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## **Final Evaluation**

**Common Programme of Promotion  
of Sustainable Family Farming and  
Social Economy for a Fairer World  
(2017-2021)**

**SOS FAIM**

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Final Report 2022

## ACKNOWLEDGEMENTS

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## Abbreviations

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|          |  |
|----------|--|
| BG       | Buusaa Gonofaa   |
| CSO      | Civil Service Organization   |
| CSSP:    | Civil Society Support Programme  |
| ERSHA    | Enhanced Rural Self Help Association                                     |
| ETB      | Ethiopia Birr  |
| FGD      | Focus Group Discussions  |
| GTP      | Growth and Transformation Plan   |
| HEKS     | Hilfswerk der Evangelischen Kirchen Schweiz/ Entraide Protestante Suisse |
| HERA     | Home-grown Economic Reform Agenda  |
| ICCO     | Interchurch Organisation for Development Cooperation                     |
| ICT      | Information communication Technology                                     |
| IT       | Information technology   |
| KII      | Key Informant Interviews   |
| KNH      | Kindernothilfe Germany fund  |
| MFI      | Micro financial Institutions   |
| MFI      | Micro-finance Institution  |
| NBE      | National Bank of Ethiopia  |
| NGO      | Non-Governmental Organization  |
| OCAT     | Organization capacity assessment tool                                    |
| OCAT     | Organizational Capacity Assessment Tool                                  |
| OECD:    | The Organisation for Economic Co-operation and Development               |
| OSRA     | Oromo Self Reliance Association  |
| RSCF     | Rural Saving and Credit Facility   |
| RSF      | Rural Service Facilities   |
| RSF      | Rural Service Facilities   |
| RuSACCOs | Rural Savings and Credit Cooperatives                                    |
| SFPI     | Specialized Financial and Promotional Institution                        |
| SNNPRS   | Southern Nation Nationalities People's Regional State                    |
| ToC      | Theory of Change   |
| VC       | Value chain  |

## **Executive summary**

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Path development Consulting and Research Services conducted this evaluation with the aim to assess the Programme's results and extract learning for future Programming purpose.

Promotion of sustainable family farming and social economy for a fairer world Programme for Ethiopia began in 2017 and ended in 2021 with a total budget of €1,561,034.74. The Programme was financed by SOS Faim Belgium and implemented in partnership with 6 local organisations: 2 NGOs (ERSHA and OSRA) and 4 microfinance institutions (Buusaa Gonofaa, Eshet, SFPI and Wasasa). The Programme's desired aspiration is that Ethiopian farming families and micro-entrepreneurs sustainably meet their basic needs (nutrition, education, health) and become resilient.

This evaluation addresses questions outlined in the Terms of Reference (ToR) and has been guided by the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC) evaluation criteria of Relevance, Effectiveness, Efficiency, impact and Sustainability. A mixed methods approach involving secondary data review, individual interviews, key informant interviews (KIIs), focus group discussions (FGDs) as well as observations was implemented. The approach is summarised in the evaluation design matrix showing the source of data, method of data collection, and tools used to answer each evaluation question. A total of 41 personnel were consulted and interviewed.

### **Key findings:**

#### **Relevance:**

- Relevancy of the Programme was very satisfactory, the extent to which the intervention objectives and design respond to beneficiaries, country, and implementing partner's needs, policies, and priorities, and continue to do so was appropriate;
- The Programme problem analysis and intervention logic model (as stated in the ToC) were coherent; results statements are very descriptive, to the point and focused. This helps to develop indicators for better understanding and measurement;
- The relevance and effectiveness of the Programme design was appropriate, as it has carefully taken into consideration realities in the local context, the implementation design was tailored to the local conditions, and respective of the local partners abilities;
- The Programme's required finances and resources were clearly identified and quantified from the onset. It would have been much better if the Programme participants' labour contributions have not fully been recorded or quantified, this helps to claim impact, create community ownership and commitment;
- The Programme strategic directions and its elements are relevant, as the Programme's beneficiary selection strategy was excellent and effective, implementing partners and beneficiaries' participation process in the Programme implementation process was effective;
- The Programme design incorporated many aspects of the challenges identified by beneficiaries and best practices extracted from previous Programmes implemented by the Programme's partners; because, prior to implementation, a capacity gap assessment analysis study was carried out, the programme has in-house consistent monitoring and review mechanism; and
- The Programme is relevant to the country's national development policies and plans, as financial inclusion and food and nutrition securities are key priority for the Ethiopian government, which is shown in the timely approval of the Programme by Ethiopian implementing authorities;

