Mid-term review of AgroBIG II

EVALUATION REPORT

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Map of the programme area

Abbreviations

ACSI	Amhara Credit and Saving Institution
AGP	Agriculture Growth Programme
AgroBIG	Programme for Agro Business Induced Growth in Amhara Region
ARARI	Amhara Regional Agriculture Research Institute
ATA	Agricultural Transformation Agency
AWEA	Amhara Women Entrepreneurs Association
BDS	Business Development Service
BoA	Bureau of Agriculture
BoEPLAU	Bureau of Environmental Protection, Land Administration and Use
BoFEC	Bureau of Finance and Economic Cooperation
BoLSA	Bureau of Labour and Social Affairs
BoTMD	Bureau of Trade and Market Development
BoTVED	Bureau of Technical and Vocational Enterprise Development
BoWC	Bureau of Women and Children
BoYS	Bureau of Youth and Sports
CCU	Cooperative Credit Union
CGAP	Consultative Group to Assist the Poor
CFS	Commercial Farm Service
CIG	Common Interest Group
COWASH	Support to Community-Led Accelerated Water, Sanitation and Hygiene in Ethiopia
CPA	Cooperative Promotion Agency
COSACU	Cooperative Savings and Credit Union
CSU	Savings and Credit Union
CTA	Chief technical advisor
DAG	Development Assistance Group
EFY	Ethiopian financial year
ETB	Ethiopian Birr
EUR	Euro
FF	Feed the Future
FFD	Finnish Agri-agency for Food and Forest Development
FHH	Female-headed household
FFS	Farmer Field School
FGD	Focus Group Discussion
FSA	Food systems approach
GA	Gender analysis
GC	Gregorian calendar
GDP	Gross Domestic Product
GoE	Government of Ethiopia
GoF	Government of Finland
GTP	Growth and Transformation Programme
HUB	Household Asset Building
IMF	International Monetary Foundation
IFA	International financial advisor

IP	Implementing partners
KIP	Koga Irrigation Project
M&E	Monitoring and evaluation
MEDA	Mennonite Economic Development Associates
MEURO	EURO millions
MFA	Ministry of Foreign Affairs (of Finland)
MGF	Matching grant fund
MoFEC	Ministry of Finance and Economic Cooperation
MTR	Mid-term review
MPCU	Multi-purpose Cooperative Union
NPC	National Planning Commission
PSNP	Participatory Safety Net Program
PSU	Programme Support Unit
PWD	People with disabilities
RBM	Results Based Management
RED/FS	Rural Economic Development and Food Security Working Group
REILA	Responsible and Innovative Land Administration Project in Ethiopia
RTC	Regional Technical Committee
SACCO	Savings and Credit Cooperative
SDG	Sustainable Development Goal
SFVC	Sustainable food value chain
SNV	Dutch voluntary organisation
STICC	Science, Technology and Information Communication Commission
STTA	Short-term technical assistance
SVB	Supervisory Board
SC	Steering Committee
TA	Technical Assistance
TL	Team Leader
ToR	Terms of reference
TVET	Technical and Vocational Education and Training
USD	United States Dollars
VC	Value chain
VCA	Value chain approach
VCF	Value Chain Facility
WTC	Woreda Technical Committee
WYLF	Women and Youth Loan Fund

1 Euro = 32 ETB. The annual inflation rate of ETB in recent years has been 15%
1 ETB = 0,0313 Euro
1 quintal = 100 kg

The currency exchange rates above are only indicative. The exchange rates applied for the accounting purposes of the Programme may vary.
The fiscal year in Ethiopia runs from July 8 to July 7. There is a seven to eight year difference between Ethiopian and Gregorian calendars. Unless otherwise specified, the years in this report refer to the Gregorian calendar.

1. Executive summary

In April 2019, the Ministry for Foreign Affairs (MFA) and the Bureau of Finance and Economic Cooperation (BoFEC) of Amhara region selected an independent expert team to undertake the mid-term review (MTR) of the second phase of the Programme for Agro Business Induced Growth in Amhara Region (AgroBIG II). The second phase of AgroBIG, subject of the MTR, runs for 4.5 years, from July 2017 to December 2021. It is designed to sustain the achievements of Phase I, and further strengthen agribusiness development within the Tana sub-basin. The geographical focus of the second phase of AgroBIG is 89 kebeles in eight woredas: North Achefer, South Achefer, North Mecha, South Mecha, Bahir Dar Zuria, Dera, Fogera and Liboemkem, falling under the Koga-Gilgel Abay, Gumara and Rib catchments.

The intended impact AgroBIG II is to contribute to the development that enables agriculture to provide decent sustainable livelihood to people in rural Amhara regional state. Its expected outcome is that value is added at various levels of selected agricultural value chains to increase incomes and create jobs for farming households and other value chain actors, with a particular emphasis on women and youth.

AgroBIG II has two output objectives, which are inter-linked, causing the attainment of the intended outcome:

- Output 1: Value chain actors' access to finance and financial services is improved and sustainability of their enterprises and business initiatives is strengthened.
- Output 2: Capacities of value chain actors are strengthened to improve their capability to seize market opportunities in a profitable and sustainable way.

The programme addresses three cross-cutting objectives: environmental sustainability, gender equality and reduction of inequalities through inclusion of vulnerable groups: women, landless youths and People with Disabilities (PWD). AgroBIG II applies a value chain approach (VCA).

The key conclusions and recommendations by the MTR are presented in the table below.

Finding & conclusion	Recommendation	Responsible & time frame
<u>Relevance</u>		
C1. AgroBIG II is relevant to its stakeholders. However, its praxis has increasingly focused on agricultural development, instead of supporting value chains, as defined in the programme document. The most important cause of the shift is the suspension of the matching grants that would support other VC actors than farmers. As a result of its shifted strategic focus, the strategic niche of AgroBIG II is becoming less clearly perceptible, not only to the public but also the some of its decision-makers. The multitude of activities, especially in the Output 2, tend to blur the mission and the big picture of the Programme.	R1. MFA and BoFEC should have a discussion about the strategic orientation of the Programme. Once they have agreed on guiding strategic focus, it should be confirmed in the SVB. All concerned parties must commit to it. As a result, AgroBIG II should cristallize its concept to make it clearer to all and explain its niche. The strategic discussion does not need to lead to a revision of the entire programme document. The current document provides an appropriate basis to continue the Programme. Parts of the document, however, may need to be clarified as adjusted, such as re-allocations between budget lines.	MFA, BoFEC, SVB. Within three months.
C2. AgroBIG II is relevant to rural women in the eight woredas, especially because of the loan fund directed to women and youth. In capacity building the participation of women could be stronger, and the CB activities should take into account the constraints and needs the women are facing.	R2. The programme needs to update a study to identify the specific needs of capacity building for women. It needs to clarify the conditions that are required to make the trainings most effective for female participants. Women should be active participants when actions for them are being planned. <u>The Programme may use short-term consultancy for this task.</u>	PSU. Within the next planning period.
C3. The characteristics and necessary conditions of a programme relying on value chain approach are not clear to all key stakeholders. This has led to dispersion of interpretations about the Programme's	R3. The strategy discussion deferred to in R1 should include an assessment of what a programme based on value chain approach can and should do, and what not. <u>This may require facilitation by an outside expert.</u>	MFA, BoFEC, SVB. Within three months.

Finding & conclusion	Recommendation	Responsible & time frame
rationale and strategy. As a result, the momentum of AgroBIG II in its pivotal operations has decreased.	Should there be a continuation for AgroBIG II, alternative strategic approaches should be examined, such as Food Systems Approach.	
C4. Although climate sustainability is one of the three cross-cutting objectives of the Programme, climate smart agriculture does not occupy a central role among supported technologies. Climate issues are likely to gain more weight in the development policies of both governments and this should be reflected also in AgroBIG II operations.	R4. Climate change issues need a more central role in the programme's operations. This has implications especially for the training at farm level. Climate smart technologies need to be promoted. The Programme may use short-term consultancy for designing climate-wise appropriate extension packages. As an example, they could include soil management issues. The Programme should explore whether a capable private entrepreneur would be willing to start liming business in the area, and possibly provide support to this endeavour. AgroBIG II should consider dropping dairy from the supported value chains, as ruminant livestock is a major source for methane emissions. Furthermore, EC and IFAD will soon start major support to livestock development in Amhara.	PSU. Within the next planning period.
Impact and Effectiveness		
C5. While systematic monitoring data are not yet available, it is likely that AgroBIG II is making clear progress towards the attainment of its planned outcomes, and thus contributing to the expected impact.	R5. The data from the first annual survey needs to be exhaustively analysed from the point of view of possible adjustment needs in the Programme's operations. Activities that are unlikely to contribute to positive outcomes may have to be reduced or eliminated. Consequent changes must be included in the proposal for the next work plan.	PSU, SVB. In the next work planning process.
C6. Eight woredas and eight value chains are the maximum that AgroBIG II can address with its current resources. On the other hand, decreasing the number of woredas and/or value chains would diminish the possibilities to achieve the expected outcomes.	R6. The number of the woredas covered by AgroBIG II can be maintained at the same level. There is no need to do changes in the number of the supported value chains, save the possible elimination of dairy.	PSU, SVB. In the next work planning process.
C7. The experiences and results of AgroBIG II have not had a noticeable impact on national or regional policies and strategies.	R7. AgroBIG II should identify suitable ways to contribute to regional and national policy dialogues. This should be done as a peer among other comparable development partners and projects. One possibility is to organize theme days where AgroBIG II should have a role of supporter and facilitator and the main responsibility should be, for example, with the Bureau of Agriculture or ATA.	PSU. From here onwards.
C8. In absence of the matching grants, AgroBIG II effect on job creation by private enterprises will be limited. The suspension of matching grants is a major deviation from the strategy defined in the programme document. Reasons behind it are perhaps understandable but not well substantiated. The suspension is posing an important risk to the overall achievement of the intended objectives and has caused a loss of trust capital among the beneficiaries.	R8. Matching grants should be re-launched, according to the following principles. • The grant budget can be smaller than in the current budget. • The two matching grant windows can be combined into one. • Maximum could be 1 million ETB or 33,000 euros, with 50% self-financing. • AgroBIG II experts should provide appropriate monitoring and support in the preparation of the business pan. • The applicants should first provide a concept note, based on a template provided by the Programme. • The selection criteria must be robust, explicit and assessable, including at least one year experience in the business, and not for expansion of old concepts. Innovativeness and risk level should be included in the criteria, remembering that they can be opposing each other. Selection process must include visit at the project site. • Private sector representation, such as the Chamber of Commerce, should be part of the grant selection process. There is a woreda Chamber of Commerce in every AgroBIG II woreda.	PSU, SVB. In the next work planning process.

Finding & conclusion	Recommendation	Responsible & time frame
	• Payment of grants must be done in instalments, and depend on the progress of the project. • Supporting capacity building methods need to be implemented. • ACSI should be replaced as the grant channel. Instead it could be a microfinance institution, or an experienced bank, such as Bunna Bank. Also local BoFEC offices at woreda level, as well as cooperatives could be considered, if their capacities have been assessed to be sufficient for the task.	
C9. The projects undertaken with the support of the Value Chain Facility focus on strengthening the enabling environment and support services, rather than the value chains. Some implementers of the VCF projects have had difficulties in following the required procedures.	R9. VCF should not be continued until the current projects are completed. After their completion, the overall effectiveness of the VCF in supporting value chains should be assessed by the financial advisors of the Programme. PSU should then propose whether to continue or not the VC and, if yes, in what form.	PSU, SVB. Immediately and until the VCF projects are completed.
C10. The loans, both for the cooperatives and women & youth, have been a successful operation. With more streamlined procedures, the loan portfolio could be increased and the Programme's effectiveness consequently strengthened.	R10. If the repayment of the first round of the WY loans is satisfactory, the loan portfolio should be increased to better respond to the demand in the Programme area. The principles and the guidelines for the loans should remain the same,	PSU, SVB. In the next work planning process.
C11. Capacity building consists of a myriad of activities, and training, in various forms, is the most important of them. New plans include several VC fora. Some of them exist already, but some are incipient. For each CB activity, there should be clear and logical connection to the expected outcomes and beneficiaries. The role of the implementing partners in capacity building should be clarified.	R11. It must be made clear to whom the capacity building is targeted and what is the IPs' role in it. Government offices should not be the beneficiaries of capacity building. Capacity building funds are channelled through the IPs, but not used in benefit of them. The financial allocations of the Programme should not be earmarked to the IPs but to the Programme activities. If minor parts of CB allocations are needed to cover the IPs' additional expenses related to CB delivery, then these amounts must be explicitly justified and quantified in the work plans. Boundaries of the respective mandates between AgroBIG II, CPA, and COSACUs need to be defined and agreed upon.	PSU, SVB, CPA, COSACUs. In the next work planning process.
C12. AgroBIG II has been sensitive to gender equality and, with some exceptions, successfully engaged women in its activities, especially in the loan programme. The attention to people with disabilities has been minimal, although the PDW have named as a target group in the programme document.	R12. AgroBIG II should design and implement activities that support the engagement of PWD in economic and productive activities appropriate to them. <u>The Programme may use short-term consultancy for this task.</u>	PSU. In the next work planning process.
C13. If the recommendations proposed by the MTR will be carried out, they will have budgetary consequences. The most important are the re-launching and decrease of the matching grant fund, increase of the loan fund, and strengthening of the capacity building activities.	R13. The Programme should consider reallocating funds within the existing budget. The MTR has made a respective proposal, presented in the table 5.3. If the PSU operational costs are excluded from the calculation, the implementation budget would be divided between the Output 1 and Output 2 in a ration 65:35.	SVB. Within the next three months.
<u>Efficiency</u>		
C14. In comparison to similar MFA supported projects (ARDF evaluation), AgroBIG II has budgeted and spent its resources efficiently. The spending pace is lagging behind, because of the suspension of the matching grants and the slow financial reporting by some of the implementing partners.	R14. AgroBIG II should examine reasons behind slow reporting of the concerned implementing partners. Consequent remedies could include training in the Programme's administrative procedures and requirements. Regional bureaus should help to resolve delay problems, in cases where offices under their mandates are concerned.	PSU, Implementing partners. Within next six months.
C15. The use of the contribution of the Government of Ethiopia to AgroBIG II has not been reported comprehensively.	R15. The use of the contribution of the Government of Ethiopia to AgroBIG II needs to be reported comprehensively.	BoFEC. Within next three months.
C16. In general and with minor exceptions, the implementing partners manage Programme resources efficiently and reliably. This was concluded by a recent audit. An exception was the management of the AgroBIG I loan fund by ACSI, for which it has a contract with BoFEC until 2026. Among the stakeholders there is a generalized perception that	R16. ACSI can continue administering the AgroBIG I loan fund, because legally it is difficult to recuperate the fund before the end of the agreement period in 2024. In the meantime, BoFEC needs to supervise that the funds are being used properly and report this annually to the SVB.	PSU, SVB. In the next work planning process.

Finding & conclusion	Recommendation	Responsible & time frame
ACSI is not managing Programme funds efficiently. However, the agreement between BoFEC and ACSI regarding the management of the loan fund makes it quite difficult for any third party to change the ACSI's role in it.	When matching grants will be re-launched, another financial operator should be identified to replace ACSI, as suggested in R8.	
C17. There are overlaps in the compositions of the key administrative organs of AgroBIG II: SVB, RTC, and WTC. Same organisations and sometimes same individuals are members of more than one of them. This increases bureaucracy and decreases efficiency and transparency. Private sector is under-represented in all organs. It is questionable whether RTC should include the same entities that are in the SVB because RTC is like SVB without MFA, in times of divergence this becomes a problem. The Programme Director has been absent from work for several months, for fully justified reasons. The ensuing leadership gap has contributed to frictions that have surfaced between key stakeholders, especially BoFEC and the TA team. Programme management team has not functioned as defined in the programme document.	R17. Amhara Women Entrepreneurs Association should be invited to be a member of the AgroBIG II Supervisory Board. SVB should examine the possibility of eliminating the RTC from the Programme structure, as its tasks can be handled by the SVB and some of them also by the WTC. This would make the Programme decision-making lighter and more fluid. Chamber of Commerce or its member associations should be represented in the WTC. Beneficiaries should be represented in the WTC through cooperatives, at least half of these representatives must be women. SVB should make contingency plans for the case of vacancies in the Programme's key positions, to make sure that gaps and vacuums will not appear. Existing frictions and misunderstandings should be resolved in a constructive discussion proposed in the R1. Programme management team needs to establish regular and effective working patterns. Minutes of its meetings must be kept by one of its members, defined in the first PMT meeting held after the approval of this recommendation. The minutes must be available to the members of the SVB.	SVB, TA team. Within next three months.
C18. The TA team works efficiently, but with evolving challenges of the work and the modifications proposed by the MTR, some of the TA posts could be revised. The use of short-term technical assistance has been much less than anticipated.	R18. TA team's composition should be reviewed. The post of the International Financial Advisor should not be continued after it expires in September 2019. Using the savings from short-term technical assistance, a medium- or long-term national TA post should be established to strengthen the Programme's capacity in marketing and business development issues. This would be a crucial input to accompany the re-launch of the matching grants. Profiles of existing and continuing TA posts should be reviewed. For example, there may be a need to reorganise the work load of the Cluster Advisors, whose work is currently stretched over large geographical areas and many value chains. Rather than proposing a recipe, the MTR believes that the PSU is best placed to review its own way of organising the work. Using short-term TA consultancies is not an end in itself. The MTR proposes some themes where they could be used but it is likely that the budget line will still have unspent funds. MFA should negotiate with the consulting company for the STTA funds to be used for other TA purposes.	PSU, SVB, MFA, Niras Finland. Within the next three months.
C19. M&E system of AgroBIG II is functional. The first major test will be the annual survey in June 2019. The integration of the Programme's M&E to respective systems of the implementing partners is practically nil. Yet strengthening of M&E capacities of the partner institutions could be a significant contribution to their development. Without a functional M&E system after the Programme's termination, its continuation by a regional institution will be weak.	R19. In collaboration with the implementing partners, AgroBIG II should examine which one would be the most suitable partner for the joint development of M&E systems. The integration with the market information systems, currently under preparation, should be considered.	PSU, Implementing partners. Within next six months.
<u>Aid effectiveness</u>		
C20. Cooperative unions have sound management systems and their staff is committed to deliver services to the members. They have, however, an overall need for institutional and capacity strengthening to reach the desired level of	R20. AgroBIG II should plan its capacity building activities for the COSACUs with the view that these will be the most probable implementers of the loan programmes after the termination of the external support.	PSU, Cooperatives.

Finding & conclusion	Recommendation	Responsible & time frame
sustainability. Government policies and regulations have not always been conducive to the cooperatives' autonomy and strengthening, as illustrated by the non-acceptance of land certificates as collaterals for cooperative loans.		Within the next planning process and henceforth.
C21. AgroBIG II work plan for 2020 foresees several instruments to strengthen value chain linkages between actors. Their details need to be specified, because there may be a need to adjust the balance between several VC activities. The support to value chains by AgroBIG II consists from financial services (Output 1) and capacity building (Output 2). Strategically and also operationally, the two outputs are adequately synchronized and mutually supportive. However, there are number of challenges that hinder the planned implementation of activities. Some of them are under the Programme's control but many are not.	R21. The SVB and implementing partners should review the list of obstacles in the section 4.4.2 of the report. Based on their assessment, they should decide what are the most appropriate and effective ways to solve the. This exercise can be done in combination with the discussion recommended in R1. First and foremost, the decision-makers need look for solutions on several fronts, because many of the activities defined in the work plan include challenges. Some of them are not under the Programme's control, but it could play a proactive role, mainly through the channels that the implementing agency BoFEC and the implementing partners (IP) have with other branches of the administration.	SVB, Implementing partners. Within the next three months.
<u>Sustainability</u>		
C22. The future of the loan capital after AgroBIG is one of the key questions in the Programme's sustainability. It should be resolved utilising the following criteria: • It must be used in a way that supports AgroBIG's objectives, providing financial services to the Programme's beneficiaries, and to similar groups outside the current Programme area. • It must be managed by an organisation that is specialised in rural financial services provision. The management and use of the fund must not jeopardize market-based and competitive financial services in the region. • The use of the loan fund must be regularly reported to the competent authorities of the two governments. They should have a joint possibility to request correcting action if deviations from principles of sound financial management are observed.	R22. <u>The Programme should undertake a study and subsequent plan, using a short-term consultancy, on the future use and form of the loan fund.</u> The resulting plan must be detailed and feasible. It should consider at least two options: • COSACUs as the owners and managers of the loan capital. COSACUs would need preparatory capacity building for this role. • Use of the loan capital as a collateral fund managed by a bank or microfinance institution. The example of the MEDA programme, explained in the section 4.2.2., could be adopted, adjusting it to the specificities of AgroBIG II.	PSU, SVB. Before the end of 2020.
C23. The overall assessment of AgroBIG II is positive, as evidenced in the preceding sections. Its efficiency and effectiveness are satisfactory and there will most likely to be tangible positive impacts. In many respects, AgroBIG II performance surpasses that of many comparable programmes. Considering this, it is difficult not to recommend a continuation to AgroBIG through an additional phase. Most of the groundwork has been done in the first phases of the Programme and it would be rational to continue to exploit the experience, systems, and tools for which the investments have been made and paid. The beneficial concept should be utilised.	R23.The additional phase, AgroBIG III, should not be a copy of the current one. It should be a result of a thorough situation analysis and preparation. Tentatively, it can be assumed it could focus in strengthening commercialisation and assisting enterprises and getting to the market. Wider impact could be sought by assisting a higher number of enterprises than what is currently being done. Sources of funding should be looked for actively and respective mechanisms developed. Regardless of an additional AgroBIG phase, the SVB should consider a non-cost extension for the current phase. Tentative calculations indicate that the existing funds would be sufficient for at least a six-month prolongation. This would allow the Programme to catch up some of the time it has lost in the suspension of the matching grants. Three options of AgroBIG II continuation are presented in the table. 5.2.	SVB. Before the end of 2020.
C24. As a stand-alone programme, AgroBIG II runs the risk of weak ownership and sustainability. AgroBIG III would not resolve the long-term sustainability of the operations. The Programme will end its support one day, whether it is in 2021 or 2024. The long-term vision and commitment of the key stakeholders is crucial in convincing external funders to continue with more years. It is understandable they	R24. AgroBIG II will need to prepare a sustainability plan that includes a realistic plan and timetable, indicating how the planned activities will be completed and resources be utilised. The plan needs to include a calendar and budget that indicate the shutdown of activities and human resources, in case the competent authorities decide not to continue with an additional Programme phase.	

