

Ethiopia

**Inception Review of the
Greening Agricultural Transformation in Ethiopia (GATE)
Thematic Programme**

2014-2017

REVIEW AIDE MEMOIRE

Final

TABLE OF CONTENT

Abbreviations *iii*
Executive Summary *iv*

1 INTRODUCTION AND BACKGROUND.....1

2 OVERALL PROGRAMME STATUS 2

2.1 Developments in programme context..... 2

2.2 Expenditures, budget and audits 3

2.3 Risk management 3

3 ATA ENGAGEMENT - MAJOR ISSUES..... 3

3.1 Implementation Progress 3

3.2 GTP II and Agricultural Transformation Agenda..... 4

3.3 ATA mandates and capacity 5

3.4 Results framework..... 5

3.5 Budget and funding mechanisms (harmonization and alignment)..... 7

3.6 Procurement..... 8

3.7 Sub-granting 8

3.8 Technical assistance 9

3.9 Reporting and audit..... 9

4 CRGE ENGAGEMENT – MAJOR ISSUES 10

4.1 Implementation Progress 10

4.2 Cross-sectoral coordination of CRGE Facility investments 11

4.3 Results framework..... 11

4.4 Embassy involvement, monitoring and reporting 12

5 EMISSION ASSUMPTIONS AND APPROPRIATENESS OF PROMOTED TECHNOLOGIES 12

6 PROCESS ACTION PLAN..... 13

- Annex 1 Terms of Reference
- Annex 2 Meeting Schedule
- Annex 3 Financial table
- Annex 4 Summary of recommendations

ABBREVIATIONS

ATA	Agricultural Transformation Agency
CIAT	International Center for Tropical Agriculture
CRGE	Climate Resilience and Green Economy strategy
CSA	Climate smart agriculture
Danida	Danish International Development Cooperation
DFID	Department for International Development, UK
DKK	Danish Kroner
EFY	Ethiopian Financial Year
FTI	Fast track initiatives under the CRGE-F
GATE	Greening the Agricultural Transformation in Ethiopia, thematic programme
GGGI	Global Green Growth Institute
GHG	Greenhouse gasses
GoE	Government of Ethiopia
GTP II	Second Growth and Transformation Plan (2015-2020)
IDE	International Development Enterprises (NGO)
M&E	Monitoring & Evaluation
MoANR	Ministry of Agriculture and Natural Resources, GoE
MoEFCC	Ministry of Environment, Forestry and Climate Change
MOFEC	Ministry of Finance and Economic Cooperation
MoLF	Ministry of Livestock and Fisheries
NORAD	Norwegian Agency for Development Cooperation
RAM	Inception Review Aide Memoire
RT	Inception Review Team
TAS	Technical Advisory Services, a section within the Ministry of Foreign Affairs/Danida

EXECUTIVE SUMMARY

The implementation progress during the ten-month Inception Phase of the Greening of Agricultural Transformation in Ethiopia (GATE) thematic programme is found to be satisfactory.

A number of delays (mainly for bureaucratic reasons) have slowed down the Agricultural Transformation Agency's (ATA) implementation and corresponding expenditures (only 45% of disbursement). The specific Inception phase deliverables, focused around the process of mainstreaming climate smart agriculture and gender and youth, have advanced slightly below expectations. That said, the ATA engagement has proved to be extremely well-timed; with visible early impacts on the greening of ATA operations and on the greening of the second national Growth and Transformation Plan (GTP II) to which ATA contributed significantly, e.g. by contributing to the inclusion of green indicators in the overall GTP II performance framework. Such progress would have been unlikely without Danish support. In addition, the Danish requirements for an increased involvement of civil society and private sector as beneficiaries have now - through high-level ATA and inter-ministerial consultations - been reflected in the operational sub-granting guidelines of ATA; a process which has not been without complications and external reluctance. Although the process has been initiated, joint development partner programming and financing arrangements are still not in place.

The full implication of the new GTP II in terms of its influence on ATA mandates and on the wider greening agenda remains to be seen. Although the Climate Resilience and Green Economy strategy (CRGE) is now mainstreamed into the GTP II, there is a strong push for rapid national growth, also in the agricultural sector. The ambitious vision is to double agricultural production in ten years with zero additional GHG emissions. An increased focus on production and productivity, commercialisation and manufacturing may compromise environmental aspects and divert public sector investments away from Climate Smart Agriculture. The importance of ATA's greening and change agent role is consequently more outspoken than ever, including addressing an urgent need for improving the understanding of and building capacity to mainstreaming Climate Smart Agriculture across sectors; directed specifically towards leaders in relevant ministries, departments, and regions. A continued GATE engagement with ATA is thus highly relevant and much needed. GATE funding for ATA needs also in the future to be directed to the mainstreaming of gender, inclusiveness and Climate Smart Agriculture and to the financing of specific green activities under the new Agricultural Transformation Agenda in support of GTP II.

For the CRGE Facility engagement, two sectoral investment proposals (from Ministry of Agriculture and Natural Resources and Ministry of Environment and Forestry) were submitted by sector ministries to the CRGE Facility and approved for specific GATE funding; applying standard CRGE Facility procedures for calls for proposals and proposal review and evaluation. The CRGE's social and environmental safeguards have also been applied, based on World Bank standards. The two projects are only now taking off and no major progress can therefore be observed. The other more process oriented deliverables for the Inception Phase have largely been met; a major exemption being the capacity needs assessment and the related capacity development programme which have not yet been finalized or shared with the development partners at the time of the Inception Review.

The Embassy is commended for its active and professional engagement with the two partners during the Inception Phase. Such engagement has been crucial to ensure partner implementation and planning for the main phase, while at the same time ensuring that Danish priorities were addressed.

Programme Level Recommendations

Recommendation 1. The ongoing revision of the risk management matrix should be finalised based on the discussions with the Review Team. The Embassy's monitoring of developments in contextual human right risks is essential, e.g. the resettlement (including pastoralists) and land aggregation for large scale commercial agriculture. Strengthened safeguard mechanisms addressing those risks should be introduced in the ATA development engagement.

ATA Engagement Recommendations

Recommendation 2. More flexibility should be given to the use of GATE funding for ATA with the aim of covering a more fair relative share of operations related to the mainstreaming of climate and gender. However, funding should continue to be directed to activities that are in direct support of Danish priorities for the continued 'greening' of the Transformation Agenda, for gender mainstreaming, and for the gradual increase in civil society and private sector participation. Untied funding of core operations (budget support) is still not possible but should be the aim for a second phase of support (potentially starting 2018 under a new country programme) under joint programming and financing arrangements.