## Effectiveness

- The Programme was successful in generating momentum towards the Programme objective, as most of the planned activities have been successfully realized or even exceeded, farmers have gained better yield per hectare, gained better income and managed to diversify their crop types;
- The extent to which the intervention achieved intended results including cross cutting issues was satisfactory;
- Family farmers adopted organic farming and as a result agricultural production and crop diversification have been improved and family farmer's income increased;
- Demand for organic farming has been created and local government offices have shown strong interest to replicate the success elsewhere;
- Family farmers, cooperatives and unions have strengthened their storage, processing and marketing capacities, this has increased the volume of grains that is stored (rather than sold) during low price period. But it is evident that, to replicate this success more storage facilities are still required and could bring about further impact in the Programme area;
- The Programme developed and implemented agriculture finance strategies and instruments and enhanced suitable financial services to farmers as a way to increase agricultural productivity and income, and facilitating the integration of input suppliers and farmers and achieved economies of scale and stronger presence in markets;
- The Programme support, through the RSF model and NGOs support, had strengthened the seed supply system as well as access to new varieties of seeds at the right time and at an acceptable price; this significantly improved agriculture production, and households resilience to climate shocks;
- The Programme has directly increased the capacity of unions and cooperatives who are now playing an active role in the fields of input, outputs and marketing, but there is still room for improvements here, by further improving the marketing capacity of the union, the cooperative and members;
- Family farmers and rural micro entrepreneurs have access to adequate and sustainable financial services to purchase improved seeds, even invest in solar energy, and help them cope with shocks;
- The RSF proximity to clients village has allowed them to access their services easily, but the limited loan size and high interest rates are a critical concern;
- The Programme created better market opportunities for family farmers to sell their products at better prices;
- The RSF has improved culture of saving in the area, family farmers who had limited opportunity for saving and credit has now able to join MFIs and cooperatives and increased their saving and credit;
- The RSF model works well, create credit access to remote rural communities, promotes the well-being of the underprivileged rural communities. In fact, as MFI confirmed, without the initial financial support from the SoS Faim, the sustainability of the scheme is uncertain as this -will not give higher return on investment. But this evaluation confirmed that, MFIs mobilize more saving through RSF scheme which they lend to other customers to make higher profit,
- Although the RSFs have created huge credit demand, they have only satisfied a small proportion of the demand from the rural communities, thus supporting the MFIs with "Loan fund" at the start of an intervention will support them to access more beneficiaries.
- Oromia Credit & Saving S.C. (OCSSCO) who is serving millions of rural community is now becoming a bank, leaving its clients and others without MFI services. This show that there are many more opportunities to RSF to serve millions of rural communities that are abandoned by OCSSCO and underserved. Because , when a financial institution is promoted to bank level, its conditions to access the service are also more stringent and becoming formal, as a result more rural family farmers are excuded from their services
- Cooperatives' capacity in financial system, filing, documentation and storage management has improved; they provided better service to their members. As a result more farmers including women and youths have joined;

- The Programme support has enhanced the cooperatives' capacity to purchase products, but they still have financial limitation, stopping/hindering them to purchase more from their members;
- The Programme's support has strengthened the cooperatives' governance, loan capacity, and financial management. As a result, they begun to act proactively, giving members essential support, including credit and business management technical assistance;
- Implementing partners have been able to provide needs-based, timely and high-quality services for targeted farmers as a result of the Programme capacity building support, which in turn has enhanced the Programme's quality and accountability;
- Implementation partners (SFPI and BG) adopted new approaches and methodology for agriculture credit financing, opened more branches, reached out to more clients, increased office facilities and improved services so that quality credit service can be provided to clients;
- Although the Programme has been successful in increasing RSF capacity to provide better service delivery, the RSFs still are working manually rather than taking advantage of ICT facilities, through in 2021, SOS Faim supported WASASA to buy many tablets to bring ICT at RSF level
- Coordination and networking among the SoS Faim partners have been strengthened but needs more work; need to develop formal partnership agreement between partners, develop partnership engagement strategy etc;

