



## **CAADP Technical Review**

### **Summary of Key Findings for Ethiopia**

Addis Ababa, September 2010

This document reports the key findings of the Comprehensive Africa Agriculture Development program (CAADP) Post Compact Technical Review for the Federal Democratic Republic Ethiopia. Ethiopia's Agricultural Sector Policy Investment Framework (PIF) is the principle document for review. It is supported by program documents that contain detailed descriptions of the umbrella programs for each of the major parts of the PIF and other working papers developed to inform the PIF<sup>1</sup>. All government interventions are guided by the Rural Development Policy and Strategy (RDPS) and implemented through the recently concluded Plan for Accelerated and Sustainable Development to End Poverty (PASDEP) which being succeeded by the Five Year Growth and Transformation Plan (FYGTP) 2011-2015. The PIF, therefore, builds from the broader principles of the RDPS, PASDEP and FYGTP to deliver agriculture and rural development targets outlined in the FYGTP. The independent review should be seen as a foundation for successful implementation of the PIF, aligned with the CAADP framework, to deliver the targets contained in the PASDEP and FYGTP.

Ethiopia's Agricultural Sector ten-year PIF (2010-2020) provides a strategic framework for the prioritization and planning of investments intended to drive agricultural growth and development in Ethiopia. It outlines and elaborates specific objectives and expected outcomes aimed at attainment of FYGTP and CAADP goals and targets. The design of the PIF included wide stakeholder consultation including public and non-public sector actors such as farmers, civil society and private sector.

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<sup>1</sup> See the list of working papers and supporting documents in the PIF P iii.

The FYGTP seek to continue and expand the current aggressive agricultural sector GDP growth to achieve an annual average of 10 percent, contributing to an economy-wide GDP growth rate of 11 percent per year, propelling Ethiopia into a middle income status by 2020. The PIF is built on four key strategic objectives namely; (i) to achieve a sustainable increase in agricultural productivity and production; (ii) to accelerate agricultural commercialization and agro-industrial development; (iii) reduce degradation and improving productivity of natural resources; and (iv) achieve universal food security and protecting vulnerable households from natural disasters. Priority investments have been identified under each of the Strategic Objectives, to be jointly financed by the Government and its development partners. This includes a set of integrated and flagship programs to deliver on the FYGTP, namely (a) Agricultural Growth Program (AGP); (b); Sustainable Land Management Program (SLMP), and (d) Food Security Program, which includes the Productive Safety Net Program (PSNP), the Household Asset Building (HAB) Program, Resettlement and Complimentary Community Investment and several other activities.

In sum, the PIF aligns to CAADP-which presents a social transformation agenda with a wide-reaching influence on development aid architecture and development planning. CAADP is intended to support African governments prepare quality strategies and investment plans, ensure an enabling policy environment to implement the plans and translate these plans into programs and projects for stimulating the necessary sectoral growth for effective poverty reduction and food security.

The Technical Review team's key findings and recommendations on Ethiopia's PIF are outlined below. The recommendations are intended to help strengthen the PIF and inform the actions that could be taken during start up and implementation of different programs.

### **Component 1: Alignment with CAADP Vision, principles and strategy elements**

The PIF is well aligned to the FYGTP, which is itself well aligned with the CAADP framework. The targets established in the PIF exceed CAADP growth and public investment targets. Further, there are well developed targets for each of the Strategic Objective areas and each of the major programs. The PIF presents a comprehensive framework within its four strategic objectives and are consistent with the CAADP Pillars. In particular the flagship programs provide good coverage for Pillars 1, 3 and 4. CAADP Pillar 2 is addressed through PIF Strategic objectives 1 and 2 and its associated program, AGP, which is focused on productivity and commercialization. However, the rural commercialization is less well developed and it potentially needs more attention by the Technical Committee and Government.

