monthly reports and quarterly early warning bulletins (national and regional) were produced and disseminated by the Early Warning and Response Department and the MoA (the target was 80 percent). The quality of project reporting was high. The reports were thorough, and they closely tracked a very large number of project activities.

4.24 M&E utilization substantially improved during Phase II. "PCDP II has built robust results and M&E frameworks with clearer objectives, measurable indicators, and provisions for M&E" (World Bank Group 2009b, p. 11). The second phase was reviewed after completion through an end evaluation commissioned to external consultants by MoFA, followed by the operational ICR. The external consultants produced a report with a considerable amount of interesting material about the project's performance, best practices, and lessons learned. To supplement the information obtained from the survey, the end evaluation used a substantial amount of information from the project's Phase II monitoring system. It is not clear from the ICR, however, how much of the information collected during implementation was used to course correct during the project.

4.25 In addition, in each region, the regional project coordination units produced films to document and advertise PCDP II activities. The films feature stakeholder interviews, project personnel, and project investments. Most prominent are the stakeholders' testimonials of how the project has positively affected their lives. These testimonials and success stories have greatly contributed to the visibility of PCDP II, and as a result, the Pastoral Standing Committee in the Ethiopian Parliament considers PCDP a flagship program in pastoral areas.

4.26 IEG found that the both ICRs produced by operations and the external assessments were candid and useful. The main overall weakness with the PCDP I and II M&E system was that no indicators were established or monitored for the overall objectives of the APL: building resilience and sustainable livelihoods.

4.27 *M&E design, implementation, and utilization for PCDP II is rated substantial, with shortcomings.*

Achievement of Objectives

4.28 This section attempts to assess achievement of objectives for Phase II by looking at the PDO in two parts: (1) improved livelihoods and (2) increased resilience. This section reviews the underlying evidence provided by the ICR and the end evaluation (Loyya Consult, January 2014) in order to validate the reported results. It is supplemented by interviews with the PMU, meetings with relevant government officials, and evidence collected by IEG in 9e woredas (13 kebeles), where information was gathered from interviews with 52 Woreda Development Council members, 137 Kebele Development Council members, 105 direct project beneficiaries (39 men, 66 women), and 34 members of rural savings and credit cooperatives.

4.29 As a first step in assessing the outcomes of Phase II, IEG reviewed the quality of, and results reported by, an end evaluation commissioned by the project. The Phase II end evaluation exhibited some weaknesses, which IEG took into account in deciding how to use the evaluation's material to validate results.

4.30 The end evaluation visited 16 of the 55 woredas. These visits included 176 focus group discussions in 80 project kebeles (2,640 persons) and 873 household interviews. The team also visited 130 micro-projects, but the end evaluation does not provide any information on results associated with these specific site visits, nor does it provide the criteria for selecting the sites. The end evaluation team told IEG that certain areas that were insecure or that required too much travel time were eliminated from site visits in consultation with the PMU. This may have produced a bias, or an overestimation of results, and should have been disclosed in the end evaluation's methodology and factored into the overall assessment

4.31 As discussed in more detail below, results reported as "improved access" were determined by an estimation of the population size within a certain distance from the asset, not the actual use of the assets, their quality, or their ability to be sustained.

Objective (1): Improve the livelihoods of beneficiary communities

4.32 *Activities related to the provision of social services (such as the building of schools and health posts) and economic services (savings and loan groups) were appropriate and highly aligned with community needs and requests, though it is difficult to ascertain how these small outputs contribute to improved livelihoods on a larger scale and in the longer term.*

The Community Investment Fund (CIF)

4.33 PCDP II built on the experience of PCDP I and continued to ensure active community participation in the design, implementation, and oversight and management of public goods funded from the CIF. The projects selected were a part of the CAPs prepared by the communities according to their own development priorities. They also identified, budgeted, and implemented subprojects that were financed as grants through the CIF subcomponent (Loyya Consult 2014). This subcomponent financed subprojects including, but not limited to, water supply, small-scale irrigation, healthcare, education, and rangeland management. The idea was that selected communities would receive a series of three successive CIF projects before "graduating" from PCDP.

4.34 The CIF projects made up the vast majority of project financing. Total planned financing for the CIF under PCDP II was US$93.4 million (US$14.7 million from beneficiaries/US$51.9 million from the Bank). Actual was US$90.94 million (World Bank Group 2014, p. 31). By project close, the ICR reported that 3,123 of the 3,401 planned subprojects were completed, representing 92 percent. Of these, 94 percent of the completed projects are functional (World Bank 2014, p. 22).

4.35 The end evaluation and the ICR provide information on the outputs achieved, as measured by the delivery of goods and the reported number of persons who have gained access to the services (as measured by an estimation of the population size within a certain distance from a given asset). As shown below (regarding animal health posts), using area estimation is an insufficient measure to record the realistic level or rate of access achieved.

- ***Access to Water.*** Between 562 (World Bank Group 2014, pp. 20, 32) and 568 water points (Loyya Consult 2014, p. ix) were built by the project. Between 1.1 (end evaluation) and 1.2 million (ICR) people are reported to have gained improved access to potable water (no target was established for this goal). However, the end evaluation surveys also estimate that 25 percent of the sampled survey population did not have adequate access to water at project close (Loyya Consult 2014, p. 19). Factoring in the overestimation that may have occurred through sampling bias, adequate access to water would have been provided to about 825,000 to 900,000 beneficiaries. The output data collected did not include data on water quality. Open wells and unprotected springs in Ethiopia are at risk of bacterial and natural contamination (for example, fluoride is an issue in the Rift Valley). Nevertheless, the ability of the project to extend potable water services to hundreds of thousands of remote rural pastoral communities is noteworthy and was adequately achieved by the project.

- ***Access to Primary Education.*** According to the ICR, 810 schools were constructed (World Bank Group 2014, p. 32). However, the end evaluation notes that 138 of the 810 schools were nonfunctioning at project close, or 17 percent of the total schools completed (Loyya Consult 2014, p. 13). The ICR reported that net enrollment, a result of the newly constructed schools, was 73,784 (31,704 female) (World Bank Group 2014, p. 32), and the end evaluation reported that the drop-out rate decreased by 53 percent (Loyya Consult 2014, p. 21). However, it was unclear whether the estimated number of persons reported as receiving improved access can be associated with the 672 schools that were functioning at project close, or the 810 completed. While class size would be extremely large at, on average, 91 persons per constructed school, the estimations in rural Ethiopia are feasible.

  IEG's interview at the Ministry of Education revealed some shortcomings in the way that the school construction component was implemented. Ethiopia has a universal education policy for primary education. The government is allocating 25 percent of the annual budget toward education. In rural areas, including the pastoral areas, the government offers alternative basic education. IEG's interview at the Ministry of Education revealed that in nonsedentary, pastoral areas, education facilities should be mobile, and that the government currently finances mobile schools in areas where basic services are not yet being sustainably provided. The Bank's contribution to supporting primary education is noted, and the decreased drop-out rates can be associated with both the reduced travel time to school and the quality of the infrastructure. As noted by the Ministry of Education, decreased drop-out rates would have been likely for children within grades one to four, but between grades five to eight, school construction would not have been a very influential factor in families' decisions to withdraw their children from school when the children are of working age. For girls in secondary school, however, distance matters most where there is a fear of "bride snatching" in deep, remote pastoral areas. Schools that are closer to home diminish family fears that their daughter's commute will make her unsafe. In all areas, urban and rural, schools are not built to standard; they lack water points, first aid, and proper hygienic facilities for girls (especially as they reach puberty). The PCDP results reporting did not report on these quality features; however, the IEG mission learned that a parallel project—the WASH program—is addressing this in 321 woredas, including some pastoral areas.

- ***Animal Health Posts.*** There were 373 animal health posts planned; 295 were completed, and of these, only 230 were reported to be functional at project end, representing 60 percent of the planned animal health posts. According to the ICR, some 2.3 million livestock benefited from increased access to health facilities. However, using area estimation is an insufficient measure to record the realistic level or rate of access that was achieved. In this example, each animal health post would have had to effectively serve 10,000 animals.

- ***Human Health Posts.*** There were 400 human health posts planned. Of these, 338 were completed, but only 294 were functional, representing 73 percent of the planned human health posts, by project end. The ICR reported that 757,648 people gained access to health facilities. The end evaluation reported that in some regions, such as Afar and SNNPR, there was a lack of skilled practitioners and drugs available at the facilities. Even so, to have achieved the level of access reported, each human health facility constructed would need to be able and equipped to support an average of 2,577 persons.

- ***Rural Roads.*** The ICR reported that the project constructed 158 (of 160 planned) functioning portions of rural road, equaling 1,394 kilometers of road constructed, or an average of 9 kilometers constructed per area. The ICR also reported that 364,900 people gained access to improved road connectivity—rural roads—compared with a target of 200,000.

- ***Small-Scale Irrigation.*** It is less clear how many people have benefited from other goods, such as irrigation services. The project financed 158 irrigation projects (World Bank Group 2014, p. 32), which covered a total of 3,468 hectares of land. The ICR reports that 43,574 households enjoyed improved access to small-scale irrigation. However, this estimate would imply that the average land holding per household is 13 hectares of land, which is quite large for poor rural households in Ethiopia.

4.36 IEG supplemented this analysis by gathering community and beneficiary perceptions about the relevance and utility of the community investments provided by the project. Feedback was obtained by beneficiaries within three of the four covered regions and in woredas covered during both phases (see Annex D for methodology). IEG found that in all kebeles treated by the project and visited by IEG, communities received at least one CIF asset. All of the assets visited by the field mission were functional. The infrastructure was operational and, in most cases, there was adequate equipment (medical supplies, vaccines, books, desks, and the like). This is a surprisingly positive finding, since many projects of a similar nature often experience significant operation and maintenance issues after completion. Interviews revealed that there appears to be a strong commitment to decentralization and active involvement of communities in project selection and completion, and that the requirement of a community contribution may be responsible for the high level of functionality under PCDP. The PMU staff also indicated that they seek clear commitment to operation and maintenance from kebele and woreda administrations before committing to a project.

4.37 Perceptions gathered from the beneficiary feedback module reveal that the assets chosen were grounded in the needs of the communities. The beneficiary interviews provided a rich set of qualitative feedback that supported the validation of the project-reported results. When asked about the most significant impact of the project, beneficiaries offered the following responses:

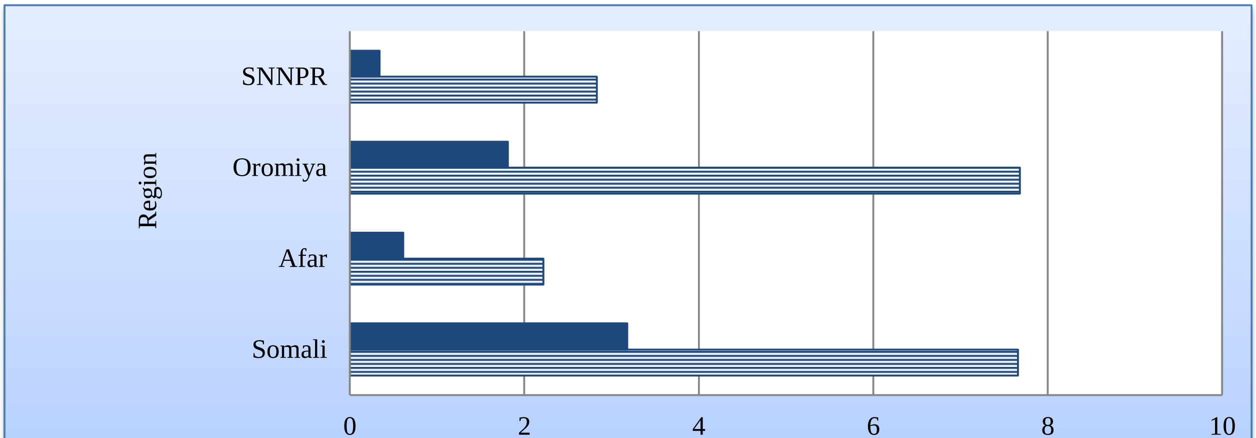
- Easier access to animal health (specific impacts include reduced animal mortality, more vaccinations, increased herd size)
- Increased number of students in schools, improved quality of school facilities (including closer proximity and reduced travel time)
- Decrease in illiteracy, which benefits the household since children are able to help their families conduct daily transactions
- Improved human health (specific impacts include reductions in maternal mortality and more vaccinations, HIV testing, and family planning); Increased health because of improved water.
- More security because of reduced distance traveled by women and children to and from school and water sources
- Increased access to irrigation and corresponding improvement in income
- Changes in lifestyle due to health and sanitation training from the MST—for example, not allowing animals to sleep in human-occupied dwellings

Rural Savings and Credit Cooperatives

4.38 PCDP II also made a significant contribution to establishing and supporting RUSACCOs. The shift from IGAs in PCDP I to RUSACCOs under PCDP II was the right choice, and the RUSACCOs generally functioned much better than the IGAs under PCDP I. The PPAR mission found that RUSACCO groups were well informed and well organized, with good record keeping. RUSACCO members also reported learning about savings and lending and bookkeeping.

4.39 The main value added of the PCDP RUSACCO model (compared with other rural savings and loan programs) was the 100,000 Birr (approximately US$5,000) in seed money that the project provided, and the technical support and training received from the MSTs. The end evaluation reported that 448 RUSACCOs created under the project were able to generate 20.39 million Birr (US$944,000) saving and 6.00 million Birr (approximately US$283,000) share capital. On average, each RUSACCO has mobilized approximately 58,906 Birr (US$2,779) in the project period. The performance of RUSACCOs in mobilizing saving and share capital was, however, substantially different from region to region. RUSACCOs in the Somali region mobilized the most, but those in Afar did the least (Figure 4.1). Neither the ICR nor the end evaluation offers an explanation for this difference.

Figure 4.1. Amount of Capital Mobilized from Saving and Paid Capital by Region



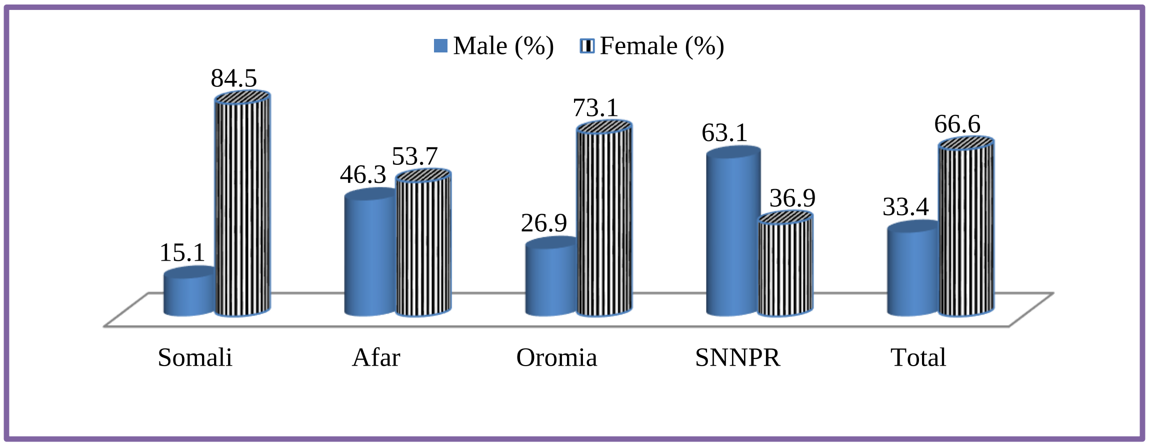
	Somali	Afar	Oromiya	SNNPR
share Capital (milln Birr)	3.18	0.61	1.81	0.34
Saving (in Millions of Birr)	7.66	2.22	7.68	2.83

Source: Adapted by IEG from Loyya Consult 2014 (computed from secondary data).