#### **Efficiency**

- The extent to which the intervention delivers, results in an economic and timely way was relatively efficient;
- The Programme was efficient, as it benefited from implementing partners previous experiences, leverage additional funds, technical support complemented the financial support provided and improved beneficiaries' technical capacity to develop and implement the activities efficient;
- The Programme results were implemented according to the required standards, agreement and operation plan and it has a well-functioning monitoring and evaluation system and clear reporting lines and sharing systems;
- Existing monitoring and evaluation systems tend to monitor the results and activities that implementing partners are carrying out and it would be advantageous as such similar activities seek to capture high level impacts such as changes in agriculture productivity and test assumptions validity;

#### **Impact**

- RSF directly affect farming family household income by encouraging productivity through products diversification, adoption and use of organic farming and make use of comparative advantages in the market;
- The Programme helped farmers invest in improved agriculture technology, such as high yielding seeds and organic farming that have increased their income;

#### **Sustainability**

- The extent to which the net benefits of the intervention continue, or are likely to continue is very satisfactory. The results achieved here will carry on beyond the life of the Programme and SoS Faim's contribution because:
  - The Programme's capacity building components was excellent, means the acquired capacity will remain within the Programme area and continue to bring about relevant changes;
  - The RSF model and organic agriculture approach employed by the Programme are relevant, relatively easy to adopt, cost-effective and scalable, offer set of sustainability building blocks, particularly for remote rural farmers;
  - the Programme implementing partners are now able to leverage additional external financial sources, this is supporting the sustainability of the overall programme;

- The Programme activities promoted were in line with beneficiaries and implementing partners' knowledge capacity and fit well with the existing needs; and
- The Programme facilitated connections between cooperatives, retailers and wholesalers in Addis Ababa, which will definitely continue after the Programme ends its implementation.

#### **Programme cross-cutting dimensions**

- The Programme strategic objectives and implementation process did take into account exiting gender-related barriers that women are facing. However, for future similar Programme, it would have been useful if a long term Gender Mainstream Strategy is developed which is looking at wider community social norms that disempower women; and
- During planning and implementation, the Programme intensively considered the environment in its activities, the use of organic farming is a direct result of this consideration

#### **Lesson Learnt**

- The RSF business model is working well; but need an integrated approach and support from donors. Thus, the RSF is better used as an instrument along with other development interventions (seed provision) rather than a poverty reduction strategy in isolation.;
- Working with the community help to bring additional products like solar energy which could not be easily identified by the conventional MFI approaches;
- The MFI's RSF loan management committee is the key learning of the Programme, help to identify the most needy beneficiaries, improved loan repayment rate, and reaching the underserved resources poor farmers;
- There are clear differences between conventional MFIs and the RSF approach, the advantage and the disadvantage depend on the eyes of the beneficiaries, but there is trade-off between conventional MFIs and the RSF;
- Many RSF clients are not interested to take loan from RuSACCOs or conventional MFIs as they would prefer to obtain loans from RSF that have supported them to access with agriculture inputs
- RSF in addition to creating access to credit, have successfully built social cohesion and capital and are a safe and fertile environment for training, social and cultural norms discussion platforms;
- Gender mainstreaming capacity building has resulted in a positive shift in the Programme area. However, gender inequality is a long held cultural practise in many communities which requires separate strategy and plans for household and community gender transformation that similar future intervention must take into account at inception stage;
- The Programme team has been effective in organising and holding regular meetings where beneficiaries' needs are discussed. The meetings allowed the team to review and evaluate new community's needs and agree appropriate responses during implementation;
- Cooperative financing has been difficult for MFIs, this is because, the cooperative office at district level are not convinced to appreciate and work with MFI RSF model that facilitates and link RSF clients with input suppliers; the Cooperative office encouraged farmers to join RuSACCOs and get access to inputs and credit, this is in fact a policy and directives promoted by the government;
- The Programme support to cooperatives/unions were vital, the cooperative business model, the interest of members, interest treatment and regulatory framework is quite different form the MFI, for example, as respondents confirmed, cooperative financing has social gains and commercial success, the welfare may be in the form of no penalty in case of genuine late payment reason, risk sharing, profit sharing, settlement in the form of kinds and link members to input output markets, all these are highly appreciated by the Programme beneficiaries;
- The Programme need to support and promote organic farming because the Programme has contributed to increasing agricultural production and crop diversification; farmers are earning a significant income. The activity improved soil fertility, soil texture and its water holding capacity have improved. As a result, the Programme has created huge demand on organic farming and the local government office