Together, the flagship programs seem to cover approximately 400 Woredas<sup>2</sup> with minimal overlap between them (PSNP and HAB = 300's; AGP = 83's; and SLM = 55 s). Clear criteria were established to geographically focus and target the programs. Each of the major flagship programs has a different focus. This means that by default, different flagship programs are taking a lead role in different Woredas. The question therefore comes on how do we ensure that different interventions by different flagship programs in different Woredas guarantee to deliver FYGTP targets? Are PSNP and or HAB's, for example, responsible to deliver agricultural growth targets needed to achieve FYGTP objectives in each respective Woredas? Are AGP's responsible to achieve nutrition and food security targets of FYGTP in respective Woredas? This raises a number of key issues, including the extent to which the umbrella (or flagship) programs playing a lead role in different Woredas need to help ensure an integrated set of actions and Monitoring and Evaluation (M&E) systems are established to help meet and track the overarching goals and targets of the FYGTP. This is important because the flagship programs, while individually well designed and focused, will not be likely to achieve the scale and level of change for the entire country that is called for in the FYGTP.

Well developed coordination mechanisms within the Ministry of Agriculture at the Federal, Regional and Woreda levels are outlined in the PIF and supporting documents. These include coordination instruments that involve both government and development partners aligned with and supporting the PIF. However, given the fact that numerous other Ministries and partners outside of the Ministry of Agriculture and Rural Development (MoARD) are directly engaged in delivering services and support related to PIF priority efforts, there is not adequate cross Ministry coordination to ensure and maximize synergies and avoid any possible overlap. For example there is not an instrument to jointly involve MoARD and the Environmental Protection Agency (EPA) to coordinate efforts on SLM, Water and climate change issues. Both are working extensively on them. Key areas for strengthening coordination that can help increase success of the plan include:

- **Irrigation** - including Ministry of Agricultural and Rural Development and Ministry of Water Resources;
- **Climate change, Disaster Risk Management and food security** – Including Ministry of Agriculture and Rural Development, Environmental Protection Agency, Ministry of Water Resources, Ministry of Health; Ministry of Mine and Energy and Ministry of Trade and Industry;
- **Food Security and Nutrition** - Ministry of Health and Ministry of Agriculture and Rural Development;
- **Data collection and data quality** - Ministry of Agriculture and Rural Development, Central Statistics Agency ;
- **Trade and Private sector development** - Ministry of Trade and Industry and Ministry of Agriculture and Rural Development.

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<sup>2</sup> A is an administrative unit within a region roughly equivalent to a district.

Appreciating the sensitivities of a fast growing economy, the ambitious plans outlined in the FYGTP, and the fact that there is not sufficient capacity in public or private institutions to fully deliver on the agenda, the engagement of non-state actors in the implementation of the PIF will need to be scaled up. Fundamentally, the role and modalities to engage non-state actors is not well developed in the PIF or the related program documents. This does not take away from the fact that there was substantial engagement with the non-state actors in shaping the PIF. Rather it is recognition that new partnerships which enlist the skills and services of the non-state actors in support of the goals and targets established in the FYGTP will be required if these goals and targets are to be achieved. The role of the private sector and other non-state actors must be redefined in a way that makes full use of their potential.

Gender plays an important role in the delivery of agricultural services and especially in labor productivity. The Government has made several approaches to ensure that gender issues and concerns in the implementation of the PIF are not overlooked. The implementation of different programs will, therefore, need to ensure that gender concerns and issues are factored in all but relevant activities.