4.40 PCDP II made efforts to include women in the establishment of RUSACCOs. All RUSACCOs interviewed by IEG were of mixed gender, with the exception of one all-female RUSACCO in the Afar region. IEG found that both women and men were accessing and using loans from the RUSACCOs. There were some reports of women having to ask approval to take a loan, but the women also reported greatly benefiting from the bookkeeping and financial skills training they received as RUSACCO members and carrying that training into their households.

4.41 Of the total members of RUSACCOs, women constituted 67 percent (Figure 4.2). The proportion of women members with active savings account was highest in Somali, with nearly 85 percent, followed by Oromia (73 percent) and Afar region (54 percent). The percentage of female RUSACCO members in SNNPR was the lowest, with 37 percent. The end evaluation attributes this lower percentage of women members to insufficient awareness and associated poor confidence when confronted by the risks involved in receiving credit and investing in new businesses.

Figure 4.2. Cooperative Members Who Have Active Saving Account (N=29,527 members)



Source: Adapted by IEG from Loyya Consult 2014 (computed from secondary data).

4.42 The end evaluation reported that results of the household survey confirmed (57.5 percent of the respondents reported) that PCDP communities are now aware the existence of credit and saving institutions and considered them the first of their kind to emerge in their localities. Out of the households who have information about the availability of RUSACCOs in their areas, 76.5 percent are members of these institutions. The implication is that if further awareness is created, a larger number of members of the community would become members of the RUSACCOs.

4.43 While the project fell short of measuring its contribution to achieving sustained growth of beneficiary incomes, the end evaluation calculated that credit beneficiaries engaged in different (Table 4.2) rural non-farm IGAs (such as livestock trading, goat fattening, and petty trade) earned on average an additional Br 2,477 of income on loans, with a range of between 1,562 Birr and 2,858 Birr, which was equivalent (at an exchange rate of Birr17.5=US$1) to about US$89 and US$163.

Table 4.2. Types of Rural Non-Farm Activities Engaged in by Loan Beneficiaries

Activities	*% (N= 316)*
Engage in petty trade	23.7
Engage in goat rearing	17.1
Engage in livestock/Oxen fattening	17.1
Engage in livestock trading	13.0
Engage in cattle rearing	5.4
Use the loan to purchase consumable goods	3.2
Petty trade & goat rearing	2.5
Petty trade and livestock fattening	1.9
Livestock rearing and trading	1.9
Other (such as brick production, transport provision using motorbike, mobile charging services, petroleum trading, and the like)	14.2
Total	**100**

Source: Loyya Consult 2014 (computed from household survey).

4.44 IEG interviewed members of seven RUSACCOs created between 2010 and 2012. The interviews confirmed many of the findings from the end evaluation. Loans were mainly used for such IGAs as livestock fattening, petty-trading (handicrafts, milk products, dates), the establishment of a small business (cell phone charging, restaurant, tea room), and growing crops. Only one group indicated that they used the loan for a social welfare activity (for example, a funeral). When asked whether they deplete their savings during a shock or crisis, all RUSACCO members interviewed indicated that their savings were secure, and that if they had to tap into their savings stock they would replenish it as soon as they were able. Profits from the loans were reportedly invested in the purchase of additional livestock, although women reported using the profits to pay for school materials, fees, or clothing, or better food for their families. In some villages, there were other (non-PCDP) rural savings and loan groups present, but project beneficiaries interviewed indicated that they preferred the PCDP model because of the seed capital provided. The IEG team was able to visit the offices of most of the RUSACCO groups and found that the offices were well equipped with notebooks, lock boxes, and (in some cases) public displays of the funds and loans.

4.45 The project used loan repayment a results indicator. The target was that 95 percent of the saving and credit groups would repay the loan they received, with less than 5 percent of payments overdue by 30 days. According to the end evaluation, repayment was 100 percent for the mature loans, and no defaults were recorded (Loyya Consult 2014, pp. 32–33).

4.46 Overall, the PPAR mission found that PCDP is very popular with villagers, who see its investments in community assets as a means to a better life, particularly the building of classrooms. After education, the communities' priority has been water for humans and livestock, followed by health posts. At the conclusion of PCDP II, 32 woredas were treated by the program. From project data received from regional project staff, IEG learned that not all kebeles were treated within a woreda, and that treated woredas received between one and six subprojects. Interestingly, there was no significant variation in subproject choice, implementation arrangement, or community commitment across the four project regions, despite cultural and geographic diversity.

4.47 Worthwhile as the investments under CIF and RUSACCOs were, the question remains as to the extent to which these could be considered to have created sustainable livelihoods for pastoralists. Investments in roads open up possibilities of improved market access, access to animal health can increase yields, and access to credit helped some community members (particularly women) to augment incomes. But the project fell short of developing these linkages or set any monitoring indicators for sustainable income. In the PPAR mission's view, the components were far too small to have made a significant impact. So while lauding the effectiveness of CIF investments, the impact on sustainable livelihoods is considered marginal.

4.48 ***Achievement of this objective is rated substantial.***

Objective (2): Increase the pastoralist communities' resilience to external shocks

4.49 *Critical pastoral risk management activities (EWS system development, financing of wells, roads and irrigation) have been put in place, but there is little evidence of the effectiveness of PCDP's EWS to influence disaster response at the federal level or how each of the individual investments under this objective contribute to a larger disaster management agenda.*

4.50 According to the ICR, this PDO was partially achieved (Table 4.3). All four of the project regions prepared comprehensive DPSIPs, meeting the target of four, and 89 percent of approved DPSIP subprojects were completed each year, exceeding the target of 80 percent.

Table 4.3. Achievement of PDO Indicators Relating to Imroved Resilience

PDO Indicator	***Result***
Percentage of Disaster Early Response Grant-financed early response activities within one month after request is officially submitted up on pastoral area EWS identifying change from "normal" conditions	**Achieved** (100% actual, 80% target)
Early warning information on disaster risks available for all pastoral and agro-pastoral woredas	**Almost achieved** (122 compared with 126 target, 96.8%)
70% of community members satisfied with timeliness, quantity and quality of disaster early response	**Dropped-**(however the project end-term evaluation reported 75.7% of households reported that early warning response was provided to community in a

PDO Indicator	Result
	timely manner, albeit with wide range of regional rates—Somali, 94%; Afar, 42%)

Source: World Bank Group 2014.

4.51 Outcomes prior to restructuring were measured by a perception survey, which found that 76 percent of community members were satisfied with the timeliness, quantity, and quality of disaster early response, compared with a target of 70 percent (dropped at restructuring, but data reported in the end evaluation report). Outcomes measured after restructuring were associated with key quantitative indicators set as part of the process. As a result of the implementation of the DPSIPs, the project ICR reported that 94 percent of community-based disaster preparedness infrastructure investments were operational and had maintenance plans, compared with a target of 85 percent, and 100 percent of activities financed by disaster early response grants (compared with a target of 80 percent) were implemented within one month after the request was officially submitted. These requests are triggered when the EWS identifies a change from normal conditions. Early warning information on disaster risks was available for 97 percent of pastoral and agro-pastoral woredas, compared with a target of 100 percent.

4.52 The end evaluation found that collection, analysis, and interpretation of weekly and monthly early warning information was undertaken, and nearly 70 percent of sampled households confirmed that they had received technical support and training in disaster risk management. Early warning committees were established and were serving communities by creating awareness and helping prepare for expected disasters. However, an early warning database had yet to be established at the federal level. The evaluation also reported that disaster preparedness strategies and the prioritized investment plans were developed and approved by a regional steering committee. Over the period, 182 subprojects were planned, 65 percent were completed, and of the completed projects, over 99 percent were functional at project closure. Major project activities undertaken were in the areas of rangeland management, pond establishment, livestock market center development, and drilling and construction of boreholes.

4.53 IEG did not find any evidence on the effectiveness of the EWS, particularly when it comes to influencing action/response at the federal level. Procedures on contingency planning and funding are obscure, and as mentioned under the section on performance of PCDP I, it is difficult to discern the difference between funding for activities and for subprojects, which are very similar, under objectives of (1) enhanced livelihoods, specifically the CIF subprojects, and (2) pastoral risk management, specifically the DPSIP subprojects (for example, a water point could be funded from either). The FPCU explained that DPSIP subprojects are much larger than those funded by the CIF (the ceiling for a DPSIP project is US$200,000, compared with a US$50,000 ceiling for a CIF project), and they are decided and managed by the region as opposed to the community. The IEG mission also reviewed a sample of DPSIPs that had been prepared by the regional governments with the assistance of consultants. These appeared more to be a wish list of investments than a program that was based on a rigorous analysis of disaster risks, measures to deal with these, and choices among alternatives. There was also no analysis of the financing options and how the investments would be sustained.

4.54 Regarding EWS, the PPAR mission also found that there is an uncoordinated approach among donors and government regarding the disaster mitigation agenda in the country. Moreover, there are no clear guidelines for how EWS data is validated and used. There are many different actors and systems involved and seemingly long response delays. In fact, while IEG learned that various donors' EWSs had alerted the government to the current drought facing the country in early 2015, the response (at the federal level) had still not materialized while the IEG mission was in the country. Other donors reported that their disaster preparedness plans were not being used for decision making.

4.55 PCDP support to the government's EWS program was generally appreciated, especially among WDC officials. The financing from the project provided vehicles, durable mobile phones, and other equipment to help government officials transmit information about ground conditions. In every community that IEG visited, it was reported that community members received training on how to report information to the government and how to identify and address human and animal health concerns. The consensus was that the system supported by the project to transmit information upward to relevant staff was generally useful. It was also reported that the incentive to collect the data under the project helped ensure a better and timelier collection and transmission of data.

4.56 The lowlands of Ethiopia were experiencing very severe drought during the time of the IEG field mission (September–October 2015), and this allowed the field team to use a real-life scenario to better understand how the community needs were met during a time of severe climate shock. Most communities visited (see Annex D for methodology) indicated that they had reported their needs to the WDC. In some, but not all, kebeles, beneficiaries reported that there was some government response, including: information on how to respond to disasters and maintain productivity; medicines for animal disease; animal feed/cattle forage; construction of a culvert to divert rainwater; food to handle migration prompted by the drought; and water brought in on trucks. A few villages also reported receiving assistance from donors (such as food aid from the World Food Program, or a deep well from Oxfam). The general sentiment among communities was that the government did what it could, but it wasn't enough to meet the vast need of the communities facing climate shock. A few communities reported that the government response came months too late. This led to loss of livestock (especially goats and cattle), food scarcity, and increased time spent searching for water. One community reported learning to save to mitigate the impact of natural disaster through the PCDP. Overall, however, it was difficult to separate the impact of the EWS component per se from many other existing EWS mechanisms supported by other donors.

4.57 Finally, as for PCDP I, the issue of insufficient oversight of this component by the PMU continued to persist in PCDP II. The IEG mission did not find any critical review of components either by the PMU or the Bank for this component.

4.58 ***Achievement of this objective is rated modest.***

Efficiency

4.59 For PCDP II, the IEG ICR Review rated efficiency as modest. The appraisal document (Annex 10) concluded that a calculation of economic benefits generated by the project was of limited value because of the multiple anticipated spillover effects among the project's activities. In line with this conclusion, the main text of the appraisal document made no estimate of a rate of return, but stated that the project was expected to have significant economic and social benefits in the four project areas. The ICR did not provide an estimate of the rate of return, but stated that "the only relevant income generating data for economic efficiency was that additional income from RUSACCO loans averaged Br 2,477" (World Bank Group 2014, para. 75), without indicating the rate of return that these additional incomes represented. The ICR concluded its assessment of efficiency by listing four alternative ways of evaluating the project's efficiency: (a) percentage of funds used—100 percent of IDA credits and grants were used and 100 percent of IDA and IFAD financing; (b) percentage of output targets met—substantial, according to the ICR; (c) superior quality of construction of project infrastructure—for example, PCDP II human health posts cost 42 percent less than government/NGO-financed health posts for comparable construction; for primary schools, grades one to four, the PCDP II costs were 57 percent less; and for animal health posts, 43 percent less; and (d) timely completion of the project—no extensions of the closing date (World Bank Group 2014, para. 76–79). The IEG ICR Review found the analysis of efficiency in the ICR to be partial and inadequate and less comprehensive than in the appraisal document.

4.60 Given the community-driven nature of PCDP subprojects, conventional calculations of net present values and economic rates of return would likely carry little meaning, because benefits of the capacity-building components (support to communities and local governance) cannot easily be quantified in monetary terms; the investment component cannot be known ex ante, since it is demand-driven and defined in the course of the project; and many benefits from anticipated investments would be difficult to quantify. However, for community investments, it would have been worthwhile, as suggested by the ICR Review of PCDP II, to calculate a social rate of return on the assets provided by the CIF investments after a decade of lending for community infrastructure. For example, the benefits of education could have been measured 10 years after the construction of schools.

4.61 In the absence of sound economic analysis, the IEG team assesses overall project efficiency across two dimensions: (i) implementation and (ii) cost effectiveness.

4.62 **Implementation, efficiency losses due to disbursement pressures**: PCDP II was completed on time, in five years. One hundred percent of PCDP II IDA credits and grants were used.

4.63 **Subproject cost effectiveness**: The PCDP II end evaluation produced a cost comparison of construction and furnishing between PCDP and government/NGOs (Table 4.4).

Table 4.4. Construction of Cost Comparision

Type of Infrastructure	*Government/NGO (a)*	*PCDP $ (b)*	*Difference (c = a-b)*	*% cost saved (c/a)*100*
Human health post	525,000	304,475	220,525	42
Animal health post	525,000	297,250	227,750	43
Primary school (grades 1-4)	950,000	412,642	537,358	57

Source: Loyya Consult 2014.

4.64 The report found that the PCDP human health posts cost 42 percent less than those financed by the government/NGOs for comparable construction. For primary schools grades one to four, PCDP was 57 percent less, and for animal health posts, PCDP was 43 percent less. The project also required community contributions and labor, and therefore there is an opportunity cost for both of these factor inputs; if the government uses the same amount of labor, but not community contributions, then this would need to be discounted.

4.65 Under sustainable livelihood enhancement and pastoral risk management (considering only the DPSIP subcomponent), about 3,401 subprojects were planned to be implemented across all PCDP woredas of the four regional states over the entire period of PCDP II. Of the total planned activities, 3,123 (or about 92 percent of the plan) were completed during the entire project period. As previously mentioned, and in contrast to what is reported by the ICR on the incomplete and nonfunctioning subprojects under Phase I, all of the assets visited by the PPAR field mission were functional: the infrastructure was operational, and in most cases there was adequate equipment (medical supplies, vaccines, books, desks, and the like). These are key indicators of efficiency and sustainability.

4.66 **RUSACCOs.** The shift from IGAs in PCDP I to RUSACCOs under PCDP II was the right choice and was largely more cost effective than the IGAs under the previous phase. The loan repayment target was that 95 percent of the saving and credit groups would repay the loan they received, and less than 5 percent of payments would be 30 days overdue. According to the end evaluation, repayment was 100 percent for the mature loans, and no defaults were recorded.

