**Project Title**: Inclusive and Sustainable Agricultural Development

**Project Number:**

**Implementing Partner:** Ministry of Agriculture (MoA)

**Start Date: 2019** **End Date: 2022** **PAC Meeting date:**

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| **Brief Description** |
| Ethiopia is huge, land-locked country with an area of 1.1 million km2, and an estimated population of over 100 million; 79 million of whom depend on agriculture for their livelihoods. Agriculture also accounts for 36.3 percent of the Gross Domestic Product and 70 percent of the export earnings of the country. In addition, agriculture is a major source of raw materials for agriculture-led industrialization efforts of the country and will hence continue to play a major role in the transformation of the country’s economy.  Despite the significant role agriculture plays in the economy of Ethiopia and the lives of its peoples, the sector faces a number of significant challenges such as low productivity of smallholder farmers, capacity constraints in the research and extension system, and limited access to agricultural inputs. Other important constraints are inefficient utilization of irrigation water by smallholder farmers and weak value chains.  The Government of Ethiopia (GoE) has prepared and implemented various plans for the development of the agriculture sector in the country. In this vein, the GoE prepared the Growth and Transformation Plan (GTP), and the Agricultural Growth Program (AGP). Both plans are in their second phases of implementation and are aimed at transforming Ethiopia into a lower middle-income country by 2025 (GTP) and increasing agricultural productivity and commercialization of smallholder farmers (AGP).  The UNDP Country Office (CO) has support the GoE’s efforts to develop the agriculture sector in the country by supporting policy and institutional capacity development, increasing marketing systems, and in boosting productivity and income in rural areas. The UNDP has also supported the implementation of AGP, as well as the Agricultural Transformation Agency (ATA), the National Soil Testing Center (NSTC), and the Ministry of Livestock and Fisheries.  Capitalizing on previous supports, the UNDP has formulated **the Inclusive and Sustainable Agricultural Development Programme Document** to help transform the agriculture sector and alleviate poverty in Ethiopia by implementing strategic and integrated interventions across major value chains in the country’s agriculture sector. The project will support smallholder farmers and youths to access agricultural value chains and will have four components/outputs aligned with the AGP II, GTP II, and UNDAF objectives. The four components/outputs of the project are: i) increasing the access of farmers to quality public and agricultural services, ii) applying technologies to enhance productivity and commercialization of agriculture, iii) increasing access to, and efficiency of use of irrigation water by smallholder farmers, and iii) supporting smallholder farmers to commercialize agriculture.  The project will be implemented over four years with a broad range of partners, with the Federal Ministry of Agriculture (MoA) being the main implementing partner. It is expected that the project will significantly contribute to the development aspirations of GTP II, namely, that Ethiopia becomes a middle-income country by 2030. |

**Contributing Outcome** (UNDAF/CPD, RPD or GPD):

**UNDAF Outcome 1**: By 2020 Ethiopia has achieved robust and inclusive growth in agricultural production, productivity and commercialization of the agricultural sector

**CPD Pillar I:** Accelerating economic growth and poverty reduction

Indicative Output(s) with gender marker2: GEN 2

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| --- | --- | --- |
| **Total resources required:** |  | |
| **Total resources allocated:** |  | |
| **UNDP TRAC:** |  |
| **Donor:** |  |
| **Government:** |  |
| **In-Kind:** |  |
|  |  | |

Agreed by (signatures):

|  |  |  |
| --- | --- | --- |
| **Government**  **Ministry of Finance** | **UNDP** | **Implementing Partner**  **Ministry of Agriculture** |
| Print Name: | Print Name: | Print Name: |
| Date: | Date: | Date: |

# Development Challenge

Ethiopia is a huge, land-locked country, located in the Horn of Africa, with an area of 1.1 million Km2, and located between 3° 24' and 14° 53' North and 32° 42' and 48° 12' East. The country is a vast highland complex with plateaus and mountains dissected by the Great Rift Valley which generally runs in a southwest to northeast direction, and divides the country into the western and eastern highland plateau. This varied topography has diverse elevations and slopes, with the highest being over 4,000 m above sea level, and the lowest point being about 126 m below sea level.[[1]](#endnote-2)

This highly varied bio-physical environment has various ecosystems with differences in climate, soil properties, vegetation types, agricultural potential, biodiversity and water resources. Thus, the country is divided into 18 agro-ecological zones (AEZs) based on temperature and moisture regimes, and 49 sub-zones by superimposing the AEZs map on the map of the 7 physiographic regions of the country.1

Ethiopia’s climate is tropical monsoon, with wide variations induced by topography. As such, higher elevations get more rainfall, support more agricultural livelihoods, and higher population densities than lower areas which receive less rainfall, have lower population densities, with people generally raising livestock for their livelihood.[[2]](#endnote-3) The intervening elevations are occupied by agro-pastoralists who rely on various mixtures of the two livelihood strategies.

Rainfall is seasonal in Ethiopia, and most of it falls between March and September.2 Furthermore, rainfall varies across the country, with the south and central parts of the country during the March-June (*Belg* season), while the central and northern parts of the country receive most of their rains during the Ethiopia receiving most of their precipitation during the *Kiremt* (June-September) season.

Rainfall in Ethiopia has declined 15-20 percent between the mid-1970s and the late 2000s in parts of south, south-west, and south-east of the country.2 Furthermore, a review of drought history in the country showed that some parts of Ethiopia experience a drought every 3-5 years, while the whole country has a drought every 6-8 years. For this reason, the country suffered droughts (and in some cases famines) in 1972-75, 1983-85,[[3]](#endnote-4) 1991/92, 1993/94, 1999/2000,and recently, in 2011/12 and 2016. Ethiopia is expected to continue to suffer droughts because of climate change, resulting in adverse effects on various social and economic sectors of the country’s economy, including agriculture.

Ethiopia has many ethnicities, nations, nationalities and peoples, with 90 languages,[[4]](#endnote-5) and an estimated total population of about 100 million, growing at a rate of 2.5 percent per annum in 2013. At this rate, the country’s population of will reach 112 million by 2025, and 137 million by 2037. Furthermore, the population of the country is mostly young, with over 70 percent of the total population being below 30 years of age, and about 45 percent of the population being below 15 years of age.

Ethiopia is also experiencing demographic transition with a large number of youth currently searching for productive employment in the non-agriculture sectors of the economy. Youths, especially young women, continue to face higher than average unemployment, leading to migration within and outside the country, as well as harmful social and economic consequences for the economy.

The Government of Ethiopia (GoE) has formulated and implemented a number of ambitious medium-term development plans since the mid-2000s. The first of these was the Plan for Accelerated and Sustained Development to End Poverty (PASDEP), which was implemented between 2005/06 and 2009/10, and was followed by the first Growth and Transformation Plan (GTP I), implemented between 2010/11 and 2014/15. The second Growth and transformation Plan (GTP II) is the current national development plan being implemented, and is aimed at maintaining the strong growth averaged 11 percent achieved in the past, deepening economic transformation, and transforming Ethiopia into a lower middle income and carbon neutral country by 2025.

Economic growth in Ethiopia has been vigorous, and averaged 10.5 percent between 2003/04 and 2016/17.[[5]](#endnote-6) As a result the country’s gross domestic product (GDP) more than doubled from $32 billion in 2010/11 to $81 billion in 2016/17, and per capita income also doubled, increasing from $396 to $862 over the same period. Ethiopia has also seen significant inflows of overseas development assistance (ODA) which increased from $2.8 billion in 2014/15 to $3.1 billion in 2015/16, although the per capita ODA of $34.4 is significantly below the average of $43 for Sub-Saharan Africa (SSA).

Ethiopia made significant progress toward the Millennium Development Goals (MDGs), reaching 6 of the 8 Goals, including poverty, which dropped about 93 percent from 45.5 percent in 2000 to 23.5 percent in 2016. However, poverty continues to be a major challenge in the country, with over 22 million people living below the poverty line. Furthermore, poverty is mainly a rural phenomenon in the country, and declined much more in urban and rural areas between 2000 and 2016.

The impressive economic growth registered by Ethiopia over the past decade or so has been mainly driven by public investment and private consumption on the demand side, and on the supply side by value added in agriculture, as well as the services, and construction sectors.5 Although the service sector surpassed agriculture in terms of output and contribution to the GDP since 2008/09, agriculture continues to be an important sector in the country, accounting for 36.3 percent of the GDP and 70 percent of export earnings.

The agriculture sector is also important because it is the greatest driver of poverty reduction, with a 0.9 percent in drop in poverty for every 1 percent growth in agricultural output.[[6]](#endnote-7) Furthermore, agriculture employs 73 percent of the workforce, and provides livelihoods for over 79 million of the estimated 100 million people in the country. Agriculture also is major source of raw materials for agriculture-led industrialization process, and hence will continue to play a leading role in the transformation of the Ethiopian economy.

Against this background, the Government of Ethiopia (GoE) prepared its second Growth and Transformation Plan (GTP ll) (2015/16-2019/20) to transform the country into a middle-income country by 2025. The GTP II, which is in its final year of implementation, places agriculture at the center of Ethiopia’s transformation agenda, considers it an engine of growth, and acknowledges the sector for its huge potential for job creation especially for the youth in the country.

The GTP II plans to establish 17 Integrated Agro-Industrial Parks (IAIPs), and their satellite Rural Transformation Centres (RTCs) in all regional states, to tap the tremendous opportunities for job creation for the rural youth, and their integration in agro-industrial value chains. Construction of IAIPs and RTCs has already started in Amhara, Tigray, Oromia and SNNP). In response to the twin challenges of job creation (especially for youths) and the required structural transformation in agricultural sector, the GoE is establishing Rural Transformation Centers (RTCs) aligned with strengthening the forward and backward link with the industrial sector.

In the same vein, the GoE has, since 2015, been implementing the second Agricultural Growth Program (AGP II;) which is aimed at increasing agricultural productivity and commercialization of smallholder farmers, and increase dietary diversity and consumption at household level. Although AGP II is also in its final year of implementation, the GoE has succeeded in mobilizing an additional $250 million in additional financing extend it for another three years to 2023.

The UNDP Country Office (CO) has provided support to the GoE’s efforts to accelerate pro-poor economic growth, with agriculture being a key driver of the transformation that has happened during the past years. The UNDP’s support to the development of agriculture sector in Ethiopia has been in supporting policy and institutional capacity development to enhance access to critical productive services, support for increasing the efficiency of marketing systems, and leveraging appropriate technology and practices to demonstrate sustainable options for boosting productivity and income in rural areas. The UNP has also supported policy and diagnostic work, and testing of innovative practices that can facilitate solutions to practical bottlenecks in building effective agricultural value chains. UNDP-assisted programs have also helped increase agricultural productivity by creating enabling environment and facilitating additional knowledge about, and investment in the sector.