Finding & conclusion	Recommendation	Responsible & time frame
look for positive and sustainable impacts as a counter value to their contributions.	A key element of the sustainability plan is the strengthening of the capacities of the woreda and kebele level officials to act as facilitators and trainers of key CB activities, including the FFS. This calls for a stronger emphasis in the training-of-trainers activities by the Programme. The sustainability and capacity building needs to define how the beneficiaries that are not cooperative members can be best addressed.	
<u>Coherence</u>		
C25. Coordination with other projects and development partners in the area and relevant sectors could strengthen the effectiveness of AgroBIG through joint leverage. However, when seeking increased coordination and collaboration one should remember that each programme has its own objectives, strategies, procedures, and constraints.	R25. AgroBIG II should organize a meeting with relevant projects and development partners to explore possibilities for strengthening coordination and collaboration in areas of mutual interest. The discussion should focus on strategic issues, instead of isolated service provisions. At least the programmes mentioned in the section 4.6. of this report should be invited.	PSU. Within next six months.

A. BOFEC Channel, AgrobIG Phase II	BUDGET 2017-2021		Cumulative spent by 31.3.2019	% of total budget used by 31.3.2019	1.4.2019 BALANCE	MTE proposal, euro	MTE proposal, %
Output 1: VC Actors' access to finance and financial services is	EUR	%	EUR	%	EUR		
1.1 Provide grants for VC actors through the Grant Fund	1 500 000	27,8 %	0	0,0%	1 500 000	500 000	9,3 %
1.2 Support learning and new approaches (Value Chain Facility)	325 000	6,0 %	78 650	24,2%	246 350	120 000	2,2 %
1.3 Provide funds to the Women and youth groups through SACCOs	800 000	14,8 %	427 548	53,4%	372 452	1 225 000	22,7 %
1.4 Provide funds for cooperatives through COSACUs (Cooperative	900 000	16,7 %	432 632	48,1%	467 368	1 225 000	22,7 %
1.5 Grant and loan fund management	70 000	1,3 %	18 534	26,5%	51 466	70 000	1,3 %
1.6 Phase I commitments for construction and equipment	200 000	3,7 %	15 208	7,6%	184 792	100 000	1,9 %
Sub-total	3 795 000	70,3 %	**972 571**	**25,6%**	**2 822 429**	3 240 000	60,1 %
Output 2: Capacities of VC actors are strengthened to improve their capability to seize market opportunities							
2.1 Facilitate business and market linkages, investment and public-p	121 500	2,3 %	51 806	42,6%	69 694	350 000	6,5 %
2.2 Improve business and farm management skills and service delive	597 000	11,1 %	127 945	21,4%	469 055	600 000	11,1 %
2.3 Form, train and mentor women/youth groups in agriculture-relate	195 500	3,6 %	54 917	28,1%	140 583	400 000	7,4 %
2.4 Provide technical support to cooperatives to improve member se	233 500	4,3 %	22 711	9,7%	210 789	400 000	7,4 %
Sub-total	1 147 500	21,3 %	**257 380**	**22,4%**	**890 120**	1 750 000	32,5 %
Programme Management							
PSU operational costs /BoFEC (ref. SVB #9)	457 420	8,5 %	**150 257**	**32,8%**	**307 163**	400 000	7,4 %
TOTAL	**5 399 920**	100,0 %	**1 380 208**	**25,6%**	**4 019 712**	**5 390 000**	100,0 %

2. Introduction

In April 2019, the Ministry for Foreign Affairs (MFA) and the Bureau of Finance and Economic Cooperation (BoFEC) of Amhara region selected an independent expert team to undertake the mid-term review (MTR) of the second phase of the Programme for Agro Business Induced Growth in Amhara Region (AgroBIG II). The team consisted of Klaus Talvela (Team Leader), Messeret Legesse (National specialist in agricultural growth & equality), and Fayera Abdissa (National specialist in value chains & rural financing).

As defined in the terms of reference (ToR, Annex I), "the purpose of the midterm review is to provide an independent view of the implementation of AgroBig II; to analyse needs for revision; and to provide recommendations to improve the program implementation".

The sources to obtain documents were multiple: MFA, institutions and organisations of the Government of Ethiopia (GoE) at various levels, development partners, web sites, professional networks of the team members, and various stakeholders in Ethiopia. A key instrument has been the MTR matrix, structured according to the main issues to be assessed, as defined in the ToR, namely:

A. Relevance,
B. Impact and effectiveness,
C. Efficiency,
D. Aid effectiveness (effectiveness of aid management and delivery),
E. Sustainability,
F. Coherence.

The mid-term review team applied gender-sensitive methods, using gender analytical tools at different levels. Various methods were utilized to identify achievements and uncover gaps in addressing needs of women and men as well as the most vulnerable groups through the Programme's activities. Gender Analysis (GA) ensures gender sensitivity of development programs and projects and helps to address different needs and priorities of men and women at design and implementation, and exposes the gender differentiated outcome as well as impacts of programs and projects.

A mid-term review is a management tool, rather than research. Therefore, one should not expect that all the facets of AgroBIG II are included in this report. In several occasions, the evaluators have referred to examples and illustrative cases, instead of forming exhaustive lists of all relevant aspects. When drawing conclusions, possible limitations of the evidence base are pointed out. If the report can trigger action-oriented reflection processes among the stakeholders, the MTR will have fulfilled most of its tasks.

For reading the report, it is useful to know how its main sections have been constructed. The section 3 is a descriptive one, stating basic facts and characteristics of the Programme, without drawing conclusions. The findings and conclusions, because of their intertwined nature, are presented together in the section 4. They are grouped by the main parameters to be assessed. Recommendations in the section 5 are based on findings and conclusions. Consequently, their substantiations are located in the section 4.

The reference for the MTR is the Manual for Bilateral Programmes (MFA, 2016). The MTR was conducted according to the principles and guidelines defined in the Evaluation Manual (MFA, 2013), and Human Rights Based Approach in Finland's Development Cooperation (MFA, 2015).

The MTR was carried out in April-June 2019. It included a field mission to Ethiopia from May 5 to 17. The MTR team interviewed a number of stakeholders and reviewed the relevant documentation. The list of consulted persons is in Annex II. In total, over 100 persons contributed to the MTR, either in bilateral meetings and interviews, or in collective gatherings, such as focal group discussions. Before the end of the work in Ethiopia, the MTR Team organised a workshop on May 17, 2019, in Bahir Dar, in which tentative findings and conclusions for AgroBIG II stakeholders were presented. An equivalent debriefing was held to the MFA Ethiopia Team in Helsinki and the Embassy in Addis Ababa on May 22 2019.

The authors of this report wish to thank all those organisations and individuals who collaborated with and contributed to the mid-term review. The opinions presented in the report belong to the evaluators alone and do not necessarily correspond with those of the Governments of Finland and Ethiopia.

3. Description of the context and the evaluated programme

3.1. Programme context

Ethiopia, the second most populous country in Africa, is a one-party state with a planned economy. For more than a decade before 2016, Ethiopia grew at a rate between 8% and 11% annually, being one of the fastest growing states among the 188 IMF member countries. This growth was driven by government investment in infrastructure, as well as sustained progress in the agricultural and service sectors. More than 70% of Ethiopia's population is employed in the agricultural sector, but services have surpassed agriculture as the principal source of GDP.

The state is heavily engaged in the economy. On-going infrastructure projects include power production and distribution, roads, rails, airports and industrial parks. Key sectors are state-owned, including telecommunications, banking and insurance, and power distribution. Under Ethiopia's constitution, the state owns all land and provides long-term leases to tenants.

The period of rapid and sustained growth and modernisation that Ethiopia has experienced over the past two decades has brought about profound changes, with many positive outcomes for the rural population. However, the changes also led to increasing divisions and inequalities: between the rich and the poor, between those with access to land and/or capital and those with too little or none, and between generations and genders. There are also growing disparities between better and less well-connected communities, and between areas and households within communities that are closer or further from roads and urban centres. Among the challenges of rural Ethiopia are the need for agricultural modernisation, rural livelihood diversification, demographic change and young people's transitions, changing patterns of migration or work, and the evolution of the rural economy.

Following the election of Abiy Ahmed as the Prime Minister in April 2018, Ethiopia has initiated reforms of government structure, liberties for the civil society, and improvement of relations with its neighbours. This has created an atmosphere of optimism, although huge challenges lie ahead. These include the needs to overhaul the political system, to curb youth unemployment with two million young people entering the labour market every year, and to reduce tensions within the country.

Amhara region, where AgroBIG is implemented, has a total land area of 170,000 km^2, which is 15% of the total area of Ethiopia. The region comprises 12 administrative zones and 130 rural woredas (districts). The population of Amhara is over 22 million people, of which 84% live in rural areas. Agriculture is the predominant economic activity, and more than half of the land area is utilised in crop production or grazing. Fertile soils and good irrigation potential allow the production of a variety of crops, such as cereals, pulses, spices, fruits, vegetables, and flowers. Apiculture, floriculture, and forestry have increasingly drawn investments.

3.2. Description of AgroBIG II programme

AgroBIG II in Ethiopia is a key instrument in the MFA Country Strategy for Development Cooperation with Ethiopia for 2016-2019 to empower people in rural Amhara to enjoy sustainable growth and decent livelihoods, which has been defined as the first of the three impacts of the Country Strategy. Being implemented by a group of regional actors in Amhara, with a budget of 10.34 million euros (GoF contribution of 9.4 MEURO and GoE contribution of 0.94 MEURO), the Programme provides a milestone in the long history of agricultural and rural development cooperation between Finland and Ethiopia. The Bureau of Finance and Economic Cooperation (BoFEC) of Amhara region is the lead implementation agency of the Programme.

The first phase of AgroBIG (2013–2017) was implemented in Fogera and Mecha woredas in the Amhara region. According to the completion report (October 2017), AgroBIG I achieved its Programme purpose: to establish efficient and profitable value chains of selected crops/products benefitting the involved actors and stakeholders along the chain. The Programme focused on four value chains: onion (bulb and later seed), rice, potato and maize and, according top the completion report, the households in Fogera and Mecha more than doubled their total income. Their consumption asset index increased by 5 % from 2.1 in the baseline to 2.2, and production asset index grew by 7% from 2.9 to 3.1. Average yields/ha of the targeted commodities increased by 9-20% from 2014 to 2015, and even more during 2016 and 2017. The focus of activities of AgroBIG I was in the primary agricultural production and the construction of value chain related infrastructure, such as warehouses, market places, and cooperative outlets.

The second phase of AgroBIG, subject of the MTR, runs for 4.5 years, from July 2017 to December 2021. It is designed to sustain the achievements of Phase I, and further strengthen agribusiness development within the Tana sub-basin. The geographical focus of the second phase of AgroBIG is 89 kebeles in eight woredas: North Achefer, South Achefer, North Mecha, South Mecha, Bahir Dar Zuria, Dera, Fogera and Liboemkem, falling under the Koga-Gilgel Abay, Gumara and Rib catchments.

The Programme targets a total of 300,000 direct beneficiaries classified into three main groups: (1) individual farmers and farming household members; (2) agricultural cooperatives and associations; and (3) other private sector value chain actors such as input suppliers, traders, processers and service providers.

The intended impact AgroBIG II is to contribute to the development that enables agriculture to provide decent sustainable livelihood to people in rural Amhara regional state. Its expected outcome is that value is added at various levels of selected agricultural value chains to increase incomes and create jobs for farming households and other value chain actors, with a particular emphasis on women and youth.

AgroBIG II has two output objectives, which are inter-linked, causing the attainment of the intended outcome:

- Output 1: Value chain actors' access to finance and financial services is improved and sustainability of their enterprises and business initiatives is strengthened.
- Output 2: Capacities of value chain actors are strengthened to improve their capability to seize market opportunities in a profitable and sustainable way.

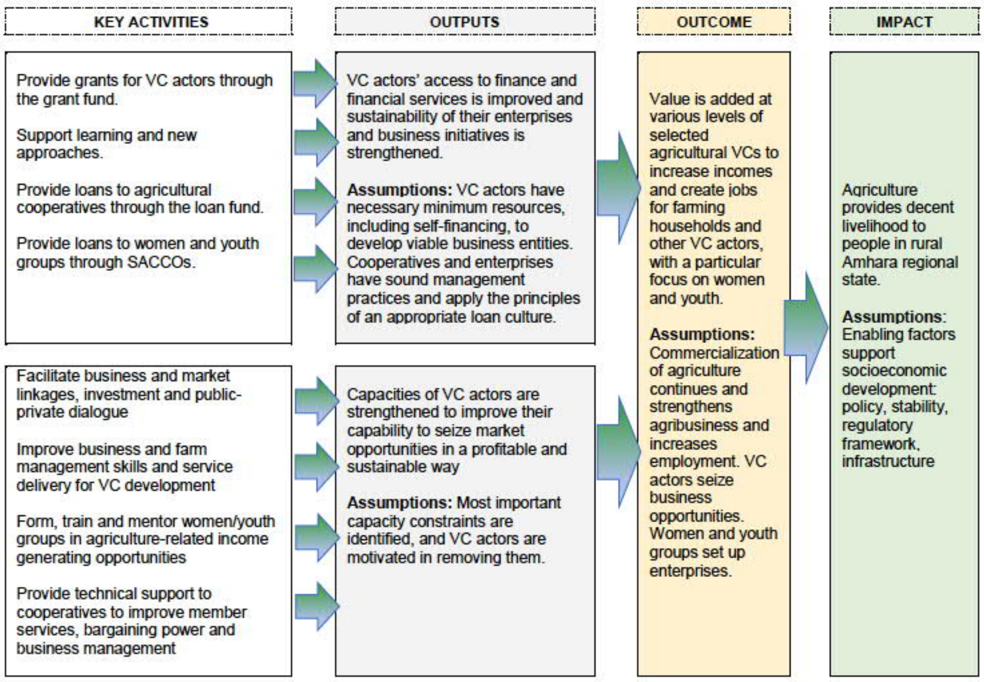

Figure 3.1. Results chain of AgroBIG II. Source: Programme document.

The results chain of AgroBIG II (Figure 3.1.) depicts the logic between the programme's key activities, outputs, outcome, and impact.

The theory of change of AgroBIG II is defined in the programme document[1] as follows:

> Food production in high potential agricultural areas enables diversified production abounding both in quantity and quality. This creates possibilities to add value at all stages of agricultural value chains and strengthen food security.
>
> Targeted support in stages where the value adding potential is biggest will enhance the profitability and viability of respective actors. This will help the production to meet the market and increase the income levels of value chain actors. It will strengthen the availability, accessibility, and affordability of food to the consumers.

The programme addresses three cross-cutting objectives: environmental sustainability, gender equality and reduction of inequalities through inclusion of vulnerable groups: women, landless youths and People with Disabilities (PWD).

AgroBIG II applies a value chain approach (VCA). The programme supports input suppliers, farmers, brokers, processors, wholesalers, retailers and producer and consumer cooperatives and service providers, with increasing attention to the downstream of the value chains, to add value to the produce they deal with, to find and familiarize with profitable markets and new market segments for their produce, and thereby improve competitiveness and profitability of their business initiatives. A generic description of an agricultural value chain is in the figure 3.2. AgroBIG continues to support four value chains that were attended to during the first phase of the Programme during 2013-2017: onion, potato, rice and maize. Four additional value chains have been included for Phase II: tomato, dairy milk, goat and sheep fattening and production of eggs and poultry meat.

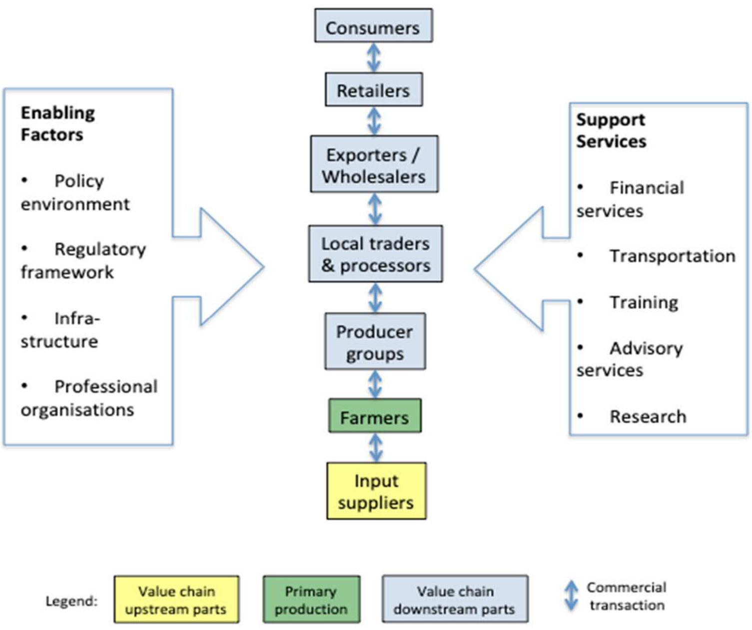

Figure 3.2. Generic agricultural value chain. Source: AgroBIG II programme document.

[1] The programme document of AgroBIG II has been revised during the implementation. The original Programme Document dated is 10 April 2017. It was updated by the PSU on March 14, 2018 and approved by SVB on March 22, 2018. It was updated again in July 2018 and approved by SVB on August 30, 2018, pending approval by MFA of the budget breakdown by years. The revised budget breakdown was approved by MFA on October 1, 2018.

Economically viable and profitable enterprises in value chains will be able to create job opportunities. By supporting and setting targets for vulnerable women and youth, both men and women, these groups can seize job opportunities and through them, improve their livelihoods and status in a sustainable manner. Their food security will be improved.

The competent authorities and implementing partners (IP) are included in the main bodies of the programme:

- AgroBIG Supervisory Board (SVB) has the highest decision-making power in the Programme, chaired by BoFEC and MFA representatives. Members include three Amhara regional bureaus (Agriculture, Women and Children Affairs, and Trade and Market Development), Cooperative Promotion Agency and Chamber of Commerce. The SVB meets twice a year.
- AgroBIG Regional Technical Committee (RTC) includes representatives from regional bureaus, ARARI, Agricultural Transformation Agency (ATA) and ACSI. RTC is to provide advisory support to the Programme implementation.
- The Programme Support Unit (PSU) consists of Programme Director and three administrative staff employed by BoFEC, and Technical assistant (TA) team that includes three international and five national experts, one administrative staff, one support staff and seven drivers, all employed by TA Consultant (NIRAS Finlnd Ltd.).

Savings and Credit cooperatives (SACCO) and their unions, COSACUs, are an important resource for the Programme. These entities manage most of the revolving loan funds of AgroBIG II, which form the biggest individual resource of the Programme. Three COSACUs - Rib, Adera Densa and Tana - coordinate the transfer of loan funds to SACCOs to facilitate loans for their members, more specifically for women and youth, and the disbursement of loans to multipurpose and other cooperatives for their working capital. ACSI (Amhara Credit and Savings Institute) holds ETB 5.7 million of loan fund from AgroBIG phase I, which is meant to be revolved and used for loans to women and youth residing in the urban areas.

4. Key findings

4.1. Relevance

The ToR defined three key questions to be addressed regarding relevance:

1. Are there any changes or new relevant policies, strategies or legislation the program should be further aligned with?
2. Its relevance to the SDGs, especially to 1,2,5 and 8.
3. Does AgroBIG II address adequately the needs and priorities of all its direct beneficiaries, especially those of women and youth, cooperatives and private sector value chain actors?

The Programme is consistent with the needs and priorities of the key stakeholders: farmers, cooperatives, and private sector value chain actors. Both the MFA and the Regional Government of Amhara see AgroBIG II highly relevant. Outside the immediate circle of the stakeholders and beneficiary institutions, there are a number of other relevant stakeholders, as illustrated in the value chain description in the figure 3.2. They include public administration and various service providers. In the interviews, all of them valued AgroBIG II and considered its mission pertinent.

The theory of change and the chain of results (figure 3.1.) of AgroBIG are relevant and valid. Their logic is coherent and they match with most of the Programme's context and stated objectives. In the results chain, the assumptions at the output level should more clearly point out the importance of the enabling environment. The government policies and regulations have not entirely supported the value chain development, as manifested by the suspension of the matching grants.

