Introduction

1. A World Bank implementation progress review mission for the Ethiopia-Nile Irrigation and Drainage Project took place from February 2 to 14, 2012 to complement the previous mission held in December 2011. It was indeed decided to supervise the Component 2 (Support to Agricultural and Market Development) and M&E aspects of the Project in conjunction with the Agricultural Growth Program (AGP) Joint Implementation Review Mission, with a view to foster linkages between the two projects. The mission also followed up and provided advice on a number of on-going issues related to the other components of the Project.

2. Members of the mission and the mission program are attached in the Annex. The mission had an introductory meeting with the Minister of Water and Energy Ato Alemayehu, who also chaired the wrap up meeting. The mission visited the Amhara Region from February 5 to 11 where it had a number of meetings with the Regional Authorities and a field trip to Ribb area and a regional wrap up meeting chaired by Dr. Teshome Wale, Deputy Head, BoA. The mission wishes to thank all people met for facilitating a very fruitful and constructive mission.

Project implementation progress on Component 2 and M&E

3. The Component 2 is currently rated Moderately Satisfactory. The mission noted with satisfaction that several of the agreed actions have been implemented though action on a few key recommendations needs to be taken without further delay. Most of the Project’s planned activities are well underway but some serious delays have been experienced in the submission of various procurement activities, appointment of key personnel, and implementation of study tours.

4. The project has helped in fostering adaptive research for irrigated agriculture which was otherwise almost absent from the research agenda. ARARI (Amhara Regional Agricultural Research Institute) has completed 14 research trials which will be translated into packages for dissemination to farmers in the project areas, and 48 other trials are on-going according to the overall research program formulated by ARARI. These trials were selected and conducted in a participatory manner with Farmer Research and Extension Groups (FREGs). Experience is being gained where these groups are becoming useful learning forums for research staff, extension staff and farmers. Finally, the progressive setting up and activation of research extension advisory councils (ARDPLAC) at the regional and zonal levels has brought together stakeholders in participatory research.

5. Extension activities have so far been mainly related to sensitization workshops and training and exposure visits related to irrigated agriculture both for farmers and extension workers. The planning process aiming at programming over 5 years the resources necessary to disseminate the technology packages and accompanying training for both individuals and groups has not been fully completed; an indicative multiannual plan was developed but it would need further review and improvement to make it a more operational document linking clearly inputs to outputs and to outcomes for the various
activities. During the May-June 2011 mission, decision was made to nevertheless start some selected pilot activities during this fiscal year and learn from these in order to further refine the multiannual plan.

6. Activities related to component 2 including procurement of goods, works, services, and training for research and extension services were included in the EFY-2004 Work Plan which was approved by the regional and the national steering committees. However, the procurement requests submitted by the regional bureaus through RPCO to the NPCO have not been further processed. This delay in implementing planned activities will eventually impact the results of the Component 2. This situation was partly created by the uncertainty regarding the overall Project implementation schedule (with possible delays in the construction program – see Aide Memoire from December 2011), and partly by the lack of clear rationale for the selected activities at this point of time. Regarding the first issue, it was agreed that activities would now be focused on Megech and Ribb Phase 1, knowing that Ribb Phase 2 construction is not scheduled to start before two years. On the second issue, further screening of proposed activities will need to be done and some activities pushed towards the coming years. On the other hand, key pilot activities need to be implemented without further delay.

7. The mission noted that staffing issues in NPCO – especially the lack of Procurement Specialist and the recent departure of the Project Coordinator – further contributed to delay the implementation of Component 2. Measures are being taken to fill these two vacant positions.

8. On M&E: More progress is required in terms of the operationalization of the Monitoring, Evaluation and Learning (ME&L) system. The progress until now is rated moderately satisfactory. The ME&L system is not fully operational yet as: the ME&L manual has been drafted and is being completed, only few reporting formats for IAs have been developed, the Federal and Regional M&E staff require additional assistance and training as well as for IAs at all levels. In addition, the timeliness of quarterly reports is affected by the lack of leadership of the Project Coordination Unit, which has been without a Coordinator for the past 2 months. As a result, the quarterly report of the first quarter was not provided on time to the World Bank.