UNDP has also been supporting AGP I & II, as well as Agricultural Transformation Agency (ATA) to address structural bottlenecks in the agriculture sector, and has also supported the National Soil Testing Center. Recently, UNDP is working with Ministry of Livestock and Fisheries (MoLF) to enable them lead development and transformation of the livestock sector. The UNP is also, through the Ministry of Industry (MoI), supporting the development of AIP and link this effort with its work in agriculture and livestock.

**Agricultural Development Challenges**

Despite these efforts and the significant achievements that have been realized, Ethiopian agriculture continues to face significant challenges. Among these are:

* 1. **The low productivity of smallholder farmers.** Although smallholder farmers accounted for up to 96 percent of total agricultural production in Ethiopia in 2012/13.[[7]](#endnote-8) Although the agriculture sector has grown by 7 percent per annum between 2000 and 2015, much of this growth came from an increase in the area under cultivation, and investments in the public sector.
  2. **Capacity constraints in the research and extension systems.** Although large investments have been made in public agricultural services, especially extension services, the research and extension systems continue to be plagued by capacity constraints and weak linkages. Furthermore, the quality and coverage of services provided by the agricultural extension system is a major impediment to the achievement of the levels of agricultural productivity in the country.
  3. **Limited access to agricultural inputs.** Given that the agro-dealer network in Ethiopia is small and underdeveloped, cooperative unions are the main distributors of agricultural inputs. However, cooperative unions have significant challenges including weak management and poor facilities, and as such, are limited in the volume of inputs they can provide smallholder farmers.
  4. **Inefficient utilization of irrigation water by smallholder farmers.** Although Ethiopia has over 2 million Ha of irrigated land, most irrigation schemes operate at an average of 30 percent below design capacity, mainly because of poor system design, and water management by farmers, and their water users associations.
  5. **Weak value chains.** The transformation of Ethiopian agriculture from subsistence farming to a market-oriented system faces significant challenges because small farmers often lack market access, have high transaction costs, and inadequate market information, among other problems they encounter. Furthermore, many past interventions in the sector have paid little attention to agribusiness actors, and while the new agro-industrial parks will require stronger linkages with smallholder farmers if they (the parks) will be viable.

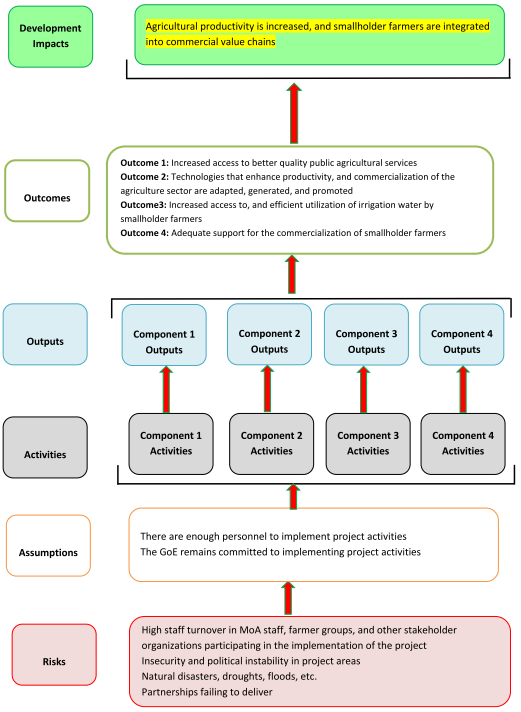
Against this background, the UNDP is launching the Inclusive and Sustainable Agricultural Development Programme Document to help address the above challenges, and provide an integrated program that will help transforming the agriculture sector in Ethiopia, and contribute to effects to alleviate poverty in the country.

# Programme Strategy

**The goal of this project is:** To help transform the agriculture sector, and alleviate poverty in Ethiopia by implementing strategic and integrated interventions across major value chains in the country’s agriculture sector. Toward this end, the project will support smallholder farmers and rural youth to access agricultural and other commercial value chains around the four pilot IAIPs, and their accompanying RTCs, and will focus on four components identified in the AGP II, and which are aligned with the GTP II, as well as UNDAF Pillars 1 (Inclusive growth and structural transformation), 2 (resilience and green economy), and 5 (equality and empowerment).

Given the development context, and various challenges identified above, it is obvious that the transformation of Ethiopian agriculture from a subsistence, rain-fed, smallholder driven system to a commercialized one that is tightly integrated with the IAIPs is a multifaceted challenge that calls for strategic interventions, as well as partnerships between various actors, including the GoE and development partners such as the UNDP. The development of the project’s Theory of Change (ToC) starts off with the acknowledgement of the fact that the project will be implemented in the face of certain risks, as shown in Figure X.

**Theory of Change for Inclusive and Sustainable Agriculture Development**



In particular, the twin risks of high staff turnover in institutions and organizations implementing project activities, as well as the possibility of insecurity and political instability could have adverse effects on the project if they indeed materialize. It is expected that the MoA and its partners will take adequate steps to retain project staff, and that the GoE will continue to secure peace and stability in the country.

The ToC also includes two assumptions which, if invalid, would result in the failure of the project. Specifically, the ToC assumes that enough personnel will be available to implement project activities, and that the GoE remains committed to working with UNDP to implement project activities. In view of the enormous resources that have already been spent on the implementation of the AGP II, and the construction of the IAIPs, and the firm commitment of the GoE to the transformation of Ethiopian agriculture.

The project will implement various activities grouped into the following four components:

1. Increasing access of farmers to quality public and agricultural services
2. Promoting technologies that enhance agricultural productivity
3. Increasing access to, and efficiency of use of irrigation water by smallholder farmers
4. Supporting smallholder farmers to commercialize agriculture

The proposed activities that will be implemented under these components are aimed at supporting smallholder farmers in the catchment areas of the four pilot IAIPs to transition from subsistence to commercial agriculture that is plugged into the value chains that feed into the IAIPs. This way, the smallholder farmers benefit, the long-term sustainability of the IAIPs is guaranteed, and Ethiopia will be in a better position to achieve its national development objectives.

The successful implementation of activities under these will lead to Outputs which will in concert result in the Expected Outcomes and ultimately, over time, the Development Impacts of increased agricultural productivity, and the integration of smallholder farmers into commercial value chains.

# Results and Partnerships

***Expected Results***

The main goal of the project is to help transform support smallholder farmers and rural youth to access agricultural and other commercial value chains with a view to helping transform the agriculture sector, and alleviating poverty in Ethiopia. Toward this end, the project will have four components aligned with the AGP II and GTP Pillars, as well as the UNDAF. As indicated in the above discussion of the Theory of Change, the implementation of activities under each of these four project components will lead to outputs and Outcomes that will ultimately lead to the desired development impact, namely a significant contribution to Ethiopia becoming a middle-income country by 2030.

**Output 1: Increased Access to Better Quality Public Agricultural Services**

Production and productivity of the sector is, however, low which is attributed, among other factors, to inadequate agricultural (crop, livestock, soil and water management and farm implements) technologies, degradation of the natural resource base, climate change induced risks, population pressure and limited capacity of human and physical resources. The National Agricultural Research System (NARS) has been involved in adapting, generating and demonstrating agricultural technologies that enhance food security, supply inputs to agro-industries and generate foreign currency. The technologies have contributed to the growth of the sector and improved livelihood of the farming community.

Soil and water management challenges in Ethiopia include soil degradation (acidity, salinity and loss of nutrients) and workability problems (mainly for heavy soils), inefficient utilization of water resources and poor drainage. Furthermore, increasing climate variability and change is also becoming an important factor. These constraints induce reduction in agricultural productivity and hence should be alleviated through effective use of potential technological interventions including soil, water, crop and landscape management technologies that increase resource and agricultural productivity on a sustainable basis. Possible soil and water management technological interventions include: strengthening soil-test based fertilizer recommendations, promoting integrated and sustainable soil fertility management systems and, verification and scaling up of new blend fertilizer formulations, increasing the water use efficiency of irrigated crops and rehabilitation of degraded lands through the use of multipurpose tree species.

* 1. **Policy Development and Institutional Coordination Strengthened**

Ethiopia has developed various policies and programs for the development of the agriculture sector in the country. Among the most recent ones are the GTP I and II, and the ATP I and II. In addition, the MoANR developed a strategy for the development of the agricultural extension services, including the research-extension linkages. Although significant progress and achievements have been made in the implementation of these policies and programs, there still remain some challenges. For example, the MoANR agricultural extension strategy has called for the restructuring of the Agricultural Development Partners’ Linkage Advisory Council (ADPLAC) which was first created in 2008 to improve linkages and collaboration between actors in the extension service.[[8]](#endnote-9)

Other important policy and institutional development issues include the need for a follow-on program to GTP II, and to identify policy gaps in the agriculture sector. For example, the Ethiopia's Agricultural Sector Policy and Investment Framework (2010 - 2020) called for a strategic review of agricultural water management, and private sector participation in fertilizer production and supply chain, and highlights institutional capacity constraints that adversely affect policy implementation in the country.[[9]](#endnote-10) Given the increasing penetration of information and communications technologies (ICTs) in the lives of more and more people and all aspects of life, this Component will leverage ICTs to support the MoA to institutionalize advisory services to help implement its extension strategy, and thereby increase the effectiveness of the delivery of extension services.

For these reasons, the project will implement the following Activities under this Output:

* + - * 1. Conduct a study to identifying capacity gaps in the implementation of agricultural policies
        2. Develop regulatory guidelines for agricultural mechanization, varieties, germ plasm, and technology imports, as well as manufacturing and distribution through supporting policy dialogs and/or a study on the issues
        3. Revision of the National Agricultural Policy, Strategy and guideline
        4. Support the MoA to institutionalize digital agricultural advisory services to enhance the effectiveness of national agricultural extension strategy.
  1. **Soil Fertility Management Services Strengthened**

Crop production and productivity in Ethiopia is constrained by various soil fertility issues including erosion of the topsoil, depletion of soil organic matter, soil salinity, soil acidity, and depletion of nutrients. For this reason, Ethiopia launched the Ethiopia Soil Information System (EthioSIS) project under the Soil Health and Fertility Program of the Agricultural Transformation Agency (ATA). The EthioSIS project has produced soil fertility and fertilizer recommendations maps for various regions, and the national soil fertility statues and fertilizer recommendation should be ready by August 2019.[[10]](#endnote-11)

Although efforts have been made to address these issues, challenges remain. For example, there is a lack of crop-specific fertilizer recommendations, and limited use of locally tailored solutions to soil fertility problems because of a lack of plant and soil diagnostic tools.[[11]](#endnote-12) For this reason, fertilizer applied in Ethiopia is not as effective as its potential suggests, even though the country uses higher application rates than the average for Sub-Saharan Africa.