4.67 ***Efficiency of PCDP II is rated substantial***.

Outcome

4.68 **Overall outcome for Phase II is rated moderately satisfactory:** Phase II objectives were *substantially* relevant, while project design is rated *modest.* Recognizing the relevant features of this project (the RUSACCO and CIF models) and the proactivity by the team in dropping the IGA model, weaknesses are associated with the absence of a livelihood approach, lack of attention to mobile populations, and the shortfall in the design of overall measurement of the aim of the PDO. The first objective, of improving livelihoods, is rated *substantial.* The second objective, of increasing resilience, is rated *modest*. Critical pastoral risk management activities have been put in place, but there is little evidence of the effectiveness of the EWS to influence disaster response at the federal level or how each of the individual investments under this objective contribute to a larger disaster management agenda. Efficiency is rated *substantial*. The IEG field visit validated the functioning of the assets and their potential to generate a sustained rate of return: all assets randomly visited by IEG and financed under both phases were operational at the time of the IEG mission. This ratio of functioning assets—sustained over several years—is rare for CDD projects supported by the Bank. There are also attributable positive returns that can be linked to the RUSACCOs with regard to savings, the amount of funds leveraged, and the related investments. Other aspects of the projects, relating to the infrastructure constructed to reduce vulnerability, are reported to have lower costs compared with state planning. These are all key indicators of efficiency and sustainability.

Risk to Development Outcomes

Risk to Sustaining the Development Outcomes of PCDP II

4.69 The main risks to development outcomes are related to livelihoods and vulnerability, both of which are associated with sustainable service delivery and exogenous factors such as the shocks created by droughts and climate change.

4.70 **Risk associated with livelihoods is significant.** The responsibility taken by the communities throughout both project phases, from the selection of investments, to their implementation, to operations and maintenance, and the requirement of a mandatory community contribution, provide a reason for optimism about their sustainability. Barring the aforementioned human and financial resource constraints that may emerge, it is likely that communities will remain committed to the operation and maintenance of their assets. The knowledge and experience gained in project management by the communities as a whole has been immense. Beneficiaries feel that the basic infrastructure and services developed by the project belong to them and they are ready to protect and maintain them for proper utilization. Certainly more investments are needed in a resource-constrained environment, but the broader country focus on local government development through several large national programs increases the chances of success (of the CDD/CIF activities).

4.71 However, an issue cited by virtually all members of communities visited by the IEG mission was concern that CIF investments will stop after the completion of PCDP. They correctly pointed out that while the investments that have been made are certainly useful, these are just the very basic investments and there is a need for many more follow-up investments. As an example, while schools provided under PCDP now allow students to attend up to eighth grade, there is no reasonably accessible place for students to attend high school. Similarly, an important next step would be to increase water access to more acceptable standards. Unfortunately, with a highly dispersed population in pastoral areas, the feasibility of providing the next level of services is unclear, pointing once again to the need to have a pastoral development strategy going forward.

4.72 In Phase II, the established RUSACCOs also demonstrate good potential for sustainable local-level entrepreneurship and increased household incomes. As previously mentioned, when IEG asked beneficiaries whether they deplete their savings during a shock or crisis, all RUSACCO members interviewed indicated that their savings were secure, and that if they had to tap into their savings stock, they would replenish it as soon as they were able. However, these groups require continual further monitoring and technical support in order to scale up their IGAs to increase household incomes, and not stagnate. The substantial IFAD support for rural finance helps ensure the sustainability and scaling up of the rural savings/investment cooperatives.

4.73 **Risks associated with vulnerability are significant**: IEG acknowledges other intervening factors that may impede or enhance the effects of the project, such as external shocks (climatic, epidemic, or macroeconomic), interventions from other national projects, and overall changes in the macro-environment. Weak evidence of effective implementation of the EWS under the Disaster Risk Management Component of both Phase I and II may pose a risk to decreasing vulnerability on a sustainable basis.

Risks to Achieving the Overall Programmatic Outcomes

4.74 The programmatic approach over a long term, supported by a series of projects, was appropriate, given the complexity of the issues and the need for learning and mid-course correction, but the results framework for each of the projects was not appropriately conceived to allow this. Indeed, the program seems to have been conceived as a service delivery program with emphasis on new approaches to service delivery (CDD). It lacked a strong analytical underpinning at the outset. Triggers for follow-on projects were all related to physical progress rather than to the program objectives.

4.75 The programmatic design also suffered from lack of a clear and accepted strategy for the development of pastoral areas. Even if the strategy were to be limited to providing essential services, in keeping with the thrust of PCDP, the feasibility of reaching the entire population of scattered and mobile pastoralists with basic services is unclear. The PCDP series would have provided services to only half of the pastoral population. Moreover, the level of services that has been provided is still far short of what would be considered as a basic essential package. The inability, or perhaps unwillingness, of donors, including the Bank, to ascribe to the government policy of voluntary settlement has hindered the formulation of a strategy for pastoral development.

4.76 The World Bank–financed Regional Pastoral Livelihoods Resilience Project, approved in 2014, appears to be a much more appropriate design for resilience and livelihoods, and it was a step in the right direction to deal with resilience and livelihood issues of pastoralists. The regional dimension, involving multiple countries, is also appropriate given the movement of some pastoralists across national boundaries. The Bank should build on it to move toward helping government develop a strategy that covers all pastoral areas in the country.

4.77 ***Risk to development outcome for PCDP II is rated significant.***

Bank Performance

4.78 **Quality at entry for Phase II:** The Bank used its experience from the first PCDP to improve PCDP II. The substantially improved performance of the RUSACCOs as compared to the IGAs attests to the benefit of an improved design. The design of these cooperatives addressed a financing gap and featured access to finance for pastoral women. The design of the project management structure also worked well to ensure effective implementation of project activities. However, the design of the project's results framework in the PAD—linking the project's inputs and outputs to outcomes—was inadequate. Most indicators were inappropriate and needed extensive overhaul during the MTR. The ICR also noted the less than optimal participation of women in community activities in relation to the community action plans (measured as 16 percent by the end evaluation). There were also minor shortcomings in the financial management arrangements because of the reliance on statements of expenditures, which for a remote project such as PCDP II were cumbersome to administer (IEG 2015).

4.79 ***Quality at entry for PCDP II is rated moderately satisfactory.***

4.80 **Quality of supervision for Phase II.** Overall quality of supervision improved from Phase I to Phase II. Both phases were supervised from the Ethiopia country office at regular intervals. Supervision and implementation support missions for both phases were conducted jointly with IFAD and included the participation of technical experts who provided inputs on critical aspects of this project, including gender, access to land, water and sanitation, safeguards, financial management, and procurement. The Bank effectively used experience from PCDP I to improve supervision performance in the second phase. PCDP II supervision missions were conducted much more regularly. The MTR was comprehensive, and there was timely follow up on important issues such as the overhaul of the indicators in the results framework, which led to formal proposals for the project's restructuring. The quality of project reporting was high. The reports were thorough and closely tracked a very large number of project activities. The Bank established good working relations with the government, the federal and regional project coordinating units, and the co-financier (IFAD). It is also noted that the project team was recognized by the Region (a vice presidential award) for excellent work in supervising PCDP II. Project documentation shows evidence of active involvement of Bank safeguards technical staff in supervision missions. This was confirmed by interviews with relevant country office staff and the PMU. The Bank has also made considerable efforts to train federal-, regional-, and woreda-level safeguard staff. However, neither in the MTR nor during the process of recognition for the vice president’s award was there any discussion on how the project accomplishments were contributing to the overall APL objectives of sustainable livelihoods and risk reduction.

4.81 ***Quality of supervision for PCDP II is rated moderately satisfactory.***

4.82 ***The overall rating of Bank Performance in PCDP II is rated moderately satisfactory.***

Borrower Performance

4.83 **Government performance for Phase II:** The situation improved significantly with PCDP II. Roles of the different agencies were more clearly defined, considerable institutional capacity had been built, and there is evidence that the CDD approach has been internalized by the government at different levels and is being applied to other programs.[10] MoFA provided satisfactory support to the project on the basis that it was effective in the handling the project's administration at the central-government level. The ministry also supported the project's management effectively and facilitated the mobilization of counterpart contributions at the regional level. One area where the ICR stated that government performance could have been smoother was in its coordination with the Ministry of Agriculture and Rural Development and the Early Warning Response Department, because there were occasional lapses in the disbursement of central government funds to the regions and resulting delays in implementation (World Bank Group 2014, para. 95).

4.84 Overall, MoFA has provided strong leadership in ensuring good project management and coordination at the field level, and the project receives full support from the level of the state minister (as the IEG mission witnessed).

4.85 ***Government performance for Phase II is rated satisfactory.***

4.86 **Implementing agency performance for Phase II:** The IEG field team was highly impressed by the staff of the PMU and FPCUs. The Pastoral Standing Committee in the Ethiopian Parliament (responsible for the supervision of the budget implementation of special support by the federal government to the pastoralists) considers PCDP as a flagship program in pastoral areas and would like to see it continue past Phase III.[11]

4.87 However, there were weaknesses in the project's financial management and procurement, especially in the earlier years. Capacity constraints at the woreda level (that is poor record keeping) and the lack of familiarity with guidelines and procedures led to poor handling of procurement, despite Bank efforts to conduct annual procurement reviews, trainings, and clinics.[12] Financial management was also weak. Inadequate forward financial planning, insufficient management oversight, and weak accountability systems led to delayed submission of statements of expenditure (World Bank Group 2014). But improvements were made under PCDP II. RUSACCOs have received the required supervision and technical support under the Federal Cooperative Agency, and MoA has managed the Disaster Risk Component reasonably well, under a Memorandum of Understanding with MoFA. Reporting was generally of good quality, detailed, and submitted on time.

4.88 ***Implementing agency performance for Phase II is rated satisfactory.***

4.89 ***The overall rating of borrower performance in PCDP II is rated satisfactory.***

5. Lessons

High-level lessons on program strategy and sequencing

---

[10] IEG interview with State Minister of MoFA.
[11] IEG interview with the Pastoral Affairs Standing Committee.
[12] PPAR mission interviews.

Programmatic approaches that involve multiple projects over a long period of time are more effective when, in addition to assessing project outputs, they measure the extent to which overall programmatic objectives are being met. There is a need to have a results framework that specifies not only the short-term objectives of each of the projects in the series but also how these link to the overall program objectives. M&E systems should track not only individual project accomplishments but should also be designed to assess the programmatic objectives, even if these can only be achieved over time.

Triggers for moving forward with successive phases of an adaptable program are more effective when they take stock of the extent to which the project is meeting its overall program aims. This stock-taking should promote mid-course correction based on lessons. A rigorous independent impact assessment conducted after each phase can provide the more accurate information needed to ensure that the program is well phased.

The Bank can use the body of knowledge gained through its successive project interventions to help governments develop an informed sector strategy, especially in difficult and uncertain areas such as pastoral development. While the Bank may choose to proceed with project support, it is critical that in the absence of a clear approach, Bank experience be used to support the development of such a strategy through dialogue and continued engagement.

Project-specific lessons

Support for household or small rural income generating activities is more effective when based on needs and capacity assessments and supported by business planning, training, legal and technical assistance, and the supply of affordable finance. Group-executed activities are complex, because they require strong trust and cooperation among members who, if the group is formed by the project, require time to build trust. The decision to support individual versus group economic activity should be based on an understanding of existing social norms and economic relationships.

Rural savings and credit groups can be successful when there is a strong sense of cohesion in the community, when they have a predominant focus on women, and when they are supported with adequate and sustained capacity-building support. Seed capital, and clear rules of the game, were also found to be key ingredients in helping to ensure the success of the rural savings and lending groups in Ethiopia.

When dealing with mobile pastoral communities, consideration should be given to different service provision approaches such as mobile schools and health to supplement the "classic" participatory local development model, which is better suited to sedentary populations.

Bibliography

EIU (Economist Intelligence Unit). 2015. "Ethiopia Country Report." London. country.eiu.com/ethiopia.

Ethiopia, Ministry of Agriculture and Rural Development. 2008. *National Guidelines for Livestock Relief Interventions in Pastoralist Areas of Ethiopia*. Addis Ababa

Ethiopia, Ministry of Finance and Economic Development. 2006. "Ethiopia: Building on Progress. A Plan for Accelerated and Sustained Development to End Poverty (PASDEP), 2005/06–2009/10." Volume I: Main Text. Addis Ababa. http://siteresources.worldbank.org/INTETHIOPIA/Resources/PASDEP_Final_English.pdf.

———. 2010. "Growth and Transformation Plan: 2010/11–2014/15." Volume I: Main Text. Addis Ababa.

Ethiopia, Ministry of Federal Affairs. 2008. "Final Report on Assessment of Income Generating Activities Financed During Phase I of the PCDP." Addis Ababa.

IEG (Independent Evaluation Group, World Bank Group). "IEG ICR Review, PCDP I." World Bank, Washington, DC.

———. 2015. "IEG ICR Review of PCDP II." 2011. Report ICRR 14742. World Bank, Washington, DC.

IFAD (International Fund for Agricultural Development). 2008."Ethiopia—Country Program Evaluation." Rome

Loyya Consult. 2014. "Pastoral Community Development Project II—End Term Evaluation." March 14, 2014, Loyya Consult for the Ministry of Federal Affairs. Addis Ababa.

White, Howard, and Daniel Phillips. 2012. "Addressing Attribution of Cause and Effect in Small Impact Evaluations: Towards an Integrated Framework." International Initiative for Impact Evaluation Working Paper 15. New Delhi.

World Bank Group. 2003. "Project Appraisal Document on a Proposed Grant in the Amount of SDR 22.0 Million (US$30.0 Million equivalent) to the Federal Democratic Republic of Ethiopia for the Pastoral Community Development Project in Support of the First Phase of the Pastoral Community Development Program, April 22, 2003." PAD 25227-ET. World Bank, Washington, DC.

———. 2008a. "Country Assistance Strategy for the Federal Democratic Republic of Ethiopia, April 2, 2008." Report 43051. World Bank, Washington, DC.

———. 2008b. Ethiopia Pastoral Community Development Project II Concept Note, January 2008.

———. 2008c. "Financing Agreement, C4458 and H395 Conformed" (PCDP II). Jonathan David Pavluk, author. World Bank, Washington, DC.

———. 2008d. "Project Appraisal Document on a Proposed Credit in the Amount of SDR 14.2 Million (US$23.4 Million equivalent) and a Proposed Grant in the Amount of SDR 34.4 Million (US$56.6 Million equivalent) to the Federal Democratic Republic of Ethiopia for a Pastoral Community Development Project II, May 5, 2008." Report 43472. World Bank, Washington,

———. 2009b. "Implementation Completion and Results Report, Pastoral Community Development Project, Phase I, June 26, 2009." ICR 886. World Bank, Washington, DC.

———. 2011. Pastoral Community Development Project—II, Mid Term Performance Report, Oct. 9/2008—May 8/2011, Ministry of Federal Affairs, May 2011.

———. 2012. “Ethiopia—Country Partnership Strategy.” Report 71884. World Bank, Washington, DC.

