INTRODUCTION: A joint World Bank/Canadian International Development Agency (CIDA) review and implementation support mission of the Ethiopia Rural Capacity Building Project (RCBP) took place from April 22 to May 8, 2012. The mission conducted field visits in Amhara, Somali and Oromiya Regions and visited Agarfa, Ardaita and Holetta Agriculture Technical and Vocational Education and Training (ATVET) Colleges. The Mission also held a one day meeting with implementing agencies (IAs) and Regional project coordinators and undertook intensive consultations with the Federal Project Management Unit (PMU). A wrap up meeting was held with Ato Wondirad Mandefro, State Minister, Ministry of Agriculture (MoA). The Mission would like to thank Government of Ethiopia (GoE) counterparts for the cooperation in planning and organizing the Mission and fruitful discussions. This Aide-Memoire summarizes the Mission’s findings and documents some lessons learnt from five years of RCBP implementation.

CONTEXT: The project development objective (PDO) is to assist the Ethiopian Government to strengthen agricultural services and systems and make them more responsive to clients' needs. This is to be achieved by (a) strengthening and reorienting agricultural technical and vocational education training by making ATVET colleges more responsive to changing needs, (b) improving the effectiveness of the agricultural extension service, (c) enhancing the capacity of research institutions to generate appropriate agricultural technologies; and, (d) strengthening agricultural markets through the efficient functioning of a newly established commodity exchange and improvements in sanitary and phyto-sanitary standards to enhance export of livestock.

As per the recommendation of the last Mission, the RCBP closing date has been extended by eight months up to June 30, 2012 to allow completion of some key activities. The current Mission was conducted about two months from the Project’s extended closing date. The Mission therefore looked at whether the project would complete activities as planned and assessed results achieved over the life of the Project. It has also considered whether innovations introduced through the Project would be sustained. A recurring issue since the mid-term review of the Project has been that the available budget remains insufficient to allow planned activities to be implemented in full. During the last Mission, it was agreed that the MoA would request the Ministry of Finance & Economic Development (MoFED) 29.02 million ETB in a supplementary budget allocation to finalize project activities. The Mission also identified some key activities that would need to be carried out after the extended RCBP closing date and reached an agreement with the MoA that the Ministry would take on these activities with its own resources after Project closing.

KEY FINDINGS

Implementation Progress: With some important exceptions, most RCBP activities have now been completed. The Mission’s assessment of implementation progress under each component is summarized below and discussed in further detail in Annex 5.

1 The team included Laketch Mikael, Team Leader (AFTAR), Elise Rafuse, Co-Team Leader (CIDA), Mary Breen (CIDA) – Comp. 1, support to ATVETs, Jonathan Cook (FAO/CP), Chimdo Anchala (AFTAR) – Comp. 2 and 4 support to Agricultural Extension and ICT, Teklu Tesfaye, (AFTAR) – Comp. 3, support to the National Agricultural Research System, and Esayas Nigatu, (AFTAR) – Comp. 5, Support to Market Institutions. Ingrid Mollard, (AFTAR), Meron Techane, (AFTFM), Shimelis Woldehawariat, (AFTP) assessed arrangements for monitoring and evaluation, financial management and procurement respectively. Rahel Lulu and Blen Tilahun, (AFCE3) provided logistics support.

2 The PDO was formally revised in November, 2008.
Component 1: Support to ATVETs: ATVET colleges primarily provide pre-service training for DAs and cooperative promoters for the public sector agricultural extension system. With the understanding that this is a limited role vis-à-vis the teaching/training capacity of the ATVET colleges and the needs of the agricultural sector, RCBP sought to help the GoE think through and start implementing a more meaningful, comprehensive and self-sustaining approach to agricultural technical and vocational education in Ethiopia. A wide range of activities have already been undertaken in this regard. To bring RCBP support to completion, it was planned that, over the past 6 months, the ATVET strategy (already endorsed by the MoA) would be integrated into the general TVET strategy and disseminated. And, that curricula and teacher training and learning materials (TTLM) developed by individual colleges in relation to new occupational standards introduced as part of a new TVET strategy would be reviewed by Jimma University College of Agriculture and Veterinary Medicine (JUCAVM) for further refinement. Implementation progress has however been limited as the MoA, Ministry of Education (MoE) and Regional TVET Bureaus/Commissions have not reached a common understanding on some aspects of the ATVET strategy document. A national workshop has been carried out, which has been used as a means of resolving differences among stakeholders rather than for dissemination of a new ATVET strategy. The MoA intends to follow up on the workshop by revising the ATVET strategy document as per feedback received from other stakeholders, integrating this into the general TVET strategy and seeking the required endorsements. It will also undertake regional workshops to disseminate a final approved strategic document and sensitize stakeholders on its contents. This will not be finalized before the RCBP closing date but the MoA has committed to carry out all required actions with its own resources within the next 6 months. JUCAVM has started to review the new occupational standards and related curricula and will complete the review before the RCBP closing date. A preliminary observation from the review is that operationalizing of the new occupational standards requires complementary investments that are often not feasible. It is expected that occupational standards, related curricula and TTLM will be refined outside of the Project.