Against this background, it is important that Ethiopia has adequate soil testing services to provide farmers and policy-makers with timely and accurate information about the fertility status of the country’s soils. In n particular, there is need to support the National Soil Testing Center (NSTC), which is the heart of the national network of soil testing laboratories. Despite the critical role played by the NSTC, and previous support provided to it by the UNDP, it still has capacity constraints that limit its ability to provide services required of it.

This Output is aimed at strengthening the NSTC to enable it provide the soil, plant, and fertilizer analytical services required of it, and support the development and promotion of its bio-fertilizer product. Such support will enable the NSTC provide fertilizer recommendations that are locality, soil type, crop need, as well as nutrient deficiency. Toward this end, the project will implement the following activities under this Output:

* + - * 1. Revision of soil, plant, water and fertilizer testing manuals
        2. Equip NSTC with new/modern technologies and quality consumables
        3. Build the human resource capacity of NSTC staff through short term and long term training
        4. Identification and promotion of new bio fertilizer strains
        5. Collect and validate control samples and establish sample exchange program with national and select international laboratories
        6. Preparation of Standard Operating Procedure for Mehlich methods
        7. Accreditation of NSTC
        8. Procurement of certified reference materials
        9. Renovation of the NSTC laboratories, offices and greenhouses
  1. **Research-Extension Linkages Strengthened**

Although huge investments have been made in public agricultural services, especially extension, capacity weaknesses and poor linkages continue to hamper their effectiveness. For this reason, the GoE has had a number of initiatives to strengthen research-extension linkages, starting with the creation in 1986 of Research-Extension Liaison Committees (RELCs) at the Federal and Regional levels.8 In 1999, the RELCs were replaced by Research-Extension-Farmers Advisory Councils (REFACs) at Federal, Regional, and Zonal levels to accommodate development actors at all levels, from Federal to Woredas. The last re-organization of the research-extension linkage system in the country was creation of the Agricultural Development Partners’ Linkage Advisory Council (ADPLAC) in 2008 to ensure collaboration among all agriculture sector development actors. Although the ADPLACS were established and strengthened at various levels of the country during AGP I,7 there remain a number of constraints such as weak linkages, poor coordination, and lack of resources and accountability.8

Against this background, the project will implement the following activities to strengthen research-extension linkages:

* + - * 1. Strengthening the existing research-university-extension platforms
        2. Identify, document, and scaling up of best practice on extension packages focused on commercial and market oriented agriculture
        3. Revising the existing extension system to address the challenges of women-headed households, married women and youth in labor and capital endowment
        4. Training of trainers (ToT) programmes for lead extension workers
        5. Holding bi-annual knowledge forums at the Federal, Regional, Zonal, and Woreda levels
        6. Support the publication of quarterly newsletters for all ADPLACS in project Regions to report on progress, and share experiences.

**Output 2: Promoting Technologies that Enhance agricultural productivity**

Although the agriculture sector is the second largest component of the GDP of Ethiopia, employs 73 percent of the workforce,6 and accounts for 70 percent of export earnings,5 its production and productivity is low. This is mainly attributed to inadequate agricultural (crop, livestock, soil and water management and farm implements) technologies and other constraints such as the degradation of the natural resource base, and climate change induced risks.

To alleviate the problem of low technology adoption in agriculture, the National Agricultural Research System (NARS) has been engaged in generating, adapting and demonstrating agricultural technologies to increase the production and productivity of the agriculture sector. These technologies have significantly contributed to the growth of the sector, and helped increase crop yields,[[12]](#endnote-13) and income of farmers.[[13]](#endnote-14) On the other hand, a failure to invest in technologies to improve the productivity of the livestock sector would lead to a deficit of 1,958 million litres of milk (23%) and 1,213 thousand tons of meat (42%) by 2028.7

For these reasons, the AGP-II gives due attention to agricultural research, and one of its components has the objective of adapting, generating and promoting technologies that enhance productivity and commercialization of the sector. In the same vein, this project will help promote technologies that enhance technologies by strengthening FTCs and extension services, support pre-extension demonstrations, and conduct various activities to increase the access of women and youths to technology.

* 1. **FTCs and Extension Services Strengthened**

The extension services in general, and Farmer Training Centers (FTCs) in particular are key in the dissemination of technologies to farmers given that they form the crucial links between the research system and farmers. FTCs serve as an entry point for providing quality extension services, and although there are over 12,000 of them in the country, many face severe constraints that limit their effectiveness and ability to transfer technologies to farmers.8

Among the key challenges facing FTCs include insufficient resources (material and financial), limited knowledge and skills of the Development Agents (DAs) who train farmers, and limited training of farmers. To address these challenges, the project will carry out the following Activities:

* + - * 1. Support the re-structuring of FTCs into farmer-led institutions run by Management Committees
        2. Develop/revise FTC management guidelines
        3. Train FTC Management Committees members in FTC management
        4. Provide the FTCs with material resources such as computers, pico projectors, office equipment and supplies, as well as tools, equipment and teaching aids to support farmer training programs
        5. Organize training programs on agricultural technologies and best practices for FTC staff, DAs, and farmers
        6. Capacity building on agricultural extension policies and programs for child care
        7. Develop guidelines for a pluralistic extension system
        8. Organize video-based training programs on agricultural technologies and best practices for FTC staff, DAs
  1. **Technologies Promoted**

Technology alone will not lead to the development of Ethiopian agriculture, nor will it improve the livelihoods of smallholder farmers. The adoption of technologies by smallholder farmers in Ethiopia is influenced, positively or negatively, by many factors, including access to information.[[14]](#endnote-15) Specifically, lack of information and awareness is a major impediment to the adoption of improved technologies. For this reason, it is important that efforts be made to promote improved technologies to farmers by using a participatory approach which involves farmers early in research demonstrations and the dissemination of new technologies. Furthermore, ICTs such as video can be used to document learnings, and facilitate the training of farmers in new technologies, including climate smart agriculture. Such an approach will not only increase farmer-awareness about the improved technologies, but will also increase uptake of the technologies by farmers, and thereby increase their productivity and incomes. Against this background, the project will implement the following activities to promote improved technologies to smallholder farmers:

* + - * 1. Support on farm pre-extension demonstrations
        2. Distribute improved and new varieties of supplies
        3. Digitally document on farm pre-extension demonstrations for reviews, learnings and documentation
        4. Promoting and implementing climate smart agriculture with video-enabled extension service
        5. Train farmers with video-enabled extension to improve fodder production for live stock
  1. **Access of Women and Youths to Technology Improved**

One of the strategic objectives of the GTP II is to ensure that women and youths actively participate in the development and governance of Ethiopia.19 Despite this commitment both groups face significant challenges in accessing agriculture technologies, and for various reasons. Thus, women face significant challenges in accessing agricultural extension services, the primary pathway for technology transfer to farmers.[[15]](#endnote-16)

In addition, women often endure the consequences of limited supply of farming and agricultural processing technologies, as they do fail to participate effectively and as much as men in the management of small scale irrigation schemes.[[16]](#endnote-17) Similarly, youths in Ethiopia face many challenges in access agricultural technologies. For this reason, the AGP II has emphasized the participation of youths in agricultural development, as does the GTP II. Despite these challenges, ICTs such as videos and mobile phones provide a lot of opportunities to reach and educate women and youths about agriculture.

To help achieve this Output, the project will implement the following activities:

* + - * 1. Conduct a study to identify women- and youths-friendly technologies in each project target Region
        2. Conduct an assessment of the availability of the identified technologies from technology centres and research institutions
        3. Conduct assessment on the needs of rural women and youths in relation to agricultural extension services
        4. Conduct a study to identify labor-, time- and energy-saving technologies that can be easily adopted by women farmers to ultimately generate income for smallholder women farmers
        5. Develop agripreneurship incubation centers
        6. Organize forums (one in each zone and per zone value chain) to help produce appropriate and relevant videos to address the needs of youths and women
        7. Demonstrate and train farmers on pilot technologies with video enabled extension services
        8. Pilot video trainings for the mobile phones of youths
        9. Organize school pilot initiatives on agriculture as business
        10. Use professionally developed videos for training on package and special training provided to functionaries

## Output 3: Increasing Access to, and Efficient Utilization of Irrigation Water by Smallholder Farmers

Smallholder agricultural production in Ethiopia is predominantly rain-fed, and as such, highly vulnerable to the vagaries of the climate such as floods, droughts, and erratic rainfall. Furthermore, the dependence on the summer rains (June to September) means that only a one crop per year is possible. It will thus be very difficult, if not impossible, to achieve the GTP development targets without developing irrigation schemes in the country. Irrigation is an important catalyst for agricultural development because it increases agricultural productivity and cropping intensity (i.e. the number of crops that can be harvested in one year), and can help build resilience to climate change7 Given that Ethiopia has about 5 million Ha of irrigable land, of which only about 2 million hectares (about 16 percent of cultivated land area in 2015) is irrigated, the GoE has made it a priority to develop irrigation in the country. Toward this end, Small Scale Irrigation (SSI) and Rain Water Harvesting (RWH) as well as medium- and large-scale schemes will be developed under AGP II.

Small-scale Irrigation (SSI), which covers schemes of less than 1,000 Ha, has a lot of potential in Ethiopia,[[17]](#endnote-18) and has seen a lot of growth in the past decade or so. Thus, 2.3 million Ha of SSI were developed during GTP I, while another 1.8 million Ha will be developed by the end of GTP II in 2020.19 SSI schemes, however, face a number of challenges, including operational problems, weak capacities in water management and Irrigation Water Use Associations (IWUA),7 as well as the risk of marginalizing women and youths in participating in these schemes. As such, it has been estimated that on average, most SSI schemes operate 30 percent below their design capacities. In addition, Female-Headed Households (FHHs) have much lower rates (2.9 percent) of adoption of irrigation compared to Male-Headed Households (4.8 percent). Against this background, the project aims to address some of the bottlenecks faced in SSI development in the country, with special attention being given to women and youths.