———. 2013. “Project Appraisal Document on a Proposed Credit in the Amount of SDR 71.8 Million (US$110 Million equivalent) to the Federal Democratic Republic of Ethiopia for a Pastoral Community Development Project III, November 15, 2013.” PAD 568. World Bank, Washington, DC.

———. 2014. “Implementation Completion and Results Report, Pastoral Community Development Project, Phase II, October 20, 2014.” ICR 3064. World Bank, Washington, DC.

———.2015. Ethiopia Systematic Country Diagnostic (SCD), Concept Note, May 11, 2015.

———. Various years a. Aide-Memoires and Supervision Reports from the operations portal. World Bank, Washington, DC.

Various years b. http://data.worldbank.org/data-catalog/world-development-indicators

———. “Grant Agreement for PCDP I.” Washington, DC.

USAID (U.S. Agency for International Development. 2003. *Risk and Vulnerability in Ethiopia: Learning from the Past, Responding to the Present, Preparing for the Future*. Sue Lautze, Yacob Aklilu, Angela Raven-Roberts, Helen Young, Girma Kebede, and Jennifer Leaning, authors. Washington, DC: USAID.

Yilmaz, Serdar, and, Varsha Venugopal. 2008. “Local Government Discretion and Accountability in Ethiopia.” International Studies Program Working Paper 08-38. Atlanta, GA, Andrew Young School of Policy Studies, Georgia State University.

Annex A: Basic Data Sheet for Ethiopia Pastoral Community Development Project Phase I

Key Project Data (amounts in US$ million)

	Appraisal Estimate	Actual or current estimate	Actual as % of appraisal estimate
Total project costs	60.0	59.6	99.33
Loan amount	30.0	31.9	106.33
Co-financing	20.0	21.1	105.5

Cumulative Estimated and Actual Disbursements

	FY04	FY05	FY06	FY07	FY08
Appraisal estimate (US$M)	3.0	7.0	13.0	21.0	30.00
Actual (US$M)	2.63	8.16	22.26	30.98	31.70
Actual as % of appraisal	87.6	116.5	171.2	147.5	105.6
Date of final disbursement: 12/24/2008					

Project Dates for the Ethiopia Pastoral Community Development Project Phase I

	Original	Actual
Initiating memorandum	11/06/2001	04/16/2002
Negotiations	03/17/2003	03/26/2003
Board approval	02/06/2003	05/20/2003
Signing		06/12/2003
Effectiveness	09/30/2003	09/30/2003
Closing date	12/31/2008	12/31/2008

Staff Time and Cost

Stage of project cycle	Staff time and cost (Bank budget only)	
Lending	**Number of staff weeks**	**US$ thousands (including travel and consultant's costs)**
FY02	18.93	73.45
FY03	40.44	147.70
Total:	**59.37**	**221.15**
Supervision/ICR		
FY04	30.89	69.84
FY05	35.76	39.30
FY06	36.60	81.55
FY07	39.81	81.35
FY08	39.40	131.42
FY09	47.55	167.97
Total:	**230.01**	**571.43**

Task Team Members

Name	Title	Unit
Lending		
Daniel Sellen	Task Team Leader (TTL), Appraisal	AFTR2
Assaye Legesse	Sr. Agr. Economist, TTL (2003 on)	AFTR1
Christine Cornelius	Program Coordinator	AFTR1
Joseph Toledano	Agri. Services Specialist	AFTR1
Rahel Lulu	Team Assistant	AFTAR
Graeme Donovan	Agricultural Economist	AFTR1
Robin Mearns	Peer reviewer	EASRD
Tjaar Schillhorn	Peer reviewer	ECSSD
Cees De Haan	Peer reviewer	ARD
Solange Alliali	Country Lawyer	LEGAF
Samuel Haile Selassie	Sr. Procurement Specialist	AFC06
Eshetu Yimer	Financial Management Specialist	AFC06
Steve Gaginis	Disbursement Officer	LOAG2
Tesfalem Gebreiyesus	Procurement Specialist	AFTPC
Supervision/ICR		
Assaye Legesse	Sr. Agri. Economist, TTL, 2003-10/06 and Dec. 2008	AFTAR
Azeb Fissha	Consultant	AFTAR

Name	Title	Unit
Abiy Admassu Temechew	Procurement Analyst	AFTPC
Basma Ammari	E T Consultant	AFTRL
Christine E. Cornelius	Program Coordinator	AFTAR
Edeltraut Gilgan-Hunt	Environmental Specialist	AFTEN
Eshetu Yimer	Sr. Financial Management Specialist	AFTFM
Eyerusalem Fasika	Research Analyst	AFTP2
Garry A. Smith	Consultant	ECSSD
Ingo Wiederhofer	Sr. Operations Officer, TTL 10/06-11/2008	EASSO
Ingrid Pierre Mollard	Consultant	AFTAR
J. R. Deep Ford	Sr. Economist	FAO
Jean Charles Amon Kra	Sr Financial Management Specialist	AFTFM
Malathi Jayawickrama	Operations Officer (ICR, TTL)	AFTAR
Mulat Negash Tegegn	Consultant	AFTFM
Rahel Lulu	Program Assistant	AFCE3
Richard Olowo	Sr Procurement Spec.	AFTPC
Samik Sundar Das	Senior Rural Development Specialist	SASDA
Serigne Omar Fye	Consultant	AFTH1
Samuel Haile Selassie	Sr. Procurement Spec	EAPCO
Sarah G. Michael	Social Development Spec.	AFTCS
Tafesse Freminatos Abrham	Financial Management Specialist	AFTFM
Tesfaye Bekalu Wondem	E T Consultant	AFTU1
Wendy Schreiber Ayres	Consultant	AFTFP

Annex B: Basic Data Sheet for the Ethiopia Pastoral Community Development Project Phase II

Key Project Data (amounts in US$ million)

	Appraisal estimate	Actual or current estimate	Actual as % of appraisal estimate
Total project costs	133.25	119.74	89.86
Loan amount	80.00	74.52	93.15
Co-financing	33.54	37.35	111.3

Cumulative Estimated and Actual Disbursements

	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Appraisal estimate (US$M)	16.0	32.0	48.0	64.0	80.0	80.0	80.0
Actual (US$M)	10	18.8	36.9	50.36	61.8	74.5	74.3
Actual as % of appraisal	62.5	58.75	76.87	78.6	77.25	93.12	92.87
Date of final disbursement: 5/20/2014							

Project Dates for the Ethiopia Pastoral Community Development Project Phase II

	Original	Actual
Initiating memorandum	10/18/2007	01/28/2008
Negotiations	03/04/2008	04/21/2008
Board approval	04/29/2008	05/29/2008
Signing	06/30/2008	06/13/2008
Effectiveness	10/09/2008	10/09/2008
Closing date	12/31/2013	12/31/2013

Staff Time and Cost

Stage of project cycle	Staff time and cost (Bank budget only)	
Lending	**Number of staff weeks**	**US$ thousands (including travel and consultant costs)**
FY08	20.3	172.38
Total:	**20.3**	**172.38**
Supervision/ICR		
FY09	29.2	53,498.02
FY10	45.9	55,030.91
FY11	52.7	141,027.62
FY12	15.2	74,994.27
FY13	14.3	85,840.65

Stage of project cycle	Staff time and cost (Bank budget only)	
FY14	15.8	72,293.41
Total:	**173.1**	**482,684.88**

Task Team Members

Names	Title	Unit	
Lending			
Ingo Wiederhofer	Senior Operations Officer	EASTS	
Tafesse Freminatos Abraham	Consultant	AFTME	
Basma Ammari	Consultant	MNSHE	
Ian Leslie Campbell	Consultant	AFTSE	
Christine E. Cornelius	Consultant	AFTA3	
Eyerusalem Fasika	Research Analyst	AFTP2	
Serigne Omar Fye	Consultant	AFTHW	
Samuel Haile Selassie	Senior Procurement Specialist	SARPS	
Roxanne Hakim	Senior Social Development Specialist	EASVS	
Jean Charles Amon Kra	Sr Financial Management Specialist	AFTMW	
Rahel Lulu	Program Assistant	AFCE3	
Azeb Fissha Mekonnen	Operations Analyst	AES	
Sarah G. Michael	Senior Social Development Specialist	ECSSO	
Ingrid Marie Pierre Mollard	Consultant	MNSSU	
Richard Olowo	Lead Procurement Specialist	AFTPE	
Jonathan David Pavluk	Senior Counsel	LEGOP	
Janelle Plummer	Senior Governance Specialist	EASTS	
Garry A. Smith	Consultant	ECSAR	
Wolter Soer	Sr Social Protection Specialist	AFTSE	
Mulat Negash Tegegn	E T Consultant	AFTME	
Almaz Teklesenbet	Temporary	AFTP1	
Ann Waters-Bayer		CGIAR	
Tesfaye Bekalu Wondem	Sr Water & Sanitation Specialist	AFTU1	
Gelila Woodeneh	Communications Officer	AFRSC	
Supervision/ICR			
Assaye Legesse	TTL-Senior Agriculture Economist	AFTA3	TTL-2
Ingo Wiederhofer	Sr. Operations Officer	EASTS	TTL
Tesfaye Ayele	Sr. Procurement Specialist	AFTPE	
Shimelis Woldehawariat Badisso	Sr. Procurement Specialist	AFTPE	

Names	Title	Unit
Edward Felix Dwumfour	Sr. Environmental Specialist	AFTN3
Eyerusalem Fasika	Research Analyst	AFTP2
Mohamed Osman Hussein	E T Consultant	AFTA3
Tesfahiwot Dillnessa	Team Assistant	AFCE3
Azeb Fissha Mekonnen	Operations Analyst	AES
Esayas Nigatu	Consultant	AFTA1
Yasmin Tayyab	Senior Social Development Specialist	AFTCS
Meron Tadesse Techane	Financial Management Specialist	AFTME
Richard Carroll	Sr. Evaluation Specialist	AFTA3

Annex C: Survey Data Sources on Income, Poverty, and Welfare in Ethiopia

As a first step in conducting the PCDP (I and II) Project Performance Assessment, IEG worked with MMA, a local consulting firm in Addis, to determine whether relevant data existed to support an assessment of the contribution of the projects to their stated objectives of (1) reducing vulnerability and (2) enhancing pastoral livelihoods over the project period (2003–13). Data were sought outside the project's reporting framework, since the data collected by the project was limited to output indicators (number of schools built, number of wells functioning, and the like). IEG and MMA utilized data collected by the Central Statistics Authority and the Ministry of Finance and Economic Development, the two government bodies responsible for undertaking periodic nationwide income, poverty, and welfare surveys. A summary of the data sources examined and their relevance for assessing the contribution of the project toward its stated objectives is included below.

Overall, IEG found that there is a lack of systematic and comparable data being collected to understand the change in welfare over time of Ethiopia's pastoral communities. IEG found that available data sources have excluded nonsedentary areas. IEG also found that the data collected on welfare over time were made available at the regional—not the woreda (district) or kebele (village association)—level, so it could not support an assessment of the project's relative contribution to reducing vulnerability or enhancing livelihoods over time.

Data Sources, Methodological Constraints, and Overall Findings

Household income, consumption, and expenditure (HICE). The Central Statistical Agency designs and undertakes surveys of household income, consumption, and expenditure (HICE) every five years. The HICE overlaps with the project period. IEG was able to obtain data from the 1995/1996, 1999/2000, 2004/2005, and the 2010/2011 surveys. The surveys provide a snapshot of the change in poverty headcount—at the regional level—for points in time that correspond to the project periods (Table C.1). In analyzing the data, IEG found that it is only partially relevant for developing an understanding of the welfare of Ethiopia's pastoral populations, since the data collected for the Afar and Somali regions do not include the pastoral (nonsedentary) areas, and the pastoral woredas in Oromia and SNNP are few in number and the data IEG was able to obtain are not disaggregated at the woreda level. (In the Oromiya region, there are 33 pastoral and agro-pastoral woredas of a total 265 woredas; in the SNNP region, there are 12 pastoral and agro-pastoral woredas of a total of 135 woredas).

Nevertheless, the data are able to demonstrate that while overall poverty has declined, rural poverty in Somali has not declined over the past 20 years, and has decreased only slightly in Oromia over the same period. Rural poverty in Afar has declined by 10 percent since 1995, but Afar remained the poorest region as of 2010/2011, with some 36 percent of the population living in poverty, as recorded by the 2010/2011 survey.

Table C.1: Regional Poverty Trends in Ethiopia

	1995/96			1999/00			2004/05			2010/11		
Region	***Rural***	***Urban***	***Total***	***Rural***	***Urban***	***Total***	***Rural***	***Urban***	***Total***	***Rural***	***Urban***	***Total***
Tigray	0.579	0.457	0.561	0.616	0.607	0.614	0.51	0.367	0.485	0.365	0.137	0.318
Afar	0.518	-	0.331	0.68	0.268	0.56	0.429	0.279	0.366	0.411	0.237	0.361
Amhara	0.567	0.373	0.543	0.429	0.311	0.418	0.404	0.378	0.401	0.307	0.292	0.305
Oromia	0.347	0.276	0.34	0.404	0.359	0.399	0.372	0.346	0.37	0.293	0.248	0.287
Somale	0.346	-	0.309	0.441	0.261	0.379	0.452	0.353	0.419	0.351	0.231	0.328
B.B.G	0.476	0.345	0.468	0.558	0.289	0.54	0.458	0.345	0.445	0.301	0.213	0.289
SNNP	0.565	0.459	0.558	0.517	0.402	0.509	0.382	0.383	0.382	0.3	0.258	0.296
Gamb	0.418	0.244	0.343	0.546	0.384	0.505	n.a.	n.a.	n.a.	0.325	0.307	0.32
Harari	0.133	0.291	0.22	0.149	0.35	0.258	0.206	0.326	0.27	0.105	0.117	0.111
AA	0.404	0.3	0.302	0.271	0.362	0.361	0.299	0.326	0.325	...	0.281	0.281
DD	0.366	0.246	0.295	0.332	0.331	0.331	0.398	0.329	0.352	0.142	0.349	0.283
Total	0.475	0.332	0.455	0.454	0.369	0.442	0.393	0.351	0.387	0.304	0.257	0.296

Source: HICE surveys of 1995/96, 1999/00, 2004/05, and 2010/11.
Note: n.a. = not available.

Regional comparisons of food poverty tell a different story, but because of the data collection limitations mentioned above, analysis of pastoral welfare using this metric is also limited.

Table C.2: Regional Food Poverty Trends

	1995/96			1999/00			2004/05			2010/11		
Region	***Rural***	***Urban***	***Total***	***Rural***	***Urban***	***Total***	***Rural***	***Urban***	***Total***	***Rural***	***Urban***	***Total***
Tigray	0.675	0.501	0.649	0.517	0.647	0.537	0.48	0.412	0.468	0.402	0.249	0.371
Afar	0.521	0	0.333	0.635	0.289	0.534	0.436	0.331	0.392	0.339	0.281	0.322
Amhara	0.607	0.343	0.574	0.323	0.354	0.325	0.391	0.361	0.388	0.446	0.28	0.425
Oromia	0.427	0.345	0.419	0.367	0.491	0.38	0.371	0.352	0.369	0.333	0.317	0.331
Somale	0.432	0	0.384	0.469	0.342	0.425	0.439	0.346	0.409	0.289	0.171	0.267
B.G	0.612	0.271	0.592	0.562	0.409	0.552	0.459	0.334	0.444	0.365	0.261	0.351
SNNP	0.521	0.463	0.517	0.548	0.541	0.547	0.369	0.379	0.37	0.258	0.271	0.259
Gambela	0.329	0.192	0.283	0.618	0.433	0.572	n.a.	n.a.	n.a.	0.24	0.302	0.26
Harari	0.163	0.28	0.227	0.155	0.477	0.328	0.184	0.308	0.251	0.043	0.049	0.046
AA	0.387	0.365	0.366	0.359	0.478	0.475	0.316	0.324	0.324	...	0.261	0.261
DD	0.308	0.38	0.351	0.253	0.285	0.276	0.384	0.326	0.345	0.137	0.254	0.217
Total	0.516	0.365	0.495	0.411	0.467	0.419	0.385	0.353	0.38	0.347	0.279	0.336

Source: HICE survey of 1995/96, 1999/00, 2004/05, and 2010/11.
Note: n.a. = not available.