RCBP has also supported the implementation of various elements of the ATVET strategic document within two federal ATVET Colleges: Ardaita and Agarfa, through Development Innovation Grants and has built institutional capacity in four federal Colleges: Ardaita, Agarfa, Alagie and Bekoji with Institutional Strengthening Grants. All activities under the Institutional Strengthening Grants have been completed and, although considerably delayed, the Mission feels, that with concerted efforts to finalize some outstanding work, activities under the Development Innovation Grants will also be completed by the close of Project. The Mission observed that, with these investments, at least two of the supported colleges are now well placed to function as more efficient and client oriented institutions (see details in Annex 5). Institutional development is, of course, a long term process and support to these colleges needs to be continued beyond RCBP. The Mission feels that with support from the Royal Netherlands Embassy through the NUFIC Project, Ardaita ATVET College will be able to build on RCBP investments to further improve its services. The momentum created by RCBP for institutional development at Agarfa does, however, risk being lost as Agarfa ATVET College has not secured any support to continue with this process. The Mission recommends that assistance be provided to the college to help develop a proposal for further implementation of its strategic plan which could be presented to interested development partners for funding. The Task Team will explore options for TA to help in this. The Mission notes, that although institutional capacity building for Bekoji and Alagie ATVET Colleges has been provided through RCBP, training at Bekoji ATVET College, discontinued about a year ago, has not resumed. Unfortunately, agreements reached during previous Missions that the fate of the college would be urgently resolved and training commenced at the start of the current academic year have not been realized.

Component 2: Strengthening Agricultural Extension Services: Activities related to strengthening of the agricultural extension services are finalized (with the exception of long term training that will continue beyond the Project closing date). Over the past 6 months, further modular training has been provided to woreda extension staff and DAs though approximately 20% of DA training planned over course of the Project will not have taken place. Support to Farming Training Centers (FTCs) in terms of physical capacity building,
distribution of extension materials and putting in place capable FTC management committees\(^3\) has also been provided although performance is less than planned and the Project will close with around 37% of FTCs supported only partially functional (with either no demonstrations, limited or no training being conducted, inadequate generation and/or retention of internal revenue, no capable management committee in place or mobility of DAs is seriously constrained). Guidelines for documenting farmers’ best practices (for subsequent scaling up) have been developed and sent to all regions, and Regions have been moving forward in this regard. This documentation now needs to be turned into extension materials with photographs, etc. and sent to appropriate FTCs to have any real impact. Finally, a few (51) new farmer innovation groups (FIFs) have been established. It is however, not evident that establishment of FIFs has followed FIF guidelines. Furthermore, in most cases FIFs have been established outside the RCBP project areas and therefore do not benefit from the Project’s complementary investments on FTCs. There is still considerable confusion between FIFs, FREGs and routine demonstration activities.

The Mission notes that activities that were to be carried out by an allocation of funding from the GoE’s own resources have not been implemented.\(^4\) Hence, the support to FTCs has not been completed. Strengthening of farmer-research-extension groups (FREGs) to allow them to reach their full potential as an effective extension method has in many instances not been carried out\(^5\) and meetings of Agriculture Development Partners Linkage Advisory Council (ADPLAC) continue to be irregular. These outstanding activities are important to ensure sustainability of RCBP interventions and institutionalization of innovative approaches. Given that the afore mentioned activities remain outstanding, the Mission recommends that in the next 2 months before Project closing, workshops already started in Oromiya and Tigray be held in all Regions to urgently discuss the issues of institutionalization of initiatives (found to be beneficial) into the regular agricultural extension program and to agree on concrete plans for implementation. It is also recommended that a national workshop be held focusing both on lessons learnt from RCBP implementation (including findings of the study with Haramaya University on DA responsibilities and motivation, ARDPLAC and FREG performance) as well as assessment of how innovative approaches have been implemented and their institutionalization. Also regarding institutionalization of RCBP interventions, the Mission notes that the modular training provided by the Project would need to be continued in the future with refresher training and new training programs for new DAs. There are now a large number of trained trainers within the system and it is recommended that the Regional workshops also incorporate planning on how such training would continue under the regular extension program.