* 1. **SSI Schemes are rehabilitated/improved**

As already pointed out, a major problem faced by many SSI in Ethiopia is the relatively high inefficiency of most schemes; operating at an average of only 70 percent of their design capacities.7 The reasons for this are varied and include incomplete canal structures and other farm-level infrastructure, unreliable, untimely, and inequitable water deliveries to farmers resulting in cropping intensities, and areas under irrigation falling short of design goals. To address these issues, the project will implement the following activities:

* + - * 1. Identify SSIs needing rehabilitation, design intervention strategies based on guidelines from MoAR, and rehabilitate or improve them
        2. Establish irrigation management units for three different SSI schemes and provide with training, capacity building , purchase and installation of state of the art water measuring instruments for efficient utilization of irrigation water
        3. Create youth enterprises to repair and maintain water pumps, and other irrigation-related technologies
        4. Supply improved and hybrid seeds of vegetables to farmers
  1. **Capacities of technical staff and Irrigation Water Use Associations (IWUAs) built**

A major problem encountered by many SSI schemes is the inadequate management capacities of their technical staff (responsible for the management technical aspects of the schemes), and of the IWUAs and their members. Although Ethiopia has had a lot of experience in developing and managing irrigation systems, the cadre of trained technical staff is simply not enough to meet the present needs of SSI development in the country at federal and regional levels.

IWUAs also have significant capacity-constraints including skills in leadership, irrigation water management, legal matters (e.g. dispute resolution), as well as personnel management, record keeping/documentation, and other aspects of organizational management. Although the Ethiopian Parliament in 2014, issued a Proclamation on their establishment and operation a specific and new type of legal entity in the country, many IWUAs are not legally registered because of capacity constraints.

Against this background, the project implements the following activities to build the capacities of irrigation technical staff and IWUAs:

* + - * 1. Strengthen IWUAs by helping them develop by-laws, register their associations, and constitute the management structure of their associations
        2. Produce videos and facilitate video-enabled training to IWUA Committee members on leadership, conflict management, organizational management and finance, as well as irrigation water management (water allocation, water distribution, application methods, etc.), and forest management and protection to improve the water cycle
        3. Train IWUA Committee members on leadership, conflict management, organizational management and finance, as well as irrigation water management (water allocation, water distribution, application methods, etc.), and forest management and protection to improve the water cycle
        4. Train IWUA members on irrigation water management and crop management, as well as protecting and managing forests to improve the water cycle
        5. Train irrigation technical staff on conducting needs assessments, reconnaissance, detailed design, construction management, contract administration, and in irrigation water and systems management
  1. **Increase the benefits of irrigation to women and youths**

As earlier pointed out, women face significant challenges in benefiting from SSI schemes, including their relatively low participation rate in SSIs compared to men.16 In the same vein, youths need to be encouraged to participate strongly in SSI schemes if at all these schemes are going to be equitable, successful, and major contributors to national development efforts. For this reason, the project will implement the following activities to help increase the benefits of SSI schemes to women and youths.

* + - * 1. Conduct a study to identify irrigation and/or other water resource options for female-headed households (FHH) and women in male-headed households (WiMHH)
        2. Conduct capacity building program for regional and Woreda level implementers on how to make rural women beneficiaries assisted
        3. Provide women- and youths-focused training programs (including video-enabled training) on IWUAs, and irrigation management
        4. Provide easily implementable irrigation technologies for women and youths

## Output 4: Adequate Support for the Commercialization of Smallholder Farmers

A key pillar of the agricultural development strategy of the GoE is the transformation of Ethiopian agriculture from a subsistence and rain-fed system to a market-oriented production system. The task daunting because smallholder farmers who form the backbone of Ethiopian agriculture face many challenges, low productivity of their crops and livestock, lack of market access, distorted market prices, inadequate market information, high transaction cost, shortage of working capital and underdeveloped and unreliable infrastructure. Many past interventions have too often paid little attention to agribusiness actors (input suppliers, intermediaries, buyers and processors), focusing too much on increasing farmer production and productivity.

These inadequacies of past interventions motivated the GoE and development partners to take a different approach by improving agricultural market conditions. Toward this end, the GoE and partners supported farmer cooperatives and unions to improve their competitiveness and the bargaining powers of farmers, and used a holistic approach which involves all actors in the value chains. It is against this background that AGP II has as one of its components support for the commercialization of smallholder farmers. Specifically, this will involve activities such as supporting the agricultural input supply system, supporting agribusiness development, and establishing and strengthening farmers’ organizations. It is in this vein that the project will implement various activities to provide adequate support to the commercialization of smallholder farmers.

* 1. **Agribusiness Actors Supported towards IAIPs Development**

In line with the approach used by AGP I, six Value Chains (VCs) were defined by the AGP II, using criteria such as having a proper balance between commodities, availability of input supplies for the commodity, ownership and commitment of VC actors, and gender issues. A total of six VCs ranging from cereals (*teff*, wheat, maize, barley and sorghum) and fruits (banana and mango) to livestock and stimulants (coffee) were defined by the AGP II. Furthermore, the agribusiness actors in the various VCs were to be supported in four areas, including trade fairs and promotional campaigns, and facilitating linkages among agribusiness actors’ organizations. AGP II also includes a sub-component for market infrastructure development and management to help address the negative impact of lack of market centers and marketing facilities for storage, drying, grading, and packaging on linkages between farmers and markets.

Against this background, the project will implement a number of activities to help strengthen agribusiness actors and thereby increase their participation and effectiveness in the VCs. In this regard, the project will focus on strengthening agribusiness actors in select VCs that are not yet developed and are linked to the four pilot Integrated Agro-Industrial Parks (IAIPs). The project will also support the formation of Farmer Production Clusters (FPCs) to cluster farmers to improve practices and increase commercialization. In its pilot year (2018), the Agricultural Transformation Agency (ATA) of Ethiopia established 13 thousand clusters for 566 thousand farmers cultivating in 236 thousand hectares in 167 Woredas.

Particular attention will also be given to the Rural Transformation Centers (RTCs),[[18]](#endnote-19) which will serve as the aggregation points to collect products from within a 100 Km of the IAIP, as well as women and youths. The final list of VCs to be supported will be decided on at the start of project implementation, but the activities to be conducted will be as follows:

* + - * 1. Promote and strengthen existing women and youths agribusiness associations (agribusiness cooperatives, entrepreneurs, etc.) through training programs (including video-enabled training) on agribusiness, entrepreneurism, business management and similar topics
        2. Leverage ICT (community radio and SMS) to support the development of market information systems
        3. Provide video-enabled training on storage at the household and cooperatives levels
        4. Provide technical support and training programs (including video-enabled training) to small scale livestock and poultry producers
        5. Help establish and support RTCs through training programs, and link them to agribusiness actors
        6. Support the establishment of Farmer Production Clusters (FPCs)
  1. **Enhanced participation of women and youths in value chains**

Women and youth empowerment is one of the key objectives of GTP II of the GoE. Specifically, GTP II calls for ensuring that women and youths participate and benefit equally in the political, economic and social development of the country. Toward this end, GTP II also calls for empowering women and youths and creating an enabling environment to ensure they fully play their pivotal roles in national development.*[[19]](#endnote-20)* During the GTP II plan period, 10.1 million women will be engaged in agricultural activities, representing a 50 percent increase from the level at the start of the program (2014/15). Similarly, the GTP II aims to increase youth participation in agriculture by engaging 4.3 million youths over the plan period.

In view of the large pool of youths in the country, and the critical roles both women and youths can play in agricultural development in the country, as well as the agriculture VCs, it is imperative that they be supported to continue to play important roles in the VCs. The value of supporting women and women’s groups in the VCs has been amply demonstrated by previous interventions, including a UN project in Afar and Oromia regions in 2014.[[20]](#endnote-21) The five-year project works with cooperatives and provided women with labor-saving tractors and trained them in crop husbandry leading to higher crop yields on their farms and increased income. In addition to over 2,000 direct beneficiaries of the project, 14,000 family members and 32,000 community members benefited indirectly from it.

For these reasons, the project will implement the following activities to enhance the participation of women and youths in the VCs:

* + - * 1. Create and/or support cooperative groups for women and youths
        2. Support the promotion and distribution of improved agricultural input, especially for rural women and youth farmers
        3. Establish and build the capacities of women and youth common interest group (CIGs)
        4. Improve market access through development of market infrastructure and management for rural women and youths farmers
        5. Train youths and women in entrepreneurship and micro-finance
        6. Pilot digital input demand aggregation app to facilitate timely distribution of improved agricultural inputs
        7. Pilot Web-based platform to widely access information on availability of marketable inputs at union/coop level
  1. **Capacities of Cooperative Societies Built**

Ethiopia has seen a tremendous increase in the number of cooperatives in the country since 1994, when government revised policies and regulations governing their formation.[[21]](#endnote-22) By 2012, the number primary cooperatives in the country reached 43,256 with 6.5 million members, 21.5 percent of whom were female. Similarly, 36 percent of smallholder farmers were members of an agricultural cooperative in 2012, compared to 9.1 percent in 2005. Although many cooperatives have women members, they constitute relatively small proportions of the membership of these organizations. While the proportion of female members of primary cooperatives is an average of 2.15 percent nationally, agricultural cooperatives have an average of 12 percent female membership.21

Cooperatives can play an important role in agricultural development in Ethiopia by, for example, linking smallholder farmers to input and produce markets.7 However, they are often hampered by weak management and facilities, thus severely limiting the amount of agricultural output they can handle. In addition, they often face significant financial constraints, as well as low motivation and involvement of their members in the affairs of the organizations.21 Other challenges faced by cooperatives in Ethiopia are lack of awareness and poor governance, as well as inadequate support and weak regulation and supervision.[[22]](#endnote-23) A major factor in this regard is the fact that the Federal Cooperative Agency (FCA) as well as regional cooperative promotion agencies/bureaus themselves have their own capacity constraints, and hence are restricted in their abilities to regulate and supervise cooperatives.

Against this background the project will implement the following activities:

* + - * 1. Conduct training programs (including video-enabled training) for leaders of primary cooperatives and cooperative unions on cooperatives management, leadership, and other relevant topics
        2. Provide members of cooperative societies with training (including video-enabled training) on cooperative management, as well as the role and responsibilities of cooperative members
        3. Support the FCA to establish a National Center of Excellence for cooperatives to provide advanced training on cooperatives management
        4. Support women and youths to form new cooperatives
        5. Provide women and youth members of cooperatives with special training (including video-enabled training) programs to increase their participation in the management of the cooperatives and help them take up leadership positions in these organizations.