has showed keen interest in integrating in their agricultural extension Programme. These positive impact will bring more results for future Programming;

- Organic farming can be promoted through, demonstration sites, onsite practical farmers training, experience sharing, model farmer, development agents, cooperatives/union leaders and implementing partners. Besides this, the Programme shall generate evidence based learning and share the results to the public at regional and national level.

### **Conclusions**

The Programme is aligned to the policies and planning of the Ethiopian government, implementing partners and the beneficiaries' needs and priorities. However, it is important to review the Programme's MFI-RSF model and strategy against the country's MFI policy and implementing partner's sustainability strategy. The Programme's result effectiveness was excellent as most of the planned activities have been successfully realized or even exceeded. The level of our assessment on the efficiency of the Programme is the strongest in terms of the extent to which the intervention delivers results in an economic and timely way. The intervention has generated significant positive impact, improving farming families' income, increasing agricultural productivity, diversifying crop production, maximising the utilisation of organic farming as well as exploiting comparative advantage within input and output marketplaces. The extent to which this impact and result will continue beyond the lifespan of the Programme is promising.

The Programme performance with regards to facilitating and creating market linkages for family farmers, the participation of women in the overall implementation process and the intention of ESHET to expand and implement RSF business model were not fully realized.

### **Recommendation:**

- Any future Programmes in this area should seek to design and implement a scaling up strategy when introducing innovative practices such as organic farming which has brought about a huge impact;
- Increase the number of storage facilities to further encourage an increase in the volume of grains that stored during low market price period rather than sold which in turn would improve the Programme's impact;
- Based the available infrastructures, future Programme shall incorporate ICT system into the RSF capacity building package to increase efficiency of delivery;
- It is imperative for similar Programmes to better understand and develop more support around increasing the capacity of the cooperatives in the areas of marketing;
- Develop learning agenda and learning framework which will help similar future actions to efficiently capture each learning achieved along the way
- More linkage, partnership and collaboration between partners still need attention, the Programme shall develop partnership agreement between implementing partners;
- Credit demands have shown that beneficiaries would like to see an increase in the loan size provided by RSF. Future interventions should consider new approaches to support RSF to increase their loan size which is not only help them to improve the profitability but also attract the better-off clients;
- The example of RSFs providing credit for solar power shows that there are other opportunities that MFIs could explore in addition to financing agricultural inputs, such as post-harvest technology;
- Any future programme should actively further improve the participation of women in the overall implementation process and develop a comprehensive long term gender mainstream strategy that seeks to transform restrictive social norms that are disempower women in their wider community;
- The issues of gender in MFIs have been overlooked in this implementation, thus it is imperative that in similar future interventions think through implementing gender training for MFI and RSF staff;
- The nature of the Programme intervention needs active community participation, accordingly, any future intervention should develop community participation procedures, tools and protocols. Furthermore, an independent training on Community Participation models for all implementing partners would be very useful;

- It is highly recommended to diversify RSF products, in addition to agricultural inputs;
- Crop insurance to protect farmers from losses due to extreme weather or other shocks could be a good revenue opportunity for the RSFs that similar Programmes could consider; and
- Future interventions shall review RSF model pertinent to implementing partners need, sustainability and relevant government offices strategy.