Component 3 Enhancing Institutional Capacity of the Agricultural Research System: Most activities under the Agricultural Research component have already been completed and the Mission expects that all planned activities will be completed by the end of the Project. This, however does not mean that everything started by the Project will be finalized at Project closing; i.e., (a) 104 professionals from the research system currently in long term training, most of which are not expected to finish their studies by the RCBP closing date of June 30, 2012; and, (b) 3 out of 37 sub-projects funded through the National Agricultural Research Funds (NARF) established through the Project that will not be completed by June 30, 2012. While it is understood that the MoA and EIAR will cover the cost of on-going training from their own budgetary allocation, the Mission is still not clear that sufficient arrangements have been made for the completion of on-going NARF sub-projects. The EIAR has developed a strategy for institutionalizing of and mobilizing resources from various private and public stakeholders for the program. This strategy is not yet operational and a review (see Annex 4) suggests that its

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\(^3\) The Mission has observed that where FTC management committees have been properly established with full membership and a measure of autonomy; and, their members have been trained (about 84% of planned training has been carried out), the training seems to have had a significant effect on improving the effectiveness of FTC management.

\(^4\) With the possible exception of support to agricultural extension in the Somali Region through the research system.

\(^5\) An important exception to this is strengthening of 18 FREGs in Benishangul-Gumuz Region through which an investment on small scale irrigation had been made. The Mission understands that the irrigation scheme has been re-designed and associated environmental and safeguard issues have been addressed. The Mission was unable to visit Benishangul-Gumuz but a follow up visit by the Task Team is planned for later this month.
operationalization would be best handled by the National Agricultural Research Coordination System that is still under establishment. A temporary arrangement for funding of ongoing sub-projects after June 30, 2012 is therefore necessary. The Mission recommends that a bridging proposal be urgently developed to maintain the current agricultural research funds with funding from EIAR and possible contributions from interested donors until a more broadly managed competitive agricultural research grants program can be set up. On-going sub-projects would be finalized with funding from this source and the MoA should present the proposal to the RED/FS sector group as soon as possible to mobilize additional funding and ensure continuity of activities. The Mission notes that no request for a budgetary allocation to contribute to such a program has been included in EIAR’s budget submission to MoFED for EFY 2005 and urges the Institute to submit such a request before the budget process for the year is concluded.

The Mission also reiterates recommendations from the last Mission that EIAR should develop a strategy for the multiplication and distribution (with sustainable sources of funding and a clearly defined role for the private sector) of technologies acquired from oversees and adapted to Ethiopian conditions under RCBP’s technology short-cut window, e.g. high value fruit tree varieties for different agro-ecologies, improved genetic stock of poultry, and active microorganism for different uses. This would allow the support provided to reach its full potential. There also appears to be a need to do more on the regulatory environment and procurement procedures governing the acquisition of such technologies. Related to this, under the sub-component of institutional capacity building within the national agricultural research system, RCBP has supported technology pre-scaling out activities by agricultural research centers in emerging regions and underdeveloped areas of the four large Regions of the country. It has already been agreed that, in due course, this should be transferred to the agricultural extension system if it is to reach its full potential. Support to pre-scaling out activities has continued over the past 6 months and, at the same time measures have been taken to transfer such activities to the agricultural extension system. The Mission appreciates this development but it is concerned that there has been too little direct involvement of extension throughout the process to enable a seamless move from generation of technology to introduction and up-scaling. In some cases large scale ‘up-scaling’ activities have been led by research where they really need to be led by extension for the system to be sustainable. A gradual process of handover is also needed rather than an abrupt cessation of research involvement when extension is expected to take over the work. The mission recommends that research institutions continue to be part of the pre-scaling out initiative but their role should be limited to one of playing catalytic role and backstopping and that the extension system be engage from the outset in these activities.

Component 4 Improving Information Communication Systems (ICS): At the last Mission, it was observed that while in most RCBP woredas, local area networks (LANs) linking different departments of the Offices of Agriculture have been successfully set up, connectivity with the internet (and through the internet, linkage with Regions Bureaus of Agriculture and the Federal MoA as well as to global networks) had not been achieved although the PMU and Regional RCBP focal persons were exploring different options for connectivity. Since then, 80 out of 136 woredas (59%) have achieved connectivity. The PMU will continue to implement this component until the Project closing date. Nevertheless, it appears that this component will not be completed as planned.