**Resources Required to Achieve the Expected Results**

Given the nature of the proposed interventions of the project, the key resources required to achieve the expected results will include human, material, and financial resources. In terms of human resources, the project will need project management staff, and the services of staff of implementing partners in various government agencies and non-governmental organizations. UNDP staff will also be required to oversee the implementation of the project. In addition, the project will need consultants to conduct various studies, and resource persons to organize various training programs.

With regards to material resources, the project will procure office equipment, laboratory reagents, equipment and supplies for the National Soil Testing Center. The project will also need material resources to rehabilitate Small-Scale Irrigation (SSIs) schemes which will also be provided irrigation and water management equipment. The project will also need financial resources for its implementation, as shown in detailed budget of all project expenses in Appendix XX.

***Resources Required to Achieve the Expected Results***

***Partnerships***

The project will be implemented by the UNDP Ethiopia CO in partnership with the Ministry of Agriculture (MoA) of the Federal Democratic Republic of Ethiopia. The primary role of the UNDP would be to mobilize funding for the project, and provide backstopping support in terms of the management of project funds and in procurement. The UNDP CO will also work with other government agencies, NGOs and development partners as and when required to ensure the smooth implementation of the project. The MoA is the key partner GoE agency for the implementation of the project and would be responsible for helping the project implement its activities in collaboration with other partners. The MoA is also expected to provide in-kind support to the project by providing office space and facilities to project staff based in MoA agencies to implement project activities.

MoA Departments and affiliated Agencies, as well as other GoE agencies will also play key roles in the implementation of the project. For example, the project will work with the Agricultural Extension Directorate of the MoA to build the capacities of the FTCs and farmers. The project will also work with the Agricultural Transformation Agency (ATA) to establish additional Farmer Production Clusters (FPCs), and with the NSTC to rehabilitate and equip its laboratories, offices, and greenhouses. In the same vein, the project will work with the Federal Cooperatives Agency (FCA) to build the capacities of cooperative unions and societies, as well as their individual members.

Other partners of the project will include various development partners, NGO’s as well as cooperatives which will help implement activities such as training programs for their members. The project will also work with Digital Green Ethiopia (an NGO working with the MoA to develop educational videos for training) to build capacities of extension workers through videos, and with the MFIs to build capacities of farmer cooperatives and organizations.

***Risks and Assumptions***

The successful implementation of the project is going to depend on to what extent the various risks it faces are mitigated, and the assumptions underlying it are valid, as indicated in the Theory of Change (ToC). As shown in the risk analysis matrix in Annex 0 the main risks that the project will face are high staff turnover, insecurity and political instability, natural disasters, the failure of partners to deliver on their obligations, and failure to mobilize adequate resources from development partners. The project will be seriously impaired if there is a high turnover of staff, especially those on the ground implement it. Although the challenges faced by extension workers and other field staff are well known and significant, UNDP will work with the MoA and other implementing partners to ensure that staff turnovers are minimized during the implementation of the project.

Another important risk that the project will face is the climate of insecurity and political instability that exists parts of the country. UNDP and the project will keep a close eye on the security situation, and make necessary adjustments to ensure the successful implementation of the project. In this regard, the UNDP and the project will work close with the GoE to ensure the safety of project staff and properties. Natural disasters are an important risk to the successful implementation of the project. Thus, disasters such as droughts and floods can seriously imperil the project, and as such, the project will be implemented with the full cognizance of, and in compliance with the national policy and strategy on disaster risk management.[[23]](#endnote-24)

The fourth risk that the project will face is the risk of the failure of the implementing partners to deliver on their assigned responsibilities. The fact that the UNDP has had a long and fruitful working relationship with the GoA and its Ministries, Departments and Agencies (MDAs), including the MoA and other government agencies it will partner with is adequate proof that this risk is minimal.

The successful implementation of the project will also depend on the validity of two assumptions that form the basis of its ToC. Specifically, the project assumes there will be enough personnel to implement project activities, and that the GoE will remain committed to its successful implementation. As discussed earlier, it is expected that the GoE will provide enough personnel and resources to ensure the successful implementation of the project.

***Stakeholder Engagement***

The successful implementation of the project will largely depend on the extent to which it is able to effectively engage the various stakeholders that will be involved in it. The key stakeholders of the project are as follows:

* + - * 1. Government agencies, especially the MoA and its agencies at Regional, Zonal, and Woreda levels. Other government agencies are the Agricultural Transformation Agency (ATA), and the Federal Cooperative Agency (FCA)
        2. The Integrated Agro-Industrial Parks
        3. Primary cooperatives and cooperative unions
        4. Farmer associations, including Irrigation Water Use Associations (IWUA)
        5. Women and youth groups and associations
        6. Individual farmers
        7. Development partners and NGOs
        8. Private sector operators (e.g. input distributors)
        9. Institute of Agricultural Research

The project will use various methods and strategies to ensure that these stakeholders and beneficiaries of its activities are effectively engaged in its implementation. Already, the development of the project document used a highly consultative and participatory approach, with individual and group interviews conducted around the country to solicit information and suggestions about the project’s activities. In addition, a workshop of XX participants, was organized into four working groups to review the first draft of the project document and provide their comments and suggestions on it.

In the same vein, the project will conduct a Local Project Appraisal Committee meeting for its formal launch, followed by similar meetings at Regional and Zonal levels to increase awareness and ownership of the project by stakeholders. In view of the fact that the project will use community radio and SMS to implement market information systems, these outlets will also help, and be used to increase engagement with its stakeholders. Similarly, the Web-based platform that will be developed by the project will also be used to increase and strengthen its engagement with stakeholders.

***South-South and Triangular Cooperation (SSC/TrC)***

The project may have South-South and Triangular Cooperation aspect that will be further elaborated at a later stage

***Knowledge***

The project will produce many and varied knowledge products by virtue of the fact that training and capacity building would be important activities, and that it will be conducting studies, as well as producing videos and programs on community radio. These products will not only help train and build the capacities of many project beneficiaries, they will help increase the visibility of the project in the public. In the same vein, the Web-based platform that the project will create will facilitate the sharing of knowledge and increase the visibility of the project.

***Sustainability and Scaling Up***

The project is designed to ensure the sustainability and scaling up of its activities. Thus, the project activities are all anchored in national development priorities articulated in the GTP II, AGP II, as well as the UNDAF and UNDP CPD, all of them for 2016-2020. Although these are all due to end in 2021, it can be expected that their follow on programs will build on their achievements as this project is designed to do. Furthermore, the fact that some of the project’s activities will be pilot programs means that subsequent programs can build on the project activities, further ensuring their sustainability.

It is also expected that the project activities will be scaled up to other parts of the country where they prove to be successful. Furthermore, the fact that thrust of the project is on supporting the commercialization of smallholder farmers’ agriculture in areas around the four pilot IAIPs means that the successes of the project can be scaled up once the planned 13 additional IAIPs are built, and more value chains developed around the country. Finally, the project activities are also aimed at helping Ethiopia achieve the SDGs through its GTP and AGP. For this reason, the activities will continue to be relevant to the global development agenda, and hence would be prime candidates for getting continued support from Ethiopia’s development partners.

1. **Project Management**

***Cost Efficiency and Effectiveness***

The project design was based on a careful and participatory assessment of previous UNDP experience in the country implementing development projects, as well as future policy directions, and development challenges. It is expected that the multiple initiatives comprised under this programme require considerable coordinating efforts. Hence, the implementation modality is to establish a multiyear programme funding approach that provides more flexible, coordinated, and predictable funding to support the achievement of the programme outputs discussed above. It enables the GoE/MoA to implement multiyear interventions with in the programme cycle according to agreed operating procedures for procurement and financial management. This helps to avoid any duplication of operating procedures, implementation delays and minimize transaction costs.

The project will also leverage UNDP’s previous and on-going partnerships with the GoE and other stakeholders to mobilize resources and ensure its efficient and effective implementation. The programme is open for contribution from interested development partners philanthropic, organizations, non-traditional sources as well as private sector organizations. This helps streamline and facilitate efforts channelling donor contributions through one mechanism. pooling of resources mitigates risks, increases visibility and transparency thereby improving the efficiency and effectiveness of the programme. At the operational level, the project will use the UNDP’s procurement system to ensure the efficient use of resources, and to ensure that the procurement of goods and services are done in a manner that conforms to the rules and regulations of the UNDP.

***Project Management***

The UNDP country office in partnership with the Ministry of Agriculture as “Implementing Partner” will implement this programme entitled “**Inclusive and Sustainable Agriculture Development**.” Ministry of Finance (MoF) will be responsible for an overall project implementation oversight and required coordination among relevant ministries/institutions. UNDP will administer the programme funds in accordance with UNDP regulations, rules, directives as well as in accordance with the Programme Implementation Manual (PIM) [[24]](#footnote-2). The Programme Fund will be subject to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to UNDP. MoA will go through harmonized approach to cash transfer (HACT) micro assessment to ensure capacity in organizational management, internal control mechanisms, financial position as well as accounting, financial, and audit frameworks are in place.

All financial accounts and statements will be expressed in United States dollars. UNDP will make disbursements from the Fund Account in accordance with instructions from MoA. As Fund Administrator, UNDP will provide funding partners with the following reports:

* Certified annual financial statement (“Source and Use of Funds” as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year.
* Certified final financial statement (“Source and Use of Funds”) to be provided no later than seven months (31 July) of the year following the financial closing of the Fund.