Recommendation 3. The results framework for the remaining engagement period should be simplified and finalised; operating with fewer and more aggregated outputs and potentially with a light simplification of outcomes.

Recommendation 4. A budget for the remaining engagement period should be prepared and agreed upon, reflecting the revised results framework.

Recommendation 5. No specific progress reporting for the Embassy would be required in the future, as long as a few strategic mainstreaming issues are reported on in the annual ATA reports. Progress against the Agricultural Transformation Agenda deliverables and sub-deliverables will be covered in the consolidated reporting from ATA to the Agricultural Transformation Council and those should be shared with the Embassy. Financial reporting to the Embassy would continue unchanged.

Recommendation 6. To reflect the above recommendations, the Development Engagement Document and support agreement should be updated or alternatively be attached an addendum, including updated documentation (especially safeguard mechanisms).

CRGE Facility Engagement Recommendations

Recommendation 7. The Embassy should during the Advisory Board Meetings and monitoring visits raise the issues of (a) proper monitoring, reporting and learning from the Fast Track Initiatives and (b) the need for increased cross-sectoral CRGE programming and implementation.

Recommendation 8. The Embassy should consult with other potential funding partners of the Capacity Development Programme (still to be finalised) and seek a common stand on operational modalities. A strong focus on regional and woreda capacity building must be ensured.

Recommendation 9. No specific CRGE Facility reporting to the Embassy would be required in the future. The reporting on the two ongoing pilot projects financed by GATE should in the future be covered by the consolidated CRGE Facility quarterly progress reports.

1 INTRODUCTION AND BACKGROUND

The purpose of this Inception Review¹ is to *“assess the progress and performance of the GATE programme (the ATA and the CRGE Facility engagements respectively) in the first 10 months of implementation with the aim of providing recommendations to the Embassy for necessary programme adjustments. In addition, the review should provide guidance to the Embassy if relevant as to how the programme may sharpen its focus and attention to best align the two engagements to the new Growth and Transformation Plan (GTP II).”*

The Inception Review was undertaken in Ethiopia during 30 November to 14 December 2015 and included a well-planned field trip to the Southern Nations and National People's Region. The Review Team's (RT) meeting schedule is provided in Annex 2

The Review Team (RT)² would like to express its thanks to everyone met during the assignment, including ministry and woreda officials, for allocating their time for and sharing their knowledge and experience with the RT. This Review Aide Memoire (RAM) presents the major findings and recommendations of the Inception Review, based on the institutions and persons consulted during the visit and on the documents consulted prior to and during the visit. The proposals and recommendations provided in the report reflect the position of the RT alone. The views expressed may not necessarily be shared by the Danish Ministry of Foreign Affairs/Danida or the Government of Ethiopia (GoE).

The GATE programme has a budget of 177.5 million DKK for the period November 2014 to December 2017. The thematic objective of the GATE programme is to sustainably increase rural incomes in Ethiopia. The programme is designed to i) accelerate a green² transformation of the agricultural sector with a focus on the Ethiopian small-holder farmers and ii) gather speed to the mainstreaming and implementation of Ethiopian climate resilient green economy initiatives within agriculture and forestry. The latter is supported through the Danish special climate envelope (“Klimapuljen”).

Under the GATE Programme, Denmark provides support to the Ethiopian Agricultural Transformation Agency (ATA) and the Climate Resilient Green Economy Strategy (CRGE) Facility to strengthen the Government of Ethiopia's (GoE) efforts to mainstream and implement CRGE initiatives.

The ATA was set up in 2011 with the aim of supporting the GoE's efforts of transforming the agricultural sector and address systemic bottlenecks. The agency, together with the Ministry of Agriculture and Natural Resources (MoANR), identifies between 64 to 80 key strategic deliverables/the agricultural transformation agenda annually, which are approved by the Agricultural Transformation Council, chaired by the Prime Minister. The GATE programme supports the ATA in ensuring greening of this agenda and its implementation in a sustainable and inclusive way in collaboration with government agencies, civil society and the private sector.

The CRGE facility was established in 2013 to help mobilise, blend, combine and sequence domestic and international, public and private finance to support the institutional building and implementation of Ethiopia's CRGE Strategy. The GATE programme contributes to the CRGE pool fund and further aims at strengthening the capacity of relevant government agencies and other actors to mainstream CRGE in the National Development Plan (Growth

¹ The Inception Review takes its departure in a set of Terms of Reference (TOR) dated 8 October 2014.

² The RT consisted of Henrik Kjærsg, external consultant and Jesper Ravn Hansen, TAS/Danish Ministry of Foreign Affairs (MOFA)/Danida (Team Leader).

and Transformation Plan - GTP) and implement CRGE initiatives.

The first 10 months of the programme period (until the end of October 2015) was an Inception Phase, introduced as a consequence of engagement partners being young institutions with their own results frameworks only partly in place, and since engagement partners may be subject to changed or potentially expanded “green” mandates in mid-to-late-2015 as a likely result of the new GTP II. The Inception Phase thus enabled the development engagement partners (the ATA and the CRGE Facility) to make the necessary revisions in the engagement result frameworks if necessary. A number of process indicators were included for the Inception Phase.

2 OVERALL PROGRAMME STATUS

2.1 Developments in programme context

Since the GATE thematic programme was formulated and approved, a new government has come into place following the May 2015 elections. Although little change has been experienced in overall policy directions as a consequence of the new government, a number of ministerial restructurings have taken place. For example, the Ministry of Finance and Economic Development has become Ministry of Finance and Economic Cooperation with new leadership. Ministry of Environment and Forestry has become Ministry of Environment, Forestry and Climate Change also with a new Minister. Ministry of Agriculture has been divided in to two: Ministry of Agriculture and Natural Resources and Ministry of Livestock and Fisheries. The restructuring will affect implementation also at regional level. The new government has declared that power will be more decentralized and more will be done to reduce corruption. The ministerial reorganisation has naturally slowed down the GATE programme’s implementation, especially in ATA.

An ongoing and worsening drought as a consequence of El Niño related weather patterns is thought to be the worst in decades. An estimated 10.2 million people are already at risk, and that number may very well increase during the comings months. While the Productive Safety Net Programme may reach out to a large proportion of those at risk, significant emergency response will be needed and the government have provided some USD 200 million for emergency support. Besides crop failure in some locations as a consequence of the drought, the situation is bound to have also budgetary implications for GoE investments in longer term agricultural development and put further stress on the already stretched foreign exchange reserves.