Main recommendations on Component 2 and M&E

9. On the adaptive research: Routine activities are going ahead without much problem; it is however necessary to make sure that funds for routine activities are released to BoA account (for transfer to ARARI) in due time to avoid unnecessary delays. Dissemination strategy and related training need to be prepared for the technology packages already available. The details of the various items to be procured including laboratory equipment, technical assistance and the study tour to India have been reviewed and recommendations provided to the ARARI in order to strengthen the rationale for these

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1 EFY = Ethiopian Fiscal Year starting in July.
2 NPCO is responsible of compiling all procurement requests in the procurement plan and submitting the latter to IDA for No Objection.
3 For example, it does not seem necessary to equip now all extension agents (SMSs and DAs) with motorbikes and bikes if the technology packages and training materials are not yet ready. On the other hand, infrastructures like Farmer Training Centers needing rehabilitation or upgrading will soon be required for purposes of training under Component 2 as well as Component 3 and the construction of the three FTCs scheduled for this year should not be delayed.
activities. ARARI will resubmit these details to NPCO\(^4\) to be included in the updated procurement plan. There is a need to exchange more on adaptive research between ENIDP (mainly through ARARI) and AGP (ARARI for FREGs, and Bahir Dar University under CASCAPE).

10. **On the extension services:** Additional selectivity and phasing of the activities (like procurement of motorbikes and bikes) will be applied to the BoA action plan for EFY-2004 which will be focused on Megech area as the first priority, and Ribb Phase 1 as a second priority. For all training activities collaboration with AGP will be sought (sharing training material, having joint training sessions etc.).

11. **On the support to value chains:** The engagement of all public and private sector stakeholders along those key commodities that are expected to drive agricultural growth in the Megech and Ribb areas is a condition for success of the ENIDP. Given in particular the significant costs of the infrastructure development, a fundamental and comprehensive change in agricultural production is necessary to achieve the required returns. These are expected to come from the production and marketing of high-quality cereals, oilseeds and pulses, vegetables and livestock development. The ENIDP EFY-2004 Annual Plan contains a large number of diverse activities that have not seen a commencement of implementation, except for the drafting of TORs for the recruitment of Business Development Specialists. Based on the findings of the joint ENIDP – AGP/JRIS mission it was decided to further assess potential overlaps between AGP and ENIDP respective subcomponents on market and agribusiness development (e.g. support to value chains). Support from the Finland-supported AgroBIG program shall also be considered, but seems to be very limited in geographic coverage and number and relevance of the selected value chains. The BoA has produced a memo that describes the boundaries between these and other projects, but further work is needed to establish actual synergy. For example, BoA will consider requesting the expansion of the USAID-supported project on livestock value chain currently under preparation to the three ENIDP woredas. Other possibilities for synergies are the CIDA-supported value chain project implemented by MEDA (on rice) and support that might come from the implementation of the Government’s new National Rice Development Strategy, which was supported by CARD.

12. **A revised Procurement Plan (PP)** including the revised EFY-2004 activities will be submitted to IDA for No Objection by February 29. Activities that are not implemented this fiscal year can be considered for next fiscal year. The next Annual Action Plan will be submitted to IDA for advice before presentation in regional and national steering committee, thus clearing the way for the No Objection on the PP related update.

13. **On M&E:** The next step is the full operationalization of the ME&L system, which will require: (i) finalizing the ME&L manual following detailed comments to be sent by IDA; (ii) developing reporting formats for each IAs in charge of M&E and data collection at all levels; (iii) conducting trainings for M&E staff at Federal and Regional level; and (iv) providing the necessary trainings to IAs’s staff on M&E and reporting formats with the support of a short-term expert who may also help further improve the manual.

**Follow up on other critical aspects of the Project**

14. **Project Coordination** – The mission was informed that the National Project Coordinator (NPC) has resigned from his position in the Ministry. The mission was informed about the

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\(^4\) The World Bank team stands available to provide informal advice on the design of the activities under Component 2.
name of his replacement and requested that official communication be made and that the new NPC be fully committed to the Project.

15. **Megech CC evaluation**: The evaluation report was submitted to IDA for No Objection. The report contains several recommendations related to the negotiations that will need careful follow up. The mission advised the Ministry to (i) hire independent expertise to advise the NPCO team at negotiation stage and (ii) mobilize the MSC Contractor to also review and comment the contract that they will eventually supervise. The validity of the bid bond has to be extended to give enough time for negotiation and contract signing.