1. **Results Framework**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:**  **UNDAF OUTCOME 1: By 2020 Ethiopia has achieved robust and inclusive growth in agricultural production, productivity and commercialization of the agricultural sector** | | | | | | | | | |
| **Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:**  **Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.** | | | | | | | | | |
| **Applicable Output(s) from the UNDP Strategic Plan: By 2021, UNDP wants to catalyse tangible progress on Eradicating poverty in all its forms and dimensions and keeping people out of poverty.** | | | | | | | | | |
| **Project title and Atlas Project Number:** | | | | | | | | | |
| **EXPECTED OUTPUTS** | **OUTPUT INDICATORS** | **DATA SOURCE** | **BASELINE** | | **TARGETS (by frequency of data collection)** | | | | **DATA COLLECTION METHODS & RISKS** |
| **VALUE** | **YEAR** | **Dec. 2019** | **Dec. 2020** | **Dec. 2021** | **FINAL** |
| **Component 1: Improved Access to Better Quality Agricultural Services** |  |  |  |  |  |  |  |  |  |
| Output 1.1. Policy Development and Institutional Coordination Strengthened | Report on study identifying capacity gaps in the implementation of agricultural policies | Project Reports | 0 | 2019 |  |  |  |  |  |
| Regulatory guidelines for agricultural mechanization, varieties, germ plasm, and technology imports, as well as manufacturing and distribution | Project Reports | 0 | 2019 |  |  |  |  |  |
| Publication of a Revised National Agricultural Policy and Strategy | Project Reports | 0 | 2019 |  |  |  |  |  |
| Report on the institutionalization of digital agricultural advisory services in the MoA’s extension services | Project Reports | 0 | 2019 |  |  |  |  |  |
| Output 1.2. Soil Fertility Management Strengthened | Soil, plant, water and fertilizer testing manuals published | Project Reports | 0 | 2019 |  |  |  |  |  |
| Technologies and consumables provided | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of NSTC staff trained, and the types of training they had | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of bio fertilizer strains identified and promoted | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of control samples collected, number of sample exchange programs established | Project Reports | 0 | 2019 |  |  |  |  |  |
| Standard Operating Procedure prepared | Project Reports | 0 | 2019 |  |  |  |  |  |
| NSTC accredited | Project Reports | 0 | 2019 |  |  |  |  |  |
| Certified reference materials procured | Project Reports | 0 | 2019 |  |  |  |  |  |
| NSTC laboratories, offices, and greenhouses renovated | Project Reports | 0 | 2019 |  |  |  |  |  |
| Output 1.3: Research-Extension Linkages Strengthened | Activities conducted to strengthen research-university-extension platforms | Project Reports | 0 | 2019 |  |  |  |  |  |
| Report on the revisions conducted on the existing extension systems to address the challenges of women-headed households, married women, and youths in labor and capital endowment | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of lead extension workers trained in ToT programs | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of knowledge exchange forum participants, and number of forums held at Federal, Regional, Zonal, and Woreda levels | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of quarterly newsletters published | Project Reports | 0 | 2019 |  |  |  |  |  |
| **Component 2: Technologies that enhance productivity of the agriculture sector are adapted, generated, and promoted** |  |  |  |  |  |  |  |  |  |
| Output 2.1: FTC and Extension Services Strengthened | Number of FTCs restructured | Project Reports | 0 | 2019 |  |  |  |  |  |
| FTC management guidelines revised or developed | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of FTC Management Committee members trained | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of FTCs provided with material resources (computers, office equipment and supplies, as well as tools and teaching aids), and the type of materials supplied | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of training programs organized, as well as number and types of participants. | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of people trained on agricultural extension policies and programs for child care | Project Reports | 0 | 2019 |  |  |  |  |  |
| Guidelines for a pluralistic extension system developed | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of video-based training programs conducted and number of participants | Project Reports | 0 | 2019 |  |  |  |  |  |
| Output 2.2. Technologies Promoted | Number of on-farm pre-extension demonstrations supported, as well as number and types of participants, and technologies demonstrated | Project Reports | 0 | 2019 |  |  |  |  |  |
| Amount of new and improved varieties supplied to farmers and number and distribution of beneficiaries | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of videos produced and subjects covered | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of video-enabled extension programs on climate-smart agriculture implemented | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number and distribution of farmers trained on fodder production using videos | Project Reports | 0 | 2019 |  |  |  |  |  |
| Output 2.3: Access of Women and Youths to Technology Improved | Report on women- and youths-friendly technologies identified | Project Reports | 0 | 2019 |  |  |  |  |  |
| Report on assessment of the availability of technologies identified from technology centers and research institutions | Project Reports | 0 | 2019 |  |  |  |  |  |
| Report on assessment of the needs of rural women and youths in relation to agricultural extension services | Project Reports | 0 | 2019 |  |  |  |  |  |
| Report on labor-, time- and energy-saving technologies that can be easily adopted by women farmers | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of agripreneurship incubation centers established | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number and distribution forums organized, as well as the number, types and distribution of participants | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of demonstrations held, and number of farmers trained | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of videos downloaded, and number of youths reached | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of school pilot initiatives created | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of videos produced, and people trained using them | Project Reports | 0 | 2019 |  |  |  |  |  |
| **Component 3: Increased Access to, and Efficient Utilization of Irrigation Water by Smallholder Farmers** |  |  |  |  |  |  |  |  |  |
| Output 3.1.: SSI Schemes are Rehabilitated/  Improved | Report on SSIs needing rehabilitation, designs of intervention strategies | Project Reports | 0 | 2019 |  |  |  |  |  |
| Report on establishment of irrigation management units, training and capacity building provided to them, and number of beneficiaries | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of youth enterprises created, number of members, and equipment repaired | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number and amount of improved and hybrid seeds supplied to farmers | Project Reports | 0 | 2019 |  |  |  |  |  |
| Output 3.2.: Capacities of Technical Staff and IWUAs Built | Number of IWUAs established | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of videos produced, as well as number and distribution of trainees | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of IWUA Committee members trained | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of IWUA members trained | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of IWUA technical staff trained | Project Reports | 0 | 2019 |  |  |  |  |  |
| Output 3.3: Increase the benefits of Irrigation to Women and Youths | Report on study to identify irrigation and/or other water resources options for female headed households and women in men-headed households | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of beneficiaries of the training programs | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of women and youths trained on IWUAs and irrigation management | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number and types of irrigation technologies provided to women and youths, and number beneficiary women and youths | Project Reports | 0 | 2019 |  |  |  |  |  |
| **Component 4.: Adequate support for the commercialization of smallholder farmers** |  |  |  |  |  |  |  |  |  |
| Output 4.1.: Agribusiness Actors Supported | Number of women and youths agribusiness associations promoted and strengthened, and number of members affected | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of ICT (community radio and SMS) programs developed and beneficiaries | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of videos produced, as well as the audience size and distribution | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of producers provided technical support | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of RTCs established and linked to agribusiness actors | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of FPCs established, number of farmers in FPCs, are cultivated by FPCs | Project Reports | 0 | 2019 |  |  |  |  |  |
| Output 4.2.: Enhanced participation of women and youths in value chains | Number of women and youths cooperative groups created and/or supported and their beneficiaries | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number/volume and types of improved agricultural input promoted and distributed | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of women and youths and CIGs whose capacities are built | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of women and youths trained in entrepreneurship and micro-finance | Project Reports | 0 | 2019 |  |  |  |  |  |
| Demand aggregation app developed; number and distribution of users | Project Reports | 0 | 2019 |  |  |  |  |  |
| Web-based platform developed; number and distribution of users | Project Reports | 0 | 2019 |  |  |  |  |  |
| Output 4.3.: Capacities of Cooperative Societies Built | Number of training programs provided, and number of beneficiaries from primary cooperatives and cooperative unions | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of cooper societies members provided training | Project Reports | 0 | 2019 |  |  |  |  |  |
| Establishment of a National Center of Excellence for cooperatives | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of new women and youths cooperatives formed | Project Reports | 0 | 2019 |  |  |  |  |  |
| Number of women and youths trained in cooperatives management and successful in getting leadership positions in cooperatives | Project Reports | 0 | 2019 |  |  |  |  |  |

# Monitoring And Evaluation

**Monitoring Plan**

| **Monitoring Activity** | **Purpose** | **Frequency** | **Expected Action** | **Partners**  **(if joint)** | **Cost**  **(if any)** |
| --- | --- | --- | --- | --- | --- |
| Track results progress | Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs | Quarterly, or in the frequency required for each indicator. | Slower than expected progress will be addressed by project management. | UNDP, MoA, implementing partners | Project staff cost |
| Monitor and Manage Risk | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP’s Social and Environmental Standards. Audits will be conducted in accordance with UNDP’s audit policy to manage financial risk | Quarterly | Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. | UNDP, MoA, implementing partners | Project staff cost |
| Learn | Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project | At least annually | Relevant lessons are captured by the project team and used to inform management decisions. | UNDP, MoA, implementing partners | Project staff cost |
| Annual Project Quality Assurance | The quality of the project will be assessed against UNDP’s quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project. | Annually | Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance. | UNDP, MoA, implementing partners | Project staff cost |
| Review and Make Course Corrections | Internal review of data and evidence from all monitoring actions to inform decision making. | At least annually | Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections. | UNDP, MoA, implementing partners | Project staff cost |
| Project Report | A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period. | Annually, and at the end of the project (final report) |  | UNDP, MoA, implementing partners | Project staff cost |
| Project Review (Project Board) | The project’s governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project’s final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. | Specify frequency (i.e., at least annually) | Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified. | UNDP, MoA, implementing partners | Project staff cost |

**Evaluation Plan[[25]](#footnote-3)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Evaluation Title** | **Partners (if joint)** | **Related Strategic Plan Output** | **UNDAF/CPD Outcome** | **Planned Completion Date** | **Key Evaluation Stakeholders** | **Cost and Source of Funding** |
| Mid-Term Evaluation | UNDP, MoA |  |  |  |  |  |
| Terminal Evaluation | UNDP |  |  |  |  |  |
| Audit | UNDP |  |  |  |  |  |