Following the May 2015 election, the GoE initiated broad-based consultations on the GTP II, including with opposition parties. The government has tried to show its commitment to improve human right issues by addressing 98 percent of the human rights cases it had received in 2014 and releasing the nine journalists who had been arrested as a result their advocacy activities.

Recently, as also experienced by the RT during its field trip to Oromia Region, unrest initiated by students in Oromia has been observed caused by their dissatisfaction with the inclusion of six zones of Oromia Regions surrounding the capital into the masterplan of Addis Ababa. Reports on violent clashes between demonstrators and regional police illustrate a volatile situation.

2.2 Expenditures, budget and audits

An overview of budgets, disbursements and expenditures is provided in Annex 3, based on figures provided by the Embassy during the visit. At the end of the Inception Period, a total of DKK 58 million had been disbursed (33% of total grant) but only DKK 21 million of those actually spent by partners (12% of total grant). The remaining budget to be spent during the remaining period (2 years for the ATA engagement and 1 year for CRGE engagement) is therefore DKK 156 million. Since implementation is quickly catching up in ATA and since CRGE commitments to the two investment proposals approved by the Facility have already been made, it is likely that remaining funds will be disbursed and spent during the remaining programme period. No audits have yet been carried out.

2.3 Risk management

The Embassy has prepared a risk management report and suggestions for an updated risk management matrix. A number of the contextual, programmatic and institutional risks that were originally rated as 'likely' have indeed materialised, relating to both changes in government, climate change (drought with risk of crop failure), expanding ATA mandates, operations and staff turnover, weak planning and implementation capacity at both federal and local levels, and recently also public unrest. A number of newly identified institutional risks could be considered included. Sensible risk responses have been suggested, but the overall risk response to contextual human rights risks should also be addressed more directly.

Recommendation: *The ongoing revision of the risk management matrix should be finalised based on the discussions with the Review Team. The Embassy's monitoring of developments in contextual human right risks is essential, e.g. the resettlement (including pastoralists) and land aggregation for large scale commercial agriculture. Strengthened safeguard mechanisms addressing those risks should be introduced in the ATA development engagement.*

3 ATA ENGAGEMENT - MAJOR ISSUES

3.1 Implementation Progress

The main focus during the Inception Phase has been on the implementation of the Greening Road Map – and a related number of process indicators - plus a number of strategic deliverables of the Agricultural Transformation Agenda that were considered green and in support of the engagement's objectives and outcomes (following a screening done by ATA prior to programme start and endorsed by the Embassy). Although mainstreaming guidelines have not yet been finalised, mainstreaming checklist for new programmes/activities for CSA and gender are reportedly being applied. Existing ATA programmes have been revisited with a mainstreaming perspective and some redesign has consequently been undertaken (in research, seed and breeding programmes).

Another major task during the inception phase has been ATA's involvement in GTP II, both in terms of (a) preparing an updated Agricultural Transformation Agenda reflecting the GTP II and the consideration to climate and gender issues and (b) ensuring the inclusion of CSA indicators into related M&E frameworks. A detailed baseline for CSA at the outset of GTP II is presently being designed in collaboration with the International Center for Tropical Agriculture (CIAT). Similar exercises are planned for mainstreaming and monitoring gender equality.

Despite those significant achievements, it is the impression of the RT that mainstreaming in its true sense is not yet taking place in ATA. Activities in support of CSA and gender appear to be ad-hoc rather than mainstreamed. This is not that surprising given the short time since the engagement started, but it also appears as if the gender and climate teams have been overstretched and not been able to run at full speed due to limited staff resources or shifting of priorities to other activities (such as GTP II and Agricultural Transformation Agenda planning). Furthermore, it has been indicated that internal as well as external understanding of the definition, scope and complexity of CSA is lacking and that there is a tendency to see CSA as counterproductive to the ambitious GTP II growth targets.

Continued management attention to and internal resource prioritisation towards the climate and gender teams as well as awareness/education on CSA and gender must therefore be ensured in the main phase. GATE funding could increasingly be used to see this happening (please refer to considerations on engagement budget, Section 3.5).

Although delays have been experienced – mainly for bureaucratic reasons during the first six months of the inception phase – the RT concludes that implementation is catching up and that progress therefore is satisfactory. It is considered likely that the engagement objectives and outcomes will be achieved. The RT also finds that the engagement has been well-timed; providing needed attention to CSA and greening (through providing funding, expertise and policy priorities) during a critical period of planning for the country's future direction of agricultural development.

3.2 GTP II and Agricultural Transformation Agenda

Since the GATE program was formulated, a new Growth and Transformation Plan (GTP II) has been under preparation, but has not been finalised or approved at the time of the Inception Review. The RT has received and studied draft versions in English.

The objectives of the GTP II for agriculture is “to realize fast and sustainable growth and ensure the citizens benefited from the growth”. The participation of women, youth and ‘other actors’ should be enhanced (principle of inclusiveness), and there is a continued pro-poor focus on smallholders. However, the planned 8% agricultural growth p.a. will be achieved through “maximising production by employing limited land, abundant labour and modern agricultural technologies” and through shifting “towards high value crops to satisfy industry demand and expand export capacity”. The role of the private sector will be “enhanced” and “large scale commercial farms where large scale plots are available” will be promoted³. Although it is well received for GTP II to acknowledge the importance of the private sector, the latter strategic direction is definitely worrying given the country's record in resettlements and large scale land acquisitions⁴.

These strategic GTP II directions are now being translated in to a more detailed Agricultural Transformation Agenda by ATA, MoANR and MoLF; identifying and seeking to address systemic bottlenecks. A total of 31 key ‘program areas’ have been identified, each with 1-3 transformation interventions/deliverables. As compared to the earlier Agricultural

³ Based on Agriculture Sector Growth and Transformation Plan II (2015-2020) – Base Case Scenario, MoANR May 2015

⁴ See for example http://www.landmatrix.org/en/get-the-detail/by-target-country/ethiopia/?order_by=

Transformation Agenda, new program areas include nutrition, private sector development, bio-diversity and gender equality⁵.

The GATE Inception Review Team specifically raised to ATA's management its concern about the program area "Private Medium and Large Scale Farm Development" that contains a deliverable (22.b.) stating that agricultural economic zones for large commercial farms will be developed. This also relates to the strategic directions of the GTP II mentioned above. The RT was later informed that the deliverable would be removed from the Agricultural Transformation Agenda since it was a misunderstanding. Regardless of the original intention and purpose of related draft-version transformation agenda deliverables, this issue underpins the fact that ATA is a government institution that carries out government policies within a highly politicised economy.