## **1. Background**

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This independent evaluation was commissioned by SoS Faim Belgium to evaluate the common Programme of promotion of sustainable family farming and social economy for a fairer world (2017-2021). This evaluation was conducted by Path Development Consulting and Research services<sup>1</sup> (<https://pathdc.com/>) in close collaboration with SoS Faim Belgium and implementing partners in Ethiopia. This evaluation was conducted between 1<sup>st</sup> January and 1<sup>st</sup> March 2022 and was guided by the Terms of Reference (ToR) dated October 2021.

This report will be presented in five separate but interlinked sections. The first part will outline the Programme background and objectives, while the second section discusses the evaluation objectives and evaluation questions. The third section outlines the overall evaluation methodology and the fourth will present the findings based on the OECD's evaluation criteria namely, Relevance, Effectiveness, Efficiency, Sustainability, Impact as well as the Programme cross-cutting dimensions. Furthermore, this section will review the Programme's strengths, weaknesses and learning extracted from the evaluation's findings. The fourth and final section will present this evaluation's conclusions and recommendations with the aim of providing learning.

Annexes included here are evaluation framework (annex 1), evaluation tools (annex 2), list of people consulted for the evaluation purpose (annex 3), the ToR (annex-4) and Most Significant Change (in a separate file).

### **1.1 Programme overview**

#### **a) Programme implementation arrangements**

Promotion of sustainable family farming and social economy for a fairer world, SoS Faim's Programme for Ethiopia began in 2017 and ended in 2021 with a total budget of €1.561.034,74. The Programme was financed by SoS Faim Belgium and implemented in partnership with 6 local organisations: 2 NGOs (ERSHA and OSRA) and 4 microfinance institutions (Buusaa Gonofaa, Eshet, SFPI and Wasasa).

The microfinance institutions (MFIs) took the lead in developing agriculture specific financial products as well as increasing rural credit reach into remote areas through the Rural Service Facilities (RSF)<sup>2</sup>. The NGOs focused on strengthening primary farmers' cooperatives and unions for inputs supply and provided technical assistance to cooperative members for better family farming system<sup>3</sup>. The Programme aimed to support a total of 4,484 families who are farmer's cooperatives' members and 312,636 MFIs clients in the rural areas of the 12 Zones within Oromia Region and 1 Zone in Amhara Region.

Strategic direction and technical assistance for the overall Programme was provided by the Belgium office, while in Ethiopia, implementing partners were supported and the progress was tracked by a Technical Assistant based in the country. On the ground, the Programme was implemented by the above-mentioned organisations in direct partnership with the Ethiopian government agencies in the Programme area. The implementing partners bear the overall legal responsibility for the Programme and abided by all contractual terms and conditions set in the Partnership Agreement they signed with SoS Faim.

In order to track and monitor results and activities, monitoring tools were developed based on the Programme's Theory of Change (ToC) and Logical framework. Programme indicators were identified and targets data were captured into the Programme progress maker.

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<sup>1</sup> An independent accredited private consulting firm specialised in conducting evaluations, baselines and research based in Ethiopia.

<sup>2</sup>RSF intend to facilitate the efficiency and effectiveness of the rural financial service to enhance the agricultural productivity of SHF sustainable food security.

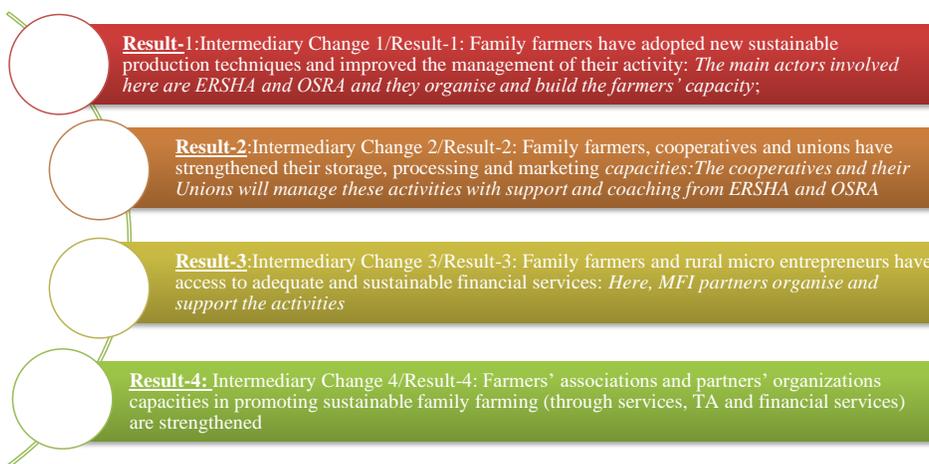
<sup>3</sup> Family farming aimed at improving production and productivity by employing smart agriculture techniques