# Multi-Year Work Plan[[26]](#footnote-4)

*All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.*

| **EXPECTED OUTPUTS** | **PLANNED ACTIVITIES** | **Planned Budget by Year** | | | **RESPONSIBLE PARTY** | **PLANNED BUDGET** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Y1** | **Y2** | **Y3** | **Funding Source** | **Budget Description** | **Amount** |
| **Component 1: Improved Access to Better Quality Agricultural Services** |  |  |  |  |  |  |  |  |
| Output 1.1. Policy Development and Institutional Coordination Strengthened | 1. Conduct a study to identifying capacity gaps in the implementation of agricultural policies |  |  |  |  |  |  |  |
| 1. Develop regulatory guidelines for agricultural mechanization, varieties, germ plasm, and technology imports, as well as manufacturing and distribution through supporting policy dialogs and/or a study on the issues |  |  |  |  |  |  |  |
| 1. Revision of the National Agricultural Policy and Strategy |  |  |  |  |  |  |  |
| 1. Support the MoA to institutionalize digital agricultural advisory services to enhance the effectiveness of national agricultural extension strategy |  |  |  |  |  |  |  |
| MONITORING |  |  |  |  |  |  |  |
|  | | | | | | |  |
| Output 1.2: Soil Fertility Management Services Strengthened  *Gender marker:* | 1. Revision of soil, plant, water and fertilizer testing manuals |  |  |  |  |  |  |  |
| 1. Equip NSTC with new/modern technologies and quality consumables |  |  |  |  |  |  |  |
| 1. Build the human resource capacity of NSTC staff through short term and long term training |  |  |  |  |  |  |  |
| 1. Identification and promotion of new bio fertilizer strains |  |  |  |  |  |  |  |
| 1. Collect and validate control samples and establish sample exchange program with national and select international laboratories |  |  |  |  |  |  |  |
| 1. Preparation of Standard Operating Procedure for Mehlich methods |  |  |  |  |  |  |  |
| 1. Accreditation of NSTC |  |  |  |  |  |  |  |
| 1. Procurement of certified reference materials |  |  |  |  |  |  |  |
| 1. Renovation of the NSTC laboratories, offices, and greenhouses |  |  |  |  |  |  |  |
| MONITORING |  |  |  |  |  |  |  |
| **Sub-Total for Output 1.1** | | | | | | |  |
| **Output 1.3: Research-Extension Linkages Strengthened**  *Gender marker:* | 1. Strengthening the existing research-university-extension platforms |  |  |  |  |  |  |  |
| 1. Identify, document, and scaling up of best practice on extension packages focused on commercial and market oriented agriculture |  |  |  |  |  |  |  |
| 1. Revising the existing extension system to address the challenges of women-headed households, married women and youth in labor and capital endowment |  |  |  |  |  |  |  |
| 1. Training of trainers (ToT) programmes for lead extension workers |  |  |  |  |  |  |  |
| 1. Holding bin-annual knowledge forums at the Federal, Regional, Zonal, and Woreda levels |  |  |  |  |  |  |  |
| 1. Support the publication of quarterly newsletters for all ADPLACS in project Regions to report on progress, and share experiences. |  |  |  |  |  |  |  |
| MONITORING |  |  |  |  |  |  |  |
| **Component 2.: Technologies that enhance productivity of the agriculture sector are adapted, generated, and promoted** |  |  |  |  |  |  |  |  |
| Output 2.1.: FTCs and Extension Services Strengthened | 1. Support the re-structuring of FTCs into farmer-led institutions run by Management Committees |  |  |  |  |  |  |  |
| 1. Develop/revise FTC management guidelines |  |  |  |  |  |  |  |
| 1. Train FTC Management Committees members in FTC management |  |  |  |  |  |  |  |
| 1. Provide the FTCs with material resources such as computers, pico projectors, office equipment and supplies, as well as tools, equipment and teaching aids to support farmer training programs |  |  |  |  |  |  |  |
| 1. Organize training programs on agricultural technologies and best practices for FTC staff, DAs, and farmers |  |  |  |  |  |  |  |
| 1. Capacity building on agricultural extension policies and programs for child care |  |  |  |  |  |  |  |
| 1. Develop guidelines for a pluraslistic extension system |  |  |  |  |  |  |  |
| 1. Organize video-based training programs on agricultural technologies and best practices for FTC staff, DAs |  |  |  |  |  |  |  |
| Output 2.2.: Technologies Promoted | 1. Support on farm pre-extension demonstrations |  |  |  |  |  |  |  |
| 1. Distribute improved and new varieties of supplies |  |  |  |  |  |  |  |
| 1. Digitally document on farm pre-extension demonstrations for reviews, learnings and documentation |  |  |  |  |  |  |  |
| 1. Promoting and implementing climate smart agriculture with video-enabled extension service |  |  |  |  |  |  |  |
| 1. Train farmers with video-enabled extension to improve fodder production for live stock |  |  |  |  |  |  |  |
| Output 2.3.: Access of Women and Youths to Technology Improved | 1. Identify the needs of women- and youths-friendly technology as per the regions |  |  |  |  |  |  |  |
| 1. Assess the availability of the identified technologies from technology centres and research institutions |  |  |  |  |  |  |  |
| 1. Conduct assessment on the needs of rural women and youths in relation with agricultural extension services |  |  |  |  |  |  |  |
| 1. Conduct a study to identify labor-, time- and energy-saving technologies that can be easily adopted by women farmers to ultimately generate income for smallholder women farmers |  |  |  |  |  |  |  |
| 1. Develop agripreneurship incubation centers |  |  |  |  |  |  |  |
| 1. Organize forums (one in each zone and per zone value chain) to help produce appropriate and relevant videos to address the needs of youths and women |  |  |  |  |  |  |  |
| 1. Demonstrate and train farmers on pilot technologies with video enabled extension services |  |  |  |  |  |  |  |
| 1. Pilot video trainings for the mobile phones of youths |  |  |  |  |  |  |  |
| 1. Organize school pilot initiatives on agriculture as business |  |  |  |  |  |  |  |
| 1. Use professionally developed videos for training on package and special training provided to functionaries |  |  |  |  |  |  |  |
| MONITORING |  |  |  |  |  |  |  |
| **Component 3.: Increased Access to, and Efficient Utilization of Irrigation Water by Smallholder Farmers** |  |  |  |  |  |  |  |  |
| Output 3.1.: SSI Schemes are Rehabilitated/Improved | 1. Identify SSIs needing rehabilitation, design intervention strategies based on guidelines from MoAR, and rehabilitate or improve them |  |  |  |  |  |  |  |
| 1. Establish irrigation management units for three different SSI schemes and provide with training, capacity building , purchase and installation of state of the art water measuring instruments for efficient utilization of irrigation water |  |  |  |  |  |  |  |
| 1. Create youth enterprises to repair and maintain water pumps, and other irrigation-related technologies |  |  |  |  |  |  |  |
| 1. Supply improved and hybrid seeds of vegetables to farmers |  |  |  |  |  |  |  |
| MONITORING |  |  |  |  |  |  |  |
| Output 3.2.: Capacities of technical staff and IWUAs built | 1. Establish IWUAs by helping them develop by-laws, register their associations, and constitute the management structure of their associations |  |  |  |  |  |  |  |
| 1. Produce videos and facilitate video-enabled training to IWUA Committee members on leadership, conflict management, organizational management and finance, as well as irrigation water management (water allocation, water distribution, application methods, etc.), and forest management and protection to improve the water cycle |  |  |  |  |  |  |  |
| 1. Train IWUA Committee members on leadership, conflict management, organizational management and finance, as well as irrigation water management (water allocation, water distribution, application methods, etc.), and forest management and protection to improve the water cycle |  |  |  |  |  |  |  |
| 1. Train IWUA members on irrigation water management and crop management, as well as protecting and managing forests to improve the water cycle |  |  |  |  |  |  |  |
| 1. Train irrigation technical staff on conducting needs assessments, reconnaissance, detailed design, construction management, contract administration, and in irrigation water and systems management |  |  |  |  |  |  |  |
| MONITORING |  |  |  |  |  |  |  |
| Output 3.3.: Increase the benefits of irrigation to women and youths | 1. Conduct a study to identify irrigation and/or other water resource options for female-headed households (FHH) and women in male-headed households (WiMHH) |  |  |  |  |  |  |  |
| 1. Conduct capacity building program for regional and Woreda level implementers on how to make rural women beneficiaries assisted |  |  |  |  |  |  |  |
| 1. Provide women- and youths-focused training programs on IWUAs, and irrigation management |  |  |  |  |  |  |  |
| 1. Provide easily implementable irrigation technologies for women and youths |  |  |  |  |  |  |  |
| MONITORING |  |  |  |  |  |  |  |
| **Component 4: Adequate Support for the Commercialization of Smallholder Farmers** |  |  |  |  |  |  |  |  |
| Output 4.1.: Agribusiness Actors Supported | 1. Promote and strengthen existing women and youths agribusiness associations (agribusiness cooperatives, entrepreneurs, etc.) through training programs (including video-enabled training) on agribusiness, entrepreneurism, business management and similar topics |  |  |  |  |  |  |  |
| 1. Leverage ICT (community radio and SMS) to support the development of market information systems |  |  |  |  |  |  |  |
| 1. Provide video-enabled training on storage at the household and cooperatives levels |  |  |  |  |  |  |  |
| 1. Provide technical support and training programs (including video-enabled training) to small scale livestock and poultry producers |  |  |  |  |  |  |  |
| 1. Help establish and support RTCs through training programs, and link them to agribusiness actors |  |  |  |  |  |  |  |
| 1. Support the establishment of Farmer Production Clusters (FPCs) |  |  |  |  |  |  |  |
| MONITORING |  |  |  |  |  |  |  |
| Output 4.2.: Enhanced Participation of Women and Youths in Value Chains | 1. Create and/or support cooperative groups for women and youths |  |  |  |  |  |  |  |
| 1. Support the promotion and distribution of improved agricultural input, especially for rural women and youth farmers |  |  |  |  |  |  |  |
| 1. Establish and build the capacities of women and youth common interest group (CIGs) |  |  |  |  |  |  |  |
| 1. Improve market access through development of market infrastructure and management for rural women and youths farmers |  |  |  |  |  |  |  |
| 1. Train youths and women in entrepreneurship and micro-finance |  |  |  |  |  |  |  |
| 1. Pilot digital input demand aggregation app to facilitate timely distribution of improved agricultural inputs |  |  |  |  |  |  |  |
| 1. Pilot Web-based platform to widely access information on availability of marketable inputs at union/coop level |  |  |  |  |  |  |  |
| MONITORING |  |  |  |  |  |  |  |
| Output 4.3.: Capacities of Cooperative Societies Built | 1. Conduct training programs (including video-enabled training) for leaders of primary cooperatives and cooperative unions on cooperatives management, leadership, and other relevant topics |  |  |  |  |  |  |  |
| 1. Provide members of cooperative societies with training (including video-enabled training) on cooperative management, as well as the role and responsibilities of cooperative members |  |  |  |  |  |  |  |
| 1. Support the FCA to establish a National Center of Excellence for cooperatives to provide advanced training on cooperatives management |  |  |  |  |  |  |  |
| 1. Support women and youths to form new cooperatives |  |  |  |  |  |  |  |
| 1. Provide women and youth members of cooperatives with special training (including video-enabled training) programs to increase their participation in the management of the cooperatives, and help them take up leadership positions in these organizations. |  |  |  |  |  |  |  |
| MONITORING |  |  |  |  |  |  |  |
| **Evaluation** *(as relevant)* | EVALUATION |  |  |  |  |  |  |  |
| **General Management Support** |  |  |  |  |  |  |  |  |
| **TOTAL** |  |  |  |  |  |  |  |  |

# Governance and Management Arrangements

National Implementation Modality (NIM) will be used for the implementation of project activities. Whilst the Ministry of Agriculture (MoA) is the primary implementing partner in this project and it is responsible for the achievements of the results, at regional and woreda level, the respective bureaus and offices will be the direct implementing partners. UNDP will provide its relevant knowledge and expertise in facilitating the capacity building and technical know-how activities. Given the Programme is strongly linked with related County Office programmes on industrial development, it is foreseen that a Joint Steering Committee (JSC) under the oversight of Ministry of Finance will be established to provide strategic guidance and oversee the overall implementation of the programme. The JSC will encompass MOA & MoTI as lead agencies and UNDP CO as co-convener of the Committee.