The engagement with ATA – as raised both during appraisal and in the following External Grant Committee meeting – must continue to face this challenge openly. Policy dialogue with the GoE is necessary, and ATA is a good avenue to pursue this since it is well placed to influence government leadership, if only the development partners could speak with one voice and join forces through joint ATA programming and financing arrangements⁶. In the short run, while waiting for this to happen, Denmark and the Embassy must insist that no GATE funds are directed to activities that would compromise Danish priorities and policies. In practise, this could be done by preparation and adoption of social and environmental safeguards and/or through specific policy statements of ATA that would satisfy not only Denmark but also other development partners.

3.3 ATA mandates and capacity

It is widely recognised that the new GTP II and the related Agricultural Transformation agenda will have a significant effect on ATA mandates, organisation and operations. Indicative planning figures suggest that total budget and staffing may increase by some 20 percent. Updated ATA mandates have been signed off by the Prime Minister and await Cabinet approval.

ATA has been reorganised to reflect the new headlines of the Agricultural Transformation Agenda; now operating with four pillars plus an Agricultural Commercialisation Cluster Initiative that spans across the agency's four operational pillars. The results framework has been revised slightly to reflect that change.

While the expansion of ATA operations and activities is certain, it remain uncertain to which degree the changes will affect the implementation of the engagement. This risk management framework should thus continue to include the risk of ATA's institutional performance and be subject to Embassy dialogue before a final results framework and budget is agreed upon.

3.4 Results framework

A rather detailed results framework was provided by ATA for the Inception Phase and it also partly covered the main phase on the engagement. The Inception Report includes a suggested results framework for the main phase; building on the existing outcomes and outputs but also a number of new outputs (e.g. on GHG emissions). The existing Outcome 4 on capacity

⁵ Based on Annex 9 of ATA's Inception Phase Report 23 November 2015; containing an overview of the draft Agricultural Transformation Agenda.

⁶ It is the impression of the RT that the sector working group RED-FS does not sufficiently cover ATA and the Agricultural Transformation Agenda

building has been left out, although it is the understanding of the RT that it was not only meant for the inception phase. Since the budget is tied up to the rather detailed and large number of outputs, there is limited room for changing implementation priorities over time (budgeting is done at output level). Finally, the Transformation Agenda and therefore the institutional organisation of ATA has changed slightly as a consequence of GTP II.

The RT has discussed the draft results framework with ATA and the Embassy, and it has been agreed to simplify it both in terms of having more aggregated outcomes and outputs and having fewer output indicators. The new results framework could include the following outcomes and outputs:

Engagement Objective: *To implement the Agricultural Transformation Agenda in a climate smart manner*⁷

Outcome 1⁸: Agricultural systems⁹ and services promote Climate Smart Agriculture¹⁰

Output 1.1: Technologies and practises that build resilience and sustainability in small holder farming are promoted

Output 1.2: Technologies, practises and smallholder farmers' capacity for sustainable resource management, pre- and postharvest loss reduction, and sustainable water resources development are promoted

Output 1.3: Agricultural livelihoods with low GHG emissions and/or linked to carbon sequestration are promoted among smallholder farmers

Outcome 2: Market systems¹¹ and services related to CSA are strengthened

Output 2.1: Availability of inputs for CSA¹² enhanced through strengthened input distribution systems

Output 2.2: Output markets¹³ linked to the adoption of climate smart technologies/practises are expanded

Outcome 3: Human and institutional capacity to promote climate adaptation and mitigation as well as inclusiveness enhanced within ATA and its key partners

Output 3.1: Capacity for mainstreaming climate adaptation and mitigation as well as gender equality within agriculture enhanced

Output 3.2: Knowledge base on CSA in Ethiopia and gender equality in agricultural systems enhanced

Output 3.3: Coordination among multiple stakeholders engaged in promoting CSA enhanced, including joint programming and financing of wider ATA operations established.

⁷ 'Climate Smart manner' refers to approaches that proactively facilitate environmentally sustainable agricultural development and promote adaptation and resilience to a changing climate through (a) development/rehabilitation of the natural resource base and more sustainable and efficient use of natural resources (b) minimizing environmental impacts such as pollution; (c) contributing to low-carbon economic development; (d) minimizing the vulnerability of human and natural systems to extreme climate events due to climate change, and (e) building capacity of farmers and other stakeholders to adjust and respond to the effects of climate change.

⁸ Outcome 1 is basically an aggregation of the existing Outcome 1 and 2.

⁹ Agricultural systems defined to include extensions, research, mechanisation, storage, land use

¹⁰ CSA defined to include adaptation, conservation, mitigation and sustainable agriculture and use of natural resources

¹¹ Market systems include financial systems, output markets and input distribution systems

¹² Fodder for stall feeding, pulses for nitrogen fixing, seedlings for perennial crops on high grounds and slopes, alternative fertilizers to reduce use of urea, semi-mechanised machinery to substitute for livestock needs and for better management of soils, etc.

¹³ Including financial services

The RT considers the above outline in full accordance with the existing development engagement document as well as the theory of change of GATE. One to three indicators per outcome and output should be suggested by ATA and agreed with Embassy. They can be taken from the suggested results framework and ideally link up to the green indicators of GTP II. Indicators must to a larger degree that at present be gender and youth disaggregated (where relevant).

Recommendation: *The results framework for the remaining engagement period should be simplified and finalised; operating with fewer and more aggregated outputs and potentially with a light simplification of outcomes.*

3.5 Budget and funding mechanisms (harmonization and alignment)

During the inception phase, GATE only funded a very limited amount of operational expenses (about 0.5%), although the total financial contribution to ATA amounted to more than 21% of total turnover. This was deliberately done in order to focus entirely on the short-term greening of transformation agenda deliverables and on the mainstreaming process internally in ATA, while also testing the partnership with a relatively young organisation. The RT finds that there is now reason to contribute more to operational expenses, e.g. by financing the total operations of for example the climate and gender teams who are tasked with the GATE specific activities, and potentially also to a larger degree finance the operational costs of those specific green deliverables that are to be supported financially in the future by the GATE engagement. No detailed proposal for a budget for the main phase had been submitted by ATA to the Embassy at the time of the Inception Review.