Component 5: Strengthening Agricultural Market Institutions: Activities remaining under the sub-component in support of the Ethiopia Commodity Exchange (ECX) are limited to the installation of price tickers in 150 major agricultural markets and the installation of IT infrastructure at the Exchange. All procurement of goods related to these two activities has been completed but installation/operationalization of the price tickers; and, shipment, clearing and subsequent installation of IT infrastructure for the Exchange is progressing slowly. The IT officer at the ECX has assured the Mission that, at the close of the Project, the IT infrastructure for the Exchange would have been delivered and installed. However, installation of price tickers will not be completed. Currently 50 out of the 150 planned market centers have tickers that are functioning. The ECX will complete any remaining work to install price tickers in all planned market places within 6 months.
Under the Sanitary and Phyto-sanitary sub-component, as indicated in the last Mission, RCBP’s support to the ecto-parasite control program has been completed. The current Mission observed that subsequent to the support provided by RCBP, ecto-parasite control was carried out in a more comprehensive and responsible manner within woredas that received the support with due attention for the need for protection of staff and volunteers against potentially harmful chemicals during spraying of livestock. The Mission furthermore understands that the approaches to ecto-parasite control carried out with RCBP support have been integrated within the wider government program and is satisfied that RCBP investments in this regard have been successful.

The Project planned to support the construction and equipping of two livestock quarantine stations; one at Metema and the other at Humera, to facilitate the trade in livestock. Work on both stations continues to be delayed significantly. Regarding construction of the station at Metema, civil works, interrupted due to the need for an abbreviated resettlement action plan (ARAP) to compensate 12 households displaced by the initiative, have not resumed even though the ARAP has been successfully implemented. Also, while it is recognized that works beyond the current civil works contract are necessary to make the station fully functional (some structures indicated in the design are missing from the bill of quantities, water and electricity supply have been omitted from the design), no practical measures have been taken to fulfill these remaining requirements. As there is slightly less than 2 months remaining before RCBP is due to close, it is unlikely that the Metema Livestock Quarantine Station can be completed and made fully operation by the Project. Similarly, construction of the Humera Livestock Quarantine Station has not even begun nor has a civil works contract for the construction been awarded. Establishment of facilities on major livestock trading routes to be able to certify the health of exported livestock is a GoE priority. The Mission therefore agreed that the MoA would fully take over the construction of both livestock quarantine stations but carry this out at its own pace. Since it is not acceptable for the Project to close with a partially constructed facility that will not be completed within a reasonable period after Project closing, the GoE will return all payments made on the Metema Livestock Quarantine Station to the Project account and use such funds as well as the amount set aside for Metema phase I construction to cover costs under other components. A request for reallocation of both CIDA TF and IDA allocations should be submitted to the World Bank as quickly as possible so that this can be processed without delay. Clinical materials and a vehicle already procured for the Metema Livestock Quarantine Station should be distributed to other livestock quarantine stations without delay.

**Project Management, Monitoring and Evaluation (M&E):** The PMU has faced considerable challenges in the implementation of RCBP, which are outside of its control and/or a result of weaknesses in earlier stages of implementation, including insufficiency of project funding following cancellation of about 13 million USD from the project (with considerable difficulties in securing additional funds to complete Project activities that have in principle been made available to the Project), an inflationary environment that has put pressure on maintaining budget controls, inadequate attention to safeguard policies at the start of civil works that disrupted activities, which were then difficult to resume, weak implementation capacity among implementing agencies requiring the PMU to assume some implementation responsibilities. The Mission appreciates that the RCBP has, in this last stage of its implementation, faced considerable difficulties and commends the PMU (at both the federal and regional levels) for bringing many activities to completion. Nevertheless, neither the PMU nor senior management of the MoA, EIAR and Regional Bureaus of Agriculture have been able to fully resolve the challenges faced by the Project. Also, agreed actions to improve implementation performance have always only been partially implemented and action is often not taken to explore reasons for poor or over achievements against plans and to routinely address causes of such divergence. As a result, one component of the Project will close without accomplishing any significant results. That the responsibilities of the PMU are spread between two projects has exacerbated the problem