The role of private sector, the definition of what are private goods, and the development of a strategy and concrete actions to increase private sector participation has received significant but not sufficient attention. The Government should be commended for all the efforts that have been made in ensuring that private sector is accorded due attention in delivering the FYGTP targets. This effort is fully reflected in the FYGTP. Clearly, there is a reflection that government acknowledges that the private sector have major roles to play. There is need for scaling up this though and moving from acknowledgement to specific actions such as bringing the private sector in playing some roles in, for example, the development of warehousing, transport, communication, market facilitation, inputs (such as fertilizers, seeds etc) distribution, finance, training, and quality control systems for value chain development. The focus on the role of the private sector as a large scale producer, and as outlined in the PIF and other documents, underestimates and undervalues its role. It might be useful to consider developing a specific plan and strategy with and alongside private agribusiness groups, including banks, to clarify private interests, capacity challenges and investment opportunities. This could include support from, and linkages with, the Ministry of Trade and Industry to help and cultivate private investment relationship to support the PIF and FYGTP. An important first step could be a consultative meeting with the private sector to discuss and map out what are private goods that compliment and support the PIF public sector programs, especially the value chain programs. Building a common understanding of these will be necessary to deepen private sector engagement and financing.

**Recommendations:**

- (a) A common set of measures and methods to assess them need to be established to track progress across all of the major elements of the PIF results framework at the Woreda level and can be added up at the regional and federal level.
- (b) Operating and coordination systems need to be established to ensure the best practices and tools from each program area being used across all Woredas, e.g., are criteria used for selection of value chains, developed by the AGP being employed in the HAB program and focus?
- (c) Options to efficiently achieve greater cross Ministerial coordination need to be established and could include adding Ministries to the Technical Committee's now established under the RED&FS, and related committees at the Regional and Woreda levels. This is critical for ensuring that synergies and strengthen coordination mechanisms.
- (d) Develop a strategy for scaling up non-state actor engagement in PIF implementation and integrate their engagement in existing instruments for coordination and implementation
- (e) Building from the ongoing and ambitious public service reform program, the ambitious nature of PIF and FYGTP will require a clear articulation of capacity development strategy not leave anything to changes that the PIF and FYGTP will be delivered.

**Component 2: Consistency with Long Term and Poverty Reduction Targets**

The consistency analysis completed as part of this technical review assessed whether the PIF will achieve the FYGTP and CAADP targets with respect to growth and poverty reduction. The overall objectives of the PIF are to sustain an annual average total GDP rate of 10 percent and raise per capita incomes to at least USD1,000 by 2020. The cost of the ten year investment plan totals ETB297.6 billion (USD 18.04 billion). The budget for the initial five year plan, which is the focus of this review, is USD 2.54 billion. The available data on expenditures show that the scale of incremental financing proposed in the PIF is significant and continues to rise sharply over time. Although the PIF budget rises relatively slower over time compared to the periods associated with PASDEP I and II, it outperforms the Maputo commitment of allocating 10 percent of total national expenditures to the agricultural sector. The PIF, when fully implemented, is projected to achieve in excess of 13 percent agricultural growth per year. This is ambitious and is commended as the only option towards attaining a more ambitious Vision.

Despite agriculture's declining share in overall GDP, it will continue to greatly influence overall economic performance, since agriculture has strong economy-wide linkage effects for the non-agricultural sectors. The decline in the share could, in fact, signal a transforming economy which is in itself good. Thus, any acceleration in agricultural growth due to the above investments would significantly increase overall GDP growth rate. But expansion of the non-agricultural sectors is critical for sustaining high agricultural growth through supply of agricultural inputs

transportation services at low prices and fostering upstream processing. Increasing investments in the non-agricultural sectors will be as critical as those for agriculture.

The consistency analysis suggests that based on the available historical data, and along sub-sector growth pattern and investment scenario implemented under in the PASDEP – which has generated aggressive growth results thus far – the ambitious PIF and FYGTP the long-term growth and poverty reduction targets will be met and Ethiopia would achieve MDG1 goals (i.e. halving the 1992 poverty level by 2015).

An unresolved issue is if the funding gap identified in the PIF is not filled, what impact would this have on growth and the potential to meet the FYGTP targets? And in turn, if full funding is not available, how can MOARD and the government prioritize and more efficiently use the funds that are available? Further sensitivity analysis and beneficiary analysis would be useful to inform prioritization.