There is a number of reasons why un-tied budget support for core ATA operations is still not found feasible by the RT:

- There has been no GoE financial contribution to ATA (besides minor VAT/tax exempt). Although the more bureaucratic hindrances for GoE financial contributions have now reportedly been cleared, the earliest possible contribution would be for the Ethiopian financial year (EFY) 2009 (July 2016/July 2017). Unless the GoE shows its commitment also from a financial point of view, it would be difficult to argue for untied budget support to a government agency (ATA).
- Although a draft concept paper for pooled funding was submitted to the Embassy recently, limited progress has been seen in the preparations for joint programming and financing arrangements. In the medium term, only the Netherlands will continue to provide untied funding. If Danish funding was entirely untied, it would by default be used to fill those gaps not covered by other funding partners, and not necessarily be directed to those initiatives supporting GATE's objectives and outcomes.
- Although significant progress in the mainstreaming of climate smart agriculture has been found during the inception phase, the advancement is somewhat ad-hoc and not entirely digested or adopted. It is furthermore the impression of the RT that not all ATA teams across the organisation fully understand or subscribe to the greening and inclusiveness objectives of the engagement (including gender and civil society). By continuing the earmarked financial support to green deliverables only, there would be increased leverage to the mainstreaming agenda.
- Although ATA management to the RT ensured that ATA would not be involved in any activities that would compromise Danish priorities (such as refrain from developing large scale agricultural commercial farms/zones, resettlement/pastoralism,

hydro-dams, etc.), untied support to a government agency – given the specific national context – would need to be more clearly based on social and environmental safeguard mechanisms in line with what is being applied in the CRGE Facility (under the second GATE engagement). Such safeguard mechanisms would ideally be prepared and subscribed to by development partners during the preparations for joint programming and financing arrangements.

Recommendation: *More flexibility should be given to the use of GATE funding for ATA with the aim of covering a more fair relative share of operations related to the mainstreaming of climate and gender. However, funding should continue to be directed to activities that are in direct support of Danish priorities for the continued ‘greening’ of the Transformation Agenda, for gender mainstreaming, and for the gradual increase in civil society and private sector participation. Untied funding of core operations (budget support) is still not possible but should be the aim for a second phase of support (potentially starting 2018 under a new country programme) under joint programming and financing arrangements.*

Recommendation: *A budget for the remaining engagement period should be prepared and agreed upon, reflecting the revised results framework.*

3.6 Procurement

A number of the delays experienced origin in procurement challenges. ATA follows GoE procurement regulations, and while those are considered slow and cumbersome, they have also meant that some international companies have rejected to enter agreements altogether because of what is conceived as unacceptable legal and payment schedule specifics. In its inception report, ATA suggests to use Danish procurement in the future for a number of the larger procurements of services. The RT finds that this is not an option, since it is not in line with Danish alignment policies and since it would require substantial staffing resources at the Embassy. The Embassy should only agree to do so in very special circumstances, where urgency and relative importance to achieving GATE objectives would justify such action.

3.7 Sub-granting

Sub-granting of funds to external implementation partners was an important part of the engagement agreement. A sub-grating manual has been updated to include engagement with NGOs to make use of the expertise beyond the public sector. This is entirely new in the way of doing business in MoANR, and extensive consultation at highest levels have been necessary to see this happen; a process which has not been without complications and external reluctance and consequent delays in GATE implementation. The sub-granting manual has now reportedly been unofficially approved, but no official approval can be foreseen since this would create precedence in other GoE operations. Although this may at first appear a limited step forward, it is considered a major breakthrough for ATA and GATE. Such progress would not have been possible without the GATE engagement and the the joint Danida/ATA agenda of increased involvement of civil society and the private sector.

During the inception phase, an anticipated share of at least 43% was envisaged and that share has been significantly exceeded¹⁴. The sub-grating made so far (or in progress of finalisation) has been for (a) government institutions (universities and research institutes, MoANR and

¹⁴ No exact figure has been submitted by ATA, but a list of sub-grant commitments provided suggests that the share is in the range of 60-80% for the first 18 months of GATE implementation.

National Meteorology Agency), (b) NGOs (IDE, Oxfam, Farm Africa etc.), and (c) private sector (cooperatives and cooperative unions). Cooperatives are in GoE terminology considered private sector, but in the future, ATA has committed itself to also include private companies.

3.8 Technical assistance

A senior advisor to be hired by Danida was included in the development engagement document and the TORs for the advisor were rather extensive in its requirements. It proved difficult to identify a suitable candidate and the position had to be announced twice. This caused a significant delay and an advisor only started a few months before the end of the inception phase. The advisor arrangement has not worked out entirely as envisaged and there might be scope for changing the long-term position into short or medium term consultancy inputs, potentially through procurement of a consultancy firm that can provide a broader range of needed expertise.

A number of staff of ATA and MoANR has been participating in Danida fellowships in Denmark.

3.9 Reporting and audit

Although several incomplete draft versions were submitted to the RT prior to its arrival in Ethiopia, the inception report is considered of very high quality and also very detailed. It contains a summary of main achievements against the Greening Road Map as well as a description of the progress the green deliverables. It also provides an objective analysis of the challenges faced during the inception phase. While such detailed reporting was necessary during the inception phase and in the testing of the new partnership between the Embassy and ATA, such detailed reporting will not be needed in the future. Rather, it should be sought to include in ATA's normal reporting chapter or sections that would cover the GATE-specific requirements, such as progress on mainstreaming of CSA and gender plus reporting on the involvement/sub-granting to NGOs and private sector.

No audits covering the financial reporting periods since the engagement's start have yet been carried out but will follow normal ATA procedures. Financial reporting to the Embassy will continue also in the future until joint programming and financing arrangements are in place. It is up to the Embassy to decide whether annual progress reporting against the results framework indicators is needed.

Recommendation: *No specific progress reporting for the Embassy would be required in the future, as long as a few strategic mainstreaming issues are reported on in the annual ATA reports. Progress against the Agricultural Transformation Agenda deliverables and sub-deliverables will be covered in the consolidated reporting from ATA to the Agricultural Transformation Council and those should be shared with the Embassy. Financial reporting to the Embassy would continue unchanged.*

4 CRGE ENGAGEMENT – MAJOR ISSUES

4.1 Implementation Progress

4.1.1 Outcome 1 and Outcome 2

Two sectorial investment proposals (from Ministry of Agriculture and Natural Resources¹⁵ and Ministry of Environment, Forestry and Climate Change¹⁶ respectively) have been submitted to the CRGE Facility. Both projects were approved for funding under the GATE thematic programme; following standard CRGE Facility procedures for calls for proposals and proposal evaluation. The environmental and social safeguards system developed by the Facility based on World Bank standards, and approved the CRGE Management Board in August 2015, has reportedly been applied to both projects.