4.1.1. Relevance to the Government of Ethiopia

AgroBIG II continues to be relevant in relation to the objectives of the key development policies of the Government of Ethiopia (GoE).[2] It contributes to the country's Growth and Transformation Programme (GTP II), which is also adopted by the Amhara State in its development plan with the following strategic priorities:

1. Increase production capacity and efficiency to reach the economy's production possibility frontier through rapidly improving quality productivity and competitiveness of productive sectors i.e. agriculture and manufacturing.
   - AgroBIG II aims at improving agricultural productivity and the quality of ensuing products through value addition.
2. Enhance the transformation of private sectors to enable them to become a capable development force.
   - AgroBIG II contributes directly to the country's and the region's priority in which selected clusters are developed and provide increased income for farmers, cooperatives, processors, traders and private service providers.
3. Promote women and youth empowerment, ensure their effective participation in the development and democratization process and enable them equally benefit from the outcomes of development.
   - AgroBIG II strengthens the role women and youth in productive activities and enhances their participation in agricultural economy and value chains.

[2] In this document, 'Government of Ethiopia' refers to the public authorities at all levels (federal, zonal, regional, woreda, kabele) of the Federal Democratic Republic of Ethiopia.

The GoE has a strategy for Ethiopia's Climate-Resilient Green Economy (2011). The subsequent action plan includes fast-track initiatives, and one of them promotes the efficiency improvements of the livestock value chain. As AgroBIG II supports both dairy and poultry value chains, it contributes to this government policy. However, considering the paramount and increasing importance of climate and environmental issues, both nationally and globally, environmental aspects should play a bigger role in activities supported by the Programme.

In addition to the policy framework at the federal level, the Regional Government of Amhara has several sectorial and regional strategies. They emphasize youth employment and creation of jobs. A key concept is a production belt, which is compatible with the cluster approach of AgroBIG II. According to BoFEC, AgroBIG II is in line with the regional government's policy that aims at economic growth and employment creation. BoFEC has indicated it would like to copy the Programme's concept to other projects, but has not specified what parts and in which way. A frequent issue with Ethiopian policies and strategies is that they are not explicitly resourced or budgeted, or that this information is usually not publicly available.

While there are no new formal development policies that AgroBIG II would need to consider, Ethiopian government has introduced new emphasis since Abiy Ahmed started as the Prime Minister in April 2018. State-led development model is being cautiously replaced by a private sector led economy. Privatizations have taken place in telecom and logistic sectors, regulatory reforms are started, and the role of private enterprises in job creation is accentuated. The new orientation is expected to rectify weaknesses that are hidden by the undeniable success of the Ethiopian economy. In spite of being the fastest growing economy in Africa, it is still a long way down with a position of 159 out of 190 on the World Bank's Ease of Doing Business Index. The World Bank maintains the site 'Enabling the Business of Agriculture', which ranks Ethiopia in market variable at 59th position out of 62 countries.

4.1.2. Relevance to the Government Finland

AgroBIG II is relevant to GoF development policies. The Finnish Government Report to Parliament (2016) defines that development cooperation will have a special focus on the following priority areas:

1. Enhancing the rights and status of women and girls;
2. Improving the economies of developing countries to ensure more jobs, livelihood opportunities and well-being;
3. Democratic and better functioning societies;
4. Increased food security and better access to water and energy; and the sustainability of natural resources.

AgroBIG II addresses directly two of the objectives (2 and 4), and contributes to the other two. Its support to value chains enables private sector actors to create more jobs, and the increased farm productivity improves food security. MFA Country Strategy for Ethiopia 2016-2019 defines three impacts to which Finland will contribute by 2025. AgroBIG II plays a key role in promoting the first one of them:

- People in rural Ethiopia are empowered to enjoy sustainable growth and decent livelihoods.
- People are empowered in WASH practices, have access to clean water and enjoy improved health.
- Equitable access to quality general education is assured for all children**.**

Relevance of the Programme in relation to the cross-cutting objectives and human rights in the Finnish development policies is dealt with in the section 4.2. on impact and effectiveness.

Key policy documents of the GoF will be updated in the near future. The new Finnish government, resulting from the parliamentary elections in April 2019, will review the priorities for the international development cooperation. It will set the framework for the new MFA Country Strategy for Ethiopia, for the period from 2020 onwards. While the strategic foci of these key documents are obviously not yet known, it is likely that AgroBIG II will remain relevant in relation to them. The relative importance of climate change issues is expected to increase, which may have consequences to AgroBIG II in defining its priorities.

Sustainable Development Goals (SDG) have a pivotal role in the policies of the two governments. AgroBIG II is clearly relevant to the attainment of several SDGs and all its core activities address SDGs, notably the following:

1. Goal 1. End poverty in all its forms everywhere.
    - AgroBIG contributes to poverty reduction in rural Amhara. Most of its activities, both in financial services and in capacity building, are directed to the small-scale farmers and cooperative members, with an emphasis on women and youth. Support to private sector actors is likely to create jobs for people with scarce resources. One of the two impact indicators of the Programme monitors the poverty head count, with 1.3% annual reduction as the target.
2. Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
    - AgroBIG II aims at increasing farm productivity. This will lead to an improved food accessibility and affordability. Food utilization will be improved through more diversified diets, based on support to eight different value chains. The Programme monitors the development of agricultural productivity, and 20% (in volume) to 30% (in value) productivity increases are set as target by 2021.
3. Goal 5. Achieve gender equality and empower all women and girls.
    - AgroBIG II has defined gender equality as a cross-cutting objective and all the monitoring data are disaggregated by gender. 80% of the loans have been given to women. The female membership in cooperatives has increased more strongly than the male one.
4. Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
    - AgroBIG II contributes to inclusive and sustainable economic growth through support to agribusiness entities, both private and cooperative. One of the two impact indicators monitors agricultural growth rate in the region. The annual target is 7.8% increase, and in total 31% by 2021.

4.1.3. Relevance to the beneficiaries

Among the three beneficiary groups, AgroBIG II has made considerable efforts to discern the needs and priorities of the farmers and farming households. The programme document includes a stakeholder analysis, an assessment of social inclusion and vulnerability, a social vulnerability and gender analysis, and assessments on environmental impact and climate sustainability. In the first year of the Programme specific analysis were carried out on the value chains of dairy, potato, onion, tomato, small ruminants, and poultry. The baseline study was implemented in May-August 2018 and it covered beneficiaries' situation comprehensively. Perhaps the most important single fact supporting the AgroBIG rationale was the finding that for 90% of the farmers, the main income comes from selling agricultural products produced by the household.

As any development project, AgroBIG II must match its finite resources with the infinite needs of the beneficiaries. Instead of an all-encompassing agricultural development undertaking, AgroBIG II has chosen to focus on economic activities of the beneficiaries, through value addition and job creation, with financial services and capacity building as main instruments. While this has been a justified choice, it has been, to a certain extent, an exclusive one. All programmes relying on a value chain approach (VCA) work best with farmers who have at least a basic level of productive assets, such as work force and land. Many of them are faced with an inherent conflict between social objectives (for have-nots) and economic ones (for haves). The decision-makers of AgroBIG II should clearly manifest that multiple and diverse goals cannot be effectively achieved by one programme. Scope creep has jeopardized many projects and it is a threat to AgroBIG II, too.

AgroBIG II addresses needs of direct beneficiaries, especially at the level of primary production. Also the second beneficiary group, agricultural cooperatives and associations, are well catered for, thanks to close operational links the Programme has with them. The third beneficiary group, private sector value chain actors, are less addressed. While the value chain studies, in varying degrees, have looked into the issues of input suppliers, traders, processers, and service providers, their needs have not been specifically analysed by the Programme. The weak representation of the private sector actors in the decision-making bodies of AgroBIG II as well as the suspension of the matching grants has also reduced the relevance of the Programme to the third beneficiary group. Thus the Programme is becoming more an agricultural development project, instead of a value chain programme. The programme document strategy, as defined in its section 3.2.2, is not being completely adhered to.

Women are defined as an important beneficiary group of the Programme. Capacity building at Farmer Field Schools (FFS) and access to finance through cooperatives are largely benefitting male farmers. The cooperative loans are mostly used to enable cooperatives to purchase harvested crops from their members. The participation of male producers in FFS is 79% and male engagement in crop production is dominant. In comparison to AgroBIG I, the current programme phase has succeeded to increase the participation of women. The third quarter AgroBIG II Report (Jan 2019-March 2019) indicated about 21% of women participating in FFS, whereas in AgroBIG I the female participation was 16%. This is due to multiple tasks women have to carry out or lack of time for such activities to be done in public. The following case shows how women are marginalized from this activity:

> *The findings from the FGD held with women at South Mecha district and Lehuluselam kebele, on farm potato trials showed that women do not actively participate in FFS.[3] The women in FGD were asked if they know the FFS program from AgroBig II and they responded that never heard of it. They acknowledge that their husbands follow up the potato trial. When asked if they wish to take part in the program they all said they like to learn the farming techniques. The major reason forwarded by the discussants for not attending the FFS is lack of time. One of the discussants said:*
> *‘’ If me, my husband and our children are all students and trainees, then who will take care of the domestic work?’’ They added the gender division of labour is one obstacle that does not allow them to attend such trainings.*

While the Programme has been providing gender related trainings to male and female farmers to change the unfair division of labor and improve male engagement at the household level, the citation above is a showcase of the stereotypical involvement of men and women in different activities of the Programme. The women mostly engage in livestock rather than crop or horticulture production, which demand them to go out to the public sphere. In capacity building, men benefit the most, with female participation currently at 33%. Though their number is behind the target, still the capacity building trainings help women to get new skills and knowledge on good farming practices and entrepreneurship, which are empowering economically and socially and finally improve their decision-making positions. Design and implementation of women-specific activities and gender responsive programs is necessary to increase participation of and benefit to women.

According to the Quarter III report (January-March 2019), women benefit the most from the Women and Youth Loan Fund (WYLF) of AgroBIG II. Out of 1085 loanees, 851 or 78% are women. The case below show how women are benefiting from the financial services:

[3] According to the PSU, there are no Farmers Field Schools yet implemented in South Mecha.

The finding from Focus Group Discussion (FGD) held with women who benefited from AgroBigII loan funds at Abichikli Kebele in South Achefer district show that the WYLF is enabling women generate a moderate income. The MTR team was able to observe how these women are engaged in fattening of sheep while one is engaged in dairy farming. The discussants also acknowledged that women are joining SACCOs to access WYLF and started saving that improved their saving culture. On the other hand, they said the loan is not as such life changing. According to them men are dominant beneficiaries because some women take the credit and pass it to the husband. They believe that the size of the loan is small and with short repayment time.

AgroBIG II is not only enabling women to be the major loan beneficiary group, it is also attracting more women and young members to the SACCOs. AgroBIG II has facilitated the registration of 335 new members, out of which 190 are women, to existing and newly formulated SACCOs. This is likely to increase the culture of saving and can be an additional benefit of the loan scheme.

The most vulnerable groups including landless youth, people with disability, and very poor people are not at the core of the Programme's attention. These groups have no financial resource to join the saving and credit and access the WYLF. There is no available data indicating the participation of people with disabilities (PWD) in the M&E records of AgroBIG II, although outcome indicators are planned to be disaggregated by PWD.[4] Scarce attention to PWDs illustrates the trade-offs the Programme has made when focusing its operations among the many needs of the population in the region. However, considering the that 10% of the beneficiary households include PWDs, and many of them motivated to engage in meaningful economic actions, it would be advisable to the Programme to design appropriate activities directed to them. Some efforts are already made in this sense. When scoring small-scale grant applications, engagement of PWDs in the project gives additional points to the applicant.

4.1.4. Value chain approach

A value chain can be defined as the full range of activities required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final customers, and final disposal after use.

Based on the evidence from projects in various countries and other comparable experiences, **value chain approach needs certain conditions to be in place**, or at least developed and strengthened in foreseeable future, before it can be expected to bring about results. It needs:

1. A functioning private sector that includes a) emerging initiatives and dynamic businesses, because no external project can import entrepreneurship and local market knowledge, and b) support actors and service providers in all stages of a value chain.
2. An enabling environment that includes a) rational government policies that are enforceable and enforced, b) transparent regulatory framework the VC participants know and respect (for example, land rights and stable access to land, environmental legislation), c) sufficiently functional infrastructure, (roads, electricity and water supply, adequately operated market places), and d) professional organisations that can provide material and immaterial services.
3. Support services. These include a) financial services, b) transportation facilities, c) training opportunities, d) professional advisory services, and e) VC related research.

The list of conditions for VCA to succeed is quite demanding and no project has them all. There is no algorithm to determine when the prerequisites are optimal. Every project is a specific case and unique in terms of context, time, and space. To bring about results, in favourable conditions, value chain support can be effective even with relatively modest resources. The evidence points out clearly, however, that the

[4] An exception is the mention of five disabled women participation in women entrepreneurship training in Rib Gumara during a training event for 55 women.

presence and functioning of essential parts of the external and internal VC conditions are required before it makes sense to consider a VCA as a response to the needs and priorities of the intended beneficiaries.

Poverty reduction is not always best addressed with the value chain approach. Effective value chain development needs stakeholders who have at least a minimum amount of assets, such as land, labour force, and entrepreneurship. Choices need to be made between value chain focus and social development.

After a decade with the VCA as a key concept in the development agenda, there is a growing awareness of the limitations of the approach, as well as suggestions for consequent improvements of the concept. These include

- **Food systems approach** (FSA) that is an interdisciplinary conceptual framework for research and policy aimed at sustainable solutions for sufficient supply of healthy food.
- **Sustainable food value chain (SFVC)** is the full range of farms and firms and their successive coordinated value-adding activities that produce particular raw agricultural materials and transform them into particular food products that are sold to final consumers and disposed of after use, in a manner that is profitable throughout, has broad-based benefits for society, and does not permanently deplete natural resources.
- **Landscape-system approach** that combines geographical, natural and socio-economic elements to tackle economic, social and environmental challenges related, in particular, to the use of natural resources.

4.2. Impact and effectiveness

The following evaluation questions were to be addressed under impact and effectiveness:

1. The program aims to provide/contribute through agriculture decent and sustainable livelihood to people in rural Amhara regional state (= impact). Has the programme so far increased or is it expected that the program will increase the income and jobs created for farming households, especially for women and youth, and other value chain actors in the project area?
2. How well HRBA and cross cutting objectives (gender, equality and climate resilient) are mainstreamed and will they bring the planned outcomes?
3. How the project experience/ results could be used to have an impact on national/regional policies, strategies and funding?

4.2.1. Impact and effectiveness

In project terminology, ‘impact’ refers to long-term effects the project attains or contributes to. Respective intentions are formulated in the overall objective and project purpose. In the programme document of AgroBIG II, these concepts have been named as the expected impact and the expected outcomes.

The intended impact AgroBIG II is to contribute to the development that enables agriculture to provide decent sustainable livelihood to people in rural Amhara regional state. It is being monitored by two indicators, the data of which come from the records of the National Planning Commission (NPC):

- Agriculture and allied activities growth rate in the region, annual %. The baseline situation in 2015/2016 was 6.7%/a.
- Poverty head count, % of rural population. The baseline situation in 2015/2016 was 28.8%.

At the moment of the mid-term review, there was no NPC data available that would allow a comparison with the baseline values of the impact indicators. On the basis of various indications obtained in the MTR, it is likely that AgroBIG II will positively contribute to the intended impact in the area in which it is operating. In absence of reliable quantitative data, it is not possible to give any credible estimations of the impact's magnitude. When interpreting the NPC data, one must remember that it is compiled from the regional level. AgroBIG II is operating in eight out of the Region's 108+78 woredas & townships, and in about 30% of the kebeles in the targeted eight woredas.

The expected outcome is defined as value added at various levels of selected agricultural value chains to increase incomes and create jobs for farming households and other value chain actors, with a particular emphasis on women and youth. The indicators are four and the data are provided by AgroBIG II M&E system, through the annual survey:

- Increase in total annual value of sales by a) enterprises and agribusiness units supported by AgroBIG during Phase II, b) cooperatives supported by AgroBIG II.
- Number of jobs created in agricultural value chains supported by AgroBIG II (Disaggregated by gender, age, PWD).
- Percentage change in productivity, volume and value of production per household (all targeted commodities; average values).
- Number of beneficiaries reached through actions strengthening market linkages, productivity, job creation and food security (Disaggregated by gender, age, PWD).

The baseline study carried out in June-August 2018 operationalized the variables and indicators to monitor. The **outcome can be estimated for the first time in June 2019**, when the first results of the annual survey will be available. One of the key questions is whether the loanees have been able to increase their incomes through selling more of their production. It seems that loans have been beneficial but remained mostly at the primary production level. While the evaluation team could observe several cases of improvement in farm productivity, it is not realistic to expect a radical overall increase in yields. Creation of jobs is an ambitious goal and all but entirely dependent on the capacity and willingness of private enterprises that are autonomous in their decision-making. In the absence of matching grants, AgroBIG's contribution to private enterprises has been only a part of the planned. As a result, if any job creation will be observed in the annual survey, it is likely to be a consequence of other factors than the Programme's endeavours, such as increasing demand of food products in regional and national markets. The matching grants, if they will be re-launched, are unlikely to have an immediate effect. So far they have not supported value chain development as they have no been tried out. Some job creation is taking place in COSACUs and SACCOs, funded by the increased interest gains (higher margin) from loans facilitated by the Programme. Furthermore, common interest groups accessing WY loans and/or participating trainings are potentially creating jobs. Total of 162 groups with 562 members have engaged so far, with 272 female members.

The **intended number of beneficiaries, 300,000,** defined in the programme document, is an ambitious figure. It is based on the assumption that approximately 65,000 of the 126,000 households in the eight AgroBIG II woredas will be reached by the Programme. Private sector actors are added to this figure and the sum is multiplied by the average family size in the region, which brings the number to 300,000.[5]

Regarding the lead farmers, the target is 2,100 and the currently reached number is 750. Each of the lead farmers was planned to have 28 followers, but not every follower adopts the teachings of the lead farmer.

[5] The number of intended beneficiaries can vary significantly depending of what is the average family size. The programme document estimated it to be 4.2 persons whereas the baseline study concluded it is 6.2 people. Based on the average household size of from the baseline study, the number of targeted households would be 46,000.

4,000 loanees are targeted and currently 1087 have been reached. Due to the higher household size (6.2), the number of followers per lead farmer is actually 20-21 persons.

According to the monitoring information of the PSU, the number of reached beneficiaries by March 2019 was as follows:

- Output 1: Five VCF projects financed. 1085 individuals obtained loans for agribusiness initiatives. 24 primary cooperatives obtained loans for working capital, 34 SACCOs received funds to issue loans to the members, and three COSACUs benefitted from loan funds.
- Output 2: 1381 value chain actors and 6210 farmers trained, 33% of them women.

When approximating the number of individuals, the total included in various AgroBIG II supported activities by the end of March 2019 adds up to about 50,000 persons. This is short of the 300,000 direct beneficiaries planned in the programme document. On the other hand, when including all members of the SACCOs managing AgroBIG II loan funds, and of multipurpose cooperatives that have taken cooperative loans, the total number of beneficiaries reached during phase II approaches 247,000 by March 2019. In addition, only 35% of the programme duration has past and that period includes the inception phase when operations usually gain pace slowly. In its work plan, AgroBIG II has defined the target for 2020 to be 100,000+ beneficiaries reached.

The number of people reached is a rough proxy for impact. Even if the programme reaches 300,000 beneficiaries, it does not necessarily have much impact on the livelihoods of the people. This is a fallacy of the number-of-people indicator. The annual survey should provide more accurate information on the progress on the increase of incomes and creation of jobs in the programme are. In that sense, the experiences of the annual survey will be interesting also from a methodological point of view.

The programme document stipulates that the MTR will examine the possible inclusion of Megech cluster, at the Northern shores of Lake Tana, in Programme activities. With the current technical assistance (TA) resources **it is hardly possible to extend the geographical coverage** of the Programme. The pressure of work is evident especially in the Gilgel Abay cluster (West). Two to three woredas per AgroBIG coordinator would be optimal, whereas currently each of them is working with four. There is perhaps a need to review the PSU expert posts, to have the current human resources more efficiently matching with the geographical and thematic coverage of the Programme.

The issue of the **high number of eight woredas is slightly misleading**. It is not only question of woredas but two clusters around main watershed areas. It would be a difficult decision to exclude some woredas of one and same watershed, and not easy to justify to the beneficiaries. Regarding the eight value chains, not all of them are practised in every woreda. No identical productivity increases can be expected from each of them. Yet some stakeholders argue that AgroBIG II covers too many value chains and point out that the activities are now spread among 8x8 areas or offices. This calls for more capacity building, and in particular strengthening of the capacities of the woreda and kebele officials to act as trainers.

The **experiences and results of AgroBIG II have not had a noticeable impact on national or regional policies and strategies**. The platforms mentioned in the programme document, such as the Development Assistance Group (DAG) and Rural Economic Development and Food Security Working Group (RED/FS), have not been operational or otherwise appropriate channels. Having operated only for 20 months and first annual survey results still pending, AgroBIG II has hardly had relevant and proven messages to disseminate. The controversy around its strategic orientation (value chain programme or agricultural development project) has weakened the possibilities of the Programme to take a prominent role among peer development partners and other government agencies. Women and Youth Loan Fund (WYLF) beneficiaries are 80% women, and this is an achievement and model that would probably interest other projects that have comparable objectives. Farmers Field Schools have also model potential.

In distributing and exchanging experiences, personal networks are important. AgroBIG II initiated an exchange forum with a rotative principle but it did not have continuation. Papers presented in workshops are often good but they do not have practical follow-up. AgroBIG II has an updated web site and the Programme is active in social media. Theme days could organized for the bureaus, university, research, investors, other projects, and entrepreneurs, although research results are sometimes remotely interesting for the latter.