A third metric demonstrates *average caloric consumption* patterns at the regional level over time. Here again, analysis of pastoral welfare using this metric is limited since the sources of calories are highland based, while the pastoral regions have livestock products as sources of calories, but not categorized in the percentage distributions. Overall, the HICE shows that since 1999/2000, daily per capita gross calorie levels have increased by 11 percent. The majority of this growth comes from urban areas, which have grown about 34.5 percent since 1999/2000. Rural calorie levels have also increased, but at a lesser rate (8.2 percent since 1999/2000). The Afar and Somali regions are among the lowest in daily calorie intake, 2,364 and 2,330 calories, respectively, which is explained by the fact that their calorie intake is mainly from livestock products and not from cereals. By 2010/11, daily calorie intake per capita was the highest in SNNP (2,788).

Table C.3: Regional Daily per Capita Intake Over Time

Region	1999/2000 Gross calories			2004/05 Gross calories			2010/11 Gross calories			Net calories		
	All	Rural	Urban	All	Rural	Urban	All	Rural	Urban	All	Rural	Urban
Tigray	2,045	2,124	1,646	2,093	2,116	1,987	2,340	2,333	2,370	2,302	2,294	2,330
Afar	1,743	1,617	2,337	1,873	1,861	1,890	2,364	2,352	2,392	2,318	2,303	2,357
Amhara	2,155	2,197	1,801	,2058	2,067	1,966	1,995	2,176	2,332	2,145	2,124	2,293
Oromia	2,257	2,344	1,588	2,440	2,470	2,173	2,475	2,501	2,307	2,406	2,429	2,252
Somalia	1,960	2,002	1,869	2,205	2,196	2,225	2,330	2,342	2,277	2,298	2,311	2,241
Benshangul-Gumuz	2,245	2,273	1,911	2,099	2,113	1,993	2,573	2,572	2,578	2,487	2,485	2,498
SNNP	2,359	2,401	1,821	2,728	2,770	2,272	2,288	2,814	2,567	2,654	2,676	2,463
Gambela	2,177	2,285	1,809	N/A	N/A	N/A	2,660	2,824	2,310	2,524	2,663	2,228
Harari	1,967	2,304	1,730	2,247	2,586	1,955	2,515	2,739	2,267	2,478	2,709	2,222
Addis Abeba	1,829	2,117	1,824	1,989	2,369	1,984	2,237	N/A	2,237	2,195	N/A	2,195
Dire Dawa	1,876	2,198	1,761	1,990	2,255	1,861	2,363	2,649	2,227	2,322	2,612	2,185
Total	2,211	2,292	1,738	2,353	2,397	2,073	2,455	2,479	2,337	2,380	2,400	2,283

Note: n.a. = not available.

Regional Finance and Economic Development Bureaus. The bureaus undertake socioeconomic and other surveys in their respective regions. However, the surveys often lack comprehensiveness and quality in looking at the poverty levels, income, and welfare of households. The socioeconomic baseline survey report conducted by the Afar Bureau in 2009/10 was conducted with the participation of five sector bureaus in the region. The survey covered all woredas in the region and data were presented by woreda for the following sectors: economic activities; demographic characteristics; food availability and access; education; water, sanitation, and hygiene; and access to public utilities and infrastructure (grazing reserves, water, animal health, and the like).

The Ethiopian Socioeconomic Survey was implemented in collaboration with the Word Bank Living Standards Measurement Study team as part of the Integrated Surveys on Agriculture Program. The survey is a nationally representative look at 5,500 households in rural and urban areas. The first wave was implemented in 2011–12, and the second wave in 2013–14. The results are disaggregated by location: region and place of residence, including rural areas, small towns, and large towns.

Well-being and ill-being dynamics in Ethiopia. The University of Oxford and Mokoro LTD (a consulting firm) have been conducting socioeconomic panel surveys in 15 communities, including 2 agro-pastoral communities in Oromiya, since 1994. The surveys have been financed by different donors, including the World Bank, the U.K. Department for International Development, and the Dutch Embassy, among others. The surveys have found that modernization efforts have resulted in improved economic prospects, changes in lifestyle, increased service provision, and improved equality. Both drought-prone and growth-potential communities have seen economic growth driven predominantly by improved agricultural productivity.

Data Quality

In the past, surveys have often been biased toward accessible woredas/kebeles. But in the last few years, the situation has begun to change. There is increased attention to representativeness, partly because the regions are asking for this, but also because the road systems have improved and communication technology has made remote areas more accessible. This is true for data collected in the PCDP and other similar programs in pastoral regions, pastoral and agro-pastoral areas, where remote and non-remote woredas are covered—the advantage is that the pastoral areas are flat and accessible by road.

Annex D: Methodology for the PPAR Fieldwork: Unit of Analysis, Sampling Frame, Scope, and Tools

This project performance assessment seeks to validate the relevance, efficiency, and effectiveness of the reported results of the Pastoral Community Development Project (Phases I and II) in Ethiopia. In order to gauge the effectiveness, sustainability, and relevance of design, IEG employed several assessment tools to validate project results, including a community infrastructure asset verification tool, focus group discussions across different stakeholder groups, site visits, focus groups, and semi-structured groups and one-on-one interviews.

Sampling Frame/Unit of Analysis

Woreda and Kebele Selection. The unit of analysis is the woreda, because this was the targeted administrative unit. PCDP Phase I directly treated 32 of Ethiopia's 670 rural woredas in the Afar, Somali, SNNPR, and Oromia regions. Project documentation indicates that Phase II treated the 32 Phase I woredas and an additional 23 woredas in the same regions, for a total of 55 woredas. IEG selected a sample of woredas for field visits based on the following criteria:

1. IEG eliminated all woredas where the mission was not permitted to travel based on security concerns. According to the World Bank/UN Security Report, all areas deemed a level 4 (substantial) security level were eliminated. These include 10 woredas in the Somali region in the following zones: Doolo, Korahe, Jarar, Shaballe, and Nogob.

2. IEG did not visit the five woredas treated in SNNPR, owing to the low level of project financing in these areas and logistics constraints.

3. IEG learned that nine woredas were dropped at the MTR of Phase II, reportedly for either poor performance or because they graduated out of the project; one of these woredas (Afambo) was visited to understand why the project was not successful; the remaining eight were dropped from the sample.

4. Both Phase I and Phase II woredas were sampled. IEG sampled equally across regions, although more of the project activities took place in the Somali region. The mission was unable to visit more woredas in Somali because of the security constraints mentioned above.

5. Woredas were selected by livelihood system (sedentary, agro-pastoral, and pastoral) and remoteness to ensure broad coverage of livelihood systems and inclusion of both relatively remote and distant woredas.

Project coverage		Sample for IEG fieldwork
PCDP I	PCDP II	
32 woredas/1,357 MPs Somali: 14 (43%) Afar: 9 (28%) Oromia: 6 (19%) SNNPR: 2 (6%) Amhara: 1 (3%)	55 woredas/ (2,556 MPs[13]) Somali: 21 (38%) Afar: 14 (25%) Oromia: 14 (25%) SNNPR: 6 (11%)	9 woredas Somali: 3 Afar: 3 Oromia: 3 SNNPR: 0

Kebeles were selected randomly after eliminating those that were very far from the woreda capital and difficult to reach within the time constraints of the field mission. It is acknowledged that this may lead to some overestimation of project effects, as the kebeles that are easier to reach potentially received more support from the MSTs.

Table D1: Sample Composition of Woredas by Livelihood Classification and Remoteness and Project Phases

Woreda	Kebele(s)
Somali	
Erer (not remote, pastoral, Phase II)	Hurso, German
Shinile (not remote, pastoral, PhasesI & II)	Godley, Baraq
Jijiga (not remote, sedentary, Phases I & II)	Harew
Oromia	
Seweyna (remote, pastoral/agro-pastoral, Phases I & II)	Adeele
Meda Welabu (remote, agro-pastoral, Phase II)	Karju, Hora Kore
Mieso (not remote, Phase II)	Hargiti, Kenterii
Afar	
Dubti (not remote, pastoral/sedentary, Phases I & II)	Magenta, Gumerdale
Chiafra (remote, pastoral/agro-pastoral)	Gergera, Daru
Afambo (remote, agro-pastoral/pastoral)	Mego

Evaluation Tools

Structured Interviews were convened in 9 woredas (13 kebeles) to triangulate perceptions within and between key stakeholder groups, including: Woreda Development Councils, Kebele Development Councils, and direct project beneficiaries (community members not involved in community leadership). See Annex E for the semi-structured interview tool. IEG met with 52 members of Woreda Development Councils, 137 members of Kebele Development Councils, 105 direct project beneficiaries (39 men, 66 women), and 34 members of rural savings and credit cooperatives.

[13] Figure represents completed MPs reported in end line evaluation.

The purpose of these structured interviews was to understand perceptions held by different project stakeholders on the following topics: level of community participation in selection of project infrastructure; experience with a newly introduced local development planning process (CDD); community contributions (in-cash/in-kind) to project infrastructure; impact of the project on service delivery; value added of project support for the EWS; and impacts of the project (specifically RUSACCOs) on income generation.

The IEG team also conducted interviews with MST members (project staff) and the Regional Project Management Unit in each region visited.

CIF site visits were conducted to learn lessons about the contribution of the collective assets to community welfare in randomly chosen kebeles. A nonrepresentative sample, this component was implemented as a learning protocol to better understand issues pertaining to the access and durability and operations and maintenance of assets provided under Phase I and II (with a focus on kebeles that were treated twice). (See Annex F.)

Limitations

The evaluation team was unable to cover areas where there were security concerns. This may lead to an overestimation of project impact, because it is possible that these areas were also more challenging to manage during project implementation (however, project staff in these areas indicated they were able to work safely).

Because of the size of the project area, the amount of travel time required, and the limited timeframe of the evaluation mission, the most remote areas were not covered by the evaluation. Again, this may lead to an overestimation of project impacts, since one of the challenges during implementation was getting project support to remote areas.

Annex E: Semi-Structured Interview Tool

Semi-Structured Interview Tool—Woreda Development Council

Ethics Statement: All interviewees were informed of the role of IEG, and that this work related to an objectives-based evaluation of two phases of PCDP. The evaluation approach was described, and participants were informed that stakeholders at multiple levels were being interviewed and information was therefore being triangulated. Interviewees were also informed that nothing that they said would be directly attributed to them – anonymity would be maintained. Participants were also informed how to access the report once it is finalized.

Community Infrastructure Selection and Maintenance

1. How did you decide which kebeles would get the project? How did you decide which infrastructure items would be constructed in each kebele?
   a. How did you manage to avoid resource duplication? For example, if there are NGOs or other development partners doing similar work.
2. Did you have any transparency/accountability measures under PCDP? Do you still use them?
3. How much did communities contribute to the CIF projects? Any issues with community contributions?
4. How are these facilities maintained? Who provides staffing and costing for operation and maintenance?

Community-Driven/Participatory Development Approach

1. How has PCDP affected service delivery in this woreda? Did PCDP have any influence/change?
   a. Have there been any spillover effects in terms of changing the way the woredas work with other development partners?
   b. Have there been any spillover effects in terms of how they utilize financing from the government for service delivery?
2. How did you plan and implement government projects prior to PCDP?
   How was PCDP similar and different?
3. What were the challenges you faced in implementing PCDP?
4. Did they receive training? (Do they feel they received adequate training in order to successfully implement PCDP?) (Record specific training information)
5. What would be needed to enhance capacity building for woredas? What could we have done better?
6. (If not previously mentioned) How did PCDP empower communities?

Early Warning System

7. Can you give us an overview of the EWS system— how does the information travel? How many disaster-reduction systems are in the woreda?
8. Have you received training on how to collect and compile data for the EWS?
9. Was the information you received useful? If so, how does it prepare you to support kebeles during difficult times?

Semi-Structured Interview Tool—Kebele Development Council

Ethics Statement: All interviewees were informed of the role of IEG, and that this work is related to an objectives-based evaluation of two phases of PCDP. The evaluation approach was described, participants were informed that stakeholders at multiple levels were being interviewed, and that information was therefore being triangulated. Interviewees were also informed that nothing that they said would be directly attributed to them—anonymity will be maintained. Participants were also informed how to access the report once it is finalized.

Record basic data/info on kebele, including livelihood system

Community Infrastructure Selection and Maintenance

1. What was your experience with PCDP? (Probe on the application and decision-making process if needed).
2. Were you able to contribute the required amount to the projects (both in kind and in cash)?
3. Who maintains the infrastructure? Any issues with staffing or supplies?

Community-Driven/Participatory Development Approach

1. What has been the main impact of PCDP? (Probe for whether the service delivery process has changed.)
2. Have there been any spillover effects in terms of changing the way the kebeles work with other development partners?
3. Have there been any spillover effects in terms of how they utilize financing from the government for service delivery?
4. How did you plan and implement government projects prior to PCDP?
5. How was PCDP similar and different?
6. What were the challenges you faced in implementing PCDP?
7. Did they receive training; if so, was it adequate?
8. What would be needed to enhance capacity building at the kebele level?

9. Did women participate? What was the extent of the participation of women in prioritizing project activities?
10. What is the primary livelihood system in this kebele? How did the project impact the livelihoods?

Early Warning System

What is your role in the EWS system—how does the information travel (to them/from them)?

1. Did you receive useful information from WDCs in times of drought? If so, how did you use that information?

CAP checklist

- Does it exist? (Y/N)
- Did you have a CAP before PCDP?
- Record year written/updated
- Did they have something similar to a CAP before the project? (Y/N)
- Record items on CAP—everything that was planned
- Record which items, if any, were funded (by Bank/government/donors? This is what was completed.

****Ask to see CAP—use CAP checklist as guideline to record consistent data on CAPs****

Asset Verification

1. What is it?
2. When was it completed?
3. Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)
4. Take any notes about location, who can use it, reported benefits, and so on.

****Asset verification tool ****

Semi-Structured Interview—Direct Beneficiaries (Non–Kebele Development Council)

Preface: All interviewees were informed of the role of IEG, and that this work is related to an objectives-based evaluation of two phases of PCDP. The evaluation approach was described, participants were informed that stakeholders at multiple levels were being interviewed, and that information was therefore being triangulated. Interviewees were also informed that nothing that they said would be directly attributed to them—anonymity will be maintained. Participants were also informed how to access the report once it is finalized.

Community Infrastructure Selection

1. Did they participate in creating the CAP (if relevant?)
2. Did they ask for the CIF asset (if relevant)?
3. How has this asset (name asset) helped? Record responses individually.