Although it is beyond the scope of the inception review to review in details the two investment proposal, the RT finds the MoANR projects to be supportive of Outcome 1¹⁷ and the MoEFCC project to be supportive of Outcome 2¹⁸ of the engagement. However, the RT notes that the approved investment proposals are similar to the two ‘projects’ that were considered during the appraisal of the GATE programme in June 2014 (i.e. a re-submission of the “original” proposals) and that the call for investment proposals for GATE funding was done in parallel with a similar call for proposals for DFID funding, but not under the principle of pooled funding since they were separate calls.

All ongoing MoANR and MoEFCC investment proposals are considered so-called Fast Track Initiatives (FTI) some of which include elements that appear to be a repetition of piloting already being implemented in other locations. While the approval of individual investment proposals apparently has followed established procedures, it can be discussed whether it is in line with original intension of the engagement to continuously fund piloting activities which are already being tested and applied elsewhere.

The projects were approved in May/June (MoANR) and August 2015 (MoEFCC) and implementation is only now taking off. No major progress in terms implementation at the field level can therefore be observed at present. It is noted that the total budget for supporting projects under the engagement has been committed. With only 12 month left for implementation (until end 2016) an administrative extension of the CRGE engagement is likely to be required. However, it should be possible to complete both projects well ahead of the planned end of the GATE programme in December 2017.

4.1.2 Outcome 3

The capacity to develop, implement and monitor/report CRGE-related investment proposals remains a major challenge especially at lower levels of implementation. Outcome 3 of the GATE support relates to strengthen the human and institutional capacity at all levels to implement CRGE Facility funded programmes¹⁹. The capacity needs assessment has not yet

¹⁵ Project title: *“Piloting CRGE strategy measures through agriculture sector climate resilience and low carbon agricultural investment in Ethiopia”*.

¹⁶ Project title: *Protection and rehabilitation of the Bonga Biosphere Reserve and enhancing livelihood of communities in five districts in the Kefa Zone of SNNPR*.

¹⁷ Outcome 1: *Community based (1) watershed management enhanced and (2) crop and livestock production practices improved*.

¹⁸ Outcome 2: *Selected forests are protected, re-established and/or sustainably managed to provide ecosystem services and carbon sequestration*.

¹⁹ Outcome 3: *Human and institutional capacity to plan, implement and monitor CRGE Facility funded programmes is strengthened at federal and regional and local levels, and lessons learned from pilot projects financed by GATE funds are applied in the wider CRGE context*.

been completed or shared with development partners. A capacity development programme is being developed based on the needs assessment. The RT was informed that a draft programme is about to be completed. It is expected that the draft will be circulated to financing partners in January 2015.

It remains to be decided to which government entity the overall responsibility for the capacity development programme will be assigned to. The options being considering are the CRGE Facility and National Planning Commission.

Recommendation: *The Embassy should consult with other potential funding partners of the Capacity Development Programme (still to be finalised) and seek a common stand on operational modalities. A strong focus on regional and woreda capacity building must be ensured.*

4.2 Cross-sectoral coordination of CRGE Facility investments

The CRGE Facility is reportedly seeking to apply a programmatic approach in support of the GTP II. How this will work is not clear to the RT. There is definitely a need to ensure that the efforts, including support by individual development partners, be better aligned and do not become fragmented. A recent NORAD review of the GGGI programme in Ethiopia pointed to the danger that the Facility could become a channel through which international climate finance (and not much else) flows. The same review pointed to the risk – which the RT shares - that the Facility will continue with a short-term project-based perspective (e.g. the FTIs), with projects being divorced from major sector investment programmes, rather than beginning to contribute to the longer-term financial architecture with a more programmatic focus on transformation. GGGI as well as ATA (with respect to agriculture and forestry) has a role play with respect to mitigating this risk. It will be important to draw lessons from the FTIs and ensure that these are used in future planning. From a GATE perspective, it will be important to raise the issue – in consultation with ATA - during the Advisory Board Meetings and monitoring visits.

Ethiopia is working towards accreditation to the Green Climate Fund. The process is reportedly in its final stage and accreditation is expected in March 2016. Sector ministries have already identified their priorities which are reflected in the GTP and are now preparing proposals.

Recommendation: *The Embassy should during the Advisory Board Meetings and monitoring visits raise the issues of (a) proper monitoring, reporting and learning from the Fast Track Initiatives and (b) the need for increased cross-sectoral CRGE programming and implementation.*

4.3 Results framework

Since the CRGE Facility remains centred around a limited number of Fast Track Initiatives, reporting is still done according to the results frameworks of the discrete investment proposals submitted by the sector ministries. This is also the case for the two proposals funded by GATE. Given the short time span of the engagement, a reporting up against the consolidated CRGE M&E framework is not feasible. An updated results framework for the remaining engagement period has been included in the Inception Phase report. It is based on a selection of indicators of the investment proposals, and it makes sense to make use of those also for the GATE engagement, although they are not entirely SMART and do not reflect well the exact levels of the objective hierarchy.

4.4 Embassy involvement, monitoring and reporting

The Inception Report submitted, and which forms the basis for the present review, is of rather low quality. Progress is reporting against the process indicators and deliverables included in the work plan for the inception phase. However, a description of the processes involved is missing.

MOFEC is undertaking quarterly or biannual monitoring of project implementation at field level. The Embassy has participated in one of these monitoring visits. With 27 projects (FTP's) under implementation, field level monitoring is bound to be challenge especially as the projects are spread all over the country. There are indications that monitoring and reporting is not yet done in a consolidated way; an example being the recent monitoring visits to DFID-funded sites where the subsequent monitoring report has not been shared with the Embassy. In addition, DFID is at present carrying out a lessons learnt review of the CRGE Facility. The resulting report had not yet been shared with the Embassy at the time of the Inception Review.

The CRGE Facility prepares quarterly progress reports covering the support from all contributing partners. The reports include summaries of implementation progress of individual FTP's, i.e. in the future it should also include the GATE-funded investment proposals.

***Recommendation:** No specific CRGE Facility reporting to the Embassy would be required in the future. The reporting on the two ongoing pilot projects financed by GATE should in the future be covered by the consolidated CRGE Facility quarterly progress reports.*

5 EMISSION ASSUMPTIONS AND APPROPRIATENESS OF PROMOTED TECHNOLOGIES

The RT finds that a number of the 'green' or mitigation technologies being tested and applied could be challenged. The mitigation efforts in the watershed development projects under Outcome 1 are for example related to assumptions of reduced GHG emissions through mechanised traction (handheld tractors as opposed to animal traction, i.e. ultimately assuming that traction oxen would be slaughtered). Other hardware being supplied under the investment proposal is mechanised threshing equipment under the assumption that relative emissions will be reduced through increased productivity (less post-harvest losses). While the RT does not question the reduced relative emission to be gained from reduced post-harvest losses, diesel powered equipment may not be the most efficient technology to achieve that. The total cost of supplied hardware is about 10% of the investment proposal.