4.2.2. Financial services

AgroBIG II has supported value chain development by providing financial services, which are meant to be combined with capacity building. The financial facilities provided by AgroBIG II consist of matching grants, loans, and the value chain facility.

Matching grants can be awarded to private enterprises, cooperatives, or public institutions to strengthen the competitiveness and sustainability of their businesses. They are meant to enable agri-business investments within the AgroBIG supported value chains. The maximum grant of Medium-size Investment Grant Fund is 1,500,000 ETB (50,000 EUR) and the self-financing requirement is at least 50% of the total investment cost. For the Micro and Small-size Investment Grant Fund the grant can be up to 150,000 ETB (5,000 EUR), with a 15% self-financing. So far AgroBIG II has launched one call of proposals for medium-size grants, in May 2018, which resulted in 83 concept notes for the Medium-size fund. 23 of them were approved to be developed into proposals. After screening by PSU, nine were considered good for a matching grant. Business consultants recruited by applicants were helping with the proposals, with the expectation of 5% of an approved grant as their fee. For micro-size grants, there were a total of 1,500 concept notes as a result of the call for proposals in August 2018. 1,000 of them from one woreda. Finally 125 were were ranked to have potential, and their applicants could have prepared full proposals for small-scale grants. This request is still pending.

BoFEC did not give a no-objection to proceed with the selected proposals, and none of the grants have been disbursed. This has caused resentment among the applicants and other stakeholders. The indecisiveness on the matter has resulted in disappointments and losess of trust on the Programme. For example, one of the female market shelter beneficiaries at Ambomesk, engaged in onion and potato trading, has expressed her disappointment on the matching grant fund, as she was expecting to be one of the beneficiaries. Amhara Women Entrepreneurs Association had also expressed frustration on the grant fund application and the process. AWEA had paid experts to develop 98 concept notes for the same number of its members.

The suspension of the matching grants stems from diverging perceptions between the BoFEC and the TA Team concerning the implementation of the matching grant programme. The grant beneficiary selection criteria were not unambiguously agreed upon before the process was launched, in spite that the grnt fact sheets are a part of the programme document. BoFEC believes in the importance of matching grants and thinks it should be for those innovative businesses that lack resources but have a fair potential for job creation. Yet the RTC and BoFEC have expressed doubts that some private sector actors may prepare proposals to use the grant fund for replication of old businesses, which would create animosity within the community. What made this criticism problematic was the fact that it was expressed retrospectively when the matching grant process was at an advanced stage. Some actors, such as BoTMD, think that grants would conflict with loans. It seems unlikely that grants would undermine loans, although this cannot be verified because there is no experience from AgroBIG II grants. The target groups for the loans and grants are separate. WYLF loans are too small for medium-size grant applicants. Loan applicants must be SACCO members for six months before loan can be applied. Unlike the VCF grants, the matching grants are not free money, they have a requirement for a substantial self-financing. Nevertheless, there is no criticism towards the VCF, and the public authorities have suggested substantial increases to the VCF budget.

In most of the implementing Woredas visited, the administrative institutions prefer loans to grants but are not against grants. Woreda officials stressed the need for criteria that everybody can agree upon. Woreda administration and applicants in each Woreda need rapid decisions. The administrators said they were faced with many applicants’ complaints because these did not know if the application was approved or rejected.

The TA team pointed out that based on the agreement of project document implementation procedures and guidelines ”Grant Fund Guideline 2018-10-18” call for business proposal was made in all target Woredas. They were all notified, announcements were made and posted in each Woreda to submit full business proposals for AgroBIG II grant matching fund. The proposal were duly assessed and scored but BoFEC decided not to give its no-objection. The TA discussants expressed their frustration because PSU had followed the approved guidelines and exerted much effort to get the job done. They also expressed their worries that those shortlisted applicants for medium-size grants, if rejected, may not necessarily get loan from anywhere else. To solve the issue, BoFEC has proposed a transfer of grant funds from the first two windows (medium-size and micro and small-size grant fund) to the loanable fund for women and youth loan fund (WYLF), as well as to the capacity building in the Output 2. It has also suggested that the guidelines for the administration of value chain facility be revised.

When reviewing the process of matching grants in 2018, following observations can be made:

- In the public call in May 2018, it was said the purpose of Grant Fund is to “strengthen the competitiveness and sustainability” of value chain actors’ enterprises. This was the criteria made know to the applicants, under which they decided whether to apply or not.
- The Grant panel, composed of PSU’s experts, applied 16 selection criteria plus cross-cutting ones on women’s involvement, PWD engagement, and consideration of environmental sustainability. Innovation or introduction of new technology was one of the applied criteria. In best case, it could give 10 out of the maximum 100 points.
- The nine proposals approved by the Grant panel varied in quality. Some were detailed business plans, whereas others lacked important aspects such as a realistic cash flow estimate or the description of the applicant’s previous experience.
- In the meeting of December 6, 2018, the Regional Technical Committee concluded that current grant applications should not be approved and that AgroBIG II matching grant budget should be used for loans. The RTC also suggested that there should only be one grant window, VCF, and the two matching grant windows should be closed.
- When rejecting the proposals recommended by the Grant panel, BoFEC did not provide detailed suggestions of how to improve the process and continue with the matching grants. It argued that the recommended proposals were not sufficiently innovative.
- In the meeting of January 16, 2019, the Supervisory Board had a long discussion on matching grants. Finally it decided that the MTR, planned for May 2019, should analyse the performance of grants, loans and capacity building to enable decisions regarding necessary changes to Programme approach and budget breakdown.

In Amhara, there are several organisations and projects that operate successful matching grant programmes:

- Agricultural Transformation Agency (ATA) is awarding grants for Commercial Farm Services (CFS), which are currently six. A CFS is a one-stop input shop for retail. Grant for the privately owned CFS was 33,000 USD, with 50% self-financing requirement, and it is paid in instalments. ATA will invest in 68 CFS in Amhara, and suggested that AgroBIG II could contribute. As a public entity, ATA can provide grants, although some stakeholders argued that grants are against the government policy.
- Feed the Future programme provides financial services include loans to SACCOs and matching grants to businesses. There is no fixed limit for a grant, it can be up to 10 million ETB, with a minimum self-financing of 10%. So far 16 grant applications have been received and six grants awarded.
- The innovative grants of the MEDA programme are based on an open call for concept notes, using MEDA’s standard templates. These include an implementation plan and a cashflow plan. Self-financing varies between 20% and 50%. After a screening team’s approval the proposal goes to due

diligence, with a mandatory visit to the project site. Then the proposal is studied by the grant awarding team and the final decision is made by MEDA Canada. So far six grants have been awarded. Challenges include some planned machines that are not available, and many applications that are not innovative but expansive.

- SNV also has a grant programme for agro-dealers who supply inputs for small farmers. Maximum match is 25,000 euros or 50%. It is paid in instalments. Six grants so far have been awarded in Amhara. The projects include nursery for vegetables, and seedlings for fruit trees. The government has never criticized SNV for its grants, perhaps because it is a CSO.
- Finally, AgroBIG I operated matching grants. In three calls, it received a total of 467 applications and supported 133 of them, with all grant types combined. Some of them continue operating successfully.

Value Chain Facility (VCF), one of the three financial instruments of the Programme, is mainly supporting enabling environment and support services, and not the value chains directly. Value Chain Facility has supported five projects so far and there are 22 new VCF applications. Some VCF implementers have not been responsive to the instructions of AgroBIG II concerning reporting and management of the VCF grants. In the Value Chain Facility projects carried out by various organizations and business entities, the gender sensitivity of the projects and their gendered outcome are not indicated. That makes it difficult to assess the gender impact of the VCF, but it is likely to be small.

The following five projects have been implemented by public authorities. When completed and final reports duly submitted, it should be possible to assess to what extent the VCF projects have produced tangible benefits to the value chain actors.

- Post-harvest handling technology, by Science, Technology and Information Communication Commission (STICC). On-going.
- Linking small-holder farmers with export market, by Koga Irrigation Project (KIP). Completed, final report pending.
- Demonstration of improved potato seed multiplication of on-farm 3rd generation seed, by Amhara Regional Agriculture Research Institute (ARARI). Completed, final report pending.
- Awareness creation to legal officers, by Quarantine Authority. Completed.
- Job creation by establishing and strengthening existing small agricultural enterprises by giving nine governmental supporting packages, by Bureau of Technical and Vocational Enterprise Development (BoTVED). Completed, final report pending.

There are projects funded by AgroBIG I that are not completed or not functioning. In Dera District vegetable marketing center construction for producer cooperatives was at its start and remained without improvement hindering the cooperative from searching alternative possibilities. In South Achefer, Tana Cooperative Union and Keltafa saving and credit cooperatives used the Programme's loan services, but they were small to strengthen the four satellite grain storages in which farmers can claim any time of the day for the price of their stored product at the current market value.

The **loans** are disbursed through Cooperatives' Savings and Credit Unions (COSACU) and reached the program target groups through Savings and Credit Cooperatives (SACCOs). In discussion with COSACUs and SACCOs representatives and beneficiary groups, it was found that the support to COSACU has enabled it to finance SACCOs and to improve institutional integrity and capacity in supporting the members. Loans received by SACCOs reached only a part of the members interested in them, with smaller amounts than they expected. For example, Tana COSACU indicated that in the first round, June 2018, it received Birr 5.6 million loan and distributed Birr 2.6 million to five SACCOs and Birr 2.6 million to four Multipurpose

Cooperatives. In the second round, December 2018, it got about Birr 8.4 million and distributed to seven SACCOs and eight Multipurpose Cooperatives. Accordingly, it was able to reach directly or indirectly 474 people of its members of which 342 (72.15%) are female, complementary to the target of the AgroBIG. AgroBIG II loan to Dera Woreda union is 1.6 million, which reached 400 people.

The demand for loans in the programme area is big, perhaps 10-30 times bigger than what AgroBIG II has been able to provide. The timing of the loan release is critical for the loanees and in the past the Programme has had challenges with this.

The loanees indicated that they were able to promote their business initiatives or plans with the credit they received. They also pointed out that the loan for women and youths created awareness of the cooperative structures, whom to deal with, and reach the vulnerable community members. The fund was given as a loan for one year in 2018 and then revolved to other cooperative members. While the principle of quickly revolving loans can benefit many, the short-term loan is less helpful activities that take more time. These opposing aspects were reflected from non-loanees and the loanees respectively.

While some loanees stated that loan disbursement reached them late, in general the loan fund of the AgroBiG II has been implemented successfully. BoFEC has assigned focal person to follow the disbursement and utilization of loan funds for the intended purposes and he has not reported problems.

Even if women have a larger role in crop production, traditionally men are considered as farmers who mostly decide on the matter of farming related issues and take the lead in decision-making on the income generated from crop production. On the other hand, women access most of the WYLF that enables them to engage in different farming activities. For example, the findings from FGD with women who benefited from AgroBIG II loan fund at Abichikli Kebele in South Achefer district, showed that these women are engaged in livestock especially fattening. However, it has been only few months since they got the loan and they couldn’t tell exactly the outcome or the income they generated as fattening of animals takes relatively long time.

4.2.3. Capacity building

Capacity building is being carried out through agricultural extension, on-farm demonstrations, exposure visits, trainings and coaching. Market-linkage forums, exhibitions and other events are organized to enable suppliers meet reputable buyers and create market linkages. Market information is collected and disseminated. AgroBIG II targets input suppliers, farmers, producer and consumer cooperatives, youth groups, processors, wholesalers and retailers. The activities are implemented by regional bureaus, institutions and agencies, woreda and kebele level experts and cooperative management.

Over the 1.5 years since the beginning of the Programme, AgroBIG II has trained 6,210 individual farmers from whom 33% were women. 1,381 self-employed businesses and business entities have participated in various training events. These figures point out that training is a solid part of the AgroBIG II strategy, which is likely to gain pace over the next planning period. On the other hand, the capacity building beneficiaries so far count in thousands, whereas the number of intended Programme beneficiaries is tens of thousands. Rather than inefficiency of the training, the gap between the two numbers indicates the laborious nature of training large numbers of small-scale farmers. It is based on human interface, only a small group of people can be addressed at one time, and logistical requirements are demanding. To increase the outreach of the farmer training, the extension apparatus of the Bureau of Agriculture could be engaged more systematically. This would also strengthen the sustainability of the Programme.

Farm-level demonstrations are adapted to the agricultural circumstances of the Woreda in which they are carried out. For example, in South Mecha Woreda, in addition to loan to individual cooperative members, the capacity building focused on improved varieties of potato along with its management practices and familiarization of an innovative digger and tiller for potatoes harvesting and tilling. In North Mecha Woreda a poultry demonstration was managed by a woman who has been trained in poultry production and provided with inputs (pullets and feed). In Dera Woreda women SACCO members had received entrepreneurship training from AgroBIG II. Thus the programme approach to working in different woredas differs on the potential of the area and expected requirements of the beneficiaries. It was indicated that capacity building activities created awareness and showed alternative business activities in the area and enhanced the knowledge of the beneficiaries. For instance, at poultry demonstration in North Mecha, an entrepreneur woman had started collecting at an average of 23 eggs per day from her 25 pullets. However, some beneficiaries stated that they get training on AgroBIG II inputs late after they started their business.

Capacities of cooperatives are being strengthened in several ways. One is the capacity building in terms of training in finance and VC to cooperative leaders and members. The other is the access to finance, for instance around 5.9 million birr was accessed by cooperatives in 2018 that is used for purchase of input and increased financial capital. It is believed that members access better services from the cooperatives. Furthermore, strengthening of market links through contract farming benefits also the cooperatives. For example in Mecha, Koga project Kudme keble Chona block farmers, with member of 116 out of which 16 are women, were able to benefit through contract farming with Kogaveg. Some female youth also get job opportunity from the same organization.

A central aspect in the capacity building strategy is the role of the implementing partners (IP). The programme document does not explicitly define who are the IPs, but in the Programme's parlance the term often refers to regional level Bureaus that are also members of the SVB. In the financial services, the implementing partners include ACSI and COSACUs. Clarification the role and responsibilities of the implementing partners could further strengthen the effectiveness of capacity building.

One possibility for capacity building is to use Technical and Vocational Education and Training (TVET) for enabling business groups. The work of Anbesame BoTVED with NGOs includes more than training alone, as it takes partial or full responsibility of capacitating and enabling the trainees. This institution supports jobless trainees from awareness creation, training, experience development and capacitating to self-dependent worker of his/her business. The institution has its own technicians in different fields and it is able to equip the trainees and transform them to productive businessmen.

4.2.4. Gender equality and vulnerable groups

According to the AgroBIG II Inclusion Strategy, there are different vulnerable groups in the programme area. These groups include women in Female-headed household (FHH), which make up 13.8% of the total number of households, and 70,000 unemployed youth in the targeted woredas, out of which 30.2 % are female. According to the the Baseline Survey Report of AgoBIG II 10% of the households include people with some kind of disability. The type of disability determines their possibility of participation in the farming activity. For example, people with hearing problem usually engage in farming, while those who are challenged in terms of mobility have limited participation and no ability to be a member of a SACCO.

The rights of the vulnerable groups are rarely addressed in AgroBIG II activities. In this sense, the inclusion strategy could be more strongly implemented because a financial services and capacity building are not available to address the special the needs of the landless youth and the disabled. On the positive side, benefit for FHHs could be witnessed during the different FGDs, with womens engagement in animal fattening and poultry production, for example at South Achefer and Dera, Hamusit . In total, 562 members in 162 common interest groupss, mainly consisting of landless youth, have been trained in business planning and management. However, data disaggregation by household type as female and male headed is not common in AgroBIG II reports.

Different methods are used to strengthen the gender equality work as well as youth and the cooperatives participation. Gender mainstreaming strategy and women specific activities are being used to increase the participation of women in the targeted area. The mainstreaming efforts include awareness creation on gender across the board from farmers (male and female) groups up to the implementing bureaus with purpose of creating enabling environment for increased women's participation. Targets for female participation are defined in work plans, which helps working towards the goal. For example, a target of 30% is set in FFS for women participation and in reality about 21-26% has been reached so far.

Important to mention is the women and youth loan fund where the program specifically targets 80% women and 20% youth to increase women and youth economic participation and benefit through loan provision. With regard to youth, the project targeted 20% in access to loan, and that is achieved. The FFS targeted the youth and train in pesticide sprayer but according to all the youth male discussants it is not implemented into action yet.

The programme as a whole has brought a positive change most importantly in terms of women empowerment, as evidenced in beneficiary interviews and by significant female participation in various AgroBIG II supported activities. The women in the targeted area have been socially empowered through different trainings that also created a platform to share experiences among themselves. A case in point is the entrepreneurship training witnessed by the MTR team at Dera, Hamusit where women were attending an entrepreneurship training. It was encouraging to see female participants presenting a group work for the remaining participants.

4.2.5. Human rights

The Programme Document identifies right-holders and duty-bearers. The former include all individuals or groups, who are often also beneficiaries, including individual farmers and farming households, male-headed households, and female-headed households; youth (including the landless male and female); savings and credit groups; cooperatives and associations as well as private actors and service providers along value chains. For the rural community in Amhara, the power of these rights-holders is considered subordinate to the duty-bearers.

Duty-bearers are enlisted as state governments and authorities at different levels with the mandate and responsibility to respect, protect and fulfil rights. For AgroBIG II, the most prominent being BoFEC; the Bureau of Agriculture (BoA); the Cooperative Promotion Agency (CPA); Bureau of Trade and Market Development (BoTMD); Bureau of Women and Children Affairs (BoWCA) and Bureau of Technical and Vocational Enterprise Development (BoTVED). Central government ministries are responsible for planning, coordination and development of policies and standards, and the regional bureaus are directly responsible for the implementation of policies and programmes.

Even though the program document identifies them clearly as right-holders and duty-bearers, the findings from key informant interview at the meso level (organizations at Regional and Woreda level) show that considerable amount of informants lack clarity on the beneficiaries of the Programme. Due to this many stakeholders complain that AgroBIG II does not sufficiently address the capacity gap of the bureaus in government organizations. In reality, although the Programme capacitates managers and professionals for effective service delivery, it does not mean it has to invest in infrastructure development that is not relevant to the creation of enabling environment for value chain development. Through provision of capacity building trainings in the area of entrepreneurship, financial management, good farming practices and other topics the Programme has empowered women and youth socially and brought motivation in the community.

4.3. Efficiency

The following evaluation questions were to be addressed under efficiency:

1. Are the program funds (loans, matching grants, value chain facility and capacity building) and their channelling justified and organized in feasible way?
2. Does the risk management take adequately into account the political context, financial management issues and programmatic issues that may affect the program implementation?

4.3.1. Cost-efficiency

Assessment of cost-efficiency requires data for the two parts of the equation. Costs are usually well available from financial reports, whereas the benefit side is more complicated to estimate, unless the project M&E system has done the job. Previous section on effectiveness provides an approximation of the achievements and outcomes. In this section, efficiency issues are addressed by analysing budgeted and spent resources.

AgroBIG II has two methods for channelling its funds. One is from MFA to BoFEC to the implementing partners (IP) and the PSU. The other is from MFA to the consulting company, Niras Finland, to the PSU. The first channel includes most of the implementation funds, whereas the TA channel is used for the costs related to the technical assistance and the PSU operational costs.

Table 4.1. Budget and spending of the MFA contribution to AgroBIG II, as of March 31, 2019. Source: PSU.

BUDGET LINE	TOTAL EUR for 2017-2021	% of the Toal Budget	TOTAL used by 31.3.2019 EUR	% of total budget used	OVERALL BALANCE EUR
Output 1: VC Actors' access to financial services	3 795 000	40,4 %	972 571	25,6%	2 822 429
Output 2: Capacities of VC actors strengthened	1 147 500	12,2 %	257 380	22,4%	890 120
Programme Management /BOFEC channel	457 420	4,9 %	150 257	32,8%	307 163
TOTAL Implementation budget, BOFEC channel	5 399 920	57,4 %	1 380 208	25,6%	4 019 712
TA fees and reimbursable costs	3 049 400	32,4 %	1 037 677	34,0%	2 011 723
PSU operational costs /TA channel	757 230	8,1 %	195 398	25,8%	561 832
TOTAL TA channel budget	3 806 630	40,5 %	1 233 075	32,4%	2 573 555
Contingency	193 000	2,1 %	0	0,0%	193 000
GRAND TOTAL EUR (approximated)	9 399 550	100,0 %	2 613 282	27,8%	6 786 268

Note: Exact figures may be slightly different because of fluctuating exchange rates.

The figures on budget and spending (Table 4.1) lead to following findings:

- 53% of the budgeted funds are allocated to the implementation of the activities directly benefitting the target groups (Outputs 1 & 2). This is slightly more than the average in eight benchmark projects[6] that averaged in 49.7%. The ratio between the budgets of the Output1 and Output 2 is 77:23.
- General cost budget, including the programme management and the PSU operational costs, is 13% of the total. The benchmark value is 17.6%.
- Resources assigned to the technical assistance and related expenses are 32.4%, whereas the benchmark proportion is 30.1% (the latter percentage is lowered by the CSP/ZNFU in Zambia that was implemented without any technical assistance).
- By the end of March 2019 when 35% of the programme duration had passed, only 25.6% of the Output 1 funds and 22.4% of those for the Output 2 were spent. The spending in Output 1 was significantly lowered by the matching grants that have not been disbursed at all, although 1.5 million

[6] Benchmark projects are eight bilateral agricultural, rural development and forestry projects that the MFA has supported in recent years in Kenya (MMMB), Tanzania (PFP, LIMAS, NFBKP II), Zambia (PLARD II, CSP/ZNFU), and Mozambique (PRODEZA II, ADPP/Farmers' Clubs). In addition to AgroBIG II, they formed the core sample of the evaluation undertaken in October 2018 – June 2019.

euros or 27.8% of the total AgroBIG budget were assigned to them.[7] The loans for women and youth, and the cooperatives have progressed well, with 53.4% and 48.1% spent, respectively. While the use of a part of the funds disbursed to the implementing partners for the Output 2 were not yet reported by them, it seems that the Programme has not yet achieved a full pace of implementation. In late 2018, the spending was slowed down in woredas because there were no decision-makers due the government staff turnover.