While the last Mission noted some progress in terms of strengthening of M&E arrangements, it is now observed that there has been a setback in the routine monitoring and reporting of project performance such that it does not provide the PMU with reliable data to support effective management and oversight of the project’s activities. In addition, it does not support proper supervision of project implementation by the World Bank/CIDA Task Team.
as reporting is often inconsistent and little explanation is provided about significant divergences between planned and implemented activities. The monitoring of procurement activities is also of concern as discussed further below. On the other hand, the necessary evaluation and studies to inform the Government and World Bank Implementation Completion Reports to assess the results and impact of the project as well as to draw lessons learnt for the sector and other projects are under way despite significant delays, but require close follow up. Such studies include: (i) the end of project impact evaluation; (ii) the ATVET study; (iii) the NARS study; and (iv) the ARDPLACs/FREGs/DAs study. It will be very important for the PMU to closely follow up on these studies to ensure that they address its need for its evaluation and that they are delivered within the required timeframe. An M&E review will be provided in Annex 8.

Assessment of Fiduciary Issues

Financial Management (FM): The mission concludes that the FM system in place provides reasonable assurance that Project funding is being used for intended purposes. It also observed improvements in some key areas: (a) SOE submission from regions and implementing agencies has improved – the PMU has traveled to many regions and woredas to clear outstanding balances (b) registration of all fixed asset procured by the project has started and is progressing (c) interim financial reports and audit reports have been submitted to the Bank on time with acceptable quality (d) ineligible expenditures noted at EIAR and Somali region are refunded back to the program –two cases, handed over to legal departments, need further follow up and action. While there have been improvements in the financial management of the Project, the Mission stresses the importance of close management attention, action and follow up on the following issues:

- Although SOE submission from implementing entities has been increasing from time to time, this still needs close follow up given the project closing date. Aged advances amount to 25% of all advances and require close follow. Advances made to EIAR are of particular concern. The project has undocumented balance of USD 3,525,000.00 under IDA Cr.# 42010 and USD 500,000.00 under TF90084 which needs to be documented before the disbursement deadline date of October 31, 2012.
- A lost laptop at Somali region needs to be replaced. Additionally, uncollected advance for Birr 18,000 is still pending. Although both cases have been transferred to the legal department for corrective action, these remain registered as ineligible expenditures and need to be refunded back to the Project account immediately.
- At SNNP, it was noted that the region transferred Br. 170, 923 to Debub Agricultural Research Center out of which Br. 86, 496 was reported by the center but was rejected by the region due to expenditures being out of the approved activities. This amount needs to be refunded back to the region immediately.
- In view of the upcoming closing of the project, there is a need to pay particular attention and plan for proper closing procedures. The detail is included in Annex 6 but includes the following among others:
  o Fixed asset register for all regions should be updated and prepared to ensure that all fixed asset is properly handed over at the closing of the project.
  o Internal audit function of the regions should be more involved in the closure procedures of the project to ensure smooth handover of documents and assets.
  o It is important to ensure that FM specialists at both the federal and regional levels need to be maintained after the Project closing date to ensure proper accounting of project funds. The Mission has noted with concern that the contract for the FM specialist at the PMU will expire on June 30, 2012 and that formal notice has not been given to regional accountants to continue their services after RCBP closes down. Yet, the work relating to FM will go beyond such time.
  o Finally, the Bank finance procedures for closing projects should be carefully followed for smooth winding up of the project.

Budget preparation and control continues to be weak. The Project has been operating in the context of a budget shortfall and the Mission has noted that additional funding to finalize project activities has not been secured
although reallocation of fund from the construction of the Metema Livestock Quarantine Station will ease some of the shortages. The Project will nevertheless close with some activities not completed. The Mission emphasizes that requests for the required budget allocations in EFY2005 should be developed and followed through to ensure that the MoA and EIAR finalize activities started but not completed by the Project as discussed in earlier sections.

Procurement: As in the case of the last Mission, the current review of procurement has found that procurement activities are progressing well but with delays. In particular, there are consultancy services at the federal PMU that are still not completed. Moreover, as discussed above, the contract for the construction of the Metema Livestock Quarantine Station has been under negotiation for an extended period. Similarly, while the MoA has discontinued the contract with the construction supervising consultant for the Metema and Humera civil works, related consultations for an amicable resolution of differences have not been completed. The Mission was unable to assess the status of other procurements since a full update of the procurement plan could not be obtained from the PMU. It is imperative that the PMU ensures no procurement processes are carried out beyond the closing period of the project. The Mission therefore strongly recommends that the PMU follow-up on the procurement status of all IAs. It also advises that the PMU and IAs pay particular attention to procurement filing. The PMU should ensure that complete procurement documents should be maintained in a safe and secure place in accordance with the financing agreement of the project. Annex 7 provides the full procurement review including findings of a post procurement review undertaken in Amhara and Tigrai Regions.