The appropriate technology issue is also related more overall to potential concerns over environmental sustainability of practises and technologies promoted. For example, the Household Irrigation activities of the ATA engagement, where low technology and labour intensive shallow wells (20-25 meters) are being promoted, are likely to build resilience and reduce relative emissions through increased land productivity. However, it may be at the cost of water resources sustainability unless complemented with water harvesting and conservation activities. Another example is the conservation agriculture initiative, where emissions will be reduced but often this implies an increased use of pesticides.

As a consequence, the RT suggests that ATA takes on responsibility to undertake a 'sanity check' of the underlying emission assumptions and appropriateness of the various

technologies being promoted within the context of both GATE engagements. Reduced emissions must never be at the cost of environmental sustainability.

6 PROCESS ACTION PLAN

Recommendation / action ²⁰	Deadline	Embassy	ATA	CRGE
1 Finalisation of the ongoing revision of the risk management matrix.	End of December 2015	X		
2 More flexible use of GATE funding for ATA with the aim of covering a more fair share of operations related to mainstreaming of climate and gender.	Continuously	X	(x)	
3 Simplification and finalisation of the results framework for remaining engagement period.	End of December 2015	(x)	X	
4 Prepare and agree upon the budget for the remaining engagement period, based on the revised results framework.	End of December 2015 (Draft); End of January 2016 (Final)	(x)	X	
5 Reporting on strategic mainstreaming issues to be covered in the reporting from ATA to the Agriculture Transformation Council and those should be shared with the Embassy.	Continuously	(x)	X	
6 Update the Development Engagement Document and support agreement to reflect above recommendations (addendum to existing agreement). Safeguard mechanisms to be included.	Mid-February 2016 (Draft Addendum); End of March (signed Addendum)	X	X	
7 During GRGE Advisory Board Meetings and monitoring visits raise the issues of (a) proper monitoring, reporting and learning from FTP's and (b) the need for increased cross-sectoral CRGE programming and implementation.	Continuously	X		
8 Consult with other potential funding partners of the Capacity Development Programme and seek a common stand on operational modalities (strong focus on regional and worded capacity building to be ensured).	Continuously	X		
9 Future reporting on the two pilot projects financed by GATE to be covered by the consolidated quarterly progress reports.	Continuously			X

NB: X indicates fully owned responsibility; (x) indicates contributing responsibility

²⁰ Only a 'shortened' description of the recommendations is provide here. The 'complete' recommendations appear in the executive summary on page (v) and in the report.

ANNEX 1 TERMS OF REFERENCE

(embedded document)



TOR for GATE
Inception Review_Dl

ANNEX 2 MEETING SCHEDULE

(embedded document)



GATE Mission
Schedule 24 11 2015

ANNEX 3 FINANCIAL TABLES

GATE Programme Financial Management- Expenditure Report - Overview of budget and spending up to end of the Inception period December 2014 to October 2015 (DKK million)											
	A	B	B1	C	C1	D	D1	E	E1	F	F1
Programmes and Projects	Original Budget for the whole GATE Period Dec. 2014 - dec. 2017 (Thematic Programme Document)	Original Inception phase budget Dec.2014 - Oct. 2015	Revised budget for the Inception Phase In Millions as per the Partner Document	Disbursement per outcome	Actual spending according to Partners financial statement and Embassy records	Disbursement (%)	Disbursement (%)	Expenditure (%)	Expenditure (%)	Remaining budget for the remaining years	Remaining budget for the remaining years
						C/Ax100	C/B1x100	C1/Ax100	C1/B1x100	A - C	A - C1
Support to ATA (A)											
Outcome A.1	29.8	10.4	14.9	14.9	7.2	50.0	100.0	24.3	48.5	14.9	22.6
Outcome A.2	26.5	7.2	7.4	7.4	2.0	27.8	100.0	7.6	27.4	19.1	24.5
Outcome A.3	57.3	6.5	12.9	12.9	9.8	22.5	100.0	17.2	76.3	44.4	47.5
Outcome A.4	29.9	18.1	7.7	7.7	1.3	25.8	100.0	4.3	16.7	22.2	28.6
Subtotal Outcome A1- A4	143.5	42.2	42.9	42.9	20.4	29.9	100.0	14.2	47.5	100.6	123.1
Contingencies	1.5	0.4	0.4	-	-	-	-	-	-	1.5	1.5
Technical Assistance	3.0	1.0	0.7	0.6	0.6	20.0	82.2	20.0	82.2	2.4	2.4
Special studies, reviews, audits	2.0	1.0	1.0	0.1	0.1	7.5	14.9	7.5	14.9	1.9	1.9
Total Development Engagement A.	150.0	44.6	45.0	43.6	21.1	29.1	96.9	14.1	46.9	106.4	128.9
Support to the CRGE Facility B.											
Outcome B.1	15.7	10.0	10.0	10.3	-	65.9	103.4	-	-	5.4	15.7
Outcome B.2	7.8	4.8	4.8	3.7	-	46.8	76.0	-	-	4.2	7.8
Outcome B.3	3.0	1.5	1.5	0.3	0.3	10.0	20.0	9.7	19.3	2.7	2.7
Total Outcome B.1 to B.3	26.5	16.3	16.3	14.3	0.3	53.9	87.7	1.1	1.8	12.2	26.2
Special studies, reviews, audits	1.0	0.5	0.5	-	-	-	-	-	-	1.0	1.0
Subtotal Development Engagement B	27.5	16.8	16.8	14.3	0.3	52.0	85.1	1.1	1.7	13.2	27.2
Total Thematic Programme	177.5	61.4	61.8	57.9	21.4	32.6	93.7	12.1	34.6	119.6	156.1