CDD

Do they know PCDP? (Y/N)

1. Did they attend community meetings prior to PCDP? (Y/N) Did they attend meetings for PCDP? (Y/N) (Were there community meetings arranged?)
2. Did PCDP impact how village development decisions are made? (Y/N) If so, how?

EWS

1. Did you participate in training related to EWS?

IMPACT

1. Has there been any change in livelihoods or income? If so, what do you attribute it to? RUSACCO/CIF

Semi-Structured Interview—RUSACCOs

Preface: All interviewees were informed of the role of IEG, and that this work is related to an objectives-based evaluation of two phases of PCDP. The evaluation approach was described, participants were informed that stakeholders at multiple levels were being interviewed, and that information was therefore being triangulated. Interviewees were also informed that nothing that they said would be directly attributed to them—anonymity will be maintained. Participants were also informed how to access the report once it is finalized.

Group Formation

1. When was the group formed?
2. How many members? Has this changed over time?
3. How often does the group meet?
4. How is the group leader selected?
5. What are group membership requirements?

Savings and Lending

1. What was the total savings of the group at the start? What is the current total savings of the group?
2. Does the group lend to each other? Rates?
3. What happens if someone cannot repay?
4. Do you have access to commercial banks? If so, what are the rates?
5. Is anyone borrowing from other sources?

Impact

1. Did you receive training under RUSACCO?
2. What do they borrow for?
3. Do they deplete their savings during droughts or other crises?
4. Have there been any other impacts of participation in RUSACCOs?

Annex F: IEG Findings from Community Investment Fund Site Visits

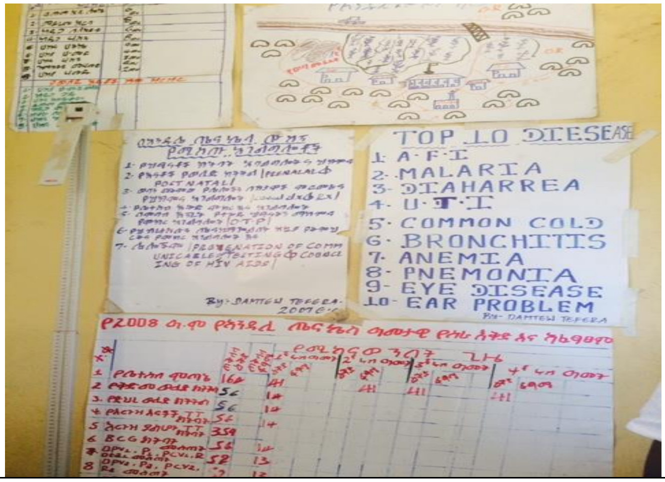
Region: Oromia ***Woreda*: Maesso** ***Kebele*: Hargitii**	
CAP checklist	
Does it exist? (Y/N)	Yes, verbally confirmed
Did you have a CAP before PCDP? (Y/N)	Yes (informally, they had plans for a school)
Record year written/updated	2009
Record items on CAP—everything that was planned	
Record which items, if any, were funded (by Bank/government/donors?)	
If they didn't receive a community asset, why?	Unable to see CAP
Asset verification	
	
What is it?	School
When was It completed?	2009
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, the school was well equipped. It had books, desks, notebooks, and multiple teachers.

Take any notes about location, who can use it, reported benefits, and so on.	The school was located in the center of the main kebele, next to the other school (not financed by the project)

Region: Oromia ***Woreda*: Maesso** ***Kebele*: Kenterii**	
CAP checklist	
Does it exist? (Y/N)	Yes, verbally confirmed
Did you have a CAP before PCDP? (Y/N)	No
Record year written/updated	2008
Record items on CAP—everything that was planned	Unable to see CAP
Record which items if any were funded (by Bank/government/donors?)	
If they didn't receive a community asset, why?	
Asset verification	
What is it?	Small-scale irrigation
When was It completed?	2010
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Community reported that it was functional, but IEG was unable to visit; it is located 9 kilometers by foot from the kebele.
Take any notes about location, who can use it, reported benefits, etc.	In the Kebele Development Council meeting they mentioned that the headwork was far away. Only about 50 percent of the village has access to land irrigation by the small-scale irrigation.

Region: Afar ***Woreda*: Dubti** ***Kebele*: Megenta**	
CAP checklist	
Does it exist? (Y/N)	Yes, verbally confirmed
Did you have a CAP before PCDP? (Y/N)	No, not much planning at local level before PCDP
Record year written/updated	2008
Record items on CAP—everything that was planned	Unable to see CAP
Record which items if any were funded (by Bank/government/donors?)	
If they didn't receive a community asset, why?	
Asset verification	
	
What is it?	School
Year completed	2008
Is it functional? (if it's a school, are there teachers/books; if it's a well does it have year round potable water; if it's a health center, are there staff and medicines?)	Yes, there are six teachers. IEG observed what seemed to be an inadequate amount of furniture for the reported 260 students. No books were seen, they said the community buys the notebooks and the woreda provides the textbooks.

Take any notes about location, who can use it, reported benefits, and the like.	The school is accessible to everyone; it is near the community. Currently, 260 students are enrolled—community reported intention to enroll more students.
	
What is it?	School
When was it completed?	2008
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it' a health center, are there staff and medicines?)	Yes, they reported it was functional, but locked; we could not see inside; some broken windows.
Take any notes about location, who can use it, reported benefits, etc.	It was close to the first school that was constructed.

	
What is it?	Human health post
When completed	2008
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, the health post was functional; medicines observed include: malaria, diarrhea, worms, ear infections, antibiotics, vaccinations (no cold storage), and contraceptives.
Take any notes about location, who can use it, reported benefits, etc.	It is located along the road to get into the main kebele. Community reported that anyone can use it. There were mixed reports about adequacy of staffing and medicines—some said there was enough, others reported shortages (especially of medications that were reportedly only available in the first half of the month).
Gumerdale sub-*Kebele*	

What is it?	Small-scale irrigation
When was It completed?	2012
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, water was flowing, crops were growing.
Take any notes about location, who can use it, reported benefits, etc.	The small-scale irrigation serves three sub-kebeles (Derwese, Namele, and Duduble). It provides water to 112 hectares of land and benefits 1,272 individuals. The community was involved in building the schemes and they are responsible for maintenance. Beneficiaries are growing onions but they are not currently preparing the land for other crops (wheat, maize, tomatoes). Community members reported receiving technical assistance on farming techniques from the development agent. Some members of their community (12 individuals) were already familiar with farming (previously they had worked in the cotton plantation). Previously 1 hectare of land was allocated for each family, but now only half a

	hectare is allocated. Each plot produces a yield worth 50,000–60,000 Birr, but this varies with price fluctuations. Previously they could only farm for 6 months, but now they can farm for 12 months, for both seasons. The irrigation scheme is located next to a sugar cane plantation – they were relocated to the land they currently occupy after construction of the government sugar cane plantation three years ago.
Region: Afar ***Woreda*: Chiafra** ***Kebele*: Deregera**	
CAP checklist	
Does it exist? (Y/N)	Yes, verbally confirmed
Did you have a CAP before PCDP? (Y/N)	No
Record year written/updated	
Did they have something similar to a CAP before the project? (Y/N)	No
Record items on CAP—everything that was planned. Record which items, if any, were funded (by Bank/government/donors?) If they didn't receive a community asset, why?	We weren't able to see the CAP, but according to the Kebele Development Council meeting, they had requested the following: RUSACCO, water, health, education, and small-scale irrigation. The project financed water and education (but they were told the rest was too expensive). The government later provided a health center that was not operational at the time of IEG's visit.
Asset verification	

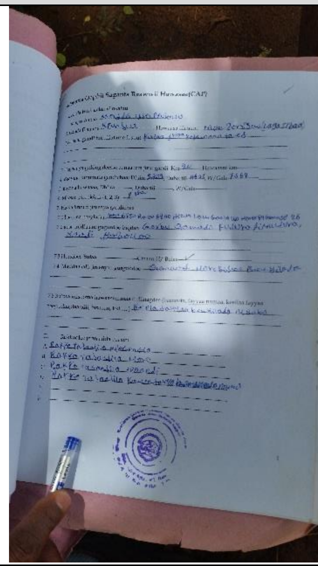
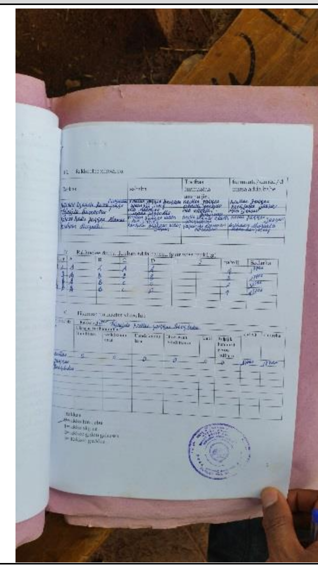
	
What is it?	Water supply
When was It completed?	2011
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, it was fully functional – beneficiaries in Deregera were using the water, as were people from neighboring kebele.
Take any notes about location, who can use it, reported benefits, etc.	It was free for anyone to use; there was also a water trough for livestock.

Region: Afar ***Woreda*: Afambo** ***Kebele*: Mego**	
CAP checklist	
Does it exist? (Y/N)	Yes, verbally confirmed.
Did you have a CAP before PCDP? (Y/N)	No
Record year written/updated.	
Record items on CAP—everything that was planned.	We were unable to see it.
Record which items if any were funded (by Bank/government/donors?)	

If they didn't receive a community asset, why?	
Asset verification # 1	
What is it?	Community road
When was It completed?	2003
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, and it is in a very good condition
Take any notes about location, who can use it, reported benefits, etc.	It has given access to the community; community was inaccessible by motor vehicle before the road was constructed.
	
What is it?	Vet post
When was it completed?	2003
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, they have 2 individuals supervising it, the vet and his secretary (there are a total of 10 veterinary professionals for the entire woreda)
Take any notes about location, who can use it, reported benefits, etc.	Animals are brought to the vet post; they treat around 100 animals per week. They have had one major disease outbreak the whole year.

Region: Oromia ***Woreda*: Sewayne** ***Kebele*: Adeele**	
CAP checklist	
Does it exist? (Y/N)	Yes, verbally confirmed
Did you have a CAP before PCDP? (Y/N)	Previously they were not planning, now they have a 5-year plan and a yearly plan.
Record year written/updated	2014
Record items on CAP—everything that was planned	We were unable to see it—locked away in kebele manager's office. Beneficiaries reported asking for water, school, health post—water was reportedly too expensive.
Record which items if any were funded (by Bank/government/donors?)	
If they didn't receive a community asset, why?	
Asset verification	
	
What is it?	Education
Was it completed?	2008
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, it is functional, has desks. Photo on the left is old school, right is two new schools constructed by the project.

Take any notes about location, who can use it, reported benefits, etc.	Located in the center of kebele, seems well used and well kept up—painted, etc. No children/teachers because it was a weekend.

Region: Oromia ***Woreda*: Meda Walabu** ***Kebele*: Karju**	
CAP checklist	
	
Does it exist? (Y/N)	Yes, saw a copy
Did you have a CAP before PCDP? (Y/N)	Previously they were not planning, now they have a 5-year plan and a yearly plan.
Record year written/updated	2014
Record items on CAP—everything that was planned	Yes, saw CAP Beneficiaries reported asking for water, school, health post—water was reportedly too expensive. From the project they received school and health post.
Record which items if any were funded (by Bank/government/donors?)	
If they didn't receive a community asset, why?	

Region: Oromia ***Woreda*: Meda Walabu** ***Kebele*: Karju**	
Asset verification	
	
What is it?	Education
When was it completed?	2012
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, it is functional, has desks, books, and (reportedly) enough teachers.
Take any notes about location, who can use it, reported benefits, etc.	Well maintained, beneficiaries reported increased enrollment.

Region: Oromia ***Woreda*: Meda Walabu** ***Kebele*: Hora Kore**	
CAP checklist	
Does it exist? (Y/N)	Yes, verbally confirmed
Did you have a CAP before PCDP? (Y/N)	No
Record year written/updated	
Record items on CAP—everything that was planned	

<table>
<tr><th colspan="2">Region: Oromia
Woreda: Meda Walabu
Kebele: Hora Kore</th></tr>
<tr><td>Record which items if any were funded (by Bank/government/donors?)</td><td rowspan="2">We were unable to see it—locked away. Reportedly asked for school and community health, water, and power. Received school and community health infrastructure from the project. They reported being told that water and power were not covered as they exceeded the budget ceiling.</td></tr>
<tr><td>If they didn't receive a community asset, why?</td></tr>
<tr><td colspan="2">Asset verification</td></tr>
<tr><td colspan="2"></td></tr>
<tr><td>What is it?</td><td>Health post</td></tr>
<tr><td>When was it completed?</td><td>2012</td></tr>
<tr><td>Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)</td><td>Beneficiaries reported that it had adequate staffing and supplies, water tank was operational, didn’t see any medications because facility was locked (it was a weekend)</td></tr>
<tr><td>Take any notes about location, who can use it, reported benefits, etc.</td><td>Well maintained, beneficiaries reported easier access to health care.</td></tr>
</table>

<table>
<tr><td colspan="2">Region: Somali
Woreda: Erer
Kebele: Hurso</td></tr>
<tr><td colspan="2">CAP checklist</td></tr>
<tr><td>Does it exist? (Y/N)</td><td>Yes, verbally confirmed</td></tr>
<tr><td>Did you have a CAP before PCDP? (Y/N)</td><td>No</td></tr>
<tr><td>Record year written/updated</td><td></td></tr>
<tr><td>Record items on CAP—everything that was planned</td><td rowspan="3">They said they had two CAPs, one for each round of the project (didn't see either). On the first they wanted human health post, which they received; school; animal health; and water supply. The second CAP was two years later and they wanted water, school (which they received), and animal health. They didn't use the CAP to finance anything else; they were told they could only have one infrastructure from each. They reported using CAP to suggest that the government provide them with water (which they received).</td></tr>
<tr><td>Record which items if any were funded (by Bank/government/donors?)</td></tr>
<tr><td>If they didn't receive a community asset, why?</td></tr>
<tr><td colspan="2">Asset verification</td></tr>
</table>

Region: Somali ***Woreda*: Erer** ***Kebele*: Hurso**	
	
What is it?	School
When was it completed?	2012
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, viewed the classroom being used. There were adequate desks and there was a teacher.
Take any notes about location, who can use it, reported benefits, etc.	Located near cluster of other schools, very large http://www.salongerard.com/ and many students were using. This school dealt with overflow.

Region: Somali ***Woreda*: Erer** ***Kebele*: German**	
CAP checklist	
Does it exist? (Y/N)	Yes, verbally confirmed
Did you have a CAP before PCDP? (Y/N)	No
Record year written/updated	2010, then updated for PCDP II
Record items on CAP—everything that was planned	They asked for and received irrigation and animal health post, irrigation for agro-pastoralists and animal health for the pastoralists. They reported that without the animal health post, their animals would have died. This would have led to less milk and meat.
Record which items if any were funded (by Bank/government/donors?)	
If they didn't receive a community asset, why?	
Asset verification	

Region: Somali ***Woreda*: Erer** ***Kebele*: German**	
	
What is it?	Animal health post
When was it completed?	2010
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, veterinarian present who reported adequate medications.
Take any notes about location, who can use it, reported benefits, etc.	Reported seeing 100 animals per month. All have access to the facilities and the veterinarian lives in one room of the building.