**Recommendations:**

- (a) Complete sensitivity analysis of the projected impact of PIF investments under different levels of funding.
- (b) Develop criteria to inform prioritization of PIF investments under different funding scenarios.

**Component 3: Adoption of best practices and inclusion of core program elements**

The PIF and its related flagship programs have done a thorough job of describing the programs proposed for its implementation, including choices of where they will focus geographically and technically. They have also documented the likely technical, economic, social and environmental impacts of proposed activities to justify the priorities and programs. The following focuses on a series of technical topics and issues that could be used for further clarification and guidance to improve the PIF and its related programs.

**Irrigation and water management:** Irrigation and water resource management are high priority investments for the PIF. Irrigation is being pursued in various and in different rainfall regimes, requiring different water system development. Both the scale and range of efforts that are proposed need significant coordination among many different agencies in the government and the private sector. The effectiveness with which these issues are addressed will have a very large impact on the efficiency and overall success of the FYGTP. In light of the risks involved with advancing this agenda, it will be critically important that both a programmatic framework and coordination platform be established to help guide and facilitate implementation. Cross ministry and agency coordination will be very important. Fundamentally, coordinated efforts and deliberate planning and studies that build on best practices

found in Ethiopia and elsewhere are needed to ensure that irrigation developments can sustainably contribute to the FYGTP goals and targets.

**Livestock, pastoralism and land use:** Livestock and the pastoral systems make large significant contributions to the Ethiopian economy. Sustained agricultural growth will be dependent on expanding the role and contribution of livestock to the economy. The semi-arid and arid ecosystems that pastoralists function into herd and husbandry livestock systems are fragile, subject to significant instability from conflict over resources, as well as economic and environmental shocks. A key finding of the review is that the unique challenges and opportunities faced by pastoralists are not effectively reflected in the PIF and its related flagship program documents. Of particular concern is the potential trade offs that could be forced on pastoralists in low land areas where there is an emphasis on irrigation development. Access to water and grazing rights will be sensitive issues to sustain productive livestock systems. Further, the innovative work on land certification does not appear to include or develop options to secure the land and water rights of pastoralists. Models to achieve this should be developed and piloted in the Land Administration and Land Use program.

**Agricultural commercialization:** In line with its ambitious growth targets, the PIF places a strong emphasis on increasing incomes through greater agriculture and rural enterprise development. The PIF has adopted a strategic approach, primarily through the AGP, in targeting market opportunities and value chains through a focus on a core group of key commodities. Building from Government's clear articulation of the private sector actions, there may be a need for further or greater elaboration of specific functions of the private sector with respect to delivering key service throughout the value chain – in terms of transport, storage technical advisory and marketing services (both input and output markets). Developing partnerships and strategies on how to improve capacity of private sector actors and identifying the enabling environment needed to allow for their greater participation will be needed. The PIF is comprehensive in targeting support for the full range of pillar II issues including market access infrastructure and farmer organization development. Additional prioritization and targeting of infrastructure investments in line with value chain analysis and performance will be important during implementation.

**Financing for agribusiness development.** Finance to support the development of enterprises along the value chain is critical for the success of the FYGTP. At the same time, numerous technical reports indicate that access to finance is increasingly constrained, especially at interest rates that do not reduce the competitiveness and profitability of the agricultural enterprises. The issue of finance is not sufficiently treated in the PIF or the related program documents. Options to increase access to private finance need to be explored. Savings are also constrained by low interest rates available to savings accounts. Creative approaches to work with local banking institutions to develop packages are being used in other countries in Eastern Africa. These may offer some useful lessons appropriate to Ethiopia.