Based on the financial data, **AgroBIG II has budgeted and spent its resources efficiently**. The share of funds allocated directly to field activities is higher than in other comparable projects, and the proportion of general and TA costs is reasonable. The efficiency is significantly lowered by slow implementation pace in the capacity strengthening and the matching grants programme that has not started yet.

According to the programme document, the contribution of the Government of Ethiopia to AgroBIG II is 940,000 euros, which is 10% of the GoF contribution. There is no comprehensive reporting of the use of this amount and it is not clear whether it will be disbursed and utilized by the end of the programme period, whether in cash or in-kind. Direct cash disbursement from BoFEC to the implementers would clarify the situation and enable a transparent reporting. The planned 940,000 euros correspond to 82% of the total budget for Output 2 activities that are mostly implemented by GoE public entities.

4.3.2. Management of programme resources

While AgroBIG II has multiple channels to disburse its funds, the programme document defines them clearly. The implementation funds are channelled from the MFA to BoFEC, and from there to various IPs and implementers. The funds related to the technical assistance, and certain pre-defined operational costs of the PSU, move from the MFA to the selected consulting company, Niras Finland Ltd.

The roles and responsibilities of various actors managing funds are clearly defined and transparent. The ToR of the TA reflect responsibilities related to the financial management. However, in the implementation of the funds there are diverging perspectives. Some implementing partners think some activities receive more budget than the proposed activities in the programme document.

In March-April 2019, MFA commissioned an audit on AgroBIG II from KPMG auditors and the draft audit report was available to the MTR. The auditors pointed out a total of nine risks of which two were described critical, six significant, and one moderate. The definition of risks may have changed in the final audit report that was not available at the time of the MTR.

Loan services have worked efficiently since they are implemented through organized and systematized cooperative unions and saving and credit cooperatives. The cooperatives select the loanees independently and based on their own transparent procedures. On the other hand, loanees at lower cooperative level indicated delays in the process. According to the PSU, the problem is that the loanees' savings often are insufficient. Those who obtained loans were satisfied in getting access to finance, but complained that the loan is smaller than what they had applied for. For COSACUs and cooperatives, the loan fund has been functioned well and the members have benefited in several ways. The cooperative unions get access to finance to serve member cooperatives and each cooperative then could serve its members. The union and the cooperatives get income from the interests, which improves their capacity to serve more. Accumulated interests also increase the value of individual memberships.

There is a widespread opinion among the stakeholders that ACSI's role should be reduced from the management of AgroBIG II loans and grants. It has had challenges in reporting its AgroBIG II supported operations and the recent audit made several critical remarks. Some interviewees saw that the ACSI's

[7] The SVB meeting #11 decided to move EUR 0.3 million to WYLF, hence the remaining balance in matching grants is EUR 1.2 million.

management fee of 4% on matching grants is excessive, but the MTR has no information to make a comparison to rates applied in other similar arrangements. The old loan fund of 5.7 mETB could continue be operated by ACSI.

The ACSI loans from the capital of AgroBIG I have been used in the form of business loans, with the criteria defined by ACSI. Since ACSI is a profit-making financial institution, it works mainly for the interest of the shareholders. In contrast to unions and cooperatives it has no loanee members but reaches out for individual businessmen and women able and willing to pay its interests, which are relatively high (17% for individuals and 11-13% for the manufacturing and value chains). ACSI operated the financial management of loans and matching grants in AgroBIG I. In this second phase, there is no agreement with ACSI for management of funds from AgroBIG II budget. Hence, the previous 5.7 million ETB provided for loan is now in the way of its collection.

For the management of the 5.7 million ETB loan fund, ACSI has an agreement with BoFEC, signed in September 4, 2014, and reconfirmed in 2018. It stipulates that the capital shall stay with ACSI for a period of ten years. At the end of this period BoFEC shall assess its management and, if deemed successful, it will be transferred to ACSI permanently, to be used for the same purpose. The agreement does not define conditions or criteria through which the agreement could be cancelled and/or the fund be returned before the end of the ten year period.

The audit carried out in April 2019, KPMG concluded that ACSI has not managed the Loan Fund (from Phase I) as stated in the Loan Fund Agreement. More particularly ACSI has not opened separate bank account for the Loan Fund, has not provided annual audit reports and the reporting has been inaccurate. ACSI has required collaterals although the agreement state collaterals are not required for AgroBIG funds. KPMG audit saw that if the Loan Fund capital ETB 5.7 million is not managed according to the agreement and according to AgroBIG guidelines, there is a risk that funds do not benefit the women and youth groups.

4.3.3. Programme structure and management

AgroBIG II has a fairly autonomous structure and in many ways it can be described as a stand-alone programme. It is not an integral part of any Ethiopian organisation, it has its own personnel, management systems and decision-making, and it is located physically separate from the implementing organisations. At the time of the design of the Programme, this autonomy did not seem to be a problem to the institutions in charge of the AgroBIG II. In the course of the implementation, challenges have surfaced.

The key organs of AgroBIG II are the Supervisory Board (SVB), Regional Technical Committee (RTC), and eight Woreda Technical Committees. Their compositions and main functions are summarized in the table 4.2.

According to the PSU, the most significant matter affecting the Programme’s ability to achieve its goals by mid-2021 is currently the fact that it has practically no means to support private sector actors that could potentially engage themselves in small- or medium-scale agro-processing in the region. Apart from grain and rice milling, limited value addition on agricultural commodities is currently happening in the targeted woredas or even in Bahir Dar.

Table 4.2. Main governing bodies of AgroBIG II.

	Supervisory Board	Regional Technical Committee	Woreda Technical Committee
Members	• Bureau of Finance and Economic Cooperation (BoFEC) of Amhara (chair) • Embassy of Finland in Ethiopia, and/or representative from the HQ of the Ministry for Foreign Affairs of Finland (co-chair) • Bureau of Agriculture (BoA)	• Bureau of Finance and Economic Cooperation (BoFEC), chair • Bureau of Agriculture (BoA) • Bureau of Trade (BoT) • Bureau of Women and Children Affairs (BoWCA) • Cooperative Promotion Agency (CPA)	• Head of Woreda Finance and economic Development office (Chairperson) • Expert from Woreda office of agriculture • Expert from Woreda office of trade • Expert from Woreda office of Women and children

	Supervisory Board	Regional Technical Committee	Woreda Technical Committee
	• Bureau of Women and Children Affairs (BoWCA) • Bureau of Trade, Industry and Market Development (BoT) • Cooperative Promotion Agency (CPA) • Chamber of Commerce and Sector Association of Amhara Regional office (ACCSA). SVB can invite to its meetings ATA, ARARI, BoTVED, BoYS, and microfinance institutions.	• Bureau of Technical and Vocational Training and Enterprise Development (BoTVED) • Amhara Region Agricultural Research Institute (ARARI) • Amhara Credit and Saving Institute (ACSI) • Agricultural Transformation Agency, Amhara Region Secretariat (ATA Amhara) • AgroBIG Programme Support Unit (PSU)	• Expert from Youth and sport office • Expert from Woreda Cooperative promotion office • Expert from Technical, Vocational and Enterprise development office • Expert from Land Administration office • Town/Municipality TVED office head
Main tasks	• Approves major strategic and policy issues directly relevant for AgroBIG II; • Approves any major changes in the Programme design and financing, including Programme scope and results, the organisational structure and management as well as any other changes to the Programme Document which will have major financial implications; • Approves of the Programme policies and implementation principles developed during implementation; • Supports the PSU in analysing and preparing sufficient mitigation strategies for internal and external risks; • Approves of the annual work plans and budgets, including risk assessment and mitigation strategies; • Approves of the annual progress reports; and • Makes decisions on (policy) issues, which have financial implications.	• Provide technical advisory support for the PSU and AgroBIG focal persons at all levels in the implementing Bureaus/ organizations/ woredas. • Review annual work plans and budgets and submit for the approval of the SVB through the PSU; • Approve TORs for short-term consultancies (both national and international) initiated by PSU. No-objection is, however, required from the Embassy of Finland or from the representative of GOF for the TORs for contracts that exceed EUR 25,000. • Review and approve Terms of Reference and bidding documents for studies and different subcontracts to be outsourced. • Review and approve loan capital requests (Women and Youth Loan fund and Cooperative loan fund) submitted to AgroBIG by COSACCO Unions and other financial intermediaries. • Ensure that the Programme is implemented with appropriate coordination and co-operation between the different agencies and stakeholders involved; and • Review Programme technical documents before submission to the SVB and provide guidance to the efficient, effective and participatory implementation of the Programme.	• Prepare woreda annual workplan and budget and submit to woreda Steering committee for approval • Follow up the implementation of AgroBIG related operations within their organization • Prepare Quarterly and annual performance reports and submit to woreda Finance and economic development office • Review and evaluate applications for small-scale grants and medium-scale grants, and submit the evaluation results to woreda Steering committee for approval; • Provide support to Woreda Steering committee on technical matters in Programme coordination, • Regularly monitor the Programme implementation, propose measures where needed to ensure successful progress and present findings and recommendations to WSC • Provide inputs for Programme monitoring and evaluation.
Meetings	At least two times a year.	At least four times a year. In practice more frequently.	At least three times a year.

All the three bodies include a strong representation of public sector authorities. Most of the SVB members sit also in the RTC. Almost the same structure is repeated again in the WTCs, although at level of experts and not bureau heads. BoFEC has the leading role in all the three bodies, co-chairing the SVB jointly with the MFA, and being the chair of the RTC and WTC. The tasks of the bodies are differentiated. The SVB is clearly a decision-maker, whereas the RTC supports but also takes important operational decisions. The WTCs focus on planning and monitoring tasks.

While the SVB is created solely for AgroBIG II purposes, the RTC and WTCs work also with other development initiatives. They are potentially an important platform for coordination and information exchange in the region and woredas and can contribute to the sustainability of the Programme. The beneficiaries participate little in AgroBIG II decision-making. There is no beneficiary representation in the RTC or WTC, but COSACUs are represented in the WTCs. The weak representation of the private sector is notorious. Only in the SVB it is represented by one organisation, ACCSA. The absence of female entrepreneurs in the governing bodies is contrasted by the high share of women among the beneficiaries, especially in financial services.

Private female entrepreneurs in the Region have an organisation, AWEA, that could represent them in the SVB. According to AWEA (Amhara Women Entrepreneurs Association), the association is the leading women association in the region. It was established in 2008 and is envisioning to be a leading association in its field in Africa by 2025. Starting with 60 women, it currently operates in 90 towns and has 30, 000 members. AWEA has a work relation with AgroBIG II, and it is represented in SVB indirectly as a member organisation of the Chamber of Commerce. According to AWEA, a total of 320 women were trained in entrepreneurship with support of AgroBIG II. There is also an increased representation and participation in cooperative societies in the area. For example, two women are in the executive board of the visited SACCOs in Ambomesk in N. Mecha and Wonchit in Dera.

The Programme Support Unit (PSU) is a central body in preparation, coordination, supervision, and monitoring of AgroBIG II, but it has no governing functions. It seems that the communication between the PSU/TA, project implementers and the RTC has not been optimal. BoFEC sees issues in the role of the TA team. It thinks that TA recently has stepped a bit out of its supportive role towards decision-making. There has been discussion over the PSU's autonomy in the financial management. Some stakeholders argue that the PSU currently has too much autonomy in deciding the use of funds channelled through the TA mechanism. Others see the opposite, that PSU should have a more prominent role also in the management of the implementation budget. According to the MTR's assessment, the funds channelled through the TA mechanism are used according to the programme document and annual plans approved by the SVB.

The programme document defines a PSU management team that includes the Programme Director, Chief Technical Advisor (CTA), International Financial Advisor (IFA), and capacity building advisor. So far it has had only one or two meetings. They have been partly replaced by TA team meetings, which consequently tend to become long and heavy. Competent authorities need to decide how the programme is managed if the Programme Director is absent for long periods of time.

The technical assistance team is functional. The terms of reference are explicit and well adhered to. The home office coordinator, based at the main office of Niras Finland, has changed twice and the third one started in the beginning of 2019. The programme document includes ToR for this post. As a result of the evolution of the Programme, there may be a need to revise the profiles of some of the long-term TA posts.

The use of short-term technical assistance (STTA) has been minimal. AgroBIG II budget includes 29 person-months of national STTA and 17 p/m of international STTA. By the end of April 2019, only 16% and 10% of them had been utilized, respectively.

The **monitoring and evaluation** (M&E) system of AgroBIG II is logical and functional. The results framework has been revised several times with the programme document revisions and the M&E framework is based on it. The M&E framework also draws on the indicators of the MFA country strategy and feeds data to it. The impact indicators, which come from the national system, of AgroBIG II and the country strategy are the same, although AgroBIG II focuses on them only on the regional level in Amhara. Baseline study was carried out about one year ago and the first annual survey will be conducted in May-June. It will be the first occasion to obtain systematic data on outcome indicators. Niras Tanzania has provided methodological help for the design and implementation of the M&E system. For output indicators, the IPs report to the M&E unit of Programme and the loan data come from the COSACUs. AgroBIG II does adequate gender monitoring but on the PWDs there is less focus.

AB M&E system is not integrated into those of the government. It seems that very few of the government offices have an effective M&E function. Introducing the M&E framework to implementing partners could be a significant contribution to their management capacities.

4.3.4. Risk management

The programme document includes a **risk analysis** that will be updated in the annual report that will appear in July 2019. In practice, the risks are not much discussed in the day-to-day management of AgroBIG II.

Among the risks that AgroBIG II has to take into account, droughts are a risk in non-irrigated areas. Tana lake is not an inexhaustible reservoir of water for irrigation, and sometimes the wells dry. While average rainfall in the areas is 1000-1300 mm, under 900 mm/a it is too little. A major risk is the delay of the construction works financed by AgroBIG I. If the works are not completed, the invested resources are lost. In addition, incomplete infrastructure may threaten the planned results of other activities, such as creating functional market places.

Climate change has so far not been an explicit focus of AgroBIG II, although several activities support both mitigation and adaptation to it. AgroBIG II has recently joint the CSA platform organized by CGIAR institutes in Ethiopia. This will facilitate sharing experiences and learning from other programs.
Farming practices to combat against and adapt to the climate change include the production of poultry and leguminous field crops. Soil management with techniques such as crop rotation and tillage methods are useful. Application of lime is environment-friendly, but there is no lime distribution in the region. Agricultural lime supply would be a value chain in which entrepreneurs could be supported by grants.

4.4. Aid effectiveness

The following key evaluation questions were to be addressed under aid effectiveness:

1. What is the current management capacity level by different GoE representatives (Regional, woreda) and by the cooperatives of the programme?
2. Which have been the major factors affecting the achievement and non-achievement of the objectives set for the programme?

4.4.1. Implementing partners

The implementing partners of AgroBIG II should take preparatory action for continuing the most effective and beneficial operations of the Programme. Currently their situations are a follows:

- Bureau of Agriculture (BoA) is one of the candidates in taking over AgroBIG operations. Its immediate concern is the completion of the Bikolo Abay Horticultural Training Centre. Its mandate covers contract farming, FFS, post-harvest technologies, and much of the capacity building. BoA is in favour of using grants, especially for farmers, and calls for more efficiency in capacity building. BoA has an impressive field apparatus, 3-5 development agents in each of the 87 kebeles. They all relate to AgroBIG II, but there is no expertise in horticulture. BoA sees positively the work by SNV, which has much to give in FFS. Among the AgroBIG related challenges, BoA sees weak VC linkages, brokers, some activities that are not sustainable, and continuation of some Programme support such as the seeds.
- Bureau of Trade and Marketing Development (BoTMD) values AgroBIG support to marketing. It sees that market information system does not function adequately, although BoTMD has worked on it with the Programme for five years. Now the Bahir Dar University is doing it, but different sub-systems are not integrated. Currently the information to woredas, collected daily and weekly, is distributed by e-mails. Also the market infrastructure is insufficient. Market linkages can to some

degree be addressed in a committee of the bureaus. Brokers between producers and traders are a persistent problem, because in many cases they disseminate false information and by other means exploit farmers. Traders are key actors and BoTMD trains them.

- Cooperative Promotion Agency (CPA) is one of the key implementing partners and works a lot with AgroBIG, especially in training. CPA supports and supervises COSACUs and cooperatives, but some stakeholders see a contradiction there, due to diverging interpretations of the Proclamation. CPA thinks that the PSU has misled cooperatives when saying that the cooperatives are independent. CPA is developing a management information system for the cooperatives. CPA thinks that all capacity building funds to the cooperatives should be allocated through CPA. According to CPA, there will be a cooperative organisations at federal/regional level and CPA will support it. One of its main tasks should be capture the cooperatives' savings that these currently deposit in commercial banks.
- COSACU. In the area of the Programme, there are a number of different types of primary cooperatives, including 59 multi-purpose farmers' cooperatives and 81 savings and credit cooperatives. There are three cooperatives' savings and credit unions (COSACUs) and two multi-purpose farmers' cooperatives' unions. The three cooperatives' savings and credit unions are: Ribb, Adera Densa and Tana COSACU and the two multi-purpose farmer cooperatives' unions are Merkeb and Megenagna union. Currently, the three COSACU unions have about 387 affiliated primary cooperatives, which receive financial products and services from the unions. To make accessible the main services and products to the affiliated cooperatives, COSACU unions have opened main offices and branch offices in various locations.

The government offices in the Programme area have experienced significant staff turnover, especially at the woreda level. This has resulted in efficiency losses, as there have been interruptions in operations, absence of decision-makers, loss of results of training provided by AgroBIG II, and time spent in learning by new officials. An indication of the negative effects of staff rotation is the delay in reporting Programme spending. This is not only an administrative issue, as it also defers the disbursement of new instalments and the implementation of related activities.

The definition of the roles of the public implementing partners is maybe not clear to all parties involved. The implementing partners should carry out activities that benefit the three main beneficiary groups. In some cases it seems that the IPs see themselves as AgroBIG II beneficiaries. In part this interpretation may stem for the programme document that equals implementing partners with the concept of intermediary beneficiaries.

In early 2018, AgroBIG II commissioned a study to assess the capacities of COSACUs in its area, namely Ribb, Adera Densa and Tana Unions. The study concluded that all the three unions have organized their own offices and deployed qualified staff members. The available manpower and office facilities and equipment are not commensurate with the volume of work and service being provided. The unions have almost no transportation facilities that enable to provide services on time. Therefore, unions are expected to make available all the necessary office facilities, equipment, transportation services and hiring qualified manpower for vacant position and new additional positions to be opened to properly manage the activities of the Programme. The Unions have good operational systems and procedures to deliver the required services to the service beneficiaries. Leaders and executive bodies of unions are actively involved in the operation system and all the required operational manuals, guidelines and policies are made available and used properly.

Economic empowerment of small-scale producers through their own commercial organisations and cooperatives protects their role in value chains and has a potential to result in long-term lasting impacts and benefits. The outcome depends on the solidity of these organisations. The COSACUs do not have an apex organisation of their own. According to CPA, there is one being planned, with important financial faculties. It would provide the COSACUs a place to save their capitals, instead of depositing them in commercial banks. Currently the COSACUs and cooperatives do not have a status of a microfinance institution, although they provide important financial services to the members. The lack of this status has prevented farmers from using their land certificates, supported by REILA programme, as collaterals for loans.

The **current fund channels are adequate** and it is difficult to conceive a sustainable alternative to BoFEC, although some stakeholders consider its procedures somewhat rigid. It needs more streamlined procedures. It would be advisable for BoFEC to train and make sure the staff has the needed skills in administering donor supported projects. The disbursement cycle that starts from BoFEC depends on the expense reporting by the IPs and these reports often have had delays. Recently there have been improvements.

Farmers, women and vulnerable groups are not participating in the Programme decision-making process and hence not influencing key decisions. Majority of the key informants especially at Woreda level said that the decision making is top-down. Even some of the discussants said some decisions made, such as the selection of value chain products, does not take into consideration their environmental situation. Especially discussants at Dera Woreda, Wonchit Kebele stated that while their kebele has water shortage, the technology introduced by AgroBIG II is increasing demand for water. They said even those who took loan and engaged in animal fattening and poultry faced water problem. It is their opinion that either the Programme should consider their situation, or the water sources such as water well drilling made part of the Programme. Manual well drilling was promoted during the phase I, and farmers have adopted it widely in Fogera and around. There may be a need to assess why Dera farmers are not aware of it.

Discussants at Dera , Hamusit also indicated they are engaging in poultry when they could not find animal feed appropriate for their poultry farms. As positive note women in Hamusit have started preparing their own poultry feed by mixing roughly grinded corn, dried leftover of areki (locally distilled alcohol) and chopped green vegetable leaves. In conclusion considerable amount of informants at Woreda level and some discussants at community level strongly believe that the decision-making is top down and they have no influence to the decision being made.