**ANNEX 4
SUMMARY OF RECOMMENDATIONS**

<p>Title of (Country) Programme</p>	<p>Greening Agricultural Transformation in Ethiopia (GATE) Thematic Programme 2014-2017</p>
<p>File number</p>	<p>Danida Ref. no. 104.Etiopien.805.ADD F2: 2015 – 4228</p>
<p>(Mid-term) review report date</p>	<p>Draft report 17 December 2015 Final report 28 January 2016</p>
<p>Summary of possible recommendations not followed (to be filled in by the Representation)</p>	
<p>Overall conclusion of the (mid-term) review including for each thematic area for country programmes.</p> <p>The implementation progress during the ten-month Inception Phase of the Greening of Agricultural Transformation in Ethiopia (GATE) thematic programme is found to be satisfactory.</p> <p>Although delays have been experienced – mainly for bureaucratic reasons during the first six months of the inception phase – the Inception Review concludes that implementation is catching up and that progress therefore is satisfactorily. It is considered likely that the engagement objectives and outcomes will be achieved.</p> <p>The Inception Review also finds that the thematic programme (and its two engagements) have been well-timed; providing needed attention to climate smart agriculture and greening (through providing funding, expertise and policy priorities) during a critical period of planning for the country’s future direction of agricultural development.</p> <p>The Embassy is commended for its active and professional engagement with the two partners during the Inception Phase. Such engagement has been crucial to ensure partner implementation and planning for the main phase, while at the same time ensuring that Danish priorities were addressed.</p>	

1. Political, social, economic and human rights developments relevant for the implementation of the (Country) programme (draft provided by Representation 2 weeks in advance of review mission)

Following the May 2015 election, the GoE initiated broad-based consultations on the GTPII, including with opposition parties. The government has tried to show its commitment to improve human right issues by addressing 98 percent of the human rights cases it had received in 2014 and releasing the nine journalists who had been arrested as a result their advocacy activities.

Recently, as also experienced by the RT during its field trip to Oromia Region, unrest initiated by students in Oromia has been observed caused by their dissatisfaction with the inclusion of six zones of Oromia Regions surrounding the capital into the masterplan of Addis Ababa. Reports on violent clashes between demonstrators and regional police illustrate a volatile situation.

2. Sector relevant developments/thematic Programme developments ((draft provided by Representation 2 weeks in advance of review mission)

Since the GATE thematic programme was formulated and approved, a new government has come into place following the May 2015 elections. Although little change has been experienced in overall policy directions as a consequence of the new government, a number of ministerial restructurings have taken place. For example, the Ministry of Finance and Economic Development has become Ministry of Finance and Economic Cooperation with new leadership. Ministry of Environment and Forestry has become Ministry of Environment, Forestry and Climate Change also with a new Minister. Ministry of Agriculture has been divided in to two: Ministry of Agriculture and Natural Resources and Ministry of Livestock and Fisheries. The restructuring will affect implementation also at regional level. The new government has declared that power will be more decentralized and more will be done to reduce corruption. The ministerial reorganisation has naturally slowed down the GATE programme’s implementation, especially in ATA.

An ongoing and worsening drought as a consequence of El Niño related weather patterns is thought to be the worst in decades. An estimated 10.2 million people are already at risk, and that number may very well increase during the comings months. While the Productive Safety Net Programme may reach out to a large proportion of those at risk, significant emergency response will be needed and the government have provided some USD 200 million for emergency support. Besides crop failure in some locations as a consequence of the drought, the situation is bound to have also budgetary implications for GoE investments in longer term agricultural development and put further stress on the already stretched foreign exchange reserves.

Recommendations by the Inception review team	Follow up by the Representation
<p>1. Assess strategic linkages between the overall objectives of the country policy and the country programme (only for mid-term reviews of country programmes)</p>	
1.1. NA	1.1.
1.2. NA	1.2.

2. Implementation of <u>relevant</u> Danida Strategies (Environment, Gender, Climate change, HRBA, Policy for Support to Civil Society, etc.)	
2.1 ATA: The Embassy's monitoring of developments in contextual human right risks is essential, e.g. the resettlement (including pastoralists) and land aggregation for large scale commercial agriculture. Strengthened safeguard mechanisms addressing those risks should be introduced in the ATA development engagement.	2.1
2.2	2.2
3.	
4. Disbursements and expenditures, (physical and financial progress), use and recommendation of unallocated and re-allocated funds (refer to format for Financial management and disbursement for country programme/programmes and projects above DKK 35 mio.)	
4.1. ATA: More flexibility should be given to the use of GATE funding for ATA with the aim of covering a more fair relative share of operations related to the mainstreaming of climate and gender. However, funding should continue to be directed to activities that are in direct support of Danish priorities for the continued 'greening' of the Transformation Agenda, for gender mainstreaming, and for the gradual increase in civil society and private sector participation. Untied funding of core operations (budget support) is still not possible but should be the aim for a second phase of support (potentially starting 2018 under a new country programme) under joint programming and financing arrangements.	4.1.
4.2. ATA: A budget for the remaining engagement period should be prepared and agreed upon, reflecting the revised results framework.	4.2.
5. Management arrangements, monitoring and reporting	

5.1 ATA: No specific progress reporting for the Embassy would be required in the future, as long as a few strategic mainstreaming issues are reported on in the annual ATA reports. Progress against the Agricultural Transformation Agenda deliverables and sub-deliverables will be covered in the consolidated reporting from ATA to the Agricultural Transformation Council and those should be shared with the Embassy. Financial reporting to the Embassy would continue unchanged.	5.1
5.2 CRGE: The Embassy should during the Advisory Board Meetings and monitoring visits raise the issues of (a) proper monitoring, reporting and learning from the Fast Track Initiatives and (b) the need for increased cross-sectoral CRGE programming and implementation.	5.2
5.3 CRGE: No specific CRGE Facility reporting to the Embassy would be required in the future. The reporting on the two ongoing pilot projects financed by GATE should in the future be covered by the consolidated CRGE Facility quarterly progress reports.	
6. Assessment of results framework	
6.1 ATA: The results framework for the remaining engagement period should be simplified and finalised; operating with fewer and more aggregated outputs and potentially with a light simplification of outcomes.	6.1
6.2	6.2
7. Assessment of risks and risk management	
7.1. The ongoing revision of the risk management matrix should be finalised based on the discussions with the Review Team. The Embassy's monitoring of developments in contextual human right risks is essential, e.g. the resettlement (including pastoralists) and land aggregation for large scale commercial agriculture.	7.1
7.2	7.2

8. Others	
8.1 GATE: The Embassy should consult with other potential funding partners of the Capacity Development Programme (still to be finalised) and seek a common stand on operational modalities. A strong focus on regional and woreda capacity building must be ensured.	8.1
8.2	8.2

I hereby confirm that the above-mentioned issues have been addressed properly as part of the (mid-term) review and that the (mid-term) review has provided the recommendations stated above.

Signed in..... on the
Team leader/TAS representative

I hereby confirm that the Danish Mission will undertake the follow-up activities stated above. In cases where recommendations have not been accepted, reasons for this are given either in the table or in the notes enclosed.

Signed in.....on the.....
Ambassador/Head of Mission