**Food Security and Nutrition.** The PIF and Food Security Program note that about 32 percent of the population is undernourished. This is a strategically important challenge that the agriculture sector is directly faced with, beyond the issues of acute malnutrition addressed through humanitarian assistance. We also note that steps have been taken to establish a National Nutrition Policy that highlight the challenge that under nutrition poses to labor productivity, directly affecting agriculture. While the PIF states that nutrition initiatives will be integrated in its implementation, it is not at all clear how this will occur. This is a significant omission that could greatly reduce the likelihood that the ambitious targets of the FYGTP can be met. At the same time there are numerous options and opportunities to build in linkages with nutrition and agricultural activities that will be advanced in the AGP, SLM and PSNP programs. And, while attention to this issue may gravitate to the PSNP's Woredas, there are nutrition and food security issues throughout the AGP and SLM Woredas as well. Integrating food security and nutrition efforts across the three programs, is likely to accelerate their impact on poverty and hunger reduction, and may be done in ways that are completely consistent with current planning. For example, the development of more nutritious food products, packages to help diversified diets, and value-addition through processing, are all activities which can contribute to productivity and nutrition objectives. *(See the main report for a discussion of best practices that could help develop the linkages.)*

**Strengthening and sustaining DRM efforts.** The food security program, including, its flagship efforts, the PSNP and HAB provide significant detail to the capacities needed to deliver and monitor actions to help stabilize food security and build assets and at the local level. However, there is significant less attention given to charting a medium to long term course to disaster risk management in the PIF. There is little doubt that Ethiopia will continue to face crises and risks and need attention. Developing the capacity, tools and program options to manage risks sustainably will be key to achieving the goal of significantly reducing the dependence on food aid and humanitarian assistance. The DRMFS Technical Committee should study and chart out a plan for developing this capacity.

**Agricultural productivity, research and technical services:** A number of programs that support improvements in research and extension services are being implemented and are included in the PIF (Rural Capacity Building Project, AGP, PSNP, SLM-P and others). However the implementation experience of these programs and other recent analysis on how to improve technology generation and delivery services have raised a number of issues that have not yet been reconciled in a fully coherent research and extension system framework. The PIF raises concerns that there appears to be a patchwork approach that risks not building on successes or lessons learned. Further, it raises concerns about capacity constraints to developing networks between research and extension that will be paramount to achieve the Strategic Objective 1 goals. And, it argues for the articulation of a clear research agenda in support of the priorities in the growth agenda. However, it is not clear where or how these issues are addressed in the PIF and its related programs.



Over the past few years Ethiopia has placed great emphasis on improving technology generation and dissemination including institutionalizing research and extension linkages at the decentralized level, improving research priority setting, expanding the reach of farmer based adaptive research and demonstration, and testing of approaches for demand driven and pluralistic delivery of services, although the latter on a relatively small scale. And, substantial investments have been made in expanding the public infrastructure for technology generation and dissemination, resulting in large increases in the number of development agents (DAs) and farmer training centers (FTCs). To reap the benefits of these past investments, a plan needs to be established to effectively support DAs and FTCs to allow them to fulfill their role at Kebele level and link them to other actors in the technology uptake chain. The approach or tools to achieve this are not spelled out effectively in the PIF

**Monitoring, Evaluation, and Data Systems.** Impressive systems have been established to collect information to support PIF design as well as the design of the flagship programs. Further the recently established data base of existing programs will be tremendously helpful in supporting better coordination and alignment of projects and programs with the PIF. None the less, issues related to data quality for tracking grass roots and national level performance persist. It is key that the issue of data quality be systemically addressed to underpin the positive efforts being taken to create a comprehensive Monitoring and Evaluation system for the sector and specifically for the PIF.

**Recommendations:**

- (a) The SLM and AGP Technical Committees form a joint working group to develop a programmatic framework to guide irrigation system development that can be used and applied through all of the flagship programs (AGP, SLMP, PSNP, Etc...)
- (b) The SLM Technical Committee and the Land Administration program develop effective models to ensure land rights of pastoral households as they scale up the certification and land administration program.
- (c) The RED&FS steering committee establish a working groups across its three technical committee's to develop options and tools to more effectively integrate attention to under-nutrition and common measures for monitoring progress.
- (d) The MOARD, and building from the an already developed Plan for the country's DRM to be financed by Global Facility of Disaster Risk Reduction and Recovery (GFDRR), should commission a planning study to examine the utility of various services and policies achieve the objectives for disaster risk management, to inform a transition plan and process from humanitarian to development assistance.
- (e) Develop a private sector partnership strategy to identify functions and services to be provided in parallel with high priority commodities under both AGP and HAB.