Women entrepreneurs used the loans for purchase of agricultural input for such as dairy cow, poultry and small ruminants and few for seed and fertilizer to enhance production and income. The benefit of taking the loan is job creation to the family and improve nutrition and income of the household. Beneficiaries did not indicate that taking loans implies risks, but it is possible that the difference between a loan and a grant is not entirely clear to everyone. The unions and the cooperatives are also working as per schedule on the repayment of the loan. The role of the COSACU is in disbursing the loan fund, closely following the loanee and collection of the repayment, and preparation for re-loaning.

The Chamber of Commerce in Amhara includes enterprises and associations from all sectors. Sectorial associations are 27 and the regional Chamber of Commerce includes 245,000 members who belong to the woreda chambers. The Chamber of Commerce has been somewhat passive in the SVB but with the new director there are expectations of its activation.

4.4.2. Factors affecting the achievement of objectives

Challenges that have occurred in the operating environment, programme design, and management of AgroBIG II. In several cases, the challenge is not necessarily inherent to or under control of the Programme. Many times, the implementers have been aware of the constraints they are facing but had little means to resolve them.

The support to agricultural value chains by AgroBIG II consists of the combination of all its activities. The division into separate outputs and activities is made for management and budgetary purposes. From a strategic and functional point of view, financial services cannot be separated from capacity building, and vice versa. The MTR did not find evidence supporting the argument that the Output 1 (Financial services) and the Output 2 (Capacity building) would be inarticulate. Rather, the issue seems to be that a number of factors, such as the ones in the list below, have hindered their planned implementation. They are tangible challenges that relate to the generic VC conditions, explained in the section 4.1.4.

- Freezing of matching grants has prevented various private sector actors from participating in VC development. Food security and value chains are being addressed mainly through primary production, leaving other stages of the chain to become possible bottlenecks in the overall value adding process.
- Delays in implementation are difficult to catch up and can cause irreversible harm to the implementation of the overall plan.
- Physical investments and study tours provided by AgroBIG I created expectations. The lack of them in AgroBIG II combined with the absence of grants has created frustration among the beneficiaries.
- An inefficient organisational and decision-making, internal communication problems and time-consuming and cumbersome approval and procurement procedures can significantly hinder implementation.
- Public policies have not always been supportive to the Programme objectives. They have little practical value if they are not translated into budgeted strategies and enforced through effective and transparent regulatory frameworks relying on rule of law.
- Contract farming is among the AB activities and it is steadily progressing. Some contractors, such as KogaVeg, see many challenges on the way. Contract farming practices have been exercised also among few farmers with Koga Dam Marketing Cooperative Unions and Ethiopian Trading Businesses Corporation. AgroBIG II has provided capacity building including training to farmers, introduction and provision of improved agricultural inputs mainly onion seed and introduced market links. The advantages and practices of contract farming have not always been internalized by farmers. For example, contract farmers at Koga Dam complained that they lost the opportunity of high price of this year for their product due to contract fixed price. They were discouraged and perhaps will not continue their contracts. Market and marketing networks at risk in places where illegal brokers manipulate selling and marketing of agricultural commodities at farm level.
- Terminal market in Bahar Dar has not been completed. The regional government owns and has approved the management modality, but in practice the operating rules are not clear, nor who should run it. According to BoTM the Terminal should start in a couple of moths, first only on cereals.
- According to its administrators, the Industrial Park of Bure will start to operate with first enterprises in 2-3 months and the Park will be complete by the end of 2019. Based on the picture from the construction site, this may be an overly optimistic estimate. The Park will establish seven Rural Transformation Centers, with which cooperatives can operate to arrange supply of the produce. Under each RTC, there will be a minimum of five Collection Centers. It is not clear yet who will run the RTCs. One of the CCs will be in Marawi in North Mecha, which belongs to the area of the Programme.
- Enhancement of access to market information can contribute to more fluent market linkages. Technological University of Bahir Dar is developing a market information system under the auspices of BoTMD, and that work needs to be concluded soon.
- Strengthening of cooperatives as VC actors is one of the most central tasks of AgroBIG II. To make the Programme's support to cooperatives as efficient as possible, there needs to be a shared and unambiguous understanding of the role of the Cooperative Promotion Agency (CPA) in relation to the cooperatives. The Proclamation No. 124/2006 that Amhara Regional State has issued for the establishment of CPA defines four objectives for the Agency. They focus on facilitation, support, and provision of training. The Proclamation also determines 14 powers and duties for the Agency. These include provision of certificate for legal personality to cooperatives, follow-up of organisational changes, and containment of financial misuse in cooperatives.
- In both irrigated and rain-fed sites farmers have been provided with improved seed, poultry varieties and improved technologies. The improved seeds and technologies introduced to farmers are given to model farmers as a demonstration. However, the farmers said that these improved inputs are not

always available in their area. Accessibility and affordability of the inputs combined with the poor marketing network and market facilities are among their worries. In addition, the illegal marketing brokers in the area are a major problem in the market network. The construction of vegetable and fruit warehouses of Koga Veg private sector, and Koga Dam Users Marketing Cooperatives were not completed to serve the local community members.

- Problems were observed in market for producers of vegetables (Onion, Potatoes and Tomatoes) using both irrigation and rain-fed technologies. There are no standard varieties that have demand in the market. Although AgroBIG II introduced two varieties of potatoes that do have demand and modern tillage techniques, and introduced potato ploughs in South Mecha to improve the quality of post-harvest handling, the problem lies on availability, affordability and accessibility of these inputs. It seems that the Bureau of Agriculture is working on this issue.
- The addressed value chains are good in adopting the introduced technology and improved productions. The support provided to the demonstration farmers in the areas have induced adaptation of new technologies, knowledge transfer, experience sharing and motivating other farmers. It is an asset to open ways to new entrepreneurs. However, at both South and North Mecha and Dera Woredas, it was learnt that the value chains were not organized in the form of synergy and complementing one another. On the other hand, selecting locations for activities can in the woredas be influenced not only by the production potential or expected synergies, but by the principle to ensure some benefits to all kebeles. The links between capacity building and use of loan are not clearly observed. They rather concentrated on production of similar value chains, competing for markets between them.

4.5. Sustainability

The following key evaluation questions were to be addressed under sustainability:

1. How likely is it that the project achievements will continue after external support has ended?
2. Will there be sufficient resources and funding as well as stakeholder commitment for sustainability and continuation of the programme?
3. How should the loan capital funds be used/administrated/ monitored after the program (or phase II) ends in order that they could continue to benefit the target groups (women and youth), cooperatives, and private sector after the project ends.

The conditions for the AgroBIG operations and benefits to continue exist. Their materialization depends on the commitment of the key implementing partners, as well as on the targeting and intensity of the capacity building in the remaining time of the Programme. In this regards, the existing dissonances about the Programme’s strategic orientation and its core activities are not encouraging. If they are not resolved, the likelihood of continued benefits after the termination of the external support are small. Even if they are resolved, it is unlikely that public entities will have budgets that would allow continuing AgroBIG activities anywhere near the current level.

A particular case is the stand-alone nature of the PSU. It is physically and institutionally separate from BoFEC, the lead implementing agency. None of the PSU personnel is financed by GoE funds. At the design stage of the Programme the stakeholders did not see this as a problem, and set-up was continued the way it was in AgroBIG I. Instead of being the Programme implementer, BoFEC seems to be AgroBIG II supervisor. With challenges in communication and management practices, frictions have surfaced between BoFEC and the TA team. These issues could be solved through concerted efforts, but the structural isolation of the PSU is difficult to change in the remaining time.

Currently the commitment to AgroBIG seems to be strongest among those who have obtained tangible benefits from the Programme and see it as strategic partner. Farmer-based organizations, including cooperatives, are in a good position to continue supporting farmers in loan services and in cereal crop marketing networks. These activities are well systematized and networked in the union and cooperatives. Members of the cooperatives are in a position to continue to benefit after the project. Unions and cooperatives are able to provide loans to farmers after the programme ends since that capacity being already built internally. Regional bureaus need to provide technical support to strengthen the clusters in a continuous capacity building and monitoring the implementation in organizing other government structures. Since the AgroBIG II has a government ownership, it is sustainable in supporting the poor in a well-organized way.

Decreased saving and access to credit means less bargaining power at household level that finally limit families' representation and participation at community level and cooperatives. This situation might be disempowering women in the target area. The less empowered the women are, the smaller the achievement of development will be in the target area. The absence of support to the cooperatives would affect the member farmers via loss of productivity. The current increased female and youth membership in the cooperatives would cease, that would limit the capital increase. The cumulative effect of the decreased productivity as well as the stagnation would lead to loss of hope by farmers. Hence, for the Programme to terminate the support, first and foremost the knowledge and skill acquired from AgroBIG II should be cemented among the stakeholders.

A sustainable long-term arrangement of the loan capital is a challenging task. It is advisable to refer to previous experiences from comparable circumstances. The Consultative Group to Assist the Poor (CGAP) has developed the following principles for the design of microfinance services:

- Poor people need a variety of financial services, not just loans.
- Microfinance can pay for itself, and must do so if it is to reach very large numbers of poor people.
- Microfinance is about building permanent local financial institutions.
- The job of government is to enable financial services, not to provide them.
- The key bottleneck is the shortage of strong financial institutions and managers.

Based on these premises, AgroBIG II should start the preparation of the transfer of the loan capital to local microfinance institutions. COSACUs can be among the considered ones, although they currently lack the required status. A more detailed transfer plan needs to be worked out by a respective short-term consultancy. More detailed recommendations are in the chapter 5.

4.6. Coherence

The following key evaluation questions were to be addressed under coherence:

1. How to strengthen synergies with other MFA funded projects (Reila, Cowash, FFD) in Ethiopia?
2. How is the programme coordinated with other development programmes in Amhara region?

Much of the **coordination between relevant development partners is on ad hoc basis**. Every project has its own interests and those who perceive mutual benefits meet each other. AgroBIG II mostly cooperates with SNV and MEDA. Rural Economic Development and Food Security (RED/FS), mentioned in the programme document as a possible platform for aid coordination, is not operational at Amhara level. It is functioning at the federal level and has been recently restructured. The Embassy participates in its meetings and has joined the task forces on land administration, climate smart agriculture and private sector. There is a land conservation development partner group, but it is not really a domain of AgroBIG II.

Among the Finnish-supported interventions, FFD is not anymore operational with value chains that AgroBIG II supports. There is cooperation between AgroBIG II and FFD, as FFD will be preparing part of the study visit programme of AgroBIG II to Finland.With COWASH there is not effective collaboration, as the two programmes operate in clearly separate sectors. With REILA there would have been significant synergy if the land certificate had worked as a collateral for the cooperative loans. The Ethiopian microfinance regulations do not allow that but at least banks do accept the land certificate.

There is a general and understandable tendency to look for synergies between MFA supported programmes, if their operate in same geographical areas and related sectors. In the case of the three above-mentioned programmes, however, it is difficult to see what would be the added benefits that would justify the ensuing administrative complications. Each of the programmes has its own mission, strategy, resources, and institutional framework. The collaboration between AgroBIG II and REILA would have brought about synergy benefits stemming from land certificates, and the Programme should be open to other opportunities that may open up similar perspectives. Coordination and systematic information exchange is important, not only between Finnish supported projects but all relevant programmes and development partners.

In its geographical and thematic area, AgroBIG collaborates to varying degrees with the following donor-supported organisations and projects.

- Feed the Future (FF) is a USAID funded contribution to the multi-donor AGP. Their objectives are same and the FF duration is 2017-21. FF works in six value chains: maize, chickpea, coffee, dairy, meat, and poultry. It covers 16 woredas in Amhara, with a strategy to enhance farm productivity through a package approach, post-harvest technology, and market facilitation. FF is a stand-alone project with no appointed government counterpart, implemented by a US consulting company Fintrac. It works closely with regional bureaus in Amhara. FF collaboration with AgroBIG II has been minimal. Among challenges, FF sees the lack of trust among the value chain actors, little collaboration between stakeholders, high staff turnover in public offices, and the weak role of gender and nutrition in development operations.
- MEDA programme works in three VCs: rice, vegetables, and gem stones. The woredas are Libo Kemkem, Fogera, and Dera. To improve agricultural productivity, seeds are a key input. MEDA collaborates with agricultural research and extension services, and with SNV it implements FFS. Among the government offices, it collaborates with the same as AagroBIG II, reporting mainly to BoFEC, which controls the budget implementation. MEDA plans to reach 16,000 people and has so far reached 65% of them. In its value chain strategy, MEDA promotes linkages and connects actors. It supports contract farming, for example with KogaVeg. It has a loan guarantee programme and a innovative matching grant programme, but it does not give loans because it thinks the donor loans distort the financial market. With AgroBIG II the collaboration is not intensive. Among challenges MEDA sees the absence of market regulatory system that leaves playground to brokers, and unavailability of innovative technologies.

  MEDA's loan guarantee programme facilitates SMEs' access to credit, even if they don't have collateral. After other banks rejected the idea of the guarantee fund, Bunna Bank accepted it. The bank selects the loanees who must work in one of the MEDA's three value chains to benefit of the guarantee. The applicants must be registered owner of business and have a minimum of one year of experience. The guarantee capital of 500,000 euros has been deposited in the bank's saving account and its owner is MEDA. So far 46 enterprises have benefitted of the loans, which total in 25 million ETB. Out of them 8 mETB are now revolving, and there are no defaults so far. At the end of this project, the fund will continue with another MEDA project.
- SNV is the key implementer of FFS in the region. It has woreda and cluster coordinators and one of them work with AgroBIG II in each woreda. SNV trains also government officials. One FFS includes 30 farmers who select the crops the FFS focuses on, as a result of the market demand. In the demonstration plots, traditional and improved technologies are being compared. The lead farmer gets free inputs for the demo fields but no other compensation. There are 60 FFS with AgroBIG II support, which has enabled SNV to scale up its work. Out of the 240 lead farmers, 27 are women. SNV works only on production issues, not on marketing, and sometimes this is a problem.

There are other donor funded projects and programs in the region operating financial services through BoFEC. For example, Productive Safety Net Program (PSNP) funded by different donors including the World Bank is coordinated by BoFEC. BoFEC has assigned a PSNP Loan Coordinating Officer and the funds provided in the form of loan are monitored and supervised by the office. BoFEC is also working on Household Asset Building (HUB) and government revolving fund of about ETB 3.1 billion.

Merkeb Cooperative Union also indicated that it has very well developed experience with FAO in providing loan funds for oil crop producers and fertilizer input suppliers in 12 Woredas of West Gojjam and North Gonder for more than five years. The program is monitored by the Addis Ababa office through field assessment during harvesting, performance reports and ensure inclusiveness of the program activities in the cooperatives annual plan and budget approval.

Koga Dam Users Marketing Cooperative has been working with AgriCord on the project funded by Finnish Food and Forest Development (FFD). In this organization the cooperative has developed experience of managing loan to targeted community sector.

5. Conclusions and recommendations

The table 5.1. below summarizes the recommendations formulated by the MTR team. They are grouped by the main variables of the evaluation, as defined in the terms of reference. They refer to key findings and conclusions that are substantiated in the preceding chapters. In identifying recommendations, the MTR team focused on issues it considers realistically feasible within the existing resources and time. Each recommendation includes a responsible level, who should take care of implementation of the recommendation in subject, and a time frame to implement it.

Some of the recommendations include a suggestion to use short-term consultancy. They are four and underlined in the table 5.1.

Table 5.1. Recommendations by the AgroBIG II mid-term review team.

Finding & conclusion	Recommendation	Responsible & time frame
Relevance		
C1. AgroBIG II is relevant to its stakeholders. However, its praxis has increasingly focused on agricultural development, instead of supporting value chains, as defined in the programme document. The most important cause of the shift is the suspension of the matching grants that would support other VC actors than farmers. As a result of its shifted strategic focus, the strategic niche of AgroBIG II is becoming less clearly perceptible, not only to the public but also the some of its decision-makers. The multitude of activities, especially in the Output 2, tend to blur the mission and the big picture of the Programme.	R1. MFA and BoFEC should have a discussion about the strategic orientation of the Programme. Once they have agreed on guiding strategic focus, it should be confirmed in the SVB. All concerned parties must commit to it. As a result, AgroBIG II should cristallize its concept to make it clearer to all and explain its niche. The strategic discussion does not need to lead to a revision of the entire programme document. The current document provides an appropriate basis to continue the Programme. Parts of the document, however, may need to be clarified as adjusted, such as re-allocations between budget lines.	MFA, BoFEC, SVB. Within three months.
C2. AgroBIG II is relevant to rural women in the eight woredas, especially because of the loan fund directed to women and youth. In capacity building the participation of women could be stronger, and the CB activities should take into account the constraints and needs the women are facing.	R2. The programme needs to update a study to identify the specific needs of capacity building for women. It needs to clarify the conditions that are required to make the trainings most effective for female participants. Women should be active participants when actions for them are being planned. <u>The Programme may use short-term consultancy for this task.</u>	PSU. Within the next planning period.
C3. The characteristics and necessary conditions of a programme relying on value chain approach are not clear to all key stakeholders. This has led to dispersion of interpretations about the Programme's rationale and strategy. As a result, the momentum of AgroBIG II in its pivotal operations has decreased.	R3. The strategy discussion deferred to in R1 should include an assessment of what a programme based on value chain approach can and should do, and what not. <u>This may require facilitation by an outside expert.</u> Should there be a continuation for AgroBIG II, alternative strategic approaches should be examined, such as Food Systems Approach.	MFA, BoFEC, SVB. Within three months.
C4. Although climate sustainability is one of the three cross-cutting objectives of the Programme, climate smart agriculture does not occupy a central role among supported technologies. Climate issues are likely to gain more weight in the development policies of both governments and this should be reflected also in AgroBIG II operations.	R4. Climate change issues need a more central role in the programme's operations. This has implications especially for the training at farm level. Climate smart technologies need to be promoted. The Programme may use short-term consultancy for designing climate-wise appropriate extension packages. As an example, they could include soil management issues. The Programme should explore whether a capable private entrepreneur would be willing to start liming business in the area, and possibly provide support to this endeavour. AgroBIG II should consider dropping dairy from the supported value chains, as ruminant livestock is a major source for methane emissions. Furthermore, EC and IFAD will soon start major support to livestock development in Amhara.	PSU. Within the next planning period.
Impact and Effectiveness		
C5. While systematic monitoring data are not yet available, it is likely that AgroBIG II is making clear	R5. The data from the first annual survey needs to be exhaustively analysed from the point of view of	PSU, SVB.

Finding & conclusion	Recommendation	Responsible & time frame
progress towards the attainment of its planned outcomes, and thus contributing to the expected impact.	possible adjustment needs in the Programme's operations. Activities that are unlikely to contribute to positive outcomes may have to be reduced or eliminated. Consequent changes must be included in the proposal for the next work plan.	In the next work planning process.
C6. Eight woredas and eight value chains are the maximum that AgroBIG II can address with its current resources. On the other hand, decreasing the number of woredas and/or value chains would diminish the possibilities to achieve the expected outcomes.	R6. The number of the woredas covered by AgroBIG II can be maintained at the same level. There is no need to do changes in the number of the supported value chains, save the possible elimination of dairy.	PSU, SVB. In the next work planning process.
C7. The experiences and results of AgroBIG II have not had a noticeable impact on national or regional policies and strategies.	R7. AgroBIG II should identify suitable ways to contribute to regional and national policy dialogues. This should be done as a peer among other comparable development partners and projects. One possibility is to organize theme days where AgroBIG II should have a role of supporter and facilitator and the main responsibility should be, for example, with the Bureau of Agriculture or ATA.	PSU. From here onwards.
C8. In absence of the matching grants, AgroBIG II effect on job creation by private enterprises will be limited. The suspension of matching grants is a major deviation from the strategy defined in the programme document. Reasons behind it are perhaps understandable but not well substantiated. The suspension is posing an important risk to the overall achievement of the intended objectives and has caused a loss of trust capital among the beneficiaries.	R8. Matching grants should be re-launched, according to the following principles. • The grant budget can be smaller than in the current budget. • The two matching grant windows can be combined into one. • Maximum could be 1 million ETB or 33,000 euros, with 50% self-financing. • AgroBIG II experts should provide appropriate monitoring and support in the preparation of the business pan. • The applicants should first provide a concept note, based on a template provided by the Programme. • The selection criteria must be robust, explicit and assessable, including at least one year experience in the business, and not for expansion of old concepts. Innovativeness and risk level should be included in the criteria, remembering that they can be opposing each other. Selection process must include visit at the project site. • Private sector representation, such as the Chamber of Commerce, should be part of the grant selection process. There is a woreda Chamber of Commerce in every AgroBIG II woreda. • Payment of grants must be done in instalments, and depend on the progress of the project. • Supporting capacity building methods need to be implemented. • ACSI should be replaced as the grant channel. Instead it could be a microfinance institution, or an experienced bank, such as Bunna Bank. Also local BoFEC offices at woreda level, as well as cooperatives could be considered, if their capacities have been assessed to be sufficient for the task.	PSU, SVB. In the next work planning process.
C9. The projects undertaken with the support of the Value Chain Facility focus on strengthening the enabling environment and support services, rather than the value chains. Some implementers of the VCF projects have had difficulties in following the required procedures.	R9. VCF should not be continued until the current projects are completed. After their completion, the overall effectiveness of the VCF in supporting value chains should be assessed by the financial advisors of the Programme. PSU should then propose whether to continue or not the VC and, if yes, in what form.	PSU, SVB. Immediately and until the VCF projects are completed.
C10. The loans, both for the cooperatives and women & youth, have been a successful operation. With more streamlined procedures, the loan portfolio could be increased and the Programme's effectiveness consequently strengthened.	R10. If the repayment of the first round of the WY loans is satisfactory, the loan portfolio should be increased to better respond to the demand in the Programme area. The principles and the guidelines for the loans should remain the same,	PSU, SVB. In the next work planning process.