Results Achieved in Relation to the PDO and Intermediate Outcomes: As per the (formally revised), results framework, achievement of the PDO is measured according to (a) income change of farming households, (b) productivity changes in main commodities; and (c) number of new agricultural activities adopted in project kebeles. The first two indicators can only be measured through a household survey. Such a survey has been undertaken and results will be made available at the end of this month. Nonetheless, The PMU has reported that new agricultural activities are being adopted in Project woredas over and above what was targeted by the Project as Regions have observed that, on average, 4 new agricultural activities or technologies per project kebele are being adopted by farmers, which is double the target. The Mission acknowledges this achievement but notes that this is insufficient to measure achievements in relation to the PDO which seeks strengthened agricultural services and systems which are also more responsive to clients’ needs. It has therefore also assessed achievements by agricultural service supported as per the intermediate outcomes of the results framework. An update of the results framework is presented in Annex 3.

ATVET: Strength of ATVET services and responsiveness to clients needs is ultimately measured by satisfaction of clients and performance of students. This is currently under study and the Mission cannot make any conclusions to this effect. However, the Mission notes that 2 federal ATVET colleges (Ardaita and Agarfa) have developed and started implementing strategic plans that incorporate some aspects of a new ATVET strategy and this has lead to a better learning – teaching environment and improved management of the institutions. Changes reported by the colleges are discussed in detail in Annex 5 and appear to be substantial. It appears that the Project’s objectives have been met in two colleges (which corresponds to the targets of the results framework), but this is not yet generally applied throughout the sub-sector since changes to improve ATVET services nationally (i.e., through the development of a new ATVET strategy) are still under discussion and will be introduced only after the Project is closed.

Agricultural Extension: Enhanced effectiveness of agricultural extension services are measured by satisfaction of farming/pastoral households, adoption of new technologies/practices and the use of new extension methods that are more participatory and exhibit strong interaction among different stakeholders. The Mission focused on the latter indicator as results of the survey measuring farmer satisfaction and technology adoption are not yet available. It concludes that several new/modified extension methods such as training and demonstration at FTCs that is more interactive with farmers, farmer innovation groups, scaling up of farmer best practices and a shift from FRGs to FREGs to engage the extension service more centrally in experimentation and adaptation of
research findings – are being used. The effectiveness of such methods is however mixed. DA interaction with farmers is reportedly much stronger, and where support to FTCs has been fully implemented, these are operating as effective training and demonstration sites. Nevertheless, preliminary evidence suggests that farmer innovation groups are not very successful. Active engagement of extension in FRGs has been achieved with the move of FRGs to FREGs and ADPLACs that approve FREG proposals, where operational; i.e. at zonal levels, are more interactive. However, implementation of FREGs needs to be refined in terms of the continued heavy influence of research in identification of problems, the level of free inputs that are being provided, further expansion of introduced technologies as well as an exit strategy for FREGs once their function is completed. Similarly, scaling up of farmer best practices also requires some strengthening.

**Agricultural Research:** Improvements in agricultural research is measured by the proportion of farmers who express satisfaction with the quality of technologies introduced to them, the proportion of stakeholders of the national agricultural research system (NARS) satisfied with coordination arrangements; and, the institutionalization of new approaches such as the promotion of multi-disciplinary and/or multi-institutional research projects and shorter timeframes from commencement of research to technology release. Preliminary results show that about 75% of farmers are satisfied with the quality of technologies introduced to them (similar to the start of the Project), which suggests that RCBP capacity building have not yet yielded results on the ground. However, new approaches initiated by the GoE that should lead to a more efficient agricultural system have been promoted and related implementation issues identified for further action. This includes setting up a participatory, transparent and multi-disciplinary competitive research grants program that will be institutionalized within the EARS, technology shopping/shortcuts (though this should be implemented within a rigorous regulatory framework), and although not included as part of the indicators of the results framework, popularization of new technologies through the research system has been promoted in emerging regions. Gender action plans and related research are being implemented improving the responsiveness of agricultural research to women’s issues. Modalities for NARS coordination have been developed (although not yet implemented). After an extended consultation process, during which modalities have been amended and refined, all NARS stakeholders have expressed satisfaction with the proposed system. Unfortunately, this has been achieved only at the end of the Project. The proposed modalities are not yet endorsed by high government officials and are not yet operationalized on the ground, so there is little to be observed regarding the impact of reforms in this regard on the quality and effectiveness of agricultural research.