16. **Ribb CC**: Options with regard to Ribb construction have been suggested during the last mission (December 2011). The World Bank provided further advice in the form of a technical memo that was submitted to the Ministry. Final recommendation is to proceed with bidding for Ribb phase 1 but leave the option open for both parties in the contract to agree on a contract extension for Ribb phase 2 based on the Phase 1 unit rates. This option is made possible by the World Bank procurement guidelines. The bidding document will need to be revised accordingly and the mobilization cost will need to be identified as a separate line item in the Bill Of Quantities (BOQ) that would be paid only once (e.g. for Phase 1 only). The defect liability period will be reduced to one year after completion of Phase 1 and the maintenance will be transferred to the MSC contractor right after completion. The cost estimate will need to be reviewed based on unit rates obtained for Megech and slight modifications may be brought to the technical specifications and BOQ following the negotiations of Megech construction contract. The mission advised the Ministry to include these tasks in the terms of reference of the independent expertise that would be hired to help on Megech negotiations.

17. **Megech MSC**: Some issues were raised by the selected bidder which delayed the contract signing. The mission provided advice to the Ministry and prompt resolution is expected. It is of utmost importance to mobilize the MSC contractor at the earliest to start the design review and to get their inputs during the negotiations of the Construction Contract.

18. **Ribb MSC**: The mission advised the Ministry to proceed with technical bid evaluation at the earliest. Changes rendered necessary by the splitting of the construction works in two contracts can be dealt with at negotiation. Delays in the construction of Phase 2 will not be known before two years after commencement and would result in an addendum to the MSC contract in any case. Bid bond validity will need to be extended in due time.

19. **Dam safety**: No progress has been made on the agreed actions of previous mission. MWE will act swiftly to strengthen the Dam Safety Panel. The World Bank stands available to help in any way.

20. **Resettlement Action Plans**: It is extremely urgent to have the Megech scheme RAP submitted for IDA clearance before disclosure after incorporating complements requested during the last mission. An agreement should be negotiated with the consultant regarding their claim for additional remuneration due to delays in submitting engineering design so that they can proceed with finalization remaining work on Ribb scheme RAP. Finally, IDA comments were sent in January on Ribb reservoir RAP, the most critical one being the need to identify relocation sites for all people who will lose their existing house.

21. **On farm development**: A letter will be sent by MWE to MoFED to follow up on the on-farm development proposal using output based aid, and related request to be sent to GPOBA.

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5 Resettlement site were identified only in one woreda out of two.
Disclosure

22. MWe agreed with the disclosure of this Aide Memoire as per the new Access to Information Bank Policy.

Action Plan

Note: the below Action Plan complements the Action Plan agreed after December 2011 mission which is not repeated here.

<table>
<thead>
<tr>
<th>Critical Action</th>
<th>Ref. §</th>
<th>Deadline</th>
<th>Resp.</th>
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<tbody>
<tr>
<td><strong>Component 2</strong></td>
<td></td>
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<tr>
<td>Review proposed activities and update annual action plan</td>
<td>9/10</td>
<td>Feb 29</td>
<td>RPCO/BoA/ARARI</td>
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<tr>
<td>Update procurement plan and submit to IDA for No Objection</td>
<td>12</td>
<td>Feb 29</td>
<td>NPCO</td>
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<tr>
<td>Proceed with procurement of key inputs</td>
<td>12</td>
<td>Mar 15</td>
<td>NPCO/RPCO</td>
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<tr>
<td>Seek operational synergy with other AGP on training activities</td>
<td>10</td>
<td>Mar 15</td>
<td>RPCO/BoA</td>
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<tr>
<td>Seek operational synergy with AGP/USAID and AGROBIG on value chain activities</td>
<td>11</td>
<td>Mar 15</td>
<td>RPCO/BoA</td>
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<tr>
<td>Prepare dissemination of technology packages</td>
<td>9</td>
<td>April 30</td>
<td>ARARI/BoA</td>
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<tr>
<td>Prepare EFY-2005 Annual Work Plan</td>
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<td>May 31</td>
<td>RPCO/BoA/ARARI</td>
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<tr>
<td><strong>Monitoring and Evaluation</strong></td>
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<td>Contract short-term expert to support finalization of reporting formats and training of IAs on M&amp;E and use of reporting formats and further improve the manual</td>
<td>13</td>
<td>April 1st</td>
<td>Federal and Regional M&amp;E Officers</td>
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<tr>
<td>Finalize the ME&amp;L manual based on IDA comments and develop reporting formats for each IAs</td>
<td>13</td>
<td>May 1st</td>
<td>Federal and Regional M&amp;E Officers, Component Leaders and short-term expert</td>
</tr>
<tr>
<td>Train IAs’s staff on reporting formats</td>
<td>13</td>
<td>July 15</td>
<td>Federal and Regional M&amp;E Officers, Component Leaders and short-term expert</td>
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