Finding & conclusion	Recommendation	Responsible & time frame
C11. Capacity building consists of a myriad of activities, and training, in various forms, is the most important of them. New plans include several VC fora. Some of them exist already, but some are incipient. For each CB activity, there should be clear and logical connection to the expected outcomes and beneficiaries. The role of the implementing partners in capacity building should be clarified.	R11. It must be made clear to whom the capacity building is targeted and what is the IPs' role in it. Government offices should not be the beneficiaries of capacity building. Capacity building funds are channelled through the IPs, but not used in benefit of them. The financial allocations of the Programme should not be earmarked to the IPs but to the Programme activities. If minor parts of CB allocations are needed to cover the IPs' additional expenses related to CB delivery, then these amounts must be explicitly justified and quantified in the work plans. Boundaries of the respective mandates between AgroBIG II, CPA, and COSACUs need to be defined and agreed upon.	PSU, SVB, CPA, COSACUs. In the next work planning process.
C12. AgroBIG II has been sensitive to gender equality and, with some exceptions, successfully engaged women in its activities, especially in the loan programme. The attention to people with disabilities has been minimal, although the PDW have named as a target group in the programme document.	R12. AgroBIG II should design and implement activities that support the engagement of PWD in economic and productive activities appropriate to them. <u>The Programme may use short-term consultancy for this task.</u>	PSU. In the next work planning process.
C13. If the recommendations proposed by the MTR will be carried out, they will have budgetary consequences. The most important are the re-launching and decrease of the matching grant fund, increase of the loan fund, and strengthening of the capacity building activities.	R13. The Programme should consider reallocating funds within the existing budget. The MTR has made a respective proposal, presented in the table 5.3. If the PSU operational costs are excluded from the calculation, the implementation budget would be divided between the Output 1 and Output 2 in a ration 65:35.	SVB. Within the next three months.
<u>Efficiency</u>		
C14. In comparison to similar MFA supported projects (ARDF evaluation), AgroBIG II has budgeted and spent its resources efficiently. The spending pace is lagging behind, because of the suspension of the matching grants and the slow financial reporting by some of the implementing partners.	R14. AgroBIG II should examine reasons behind slow reporting of the concerned implementing partners. Consequent remedies could include training in the Programme's administrative procedures and requirements. Regional bureaus should help to resolve delay problems, in cases where offices under their mandates are concerned.	PSU, Implementing partners. Within next six months.
C15. The use of the contribution of the Government of Ethiopia to AgroBIG II has not been reported comprehensively.	R15. The use of the contribution of the Government of Ethiopia to AgroBIG II needs to be reported comprehensively.	BoFEC. Within next three months.
C16. In general and with minor exceptions, the implementing partners manage Programme resources efficiently and reliably. This was concluded by a recent audit. An exception was the management of the AgroBIG I loan fund by ACSI, for which it has a contract with BoFEC until 2026. Among the stakeholders there is a generalized perception that ACSI is not managing Programme funds efficiently. However, the agreement between BoFEC and ACSI regarding the management of the loan fund makes it quite difficult for any third party to change the ACSI's role in it.	R16. ACSI can continue administering the AgroBIG I loan fund, because legally it is difficult to recuperate the fund before the end of the agreement period in 2024. In the meantime, BoFEC needs to supervise that the funds are being used properly and report this annually to the SVB. When matching grants will be re-launched, another financial operator should be identified to replace ACSI, as suggested in R8.	PSU, SVB. In the next work planning process.
C17. There are overlaps in the compositions of the key administrative organs of AgroBIG II: SVB, RTC, and WTC. Same organisations and sometimes same individuals are members of more than one of them. This increases bureaucracy and decreases efficiency and transparency. Private sector is under-represented in all organs. It is questionable whether RTC should include the same entities that are in the SVB because RTC is like SVB without MFA, in times of divergence this becomes a problem. The Programme Director has been absent from work for several months, for fully justified reasons. The ensuing leadership gap has contributed to frictions that have surfaced between key stakeholders, especially BoFEC and the TA team. Programme management team has not functioned as defined in the programme document.	R17. Amhara Women Entrepreneurs Association should be invited to be a member of the AgroBIG II Supervisory Board. SVB should examine the possibility of eliminating the RTC from the Programme structure, as its tasks can be handled by the SVB and some of them also by the WTC. This would make the Programme decision-making lighter and more fluid. Chamber of Commerce or its member associations should be represented in the WTC. Beneficiaries should be represented in the WTC through cooperatives, at least half of these representatives must be women. SVB should make contingency plans for the case of vacancies in the Programme's key positions, to make sure that gaps and vacuums will not appear.	SVB, TA team. Within next three months.

Finding & conclusion	Recommendation	Responsible & time frame
	Existing frictions and misunderstandings should be resolved in a constructive discussion proposed in the R1. Programme management team needs to establish regular and effective working patterns. Minutes of its meetings must be kept by one of its members, defined in the first PMT meeting held after the approval of this recommendation. The minutes must be available to the members of the SVB.	
C18. The TA team works efficiently, but with evolving challenges of the work and the modifications proposed by the MTR, some of the TA posts could be revised. The use of short-term technical assistance has been much less than anticipated.	R18. TA team's composition should be reviewed. The post of the International Financial Advisor should not be continued after it expires in September 2019. Using the savings from short-term technical assistance, a medium- or long-term national TA post should be established to strengthen the Programme's capacity in marketing and business development issues. This would be a crucial input to accompany the re-launch of the matching grants. Profiles of existing and continuing TA posts should be reviewed. For example, there may be a need to reorganise the work load of the Cluster Advisors, whose work is currently stretched over large geographical areas and many value chains. Rather than proposing a recipe, the MTR believes that the PSU is best placed to review its own way of organising the work. Using short-term TA consultancies is not an end in itself. The MTR proposes some themes where they could be used but it is likely that the budget line will still have unspent funds. MFA should negotiate with the consulting company for the STTA funds to be used for other TA purposes.	PSU, SVB, MFA, Niras Finland. Within the next three months.
C19. M&E system of AgroBIG II is functional. The first major test will be the annual survey in June 2019. The integration of the Programme's M&E to respective systems of the implementing partners is practically nil. Yet strengthening of M&E capacities of the partner institutions could be a significant contribution to their development. Without a functional M&E system after the Programme's termination, its continuation by a regional institution will be weak.	R19. In collaboration with the implementing partners, AgroBIG II should examine which one would be the most suitable partner for the joint development of M&E systems. The integration with the market information systems, currently under preparation, should be considered.	PSU, Implementing partners. Within next six months.
<u>Aid effectiveness</u>		
C20. Cooperative unions have sound management systems and their staff is committed to deliver services to the members. They have, however, an overall need for institutional and capacity strengthening to reach the desired level of sustainability. Government policies and regulations have not always been conducive to the cooperatives' autonomy and strengthening, as illustrated by the non-acceptance of land certificates as collaterals for cooperative loans.	R20. AgroBIG II should plan its capacity building activities for the COSACUs with the view that these will be the most probable implementers of the loan programmes after the termination of the external support.	PSU, Cooperatives. Within the next planning process and henceforth.
C21. AgroBIG II work plan for 2020 foresees several instruments to strengthen value chain linkages between actors. Their details need to be specified, because there may be a need to adjust the balance between several VC activities. The support to value chains by AgroBIG II consists from financial services (Output 1) and capacity building (Output 2). Strategically and also operationally, the two outputs are adequately synchronized and mutually supportive. However, there are number of challenges that hinder the planned implementation of activities. Some of them are under the Programme's control but many are not.	R21. The SVB and implementing partners should review the list of obstacles in the section 4.4.2 of the report. Based on their assessment, they should decide what are the most appropriate and effective ways to solve the. This exercise can be done in combination with the discussion recommended in R1. First and foremost, the decision-makers need look for solutions on several fronts, because many of the activities defined in the work plan include challenges. Some of them are not under the Programme's control, but it could play a proactive role, mainly through the channels that the implementing agency BoFEC and the implementing partners (IP) have with other branches of the administration.	SVB, Implementing partners. Within the next three months.
<u>Sustainability</u>		

Finding & conclusion	Recommendation	Responsible & time frame
C22. The future of the loan capital after AgroBIG is one of the key questions in the Programme's sustainability. It should be resolved utilising the following criteria: • It must be used in a way that supports AgroBIG's objectives, providing financial services to the Programme's beneficiaries, and to similar groups outside the current Programme area. • It must be managed by an organisation that is specialised in rural financial services provision. The management and use of the fund must not jeopardize market-based and competitive financial services in the region. • The use of the loan fund must be regularly reported to the competent authorities of the two governments. They should have a joint possibility to request correcting action if deviations from principles of sound financial management are observed.	R22. The Programme should undertake a study and subsequent plan, using a short-term consultancy, on the future use and form of the loan fund. The resulting plan must be detailed and feasible. It should consider at least two options: • COSACUs as the owners and managers of the loan capital. COSACUs would need preparatory capacity building for this role. • Use of the loan capital as a collateral fund managed by a bank or microfinance institution. The example of the MEDA programme, explained in the section 4.2.2., could be adopted, adjusting it to the specificities of AgroBIG II.	PSU, SVB. Before the end of 2020.
C23. The overall assessment of AgroBIG II is positive, as evidenced in the preceding sections. Its efficiency and effectiveness are satisfactory and there will most likely to be tangible positive impacts. In many respects, AgroBIG II performance surpasses that of many comparable programmes. Considering this, it is difficult not to recommend a continuation to AgroBIG through an additional phase. Most of the groundwork has been done in the first phases of the Programme and it would be rational to continue to exploit the experience, systems, and tools for which the investments have been made and paid. The beneficial concept should be utilised.	R23.The additional phase, AgroBIG III, should not be a copy of the current one. It should be a result of a thorough situation analysis and preparation. Tentatively, it can be assumed it could focus in strengthening commercialisation and assisting enterprises and getting to the market. Wider impact could be sought by assisting a higher number of enterprises than what is currently being done. Sources of funding should be looked for actively and respective mechanisms developed. Regardless of an additional AgroBIG phase, the SVB should consider a non-cost extension for the current phase. Tentative calculations indicate that the existing funds would be sufficient for at least a six-month prolongation. This would allow the Programme to catch up some of the time it has lost in the suspension of the matching grants. Three options of AgroBIG II continuation are presented in the table. 5.2.	SVB. Before the end of 2020.
C24. As a stand-alone programme, AgroBIG II runs the risk of weak ownership and sustainability. AgroBIG III would not resolve the long-term sustainability of the operations. The Programme will end its support one day, whether it is in 2021 or 2024. The long-term vision and commitment of the key stakeholders is crucial in convincing external funders to continue with more years. It is understandable they look for positive and sustainable impacts as a counter value to their contributions.	R24. AgroBIG II will need to prepare a sustainability plan that includes a realistic plan and timetable, indicating how the planned activities will be completed and resources be utilised. The plan needs to include a calendar and budget that indicate the shutdown of activities and human resources, in case the competent authorities decide not to continue with an additional Programme phase. A key element of the sustainability plan is the strengthening of the capacities of the woreda and kebele level officials to act as facilitators and trainers of key CB activities, including the FFS. This calls for a stronger emphasis in the training-of-trainers activities by the Programme. The sustainability and capacity building needs to define how the beneficiaries that are not cooperative members can be best addressed.	
Coherence		
C25. Coordination with other projects and development partners in the area and relevant sectors could strengthen the effectiveness of AgroBIG through joint leverage. However, when seeking increased coordination and collaboration one should remember that each programme has its own objectives, strategies, procedures, and constraints.	R25. AgroBIG II should organize a meeting with relevant projects and development partners to explore possibilities for strengthening coordination and collaboration in areas of mutual interest. The discussion should focus on strategic issues, instead of isolated service provisions. At least the programmes mentioned in the section 4.6. of this report should be invited.	PSU. Within next six months.

A particular set of recommendations concerns the continuation of AgroBIG II. As can be seen from the table 5.1., the MTR team recommends either a no-cost extension to the current phase or an additional phase, after the current one and its possible extension will have terminated. The course of the Programme from early 2022 onwards depends on whether none, one, or both of these recommendations are approved. For that purpose, the MTR team presents a brief outline of key actions needed in either of the three cases (Table 5.2.)

Table 5.2. Possible scenarios for the continuation of AgroBIG.

A. No extension, the Programme ends in December 2021	**B. No-cost extension granted, no additional programme phase, the Programme ends in mid-2022**	**C. Additional phase AgroBIG III granted after the no-cost extension, the Programme ends in 2026**
• AgroBIG continues according to the original plan. • Support to projects terminates by the end of 2021. • Duration of the activities will not be modified. • Exit plan presented to the SC in the last meeting of 2020. The exit plan is also the annual plan for the period the Programme operates in 2021. • Preparation of an additional phase will not be on the agenda, because without no-cost extension the funders are unlikely to support AgroBIG III.	• AgroBIG will prepare an annual plan for the entire year 2021-2022. This includes also the exit plan. The plan will be approved in the second meeting of the SC in 2020. • Annual plan 2021-2022 will include a budget that contains funds that were not spent by the original termination date. The availability of funds decides the exact duration of the no-cost extension. • MFA and BoFEC make sure that there are sufficient funds for the TA services to keep the PSU complete until the extended termination of the Programme. MFA makes the respective addendum with the consulting company. • Core activities of the Programme are continued with additional time. A second call for matching grants may be possible.	• AgroBIG will prepare an annual plan for the entire year 2020. This includes also a transition plan to AgroBIG III. The plan will be approved in the second meeting of the SC in 2020. • SVB and the competent authorities will launch the preparation cycle at end of 2020. It will proceed in parallel with the implementation of AgroBIG II. • The first complete programme document for AgroBIG III should be ready by the end of 2021. • Annual plan 2021-2022 would include a budget that contains funds that were not spent by the original termination date. The availability of funds decides the exact duration of the no-cost extension. • MFA and DST make sure that there are sufficient funds for the TA services to keep the PSU complete until the extended termination of the Programme. MFA makes the respective addendum with the consulting company. • Core activities of the Programme are continued with additional time. A second call for matching grants may be possible.

In any of the three possible scenarios, the decision about the continuation needs to be taken by the SVB and the competent authorities in early 2020. An extraordinary meeting of the SVB may be needed for this purpose. The decision in principle about the additional phase or AgroBIG III (scenario C) may need more time. It should be taken at latest by end of 2020 because, should it accept a third phase, sufficient time is needed for the preparatory cycle. A gap that existed between AgroBIG I and II should be avoided.

Table 5.3. Proposed structure for the AgroBIG II implementation budget.

A. BOFEC Channel, AgrobIG Phase II	BUDGET 2017-2021		Cumulative spent by 31.3.2019	% of total budget used by 31.3.2019	1.4.2019 BALANCE	MTE proposal, euro	MTE proposal, %
Output 1: VC Actors' access to finance and financial services is	EUR	%	EUR	%	EUR		
1.1 Provide grants for VC actors through the Grant Fund	1 500 000	27,8 %	0	0,0%	1 500 000	500 000	9,3 %
1.2 Support learning and new approaches (Value Chain Facility)	325 000	6,0 %	78 650	24,2%	246 350	120 000	2,2 %
1.3 Provide funds to the Women and youth groups through SACCOs	800 000	14,8 %	427 548	53,4%	372 452	1 225 000	22,7 %
1.4 Provide funds for cooperatives through COSACUs (Cooperative	900 000	16,7 %	432 632	48,1%	467 368	1 225 000	22,7 %
1.5 Grant and loan fund management	70 000	1,3 %	18 534	26,5%	51 466	70 000	1,3 %
1.6 Phase I commitments for construction and equipment	200 000	3,7 %	15 208	7,6%	184 792	100 000	1,9 %
Sub-total	3 795 000	70,3 %	**972 571**	**25,6%**	**2 822 429**	3 240 000	60,1 %
Output 2: Capacities of VC actors are strengthened to improve their capability to seize market opportunities							
2.1 Facilitate business and market linkages, investment and public-p	121 500	2,3 %	51 806	42,6%	69 694	350 000	6,5 %
2.2 Improve business and farm management skills and service delive	597 000	11,1 %	127 945	21,4%	469 055	600 000	11,1 %
2.3 Form, train and mentor women/youth groups in agriculture-relate	195 500	3,6 %	54 917	28,1%	140 583	400 000	7,4 %
2.4 Provide technical support to cooperatives to improve member se	233 500	4,3 %	22 711	9,7%	210 789	400 000	7,4 %
Sub-total	1 147 500	21,3 %	**257 380**	**22,4%**	**890 120**	1 750 000	32,5 %
Programme Management							
PSU operational costs /BoFEC (ref. SVB #9)	457 420	8,5 %	**150 257**	**32,8%**	**307 163**	400 000	7,4 %
TOTAL	**5 399 920**	100,0 %	**1 380 208**	**25,6%**	**4 019 712**	**5 390 000**	100,0 %

Annex I

Terms of Reference for a Mid-Term Review of Agrobig II program in Ethiopia

1. Background to the Review

1.1. Programme context

1.1.1. Overall development context of Ethiopia

Ethiopia is one of the poorest countries in the world with a per capita income of 783 USD. With about 102 million people (2016), Ethiopia is the second most populous nation in Africa. The Ethiopian population is growing at an average rate of 2,6 percent per year implying that with this rate the population may exceed 130 million by 2030. In the last fifteen years, Ethiopia has been one of the fastest growing economies in Africa, registering high economic growth. The share of the population living below the national poverty line decreased from 30 % in 2011 to 24 % in 2016. Ethiopia is aiming to achieve lower middle-income status by 2025. Agriculture, construction and service sectors have been major contributors to the economic growth (about 10 % per year 2006-2016). In 2018, the annual growth went down to 8,5 %, due to a decrease in public investments, and due to conflicts and drought during the 2016-17 period, as well as due to external exchange rate variations.

In 2018, Ethiopia went through drastic changes. The new Prime Minister Abiy Ahmed, who took power in April 2018, introduced several positive changes and reforms in the country. In addition to economic reforms, and privatization of big state companies, civil society, media, political participation, elections etc. legislative reforms are under preparation. To carry out several structural changes at the same time is challenging. There has also been a major reshuffle of staff at all levels of the government. Although the vast majority of the people seem to support the changes, there has also been some resistance to the reforms, and ethnic based conflicts have increased in different parts of the country.

Ethiopia's main development challenges are to sustain its economic growth and to accelerate poverty reduction, which both require significant progress in job creation as well as improved governance and political stability. Demographic growth and unemployment bring their own challenges: over 2 million Ethiopians enter the labor market annually. In the field of human rights, Ethiopia focuses on economic, social and cultural rights. Major barriers exist for women to benefit from development equally. Women continue to be more vulnerable due to lack of education, social and cultural norms as well as their re-productive and productive roles as well as lack of access to resources.

1.1.2 Agriculture sector development

Agriculture is the biggest driver of the economic growth in Ethiopia, although its share in the GDP has decreased in ten years from 50% to 37 % (2016). The agricultural products covered 70 % of the Ethiopian exports in 2016/17. Agriculture sector employs 80 % of the country's work force. The agricultural production has increased significantly due to expansion of the cultivated land as well as from increased productivity. Main factors for productivity improvements have been use of fertilizers and improved seeds; irrigation; extended extension work and better access to the markets.

Ethiopian policies affecting agriculture sector development include the Policy and Investment Framework (PIF) that has the development objective to sustainably increase rural incomes and national food security. Under PIF is created: Ethiopia's Agriculture Sector Policy and Investment Framework (2010–2020). Ethiopia's five year overall development plan Growth and Transformation Plan (GTP II) for years 2016-20 aims to accelerated and sustained growth in agricultural production within the framework of climate resilient green economy. Agrobig II program is aligned with the GTP II.

The challenges of agriculture are to increase productivity in sustainable way as well as to develop value chains in a way that provides added value also to the smallholder farmers. The smallholder farmers cultivate 93 % of the cultivated land. Due to the high population growth, the plot size is getting smaller and smaller. An average land size is 1 ha per farmer. Especially the young farmers are more and more dependent on rental land. The absolute poverty existing all over Ethiopia decreases the investment capacity of the rural population in agriculture. There is a need to further develop the financing systems to the farmers and to create non-agriculture jobs and lively small towns, in order that the farmers have local markets for their products. Government policies support also large-scale agriculture and establishment of agro-industrial parks.

Agriculture sector is a dominant endeavour in Amhara regional state, accounting 53 % of the GDP. About 85 % of the people in Amhara are engaged in agriculture. About 60 % of the total land area in the region is used for cultivation and grazing. Main crops are teff, barley, wheat, oilseeds, sorghum, maize, oats, beans and peas. Cash crops are cotton, sesame, sunflower and sugarcane. During recent years, the horticulture production has increased. The Lake Tana and the rivers in the region provide immense potential for irrigation. Amhara, and especially project area around the Lake Tana, are considered as food surplus areas.

1.2. Description of the programme to be evaluated

Finland started to support agribusiness and value chain development in Amhara regional state of Ethiopia with a bilateral Programme for Agro-Business Induced Growth, AgroBig I, in January 2013. Agrobig phase II program was started in July 2017 and it is expected to end in December 2021. The total budget of the phase II is 10,34 mEur, out of which Finland's contribution is 9,4 mEur and Ethiopia's contribution 0,94 mEur.