Region: Somali ***Woreda*: Erer** ***Kebele*: German**	
	
What is it?	School
When was it completed?	2012
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Teachers present, desks in school. This school is for grades 1 – 5.
Take any notes about location, who can use it, reported benefits, etc.	Lack of water at school and in kebele is problematic. Students are taken out of school to get water; this impacts attendance and ultimately enrollment.

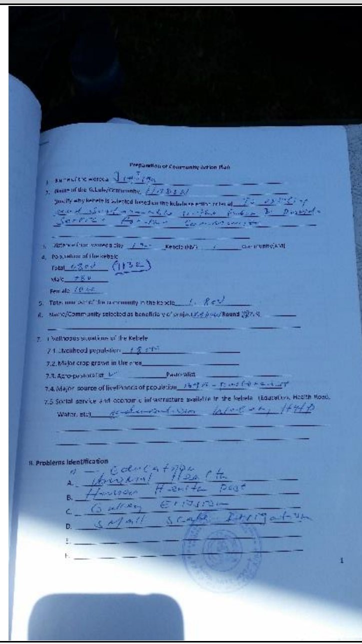
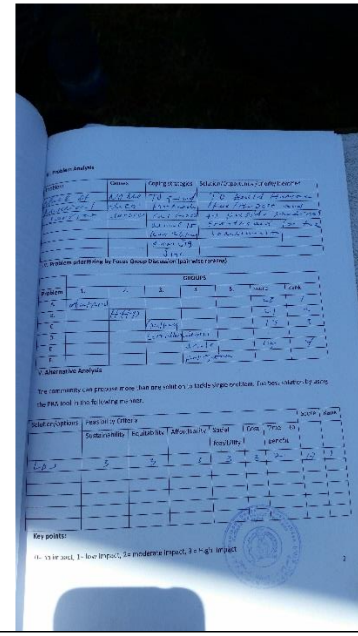
Region: Somali ***Woreda*: Shinile** ***Kebele*: Godley**	
CAP checklist	
Does it exist? (Y/N)	Yes, verbally confirmed
Did you have a CAP before PCDP? (Y/N)	No
Record year written/updated	CAP for PCDP I, then another in 2009 for PCDP II
Record items on CAP—everything that was planned	On the first CAP they asked for human health post (which they received), school, animal health, and water supply.

Region: Somali ***Woreda*: Shinile** ***Kebele*: Godley**	
Record which items if any were funded (by Bank/government/donors?)	On the second CAP they asked for school (which they received), water, and animal health. They were told by the project staff that they could only have one asset.
If they didn't receive a community asset, why?	
Asset Verification	
k 	
What is it?	Human health post (Kalabad)
When was it completed?	2007
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, health worker was present (lives on site). Medicine and cold storage (powered by petrol) financed by another project.

Region: Somali ***Woreda*: Shinile** ***Kebele*: Godley**	
Take any notes about location, who can use it, reported benefits, etc.	Reported that they see about 30 people a month, they deal mostly with preventative care. Since construction of this facility, another larger health clinic has opened nearby and they deal with issues that can't be handled by the human health post.

Region: Somali ***Woreda*: Shinile** ***Kebele*: Baraq**	
CAP checklist	
Does it exist? (Y/N)	Yes, verbally confirmed
Did you have a CAP before PCDP? (Y/N)	No
Record year written/updated	First CAP was created in 2007, unclear if it was updated
Record items on CAP—everything that was planned	Didn't see CAP, but they reported that they asked for irrigation, water supply, and a school (received water supply and a school).
Record which items if any were funded (by Bank/government/donors?)	
If they didn't receive a community asset, why?	
Asset verification	

Region: Somali ***Woreda*: Shinile** ***Kebele*: Baraq**	
	
What is it?	Irrigation
When was it completed?	2008
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, it is functional
Take any notes about location, who can use it, reported benefits, etc.	They reported that everyone in the kebele has access to the irrigation. Previously there was an earthen canal and much of the water was lost. This project transformed their ability to farm.

Region: Somali ***Woreda*: Jijiga** ***Kebele*: Harew**	
CAP checklist	
	
Does it exist? (Y/N)	Yes
Did you have a CAP before PCDP? (Y/N)	No
Record year written/updated	First CAP was created in 2008, they graduated from PCDP so there is no more CAP—the CAP was seen as directly related to the project, not an ongoing activity.
Record items on CAP—everything that was planned	CAP included plans for two schools (in different sub-kebeles), a human health post, and a water birka. These projects were all completed. The requested projects that were not supplied include the following: natural resource management, RUSACCO, water supply, and a health
Record which items if any were funded (by Bank/government/donors?)	

Region: Somali ***Woreda*: Jijiga** ***Kebele*: Harew**	
If they didn't receive a community asset, why?	center. They reported that they built schools using lessons learned from PCDP.
Asset verification	
	
What is it?	School
When was it completed?	2009
Is it functional? (if it's a school, are there teachers/books; if it's a well, does it have year-round potable water; if it's a health center, are there staff and medicines?)	Yes, it is functional, there are teachers, desks and books.
Take any notes about location, who can use it, reported benefits, etc.	The main benefit of the school is a marked increase in literacy, and this contributes to household well-being, as children are able to help their illiterate parents. The main limitation of this school is that there is no water, which limits attendance and puts an extra work burden on mothers, who fetch water for the school.

Annex G: List of Persons Met

No	*Name*	*Organization*	*Title*
World Bank			
1	Andrew Goodland	World Bank	Sector Leader, SDN, Addis Country Office,
2	Assaye Legesse	World Bank	TTL, PCDP Phase I, Senior Agriculture Economist
3	Teklu Tesfaye	World Bank	TTL, PCDP Phase II, Senior Agriculture Economist
4	Asferachew Abate	World Bank	Environmental Specialist
5	Ingo Widerhofer	World Bank	Former TTL, PCDP
6	Chukwudi H. Okafor	World Bank	Senior Social Development Specialist
7	Esayas Nigatu	World Bank	Livestock Specialist
8	Shimelis Woldehawariat	World Bank	Senior Procurement Specialist
Government of Ethiopia			
9	H.E Mulugeta Wuletaw	State Minister	Ministry of Federal Affairs
10	Fisseha Abera	Ministry of Finance & Economic Development	Director, International Financial Institution Cooperative Directorate
11	Seid Omer	Ministry of Federal Affairs	PCDP project coordinator
12	Soloman Keberde	Ministry of Federal Affairs	Sr. Independent Auditor
13	Ahmed Adem	Ministry of Federal Affairs	CDSP, Sr. Officer

14	Hailu Kassaye	Ministry of Federal Affairs	PME Sr. Officer
15	Gerbre Terefe	Ministry of Federal Affairs	Environmental and Social Safeguards Sr. Specialist
16	Rigut Beyene	Ministry of Federal Affairs	Admin and general Sr. Officer
17	Ahmed Bedru	Ministry of Federal Affairs	Sr. MIS Officer
18	Aweke Tefere	Ministry of Federal Affairs	Sr. Procurement Officer
19	Tekalign Aschalew	Ministry of Federal Affairs	Sr. Finance Officer
20	H.E. Mohammad Yusuf	Ministry of Federal Affairs	Chairperson
21	H.E. Lijalem Wolde	Pastoral Affairs Standing Committee	Vice Chair
22	H.E.Dagnew Belete	Pastoral Affairs Standing Committee	Member
23	H.E.Hussen Gelgelo	Pastoral Affairs Standing Committee	Member
24	H.E. Eskender Adeba	Pastoral Affairs Standing Committee	Member
25	Usman Surrur	Federal Cooperative Agency	Director General
Academia/Research/Semi-Autonomous Agencies/Evaluation			
26	Mr. Jeremy Lind	Institute of Development Studies (IDS) at the University of Sussex/Centre for Civil Society at the London School of Economics	Research Fellow/Associate
27	Professor Jon Unruh	McGill University	Associate Professor, Department of Geography

28	Beyene Tadesse	Lloya Consult	Managing Director/Manager End-Line Assessment
29	Barry Shapiro	International Livestock Research Institute	Senior Program Development Advisor
30	Mr. Roger Slade	________	Independent Consultant
31	Mirafe Marcos	Agriculture Transformation Agency	Chief of Staff
32	Laketch Mikael	Agriculture Transformation Agency	Senior Director, Cross-Cutting Initiatives
UN and Bilateral Agencies			
33	John Aylieff	World Food Program	Representative and Country Director
34	Samir Wanmali	World Food Program	Deputy Area Coordinator
35	Mesfin Tesfaye	World Food Program	Procurement & Partnership Officer
36	Amadou Allahoury	Food and Agriculture Organization	Country Representative
37	Gedlu Mekonnen	Food and Agriculture Organization	Animal Health Officer
38	Gary Robbins	USAID	Office Chief, Economic Growth and Transformation/Ethiopia
39	Dubale Admasu	USAID	Pastoralist and Livestock Programs Coordinator
NGOs			
40	Michelle Winthrop	Farm Africa	Director of Programs
41	Melissa Himes	CARE	Program Manager

Annex H: Borrower Comments

From: Seid Omer [mailto:oseidhaik@yahoo.com]
Sent: Saturday, March 19, 2016 6:57 AM
To: Lauren Kelly
Cc: Vibhuti Narang Khanna; Midori Makino; Kaydaki Gezahegn
Subject: Sending of comments on draft assessment report

Dear Lauren,

Attach here with I send comments on the draft assessment report through track change. The comments are developed after thoroughly discussed with our state minister Your excellency Ato Kaydaki Gezahegn. I hope that you will consider our detail comments in the final version of the report.

With regards

Seid, PCDP Project Coordinator

Comments on the IEG draft project performance assessment report

- Ethiopia Pastoral Community Development Project Phase 1-**Principal Ratings** (page viii) Outcome PPAR rating- (BC) *Moderately satisfactory is a fair rating for PCDP I as there are tangible outcomes from the implementation of the project under PCDP I.*
  Ethiopia Pastoral Community Development Project Phase II- Principal Ratings (page viii) Outcome PPAR rating- (BC) *The rating for outcome has to be **satisfactory** due to the following reasons*:
  1. Almost all outcome indicators achieved
  2. All component objectives are meet as per the plan
  3. All the eight triggers are meet
  4. Beneficiaries for each of the sub projects (water, education SSI, animal health post, human health post, etc) are quantified using outcome indicaters that demonstrates the success/outcome of the project

- Ethiopia Pastoral Community Development Project Phase II- Bank Performance PPAR- (BC) *There was a strong support and supervision from the side of the bank and hence this rating seams not fair.*
- On page xiv of the **Executive Summary**- "and constrained mobility due to new settlements and large scale development schemes" – (BC) *Please omit this paragraph as this is not a key challenge at present. Because pastoralist themselves has got benefit from this program.*
- The Relevance of Design of PCDP Phase I is rated as **Modest** – (BC) *We are not clear why relevance of design of PCDP phase I is rated as **modest.** This is because PCDP as a program is designed for 15 years that is splitted in to three phases with a set of objectives to be achieved every phase. On top of achieving the set objectives, Phase I establish a base for proper implementation and scaling up of activities for the other two phases.*
- On page xv under The overall outcome for PCDP I is rated as **Moderately Unsatisfactory**- (BC) *Despite some limitations mentioned above, PCDP I in total benefited 600,000 pastoralist and agro pastoralists in its five years program by constructing 1,412 different economic and social infrastructures. Given that the approach is new in the country and capacity limitations at district and community level, the achieved outcome can be considered as good. Therefore, the rating has to be updated to **moderately satisfactory**.*

- On page xvi- Pastoral Community Development Project, Phase II- under the **relevance of objectives of the second phase are rated as substantial** (last line of the paragraph)- however the addition of the broader poverty reduction aim, was unrealistic with regard to the scope and nature of project design- (BC)- *There is a need to differentiate the development objective of each phase (PCDP I, II &II) and the over all objective of the 15 years program. In the case of PCDP II the point is that it will contribute for the over all poverty reduction aim of the country.*
- The design of the second phase gained relevance by making improvements to program design, but is rated Modest by this assessment, due to several shortcomings – (BC) *where are the shortcomings*?
- The income generating activity model- focused on productive group assets ± was replaced by a Community Investment Fund that offered a simpler menu of basic public goods that groups could agree (BC)- *Sorry this doesnt represent PCDP II. Please revise this sentence*
- However, phase II design was undermined by a lack of targeting and a differentiated design for agro-pastoralists versus mainly non-sedentary herders, and a more nuanced understanding of constraints and behaviors across very different- (BC) *This is not true. The community consultation process includes the pastoralists, agro pastoralists and drop outs, and then the identified sub projects addressed the needs of all these groups. For example, most of the RuSACCo members are dropouts, when we built water and animal health post that means we address the interests of the pastoralists. Rangeland development also address the problem of pastoralists. Small scale irrigation serves agro pastoralists. With all the above justification, the rating of modest and analysis has to be revised.*
- On page xvii under Efficacy- objective of increasing external shocks was only modestly met.(BC) - This rating and the analysis below has to be seen again for the following reasons:
  1. Under PCDP II we manage to complete 191 medium size subprojects that contributes in reducing vulnerability for external shocks
  2. The project in collaboration with federal EWRD established early warning system in all the 129 pastoral woredas that enabled to collect the required information.
  3. We manage to provide the required response with in a month time as indicated in the result frame work
- However, reducing vulnerabilities through the disaster management activities was only modestly achieved (BC*)- See comments above and also refer our five year project performance report*
- The early warning systems supported by the project were undermined by uncoordinated approach amongst donors and government (BC)- This is not correct analysis:
  1. *The system is with a donor/government coordination unit at federal & regional level*
  2. Even the Government effort at present is very good. the response is also very productive at the time of PCDP II and then after.
- Public Investments, financed by the project and designed to mitigate disaster risks, seemed to differentiate little from other investments made by the project; the choice of asset and their strategic prioritization was also in question (BC)- *What does this mean? Even the 191 DPSIP sub projects are selected from the DRR plan which was indorsed and approved by the respective regional steering committees.*
- On page xvii-The overall outcome Rating for PCDP II is Moderately Satisfactory- (BC) *Based on the over all performance of the project stated above, the gained benefit, achieving of the set objectives, meeting of the set result framework indicators and triggers; the rating has to be satisfactory*. *In other words, from the over all performance of PCDP II, we are not convinced your rating of moderately satisfactory.*
- Bank performance in the second phase of PCDP is rated Moderately Satisfactory. (BC) - *From the justification stated below the rating seams not fair.*
- On page xviii under Risk to Development Outcomes Risks to Achieving the Programmatic Aims is rated Substantial- While the project has dampened the effects of crises, by helping to build resilience through public investments and savings, pastoralists continue to be exposed to cyclical shock and many of the constraints that underline this were not addressed by the project design in either phase (BC)- *This analysis has to be seen from the perspective of project coverage. Under PCDP II, we cover only 55 of the 145 pastoral/agro pastoral woredas. Even the project is not expected to solve all problems exist in the pastoral areas.*