**Market related services:** RCBP sought to build capacity of three market related services including strengthening of a newly established commodity exchange, strengthening of sanitary and phyto-sanitary services to promote exports of livestock and improving ecto-parasite control to upgrade the quality of exported hides and skins. With the exception of ecto-parasite control, the Project has not met its objectives related to strengthening market related services; either because support has been delayed or not completed. Regarding ecto-parasite control, as has already been indicated earlier, RCBP has helped the veterinary service in selected woredas to carry out ecto-parasite control in a more comprehensive and responsible manner with due attention to the need for protection of staff and volunteers against potentially harmful chemicals during spraying of livestock.

Overall, RCBP achievements in light of the indicators and targets of the results framework are modest. However, the Mission notes that capacity building, particularly the introduction of institutional reforms is a long term process. The RCBP PDO and intermediate outcomes that envisage agricultural services would become more responsive to client needs within a period of 5 years and that are measured by changes in agricultural productivity and incomes are therefore overly ambitious. The Project may not have been able to fully achieve its intended outcomes but this does not mean that results achieved are not significant.

**LESSONS LEARNT FROM RCBP IMPLEMENTATION:** As this is the last implementation support Mission of the RCBP, this Aide Memoire documents lessons learnt rather than discussing agreed actions intended to improve implementation performance as would normally be the case. The Mission highlights the following lessons
1. While the concept of “capacity building” incorporates both strengthening of existing systems and institutional reforms, capacity building interventions tend to achieve greater headway with regard to the former. RCBP implementation highlights the necessity of consensus building, a common understanding and familiarization of new ideas and approaches by all stakeholders and some experimentation – in moving forward with institutional reforms.

2. Given item #1 above, the introduction of institutional reforms and impact from the changes can only be expected over the medium and longer term. Expected outcomes from interventions that support institutional reforms should therefore be modest.

3. There has been a tendency to integrate new modalities or methods of service delivery with on-going practices, which dilutes innovations. For example, implementation of FIFs has tended to be used very much as an extension of demonstration at FTCs and not as farmers’ initiatives to experiment with local knowledge. Any intervention that seeks to introduce new initiatives or modifications to existing practices must be able to clearly delineate the institutional innovations and should closely follow up on how these are being applied.

4. Capacity building for improved services is carried out as services are provided. Full attention cannot therefore be dedicated to just capacity building. Planning for capacity building activities needs to take into consideration that capacity building for improved services is undertaken simultaneously with on-going service delivery and should therefore not take on too many actions at one go. This is often overlooked and leads to a dissatisfaction with progress with capacity building efforts that is not warranted.

5. Human resource development is a key part of capacity building. Because in-service training supported by projects is often not institutionalized and therefore does not follow normal training parameters, it runs the risk of being implemented in such a manner that the training is not effective or of a required standard. For example, in the early stages of RCBP implementation, training to DAs was carried out in large classrooms with limited practical applications and no assessment of its effectiveness. While this was rectified, it does point to the need for paying particular attention to putting in place pre-determined parameters for how project supported training will be carried out, to seek feedback from end users on effectiveness of training, and to follow up on such feedback with concrete actions so that training is of the required quality.

6. Effectiveness of capacity building efforts in general and institutional reforms more specifically is enhanced when this is applied within the context of a strategic plan that is developed through a consultative process and is owned by all stakeholders. Lack of a strategic approach can result in very haphazard efforts.

7. Where there is a weak implementation capacity and multiple stakeholders as in the case of RCBP, it is important that implementation be coordinated by a strong PMU and that IAs interact regularly with each other and the PMU by assigning focal person that are members of a technical committee. A steering committee with multiple stakeholders is insufficient to ensure coordination on the ground. The strength of the PMU is important from several perspectives including, authority for decision making, adequate team composition and favorable team dynamics, availability of facilities, sensitivity to non-technical services (gender, safeguards, M&E, financial management, etc), and an awareness of the importance of using information from monitoring of project activities and financing for effective management of the Project.

8. To enhance women’s participation, affirmative action and gender disaggregation, while very useful is only a starting point. There is a need to follow this up with tailored action based on assessments and better understanding of social and cultural factors that affect women’s performance. Some observations are that (a) the assistance and involvement of gender focal persons as interventions are planned for and their active engagement during implementation is key to improving the participation of women; (b) linking with women’s affairs structures and Woman Affairs Directorates within IAs makes a difference; and (c), where beneficiaries are organized in groups, women only groups often perform far better in terms of the performance of women and encouraging women’s active participation.