The expected impact of the program is that agriculture provides decent and sustainable livelihood to people in rural Amhara. Adding value at various levels of selected agricultural value chains brings increased incomes and new jobs for the rural households and other value chain actors, with a particular emphasis on women and youth. The expected outputs of the program are:

> 1) Value chain actors' access to finance and financial services is improved and sustainability of their enterprises and business initiatives is strengthened
> 2) Capacities of value chain actors are strengthened to improve their capability to seize market opportunities in a profitable and sustainable way

To achieve output 1 the program provides grant and loan funding. The loan funds are channeled through three Cooperative Savings and Credit Unions (COSACUs) to 1) women and youth and 2) to cooperatives. The loan funding has been in high demand, especially by women. Until February 2019, the program has provided only few grants through the Value Chain Facility. In the recent discussions with the government partner, regional finance office BOFEC, it has been proposed to combine the three different grant funds to one matching grant window as well as to revise the guidelines to whom and to what purposes they are provided. Currently the same users can apply for small-scale grants and women and youth loans for similar purposes (see Technical Committee meeting 6.12.2018 recommendations). In the supervisory board meeting 16.1.2019 it was decided that 300.000 EUR from the grant fund budget will be transferred to the loans for women and youth and that the MTR will be arranged to analyze the applications and use of grants and loans.

To achieve the output 2, farmers access to extension services is strengthened and cooperatives' business linkages, investments and public-private dialogue facilitated. Through training of lead farmers and farmers' field schools the farmers learn to use the irrigation systems and other new techniques to increase productivity and resilience to climate change.

The program is implemented in 8 woredas around Lake Tana basin in Amhara region. The direct beneficiaries of the program are farmers and their households, agricultural cooperatives and associations and different private sector value chain actors. The program benefits also government bureaus and agencies, research and education institutes, CSOs and financing institutes.

1.3. Results of previous Reviews

The Midterm Review of the Agrobig phase I (2015) considered that the program had built strong Government of Ethiopia ownership, particularly within the regional Bureaus of Finance and Agriculture. The focus of implementation was towards co-operatives, Government (Regional Bureaus) and government organizations, leaving the private sector along the value chain with less priority than what had originally been planned. The program was focused on distributing matching grants. The value chain approach was considered to require greater implementation flexibility to be effective. Mainstreaming gender did not achieve meaningful results, despite efforts made.

MFA is currently carrying out an evaluation of Finnish funded Agriculture, Rural Development and Forestry programs in Africa. Agrobig II is one of the programs included in the evaluation. The final report of the evaluation, covering the joint conclusions from Africa ARDF programs, will be available in June 2019. The evaluators presented their tentative findings concerning Agrobig II to the Embassy of Addis Ababa in February 2019. The evaluators considered Agrobig's activities and achievements, especially with the loan funding for the women and youth, coherence with other programs, use of lead farmers and farmers' field schools, to be positive. The evaluators considered that the expansion of the program from 2 to 8 woredas and increasing the number of value chains have dispersed the program resources. The empowerment of women should be still strengthened. A draft country based analysis on ARDF evaluation outcomes will be made available for the MTR consultants.

Performance audit of the program will be carried out in April 2019. The performance audit will also review the grant versus loans modality and make recommendations if changes required in the financial mechanism and control.

2. Rationale, purpose and objectives of the Review

It was agreed in the program supervisory board 16.1.2019 that the MTR will be advanced to May 2019 in order to analyse the functioning of the program financing facilities and budget structure related to those.

The purpose of the midterm review is to provide an independent view of the implementation of AgroBig II; to analyse needs for revision; and to provide recommendations to improve the program implementation. The findings and recommendations of the MTR will be studied and discussed in the program Supervisory Board and decisions on the changes required in the program will be made accordingly.

The main objectives of the MTR are:

1) To analyse the functioning of the financial facilities (loans, grants and capacity building) of the Agrobig II program and the needs to change the operation of the facilities as well as budgets related to them

2) To analyse how the value chains /clusters have been developed and how the added value has benefitted (or is expected to benefit) the beneficiary groups: farmers and their households, women and youth, cooperatives and private sector VC actors

3) To analyse the sustainability of the program

Specific questions for the MTR related to these main objectives, see Annex 4.

3. Scope of the Review

AgroBig II is implemented in 8 woredas of Amhara Region. The evaluators should visit at least the two woredas, which were part of the first phase (Mecha and Fogera) and 3-4 of the new woredas. The Review should cover the period from the inception phase of Agrobig II until today and to make reference to the outcomes and developments since the Phase I of the programme.

Evaluation questions to be addressed under the MTR objectives:

Relevance

1. Are there any changes or new relevant policies, strategies or legislation the program should be further aligned with? Its relevance to the SDGs, especially to 1,2,5 and 8
2. Does Agrobig II address adequately the needs and priorities of all its direct beneficiaries, especially those of women and youth, cooperatives and private sector value chain actors?

Impact and effectiveness

3. The program aims to provide/contribute through agriculture decent and sustainable livelihood to people in rural Amhara regional state. Has the programme so far increased or is it expected that the program will increase the income and jobs created for farming households, especially for women and youth, and other value chain actors in the project area?
4. How well HRBA and cross cutting objectives (gender, equality and climate resilient) are mainstreamed and will they bring the planned outcomes?
5. How the project experience/ results could be used to have an impact on national/regional policies, strategies and funding?

Efficiency

6. Are the program funds (loans, matching grants, value chain facility and capacity building) and their channelling justified and organized in feasible way?
7. Does the risk management take adequately into account the political context, financial management issues and programmatic issues that may affect the program implementation?

Aid effectiveness (Effectiveness of aid management and delivery)

8. What is the current management capacity level by different GoE representatives (Regional, woreda) and by the cooperatives of the programme?
9. Which have been the major factors affecting the achievement and non-achievement of the objectives set for the programme?

Sustainability

10. How likely is it that the project achievements will continue after external support has ended? Will there be sufficient resources and funding as well as stakeholder commitment for sustainability and continuation of the programme?
11. How should the loan capital funds be used/administrated/ monitored after the program (or phase II) ends in order that they could continue to benefit the target groups (women and youth), cooperatives, and private sector after the project ends.

Coherence

12. How to strengthen synergies with other MFA funded projects (Reila, Cowash, FFD) in Ethiopia? How is the programme coordinated with other development programmes in Amhara region?

4. Methodology

The consultant is expected to combine different methodologies, both quantitative and qualitative, and validation of results must be done through multiple sources. The key methods may include:

- Analyses of the key documentation (see annex 1 of the TOR)
- Briefing meeting with MFA / Embassy of Addis Ababa
- Consultations in Finland (MFA desk officer and sectoral advisers, home-office coordinator)
- Mission to Ethiopia with consultations at the national, regional, woreda level with government officers, with project beneficiaries (special focus on women and youth), participating cooperatives, ACSI, other development partners, private sector and CSO representatives and with the Finnish embassy in Addis Ababa
- Consultations with the program staff
- Other methods e.g. observations and/ or self-assessments

The detailed methodology is left to the consultation team to be proposed during the tendering process.

5. The review process and time schedule

The assignment should be carried out in April- June 2019 including desk study phase, inception phase, meeting and reporting, consultations and field mission to Amhara, presentation of results in the field, draft and final reporting and presentation of the MTR result. A detailed work plan will be left to the consultants to propose.

6. Reporting

The MTR team will prepare the following reports in English to MFA and to BOFEC~~:~~

- Inception report
- Presentation on the field findings
- Draft final report
- Final report by 15.6.2019

The MTR team can propose the reporting timetable. Each deliverable is subjected to specific approval by the MFA representatives. The team is able to move to the next phase only after receiving a written statement of acceptance by the MFA. The reporting schedule will be agreed on and included in the contract.

7. Quality assurance

The tendeder is requested to propose and implement a quality assurance system for the midterm review. The proposal must specify the quality assurance process and methodology.

8. Expertise required

The midterm review team will consist of 2-4 experts: team leader (international expert) and at least one national (Ethiopian) experts. The team shall have solid experience on program reviews and evaluations, agricultural growth, agribusiness and value chains and result based management. Special focus will be on rural financing modalities and interventions. Moreover, thorough insight in human rights based approach, promotion of gender equality and climate sustainability is required. Experience from Ethiopia and from Finnish development cooperation processes is a benefit for the team leader.

9. Mandate

The review team is entitled and expected to discuss matters relevant to this review with pertinent persons and organizations. However, it is not authorized to make any commitments on the behalf of the Government of Finland.

Annex 1:

Annex1**:** Link to the MFA evaluation manual
http://formin.finland.fi/public/default.aspx?contentid=288455&contentlan=2&culture=en-US and to MFA Bilateral Manual https://um.fi/documents/35732/48132/evaluation_manual
https://um.fi/publication/-/asset_publisher/iYk2EknIlmNL/content/manual-for-bilateral-programmes
Annex 2 Revised Agrobig II project document (2018)
Annex 3 Agrobig II Appraisal report (2017)
Annex 4 Minutes of Agrobig II SVB meeting 16.1.2019
Annex 5 Technical Committee meeting 6.12.2018 minutes
Annex 6 TORs of the Performance Audit of Agrobig II (Report will be provided as soon as available)
Annex 7 TORS of the ARDF in Africa evaluation (Ethiopia country analysis will be provided as soon as available)
Annex 8 Agrobig II Baseline report 2019
Annex 9 Agrobig II Annual workplan and budget July 2018-June 2019
Annex 10 Agrobig II Annual Report June 2018
Annex 11 Agrobig II Inception report September 2017- February 2018
Annex 12 Agrobig I final report
Annex 13 Agrobig I MTR report

Annex 2: Outline of the review report

The quality criteria of a review report have been defined by the OECD/DAC and the EU (see table 11 of the manual). The main components of a review report are outlined below. The outline is not compulsory, but intended as a guideline in defining the appropriate table of contents for a specific review. It is recommended that based on this general outline, the team proposes a report outline e.g. in their Inception Report.

EXECUTIVE SUMMARY

- Providing an overview of the report, highlighting the main findings, conclusions, recommendations and any overall lessons.
- Includes a summary table presenting main findings, conclusions and recommendations and their logical links

  Relevance: findings – conclusions – recommendations
  Impact: findings – conclusions – recommendations
  Effectiveness: findings – conclusions – recommendations
  Efficiency: findings – conclusions – recommendations
  Sustainability: findings – conclusions – recommendations
  Etc.

INTRODUCTION

- Review's rationale, purpose and objectives, scope and main review questions

DESCRIPTION OF THE CONTEXT AND THE EVALUATED PROJECT/PROGRAMME

- Description of the broader context and its influence on the performance of the project/programme.
- Introduction of the intervention being reviewed: objectives including the cross-cutting objectives, implementation strategies, resources for implementation.
- Introduction of the stakeholders and their roles, including both final beneficiaries and involved institutions

KEY FINDINGS

- Empirical data, facts, evidence relevant to the indicators of the review questions.
- Overall progress in the implementation.
- Findings by evaluation criteria / issue (e.g. Relevance, Impact, Effectiveness, Efficiency, Sustainability)

CONCLUSIONS

- The evaluators' assessment of the performance of the project/programme based on the findings in relation to the set evaluation criteria, performance standards or policy issues (e.g. Relevance, Impact, Effectiveness, Efficiency, Sustainability, Aid Effectivenes and coherence)

RECOMMENDATIONS

- Proposed improvements, changes, action to remedy problems in performance or to capitalise on strengths. Recommendations are based on the findings and conclusions. There should be a clear indication of
  - to whom is the recommendation directed (MFA, partner institutions, consultant providing support services, etc.)
  - who is responsible for implementing the recommendation, and
  - when the recommendation should be implemented

NOTE: Findings, conclusions and recommendations are summarized in a table in the Executive Summary of the review report.

LESSONS LEARNED

- Are there any general conclusions that are likely to have the potential for wider application and use?

ANNEXES

- Terms of Reference
- Description of the methodology used
- Limitations of the review
- Lists of information sources e.g. people interviewed, documents reviewed, etc.
- Quality assurance statement produced by the quality assurance mechanism used
- 1-2 page brief for communicating the outcomes, including
    - The key message of the review
    - Who has benefitted and what are the most important positive results
    - Any unexpected impacts
    - Key recommendations and lessons learnt

Annex 3: Evaluation report quality checklist (OECD/DAC and EU standards)

Executive summary
- contains a clear and representative executive summary of the report
- summarises the main findings, conclusions, recommendations in a summary table
- presents overall lessons learned

  NOTE: The executive summary is the part of the review report that will be read most often. That is why its high quality is very important!

Context
- describes the context of the development programme
- assesses the influence of the context on programme performance

Intervention logic
- describes and assesses the intervention logic (e.g. in the form of a logical framework) or theory
- describes and assesses the underlying assumptions and factors affecting the success of the programme
- takes into account the evolution of the programme

Sources of information
- describes the sources of information (documents, interviews, other) used so that the adequacy of the information can be assessed,
- explains the selection of case studies or any samples,
- cross-validates the information sources
- critically assesses the validity and reliability of the data

Methodology
- annexed to the report explains and justifies the review methodology and its application, including techniques used for data collection and analysis
- explains limitations and shortcomings, risks and potential biases associated with the review method

Analysis
- presents clear analysis covering findings, conclusions, recommendations and lessons separately and with a clear logical distinction between them.
- makes explicit the assumptions that underlie the analysis.

Answers to ToR evaluation questions
- answers all the questions detailed in the TOR for the evaluation
- covers the requested period of time, and the target groups and socio-geographical areas linked to the programme
- if not, justifications are given

Limitations
- explains any limitations in process, methodology or data, and discusses validity and reliability
- indicates any obstruction of a free and open review process which may have influenced the findings
- explains any discrepancies between the planned and actual implementation and products of the evaluation

Differences of opinion
- acknowledges unresolved differences of opinion within the evaluation team

Stakeholders' comments
- reflects stakeholders' comments on the report and acknowledges any substantive disagreements

Annex 4. The main objectives of the MTR with issues to be studied:

1. To analyse the functioning of the financial facilities (loans, grants and capacity building) of the Agrobig II program and the needs to change the operation of the facilities as well as budgets related to them.

- Analyse the functioning of the **loans** for 1) women and youth, 2) for cooperatives and 3) ACSI loans using the loan capital from phase I (for what purposes the loans have been used; benefits of taking loans versus risks, repayment of loans, functioning of the Cosacus/ACSI providing the loans, etc.)
- Analyse the applications of the **grants** (small, medium and VC facility), functioning of the woreda technical committees and recommend new criteria for a grant application
- Analyse of the use of funds for **capacity building**, identify any potential gaps in capacity building efforts
- Has the project managed through loans, grants and capacity building to increase **women's inclusion into decision making and benefitting of the financial facilities** as planned and to what extent, for ex. number and size of requested and received loans/grants, for what purpose etc? If not, what measures to take to ensure this further during the remaining project implementation period?
- Analyse how the different financial facilities have supported **the cluster/ value chain development/** created new jobs and/ or increased income generation; to what extent the potential positive effects have spread in terms of access to funds as well as decision making on the use of increased incomes?
- Analyse the **budget division** between the different funding facilities / program purposes
- Analyse the **role of BOFEC** in channelling the funds
- Review grant and loan schemes applied by **other donor funded programmes** operating in the region, analyse their performance and potential best practices
- Make findings, conclusions and recommendations based on the analyses including recommendation what should be done to the loan capitals when the program ends

***Note**: Information on the functioning of the financial mechanism of loans and grants will be received from the KPMG performance audit too.*

2. To analyse how the value chains /clusters have been developed and how the added value has benefitted (or is expected to benefit) the beneficiary groups: farmers and their household (especially women and youth), cooperatives and private sector VC actors

- To analyse if there are **gaps in the value chains** e.g. in accessing the market, quality of products which would need further investments and/or capacity building
- To analyse if the program resources are used efficiently to cover the **expansion** of the program (geographic expansion from two to eight woredas and increase of the number of VCs)
- To analyse how the added value of the VCs **benefit women, youth and cooperatives**
- To analyse the **role of private sector** in developing the VCs (including Agro-industrial park and contract farming); are there enabling or preventing factors for the participation of the private sector in the VC development

- Has the **environmental and climate resiliency** factors been considered in the VC development and to what extent
- Make findings, conclusions and recommendations based on the analyses.

***Note**: The ARDF evaluation's Ethiopia specific country analysis will provide information on the value chain development in the programme as well*

3. To analyse the sustainability of the program

- How to ensure that the project achievements from Phase I and Phase II will continue?
- What is a specific niche of the program to be scaled up/ to be divulgated?
- Any recommendations on the continuation of the program?

Annex 2: Lists of informants for AgroBig II MTR evaluation

Name	sex	Organization	Position
Agro big II staff			
Berhanu Ayichew	M	AgroBIG II	Programme Director
Mezgeby Worku	M	CPU	M&E advisor
Meeri Komulainen	F	CPU	CTA
Kent Rashem	M	CPU	Finance Advisor
Selam Tariku	F	CPU	Assistance Adminstrator and Cashier
Genet Sewalem	F	CPU	Program accountant
Fekade	M	CPU	Cluster Advisor
Katja Kuivanen	F	CPU	Junior Advisor
Aychew Kebede	M	CPU	Capacity building andn social developme nt team leader
Participants from Regional bureaus			
Dr.Tilahun Mehari,	M	BoAED	Bureau Head, SUB chairperson
Tsega	M		
Berhanu Aychew	M	I	Coordinator AgrobigII
Nuru mohamed.....	M	WCYAO	Gender Expert
Afework Mselese	M	Tread bureau	Serial marketing head
Meklit Esubalew	F	Tread bureau	marketing expert
Habtamu assres	M	Tread bureau	marketing expert
Seyum zewde	M	Tread bureau	marketing expert and Agrobig focal
Endalkachew	M	TVTD	agro processing expert and focal
Antenhe alemu	M	Tread bureau	live stock marketing
Fentahun Admassu	M	CPA	CoSACCOs coordinator
Haile Leoulvtesfa	M	CPA	CEO
Shitaw yersaw	M	CPA	Financial manager
Ato mekunt daMTRw	M	Livestock Agency	Head for animal development.
South Gonder Zone, Dera woreda MTR participants at woreda level			
Andualem Alelegh	M	TVET	Head
Akanaw Abebaw	M	Woreda office	Agrobig Focal person
Jemal Omar	M	Woreda office	Woreda deputy head
Shefeke Afere	M	CPA	manager
Malede Moges	M	woreda	procurement officer
Anchealu Maru	F	Woreda	WCYAO director
Mareworke Ayelegh	M	Woreda	WCYAO expert
Misganaw Debebe	M	CPA	SACCOS organization team leader
Asrat Asfaw	M	Agriculture	Development Worker
Assmamaw Yemer	M	Agriculture	Development Worker

Name	sex	Organization	Position
Mebtu Walelegh	M	TVTD	Head
Amsalu Kasew	M	Trade	Head
Asrat Gashaw	M	Agriculture	Livestock development Head
Messeret Birhanu	M	Agriculture	Livestock development expert
Teshome Walle	M	ATA	Senior Director
Private and NGOs			
Teferi Aderaw,	M	AWEA	Manager
Tewabe Aysheshum,	M	ACSI	Research and development head
Desta itefa	M	SNV	Hortilife and FFS coordinator
Higuss Birhan	M	MEDA	Senior Research & Knowledge Management Specialist
Kassaw Woldie	M	MEDA	Grant Specialist
Demeke Mekuria	M	MEDA	Financial Service Specialist
Temesgen Kassa	M	Feed the Future	Regional Manager
Zinaw Lingerk	M	Bure Agricultural Industrial Park	Director
Dega Demissie	M	Bure Agricultural Industrial Park	Senior Research Expert

Name of discussant	sex	marital status	engagement
FGD with four women farmers in lehuluselam, S.Meeccha, The FGD was carried out with these four women who came to attend the event at the site of potato demonstrations.			
Abebech	F	FH	
Mare	F	MH	
Asayech	F	MH	
Alemshay	F	MH	
benefiting from AgroBigII loan funds at Abichikli Kebele in South Achefer district.			
Alemshay Kume	F	MH	
Amelmal mkonint	F	FH	
Almtsehay zewdu	F	FH	
South Gonder Zone, Dera woreda and Zara Kebele community conversation with members and the executive members of newly organized SACCOS (Debre Mhiret) for AgroBig II project with.			
Honelegh Alene	M		SACCOs Manager
Moghnet Shebe	M		Deputy manger
Tewachew Worku	M		Secretary

Name of discussant	sex	marital statu s	engagement
Getnet Gashaw	M		Treasurer
Melkenew Genber	M		Member of EB executive committee
Degu Desalegh	M		Member of EB executive committee
Sintayehu Mulu	M		Member of EB executive committee
Enanu Yerdaw	M		Member of EB executive committee
Hibist Aweke	M		Member of EB executive committee
Aweke Melaku	M		Member
Mengistie Gashaw	M		Member
Belayneh Melelew	M		Member
yetemegn Bihonegh	M		Member
Genet Misganaw	F		Member
Zenebe Dessie	F		Member
FGD at South Gonder Zone, Dera woreda and Zara Kebele with members who do not access loans. Mixed FGD			
Sente Mulu	M		Youth
Asmare Belachew	M		Youth
Tadilo Amare	M		Youth
Endalew Zere	M		Youth
Yzena Ayele	F		Youth
Amarech Lakew	F		Youth
Yenegus Bere	F		Youth
South Gonder Zone, Dera woreda and Wonchit Kebele community conversation with members and the executive memb ers of Wonchit SACCOS			
A total of 12 executives and members			4 female and 8 male
Improved poultry production who was provided with inputs (Pullets and feed), in Merawi-N. Mecha district. The only fe male out of 8 lead farmers in the area.			
Dasash	F	FH	