Representatives will also be included from Regional Industrial Development Corporations, Forest and Climate Change Commission, Ministry of Labour & Social Affairs, UN agencies, development partners, and the private sector. The JSC is responsible for: (i) providing strategic direction and aligning the programme with priorities of the government; (ii) setting priorities for programme activities; (iii) ensuring coordination among the various development partners, private sector actors and different public institutes involved in the programme; and (iv) mobilizing resources.

***Project Management Arrangement***

**Project Coordinator**

**Joint Steering Committee (JSC)**

**MoFEC**

**MoTI, EIC, MoA, MoLSA, FCCC, IPDC, RIPDCs**

**UNDP, UNIDO, ILO, FAO, UNOPS, UNEP**

**Project Support**

**Inclusive and Sustainable Agriculture Development**

**National Technical Task Force (NTTF)**

**Project Assurance**

UNDP

**Assurance**

UNDP

**Funding Partners**

There will be a National Technical Task Force (NTTF) established under the leadership of MoA & MoTI comprising mainly implementing agencies and regional administration representatives. The NTTF will be responsible for developing action plans; review implementation status and challenges and recommend mitigation measures; provide technical backstopping as well as validate and monitoring project outputs meet set targets outlined within the scope of the project.

MoA assigned focal person/project coordinator will run the project on a day-to-day basis while UNDP will provide technical and operational support in implementing the agreed activities. Furthermore, UNDP will support the JSC in oversight and monitoring functions. Additional specific responsibilities will include, but are not limited to, ensuring: beneficiary needs and expectations are being met or managed; risks are being controlled; the project remains viable; internal and external communications are conducted smoothly; quality management procedures are properly followed; and that the JSC deliberation are followed and possible activity revisions are managed in line with the required procedures.

# Legal Context

*[NOTE: Please choose* ***one*** *of the following options, as applicable. Delete all other options from the document]*

**Option a. Where the country has signed the** [**Standard Basic Assistance Agreement (SBAA)**](http://intra.undp.org/bdp/archive-programming-manual/docs/reference-centre/chapter6/sbaa.pdf)

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date).   All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by [name of entity] (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

**Option b. Where the country has NOT signed the** [**Standard Basic Assistance Agreement (SBAA)**](http://intra.undp.org/bdp/archive-programming-manual/docs/reference-centre/chapter6/sbaa.pdf)

The project document shall be the instrument envisaged and defined in the [Supplemental Provisions](https://intranet.undp.org/global/documents/ppm/Supplemental.pdf) to the Project Document, attached hereto and forming an integral part hereof, as “the Project Document”.

This project will be implemented by [name of entity] (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

**Option c. For Global and Regional Projects**

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the “Project Document” instrument referred to in: (i) the respective signed SBAAs for the specific countries; or (ii) in the [Supplemental Provisions](https://intranet.undp.org/global/documents/ppm/Supplemental.pdf) to the Project Document attached to the Project Document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof.  All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by [name of entity] (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply**.**

# Risk Management

*[NOTE: Please choose* ***one*** *of the following options that corresponds to the implementation modality of the Project. Delete all other options.]*

**Option a. Government Entity (NIM)**

1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
2. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
3. assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
4. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.
5. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml>.
6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).
7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
10. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a)UNDP Policy on Fraud and other Corrupt Practices and (b)UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner’s (and its consultants’, responsible parties’, subcontractors’ and sub-recipients’) premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
12. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP’s Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

1. *Choose one of the three following options:*

*Option 1:*UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner’s obligations under this Project Document.

*Option 2:*The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Option 3:* UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

1. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
2. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
3. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled “Risk Management Standard Clauses” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

**Option b. UNDP (DIM)**

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds][[27]](#footnote-5) [UNDP funds received pursuant to the Project Document][[28]](#footnote-6) are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
6. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
   1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP’s property in such responsible party’s, subcontractor’s and sub-recipient’s custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
      1. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
      2. assume all risks and liabilities related to such responsible party’s, subcontractor’s and sub-recipient’s security, and the full implementation of the security plan.
   2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party’s, subcontractor’s and sub-recipient’s obligations under this Project Document.
   3. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
   4. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a)UNDP Policy on Fraud and other Corrupt Practices and (b)UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
   5. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants’, subcontractors’ and sub-recipients’) premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
   6. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP’s Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

* 1. *Choose one of the three following options:*

*Option 1:*UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party’s, subcontractor’s or sub-recipient’s obligations under this Project Document.

*Option 2:*Eachresponsible party, subcontractor or sub-recipient agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Option 3:* UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

* 1. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
  2. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
  3. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled “Risk Management Standard Clauses” are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

**Option c. CSO/NGO/Non-UN or other IGO with no signed SBEAA with UNDP**

1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
2. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
3. assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
4. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document and the Project Cooperation Agreement between UNDP and the Implementing Partner[[29]](#footnote-7).
5. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml>.
6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).
7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using the UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
10. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a)UNDP Policy on Fraud and other Corrupt Practices and (b)UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP programmes and projects. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner’s (and its consultants’, responsible parties’, subcontractors‘ and sub-recipients’) premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
12. The Implementing Partner will promptly inform UNDP in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP’s Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

1. *Choose one of the three following options:*

*Option 1:*UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner’s obligations under this Project Document.

*Option 2:*The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Option 3:* UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with the Implementing Partner, responsible parties, subcontractors and sub-recipients.

1. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
2. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
3. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled “Risk Management Standard Clauses” are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled “Risk Management” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

**Option d. UN Agency other than UNDP, and IGO with signed SBEAA with UNDP**

1. [Name of UN Agency/IGO] as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. [Name of UN Agency/IGO] as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient that is not a UN entity:
   1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of [Name of UN Agency/IGO]’s property in such responsible party’s, subcontractor’s and sub-recipient’s custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
      1. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
      2. assume all risks and liabilities related to such responsible party’s, subcontractor’s and sub-recipient’s security, and the full implementation of the security plan.
   2. [Name of UN Agency/IGO] reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party’s, subcontractor’s and sub-recipient’s obligations under this Project Document.
3. [Name of UN Agency/IGO] agrees to undertake all reasonable efforts to ensure that none of the [project funds][[30]](#footnote-8) [UNDP funds received pursuant to the Project Document][[31]](#footnote-9) are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml>.
4. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
8. [*This text should be included when the Implementing Partner is a non-UN IGO*: The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a)UNDP Policy on Fraud and other Corrupt Practices and (b)UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).]
9. [*This text should be included when the Implementing Partner is a non-UN IGO*: In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects or programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner’s (and its consultants’, responsible parties’, subcontractors‘ and sub-recipients’) premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.]
10. The Implementing Partner and UNDP will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP’s Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

1. *Choose one of the three following options:*

*Option 1:*UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner’s obligations under this Project Document.

*Option 2:*The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Option 3:* UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

1. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
2. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
3. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled “Risk Management Standard Clauses” are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled “Risk Management” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

**Special Clauses***.* In case of government cost-sharing through the project, the following clauses should be included:

1. The schedule of payments and UNDP bank account details.
2. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.
3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
4. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars.
6. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to obtain the additional funds required.
7. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph [] above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
8. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

1. […%] cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
2. Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.
3. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
4. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.”

## Risk Analysis

| # | **Description** | **Date Identified** | **Type** | **Impact &**  **Probability[[32]](#footnote-10)** | **Countermeasures/**  **Management Response** | **Owner** | **Submitted, updated by** | **Last Update** | **Status** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | High staff turnover in MoA and partners | May 2019 | Organizational | P = 3  I = 4 | UNDP will work with MoA and implementing partners to reduce staff turnover and its impacts | Project Owner | Project Developer |  |  |
| 2 | Insecurity and political instability in project areas | May 2019 | Political | P = 3  I = 5 | UNDP will work with MoA and UNDSS to ensure the safe and secure implementation of the project, and the safety of project personnel | Project Owner | Project Developer |  |  |
| 3 | Natural disasters, droughts, floods, etc. | May 2019 | Environmental | P = 2  I = 5 | UNDP will work with MoA to help the project recover from natural disasters | Project Owner | Project Developer |  |  |
| 4 | Partnerships failing to deliver | May 2019 | Strategic | P = 1  I = 5 | UNDP has selected partners based on their prior track record of successful implementation of activities | Project Owner | Project Developer |  |  |
| 5 | Failure to mobilize resources from development partners | May 2019 | Strategic | P = 1  I = 4 | UNDP will work with international development partners of Ethiopia to mobilize resources | Project Owner | Project Developer |  |  |

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22. Tesfamariam, K. 2015 *Cooperative Movement in Ethiopia: Development, Challenges and Proposed Intervention* Journal of Economics and Sustainable Development ISSN 2222-1700 (Paper) ISSN 2222-2855 (Online) Vol.6, No.5, 2015 <https://iiste.org/Journals/index.php/JEDS/article/viewFile/20690/21612> [↑](#endnote-ref-23)
23. GoE July 2013 *National Policy And Strategy on Disaster Risk Management* <https://tinyurl.com/y27a5g3u> [↑](#endnote-ref-24)
24. The revised Program Implementation Manual (PIM) for United Nations Agencies assisted programmes in Ethiopia was endorsed by MoFED and UN EX-Com Agencies (UNDP, UNFPA, UNICEF, and WFP) in January 2014. [↑](#footnote-ref-2)
25. Optional, if needed [↑](#footnote-ref-3)
26. Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32 [↑](#footnote-ref-4)
27. To be used where UNDP is the Implementing Partner [↑](#footnote-ref-5)
28. To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner [↑](#footnote-ref-6)
29. Use bracketed text only when IP is an NGO/IGO [↑](#footnote-ref-7)
30. To be used where UNDP is the Implementing Partner [↑](#footnote-ref-8)
31. To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner [↑](#footnote-ref-9)
32. Probability and impact are on a scale from 1 (low) to 5 (high) [↑](#footnote-ref-10)