- (f) Within HAB prioritize group based savings with a relatively modest focus on credit.
- (g) Develop a plan for coordinating and harmonizing a research – extension agenda in line with the priorities emerging from AGP, SLM and HAB, across different research agencies and programs.
- (h) MOARD should accelerate efforts to establish a comprehensive M&E system and a plan for data collection to ensure high standards of data quality.

#### ***Component 4: Alignment with country commitments***

**Financing gap analysis.** The Government of Ethiopia has committed to financing 60 percent of the overall costs of the PIF, including 60 percent of the funding gap. The funding gap that has been identified raises a key question: if the funding gap is not filled how will priorities be established? The PIF identifies priorities and the related programs identify criteria for making choices. But there is not clarity on how this issue would be dealt with. Related to this, it was clearly reported that the GOE does intend to establish a performance based budgeting process, meaning that results will be clearly linked to funding requests. In this context, it would be useful to have the financing plan presented against outcomes, so that at different levels of funding it would be clear what is being delivered. This could be extremely helpful to present what the funding gap would get, or if it is not filled, what will not be done.

**Alignment of programs and projects with the PIF.** In each of the three major technical committees of the RED&FS a detailed inventory has been assembled of on going activities, projects, and programs. A data base of these has been established. At the same time there are “flagship” programs that have developed for each of the areas.

A key issue is alignment of the many activities that are outside of the flagship programs with (a) the results framework of the PIF, (b) the results, best practices and principles that appear to be articulated in the flagship programs (and in the case of food security, with the Food Security Programme framework), (c) the goals and targets of the FYGTP. This is especially relevant for the agricultural growth and productivity area; and the water area. The alignment and harmonization of efforts does appear to be complete for the DRMFS area. This alignment does not need to be tied to any particular aid modality, but should help build a common framework across all of those employed in the sector to support the common agenda. It will help create a foundation for a common M&E system that can support common reporting and review processes. This alignment review is especially important for the AG and SLM efforts that are not as advanced as the Food Security program alignment process.

**Regional Trade linkages.** As Ethiopia develops its agriculture, and expands production it will be important to diversify markets. Regional market linkages with neighboring countries can have large positive benefits for Ethiopia. Ethiopia needs to identify markets that are the most useful to engage in and work with the relevant

regional bodies to strengthen the cross country trade linkages. Internal quality control measures and standards that can be put in place by the private sector will also need to be strengthened. The issue of regional trade and the capacity and policy issues to expand it, is not sufficiently addressed in the PIF or its related programs.

**Policy priorities.** The PIF presents a clearly articulated set of policy areas that need attention for the plan to succeed. A question is what policies should be a priority for attention in terms of what policy actions offer the greatest value added or impact on the goals and targets of the FYGTP? Some priority setting among the policy actions may be useful. And, to track progress on the policy front, it may be useful to establish a policy index derived from the various policy actions that can be reported on annually.

### ***Recommendations***

- (a) Present the financing plan in a manner that makes it clear what will be achieved at various levels of funding, and what will not be achieved if the financing gap is not filled.
- (b) Undertake a review process of all ongoing, country and regional projects to determine if they align with the PIF that helps create a common framework for M&E. This work can build from the existing database of donor programs.
- (c) Commission analysis to determine the potential for regional trade, and clarify the barriers to expanded Ethiopian trade with its neighboring countries.
- (d) Clarify what policy actions offer the greatest value added or impact in terms of achieving the FYGTP goals and objectives.