- Overall, while the two projects assessed made a significant contribution to meeting critical, social and economic infrastructure needs, the link from investments (BC)- *It is not time to evaluate the impact of the 15 years program.*
- On page xviii (Last paragraph) The overall development objective for the APL was to improve livelihoods (incomes and assets) of pastoralists on a sustainable basis and reduce vulnerability of pastoralists. But the thrust of the bulk of project interventions was on the provision of social infrastructure and some limited economic infrastructure. These investments are critical to improve the well-being of the communities and indeed highly appreciated by the beneficiaries, but it is difficult to establish the pathway from the investments to the overall project objective of creating sustainable livelihoods. A sustainable livelihood-centered approach would have required a much broader range of coordinated investments (BC)- *It is too early to make this kind of generalization at this point at least due to the following reasons:*
  1. The 15 years program not yet completed and at the time of your assessment, we start PCDP III
  2. The sub projects are selected by the community themselves as we are following the CDD approach. Even with this context, a significant number of economic infrastructure build under PCDP I and Ii; and the figure is expected to increase significantly in the last phase (PCDP III).
  3. Based on the lessons from PCDP II, more emphasis is given for livelihood activities under PCDP III. Even we establish one bigger livelihood component under PCDP III
- *On page xix (3rd line)* water, improving livestock production and marketing chains, rangeland management, and promoting supplementary sources of income, including agriculture (BC)- *The project develop a significant number of water sub projects, livestock market, range land development and other supplementary source of income. Please refer our PCDP five year project performance report.*
- While PCDP III expands the livelihood component by enhancing access to finance and helping pastoralists to develop innovative, income diversifying business activities and/or strengthen existing productive activities, these activities are still not likely to be very significant in relation to a needed broader strategic approach (BC)- *What does this mean? This is not clear.*
- On page xix- under Lessons- Programmatic approaches that involve multiple projects over a long period of time are more effective when in addition to assessing project outputs, they measure the extent to which overall programmatic objectives are being met.(BC)- *This is what we are doing under the PCDP 15 year program.*
- *Page xix under*
- *Lessons (fourth line)*- There is a need to have a results framework that specifies not only the short-term objectives of each of the projects in the series but alsohow these link to the overall program objectives. Monitoring and evaluation systems should track not only individual project accomplishments but should be designed to assess the programmatic objectives, even if these can only be achieved over time. (BC*)- Technically how is it possible to develop result frame work for 15 years program that split in to three phases? O fcourse the objective for the 15 year program is clearly stated in PCDP III PAD for which each of the three phases contribute.*
- Under page 5, in paragraph 1.10 (line 2) but there is not yet a well-articulated strategy to achieve the policy objective (BC*)- There is a clear strategy as indicated in GTP I & II. Under GTP I, it is indicated as a short term and long term syrategy*
- Under page 5 in paragraph 1.10 (last 4 lines)- However, there is no overarching, cohesive pastoral development strategy for the country. (BC)- *See the above comment.*
- Chapter 2 of page 5 – 55 pastoral (BC)- *The 15 years program will cover the whole 145 pastoral/agro pastoral woredas*
- Page 5 -For the second phase the number of woredas was raised to 57 (BC)- *the actual is 55*
- Page 5- 32 existing and 25 new (BC)- *the actual is 23*
- Paragraph 2.3 page 6 - However, within the pastoral areas the project documentation does not give an explanation as to how different woredas within the pastoral areas, or how kebeles within a woreda, were selected.(BC) - *No this is not true. In the project implementation manual (PIM) clear criteria set for the selection of project woredas and kebeles. Accordingly, the woredas are selected by the respective regions and the kebele by the respective woredas, based on the set criteria in the IPM. Please refer the PIM.*

- Page 7 in paragraph 2.5- One hundred percent of PCDP II¶V IDA funds (BC)- *The project also utilize 100% of IFAD fund.*

- Page 8 in paragraph 2.9 Pastoral Risk Management component under a Memorandum of Understanding (MoU) (BC)- *No, they manage only one sub component- Pastoral Early Warning and Response sub component. The other sub component... Disaster Preparedness Strategic Investment Plans(DPSIP) sub component is managed by the respective pastoral bureau/commission. please refer the five year project performance report.*
- Page 8 in paragraph 2.10 Kebele Development Council (KDC) (BC)- *Replace it by committee*
- Page 8 in paragraph 2.10 Procurement (BC) *replace it by representative*
- Page 10 in paragraph 3.8 The Relevance of Design Phase 1 is rated as Modest.(BC) *Based on the analysis below why it is modest?*
- Page 11 in paragraph 3.10 The extent to which kebele councils truly reflected inputs from all members of the community was still unclear. (BC) *The role of kebele development committee (KDC) is appraising sub projects identified and prioritized by the community. The WDC then approve the sub projects that came from different kebeles. We are not, therefore, clear where the problem is.*
- Page 11 in paragraph 3.13. Another major shortcoming of the project (and program) design is a lack of a clear link between the project interventions and the overarching program of objective of promoting sustainable livelihoods of pastoralists. (BC) *This analysis seams not correct due to the following reasons:*
  1. In principle livelihood in its concept also includes the provision of social services.
  2. the main livelihood system in pastoral area is livestock. The project addresses the pastoral people through the construction of animal health post, rangeland development, forage development, water development, etc. All these interventions address the livelihood issues of the pastoralist
  3. On top of that through the establishment of saving and credit association, the project creates financial service that helps the pastoralists to improve their income.
  4. The project follows a CDD approach that gives a room for the community to identify their own problems and prioritize their interventions.
- *All the above justification has to be seen that helps you to consider your analysis*.
- Page 12 (1st line) Thus, it is difficult to see the project interventions resulting in improving livelihoods of pastoralists or reducing risk to any significant extent.(BC) *Please consider the above analysis*
- Page 15 in paragraph 3.26 PCDP (I and II) (BC) *Please omit PCDP II from here as they vary in terms of performance in achieving objectives.*
- Page 15 in paragraph 3.28 (last line) However, since it is not an explicit objective, it is not rated. (BC) *Why? Because PCDP I contributes in empowering community and woreda to better manage local development.*
- In paragraph 3.29 institutionalization and sustainability was insufficient (BC) *The instutionalization and sustainability issues has to be seen at the end of PCDP III when the 15 years program evaluated. Therefore, it is very difficult to say in sufficient at this point.For sure PCDP I contributes a lot in building local capacity.*
- Page 17 paragraph 3.33 Attention to the institutionalization and sustainability of the CDD model was insufficient.(BC) *Please omit this statement based on the above comment.*
- Page 25 Outcome in paragraph 3.56 Overall Outcome for Phase I is rated Moderately Unsatisfactory. (BCC) *Based the overall performance of PCDP I the rating has to be moderately satisfactory*.
- Page 28 paragraph 4.4 however the addition of the broader poverty reduction aim was unrealistic with regard to the scope and nature of project design. (BC) *The issue here is that PCDP II will contribute for the broader country program of reducing poverty, which is of course the case*.
- Page 29 – Relevance of Project Design in paragraph 4.5 is rated Modest. (BC) *Based on the analysis in the paragraphs below, the rating has to be changed from modest to substantial. Because a significant change is made based on the lessons from phase I.*
- Paragraph 4.5 model in Phase II, The project also introduced the RUSACCO modeled after pilots tested through an IFAD rural finance project. (BC) *Under PCDP II P Pastoral Risk Management Component also restructured under two sub components, 1)Disaster Preparedness Strategic Investment Program (DPSIP), and 2) Pastoral Early Warning and Response Program.*

Sub projects supported by DPSIP is different from CIF in terms of size, implementation arrangement and instructional arrangement (see the details from PCDP II five year performance report.

- Paragraph 4.6 in line 5 DPIPs (BC) *Replace it by DPSIP.*
- Paragraph 4.9 in line 5 but the link from investments to the desired outcomes is unclear (BC) *what does this mean?*
- Paragraph 4.9 Given the constraints and challenges of pastoralist communities, a sustainable livelihood approach would be centered on water, improving livestock production and marketing chains, rangeland management, and promoting supplementary sources of income, including agriculture. (BC) *The project address all these issues under PCDP II and we do not see any gap in this context.*
- Paragraph 4.9 on page 11 need broader strategic approach (BC) *What do you mean by needed border strategic approach. After all PCDP is attempting to address the needs of the pastoral community by providing social and economic services, and also addressing problems on livestock, to a certain extent on market, pasture development, water development, etc As an approach PCDP interventions are prioritized by the community themselves*.
- Paragraph 4.10 Another shortcoming of design is that more could have been done to consider the needs of the mobile populations. PCDP design focused primarily on settled agro-pastoralist.Recognizing that many agro-pastoralists are impoverished, the inclusion of this group was necessary. However, more could have been done to understand and meet the needs of the mobile population. (BC) *This is not true. The community consultation process includes the pastoralists, agro pastoralists and drop outs, and then the identified sub projects addressed the needs of all these groups. For example, most of the RuSACCo members are dropouts, when we built water and animal health post that means we address the interests of the pastoralists. Rangeland development also address the problem of pastoralists. Small scale irrigation serves agro pastoralists*
- Paragraph 4.11 The document does not, however, articulate the extent to which project design addresses the socio-economic needs within the different regions, and what the lessons learned are in this regard during the evolution of the program. There is no reference to quantified data on, for example, the proportion of the population that is largely settled, or the proportion that is partly mobile and partly settled, or the proportion that is mostly still mobile.(BC) *This kind of generalization is very difficult. From our experience, with in one kebele there could be pure pastoralist and also at the same time agro pastoralist. The type of intervention in a particular kebele will, therefore, be depends on the nature of the kebele. This kind of issues is usually addressed at the time of community consultation.On top of that, it is possible to get the proportion of pastoralist and agro pastoralist from the respective regions.*
- Paragraph 4.12 The project does support small scale irrigation (BC) *What does it mean? We manage to construct and make functional about 171 small scale irrigation sub projects under PCDP II. On top of that as we are following the CDD approach, it is up to the community to decide on the type of intervention. This analysis really contradicts with the philosophy of the CDD approach.*
- Paragraph 4.23 on page 33 Ministry of Agriculture and Rural Development (BC) Rural Development should be deleted.
- Paragraph 4.26 on page 34 The main overall weakness with the PCDP I and II M&E system was that no indicators were established or monitored for the overall objectives of the APL: building resilience and sustainable livelihood. (BC) *Technically the impact of the 15 year program will be evaluated by external consultants, for which we start the process to recruit consulting firm. As stated in the PCDP III PAD and PIM, the 15 years program objective is set and indicators to measure it clearly stated. Please refer the two documents.*
- *If need be, we can send the ToR and proposal for the plan impact assessment*.
- Paragraph 4.27 Monitoring and Evaluation Design, Implementation and Utilization for PCDP II is rated Substantial with shortcomings (BC) Based on the above justification please omit this word shortcomings.
- Page 36 Community Investment Fund (BC*) Please update the number of completed and functional sub projects from the final project performance report. All the completed projects became functional until the end of January, 2015 (when IFAD fund commpleted).*

- Paragraph 4.36 under bullet point access to Water (no target was established for this goal) (BC*) The target in the result framework is 450,000 people.*
- Paragraph 4.51 last line, So while lauding the effectiveness of CIF investments, the mission assesses that their impact on livelihoods is marginal. (BC) *What does this mean? How much do you expect and how much we achieved. This conclusion seams lack of evidence.*
- Objective 2: Achievement of Objective is rated as Modest (BC) *We dis agree on this rating as the justification below needs revision*
- Paragraph 4.53 Critical pastoral risk management activities (EWS system development, financing of deep wells, access roads and irrigation schemes) have been put in place, but there is little (BC) *Please make a separate analysis for the two sub components (DPSIP and PEWR) Secondly, up date the figure based on the final project performance report*.
- Paragraph 4.56 on page 45 it is difficult to discern the difference between funding for activities and subprojects, which are very similar, under objectives (1) enhanced livelihoods, specifically the CIF subprojects, and (2) pastoral risk management, specifically the DPSIP subprojects (for example, a water point could be funded from either) (BC) *As there is variation between sub projects supported by CIF and DPSIP, we have a reservation on this analysis. Please reconsider this.*
- The IEG mission also reviewed a sample of DPSIPs that had been prepared by the regional governments with the assistance of consultants. These appeared more to be *a (BC) the same comment above.*
- Paragraph 4.60 on page 46 Finally, as for PCDP I, the issue of insufficient oversight of this component by the PMU continued to persist in PCDP II as well. The IEG mission did not find any critical review of components either by the PMU or the Bank for this component. (BC) *This doesn't reflect facts on the ground. There is a big variation in terms of planned activities and performance between PCDP I and II*.
- Paragraph 4.71 Overall Outcome for Phase II is rated Moderately Satisfactory. (BC) Based on the outcome gained under PCDP II this rating has to be improved to satisfactory.
- Paragraph 4.71 weaknesses are associated with a lack of a livelihood approach, lack of attention to mobile populations, and the shortfall in the design of overall measurement of the aim of the PDO.(BC) *Based on the justification we give earlier these list of weakness can not be considered as weakness under PCDP II.*
- Paragraph 4.71 These are all key indicators of efficiency and sustainability. (BC) *Given all these justifications, the rating has to be satisfactory*.
- Paragraph 4.77 on page 49 . Indeed, the program seems to have been conceived as a service delivery program with emphasis on new approaches to service delivery (CDD). It lacked a strong analytical underpinning at the outset. (BC) *Please consider improvements under PCDP III when you are discussing the program issue.*
- Paragraph 4.77 on page 49 Triggers for follow-on projects were all related to physical progress rather than to the program objectives.(BC) *All the eight triggers are not related to physical progress. Please revisit again.*
- Paragraph 4.78 The programmatic design also suffered from lack of a clear and accepted strategy for the development of pastoral areas.(BC) *We dis agree on this argument . please revisit again, as your argument contradict with the philosophy of CDD approach, where community will identify their own problems from their vast experience.*
- Paragraph 4.78 Moreover, the level of services that has been inability, or perhaps unwillingness, of donors including the Bank to ascribe to the Government policy of voluntary settlement has hindered the formulation of a strategy for pastoral development.(BC*) This statement is not clear.*
- Paragraph 4.79 The World Bank financed Regional Pastoral Livelihoods Resilience Project (RPLRP), approved in 2014, appears to be a much more appropriate design for resilience and livelihoods (BC) *There are two contradictory issues here. On the one hand it is stated that the pastoral risk management component under PCDP is not working well, and on the other hand, the resilience project is considered as appropriate for pastoral area. For your information the resilience project is a continuation of pastoral risk management component under PCDP II.*

- Paragraph 4.80 on page 50 Risk to development outcome for PCDP II is rated Significant. (BC) *Need to be revisited*
- Paragraph 4.82 Quality of Supervision for Phase II is rated Moderately Satisfactory.(BC) *The quality of supervision and technical support under PCDP II was good.*
- Chapter 5 under Lessons Programmatic approaches that involve multiple projects over a long period of time are more effective when in addition to assessing project outputs, they measure the extent to which overall programmatic objectives are being met. (BC) *This is what we are doing under the PCDP 15 year program.*
- Chapter 5 under Lessons There is a need to have a results framework that specifies not only the short-term objectives of each of the projects in the series but also how these link to the overall program objectives. Monitoring and evaluation systems should track not only individual project accomplishments but should be designed to assess the programmatic objectives, even if these can only be achieved over time. (BC) *Technically how is it possible to develop result frame work for 15 years program that split in to three phases? fcourse the objective for the 15 year program is clearly stated in PCDP III PAD for which each of the three phases contribute.*