9. Project performance is influenced by staff turn-over. While this is inevitable, sufficient attention needs to be paid to establish a system for hand-over of responsibilities as staff move from one position to the next.

10. In any capacity building initiative, particularly where new and innovative approaches are being introduced, sustainability issues need to be considered early in the introduction of initiatives.
## KEY PENDING ACTIONS/NEXT STEPS

<table>
<thead>
<tr>
<th>Action Description</th>
<th>Timeframe</th>
<th>Component</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Closely follow up to ensure that outstanding activities are completed before the closing date of the Project. 6</td>
<td>--</td>
<td>All Components</td>
<td>PMU</td>
</tr>
<tr>
<td>2. Secure funding to carry through uncompleted RCBP activities (e.g., long term training and sub-projects from the competitive agricultural research grants) beyond the Project closing date</td>
<td>By end of Project</td>
<td>All Components</td>
<td>MoA</td>
</tr>
<tr>
<td>3. Assist Agarfa ATVET College to help develop a proposal for further implementation of its strategic plan to be presented to interested development partners for funding.</td>
<td>Within the next month</td>
<td>ATVET</td>
<td>PMU with assistance from WB</td>
</tr>
<tr>
<td>4. Undertake regional and national workshops to urgently discuss the issues of institutionalization of RCBP initiatives into the regular agricultural extension program and to agree on concrete plans for implementation.</td>
<td>Up to project closing</td>
<td>Agricultural Extension</td>
<td>PMU</td>
</tr>
</tbody>
</table>
| 5. (i) Develop bridging proposal to mobilize funds for competitive agricultural research grants  
(ii) Present proposal to the RED/FS sector group and mobilize funds  
(iii) Submit a request for a budgetary allocation to EIAR to contribute to the competitive grants program. | Within the next month | Agricultural Research | EIAR and MoA         |
| 6. (i) Transfer responsibility for construction of livestock quarantine stations to MoA  
(ii) Return all payments made on the Metema Livestock Quarantine Station to the Project account  
(iii) Submit to WB reallocation request to use such funds as well as the amount set aside for Metema phase I construction to cover costs under other components.  
(iv) Urgently process reallocation request  
(v) Distribute clinical materials and a vehicle already procured for the Metema Livestock Quarantine Station to other stations. | As soon as possible | Market Institutions | PMU MoA World Bank   |
| 7. (i) Follow-up on the procurement status of all IAs.  
(ii) Follow up on procurement filing.  
(iii) Finalize contracting for consultant undertaking the Government ICR | May, 15            | --                 | PMU                  |
| 8. Update results framework as preliminary results from case studies and impact evaluation are received and work closely with consultant engaged on the Gov. ICR | --                 | Project Mgt        | PMU                  |
| 9. Extend contracts for FM specialists at both the federal and regional levels beyond Project closing date | Immediate          | Project Mgt        | MoA/BoAs/EIAR        |
| 10. Implement FM Action Plan (see Annex 6)                                           | Starting immediately | Project Mgt        | PMU                  |

**DISCLOSURE:** The Bank and the GoE confirm their understanding and agreement to publicly disclose this Aide Méméoire. The disclosure of this Aide Méméoire was discussed and agreed to with the MoA represented by Ato Wondirad Mandefro at the wrap-up meeting that took place on May 15, 2012, at the MoA, Addis Abeba.

**ANNEXES**

- Annex 1: People met during the mission
- Annex 2: Status of Agreed Actions from last Mission
- Annex 3: Update on Results Framework
- Annex 4: Comments on NARF/RARF Institutionalization Strategy
- Annex 5: Detailed Assessment of Implementation Performance by Component
- Annex 7: Procurement Review
- Annex 8: Monitoring and Evaluation Review

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6 This includes activities related to (a) ATVET Development Innovation Grants and review of curricula related to new occupational standards under the ATVET strategy, (b) institutionalizing new extension approaches (c) delivery of biometrics and GIS equipment as well irrigation facilities at the Semera Dubti ARC under the Research Component, (d) establishing internet connectivity wherever possible at the woreda level, (e) delivery and installation of IT infrastructure for the ECX as well as operationalizing price tickers at major agricultural markets (f) consultancy services related to the study of achievements under the project and the implementation completion report.