### ***Component 5: Operational Realism***

The FYGTP and the PIF propose aggressive agenda's on many fronts: financial, policy, institutional, capacity, technical service delivery systems, rural organizations, etc. Meeting these operational challenges pose many risks to the success of the FYGTP and PIF. At the same time the Government of Ethiopia has shown great resolve on delivering on ambitious efforts, e.g., the PSNP. A truly key issue is the need to do effective planning and coordination. The PIF does a good job of clarifying where capacity is needed and issues that need attention, including the need to strengthen coordination capacity. However, it does not layout how the issues will be addressed or sequencing of efforts so as not to overwhelm the system. We recommend that a start up plan be developed that charts out very clearly the key actions that need attention for successful implementation. This should include time and processes for effective consultation with development partners to work through modalities, approaches, implementation arrangements and review processes. A post review road map would be a first step in this direction.

The challenge that limited capacity and coordination pose does not come as a surprise to the Government, development partners, civil society or the private sector stakeholders. The government has been working hard to build capacity. And recently the Government of Ethiopia asked the Bill and Melinda Gates Foundation to support the completion of a number of diagnostic studies aimed at accelerating implementation of the agricultural growth and poverty reduction agenda in Ethiopia. The diagnostic studies are now under review by leadership of the Government. These studies may offer practical insights and solutions to accelerate efforts. They were not reviewed as part of this external review, but the relevance of the diagnostic studies cannot go without notice. A key issue is that these need to be examined for their utility in being able to help the government and development partners work together to implement the PIF and its various programs. Delivery of services needs to consider multiple modalities, government, NGO, and private sector.

Capacity stands out as a critical issue and a top priority in the PIF. While there are many prospective actions identified, the lack of detailed planning on types of skills needed, especially at the level, constrain the development of appropriate support programs. The PSNP, which is the most developed program, continues to face absorptive capacity challenges, especially with regard to financial management, to being able to meet the support needs of the rural communities. It is a systemic issue that needs short and long term efforts developed develop capacity. It is not clear how the near term needs will be met. And, given the key role that Universities can play the steps upgrade their skills and support to agriculture need to be developed.

A strategic goal and target of the FYGTP and the PIF is to graduate a vast proportion of the chronically food insecure beneficiaries of the PSNP in five years. This poses significant development and operational challenges especially to the PSNP 's. This is a truly strategic issue. It is imperative that the DRMFS Technical Committee bring a focus to this issue and develop a credible transition plan for the PSNP 's. This plan needs to be build on the realism that donor funding that is now being used to support the PSNP is not all fungible and cannot be easily shifted from one part or program of the PIF to another part of the PIF. Significant work will need to be done with the development community to mobilize financing to support the shifts proposed in the PIF.

The PIF indicative financing plans by the government both in the medium term (5 years) and long term (10 year) surpass and/ or exceed the CAADP 10% targets. However, there is financing gap to fully implement the plan. Given the shortfall, it is not clear what the government would prioritize how it will sequence implementation.

## **Recommendations**

- (a) Clarify next steps in implementation of the PIF through the preparation of a start up road map, that specifies the key actions that need to be taken or tasks completed to effectively set up the systems, capacity, work plans needed to implement the PIF. This should clarify how and when key issues identified within the PIF will be addressed.
- (b) GOE guidance on the use and application of the diagnostic studies should be clarified. And, operational plans to integrate the recommendations from those studies (if accepted) with the PIF priorities and related programs should be completed before the business meeting.
- (c) The Modalities for financing and implementation need to be more expanded to provide flexibility, or it may constrain what resources are available to support the PIF.
- (d) The MOARD and the relevant program should develop a transition plan as soon as possible to clarify the structural, technical and financial changes that will accompany the graduation of the shift from humanitarian assistance to a development agenda and in the PSNP, taking into consideration to the impacts on beneficiaries and timelines for rebuilding household assets.