

Appendix 10

FAO Support for Investment Programmes in Ethiopia

Over the past five years, FAO/TCI has provided continuous assistance to the Government of Ethiopia which has led to the approval of a number of investment projects by FAO financing partners, in particular the World Bank, IFAD, African Development Bank (AfDB) and the Global Environment Facility (GEF). Recent work has targeted irrigation and drainage, pastoral community development, strategic food security planning, crop diversification and marketing development, agricultural productivity, participatory forestry management and rural capacity building. In 2008, TCI also assisted in the preparation of the Country Strategic Opportunities Programme (COSOP) 2009-2013 for Ethiopia, in collaboration with IFAD. Recent and ongoing TCI support to Ethiopia has been directed to:

Agricultural Growth Programme (AGP). In 2009, TCI began assisting the preparation of a new investment operation which is focusing on high potential areas for increasing agricultural productivity, marketing and value addition. TCI also contributed to an analysis of the farming systems, livelihoods and natural resources management in AGP target areas. AGP will focus on selected crops and livestock commodities where production intensification and availability of markets are likely to provide high returns. The main components are agricultural production and commercialization, and rural infrastructure development. The programme will be implemented by the Ministry of Agriculture and Rural Development over a five-year period in four regions: Tigray, Amhara, Oromia and Southern Nations. In February-March 2010, TCI participated in pre-appraisal and appraisal missions for this multi-donor project approved for financing on 30 September 2010. In August 2010, under funds from the Spanish Trust Fund, TCI formulated a complementary proposal for funding by the GAFSP facility. The Ethiopia GAFSP proposal of USD 51.5 million was approved by GAFSP Steering Committee in October 2010. It will support in particular millennium development goals (MDG) 1, 7 and 8. FAO will provide technical assistance support in areas where it has a comparative advantage.

Irrigation development. TCI helped to prepare the World Bank-funded ***Nile Basin Irrigation and Drainage Project*** and follow-up projects for an additional 80 000 ha of irrigation development. In parallel, TCI also assisted the Government in the development of an irrigation strategy to implement its irrigation policy. In addition, TCI contributed to the preparation of the ***Tana Beles Integrated Water Resources Development Project*** and in 2010, began providing supervision support for the implementation of this project.

Strategic food security planning. In 2006, TCI assisted the Government in preparing a framework for the National Action Programme for Food Security and basic principles to guide future investment in food security.

Rural capacity building. From 2004 through 2009, TCI has assisted the preparation and supervision of the ***Rural Capacity Building Project*** approved in 2006 and restructured in 2008, which aims to help Ethiopia strengthen agricultural services and systems for improved agricultural productivity and responsiveness to client needs, and to enhance the capacity of producers to adopt economically-viable and environmentally-sustainable technologies and practices.

Forestry management. In 2007, TCI began support to the JICA¹-funded *Participatory Forest Management Project* in the Belete-Gera Regional Forest Priority Area, and has provided technical assistance in the preparation of an extension strategy and guidelines for training of trainers, and a monitoring and evaluation framework, including a socio-economic baseline survey. As a result of TCI's help, the project adopted FAO's Farmers' Field Schools approach.

Situation of funding for TCI-assisted projects

Date approved	Project	Total Cost	Loan/Credit/Grant	
	 USD million		
Loans for fully-assisted projects in operation				
World Bank/International Development Association (WB/IDA)				
June 2006 ²	Rural Capacity Building	71.00	54.00 17.00	IDA CIDA ³
June 2007	Irrigation and Drainage	115.00	100.00	IDA
May 2008	Pastoralist Community Development – Phase 2	133.25	80.00 35.00	IDA IFAD
May 2008	Tana and Beles Integrated Water Resources Development	69.85	45.00 8.00	IDA BIL ⁴
Sept. 2010	Agricultural Growth Project (AGP)	281.20	150.00 50.00 2.40 51.00	IDA USAID UNDP BIL ⁵
	WB/IDA Sub-total:	670.30	592.40	
International Fund for Agricultural Development (IFAD)				
Dec. 2001 ⁶	Rural Financial Intermediation Programme (RUFIP)	88.73	25.69 37.50	IFAD AfDB ⁷
	IFAD Sub-total:	88.73	63.19	
Bilateral Sources (BIL)				
August 2005 ⁸	SPFS Extension phase – GTFS/ETH/067/ITA Crop Diversification and Marketing Development	3.00	3.00	Italy
Total funding for projects in operation:		762.03	658.59	
Loans for partially-assisted projects in operation				
April 2008	Sustainable Land Management (SLM)	28.79	20.00 9.00	IDA GEF
Regional Projects				
June 2009	East Africa Agricultural Productivity Programme (Ethiopia, Kenya, Tanzania) ⁹	90.00	90.00	IDA

¹ Japanese International Cooperation Agency (JICA)

² Project restructured in 2008. In particular, USD 13 million were reallocated to support a relief operation: the emergency Fertilizer Support Project, processed under an Ethiopia-Food Crisis Response Programme under the Global Food Crisis Response Programme. Project closure planned for October 2011.

³ Canadian International Development Agency (CIDA)

⁴ Bilateral sources (BIL): Government of Finland

⁵ Bilateral sources (BIL): Possibly the Canadian International Development Agency (CIDA), UK Department for International Development (DFID), Irish Aid. Individual contributions are undetermined at this stage.

⁶ Project closure scheduled for 2010 (still ongoing in November 2010).

⁷ Co-financed in October 2003.

⁸ Expected closing date: 31 December 2010.

⁹ Each country receives USD 30 million