The implementation of the Programme was directly affected by Birr devaluation, Covid-19 as well as the political and security instability in the country. For instance, the State of Emergencies (in 2017 and in 2021) and insecurity in the Programme implementation areas delayed or otherwise stopped the Programme activities. These had been hindering the Programme team from delivering activities that demanded field movements and community gathering.

**b) Programme objectives**

The Programme desired aspiration is that Ethiopian farming families and micro-entrepreneurs sustainably meet their basic needs (nutrition, education, health) and are resilient. To achieve this objective, the Programme was guided by four intermediary changes, see figure-1 below.

Figure 1: Programme pillars and strategic objectives



Gender and environment are cross-cutting themes across the Programme implementation process. The results are interconnected i.e. the Programme results are achieved through a combination of different interlinked inputs and activities.

**1.2 Objectives of the Evaluation**

The overall aim of this evaluation is to assess all the Programme's results, establish if they have been achieved using the basis of DAC criteria: relevance, impact, effectiveness, efficiency, sustainability as well as the cross-cutting dimensions of gender and environment. Specifically:

- For each of the results, assess the achievement of the result in terms of quality and quantity; and qualify the relevance, impact, effectiveness, efficiency and sustainability of any changes observed in the field.
- For the Programme as a whole, appreciate the consideration of the transversal gender dimension; and appreciate the consideration of the cross-cutting environmental dimension
- For specific aspects of the Programme, responding to the specific evaluation questions proposed in the ToR.

### 1.3 Scope of the Evaluation

This evaluation assessed the Programme implementation, performance and results achieved from 2017 to 2021. The results were reviewed against the Programme’s Theory of Change, their effectiveness and impacts and were then compared to the original Programme plan and target. The available evidence on the quality, effectiveness, efficiency and impact of the Programme’s activities and all relevant issues that emerged during the evaluation process have been reviewed, discussed and summarised.

### 1.4 Evaluation questions

The Programme evaluation questions articulated and identified in this evaluation are:

Table 1: Evaluation questions

|   |
|---|
| <ol style="list-style-type: none"><li>1) Are the results of the programme, analysed under the filter of the DAC criteria, in line with expectations?</li><li>2) Has the programme satisfactorily integrated the cross-cutting dimensions of gender and environment?</li><li>3) What are the main strengths and weaknesses of the programme?</li><li>4) What are the main lessons learnt or drawn by the evaluator from observing the results of the programme?</li><li>5) What are the evaluator's conclusions and recommendations in view of the 2022-2026 Programme, which will focus on the promotion of sustainable food systems?</li></ol> <p>To this list are added the following specific questions:</p> <ol style="list-style-type: none"><li>6) To what extent are the alternative production techniques promoted during the programme with the 2 NGOs (mainly vermicomposting and organic fertilizers) adapted to the needs and sustainability of the farmers and farming system?</li><li>7) Is the “Rural Services Facilities” methodology promoted by the MFIs to provide financial services to rural population, more resilient to external shocks (conflicts, economic, pandemic...) than conventional financial channels? And what are their added values for the target communities as well as the promoter MFIs in comparison to the MFIs conventional financial service provision channels?</li></ol> |
|---|

## 2. Evaluation methodology

This evaluation was guided by the OECD evaluation criteria and SoS Faim cross cutting themes and adopted a consultative and transparent approach in close collaboration with the SoS Faim and Programme’s partners in Ethiopia. The process and methods were shaped by the Evaluation Matrix developed specifically for this evaluation purpose, which outlined the judgment criteria, main evaluation questions and sub-questions as well as proposed data collection methodologies and data sources. The evaluation matrix can be found in annex 1.

With regards to data collection and analysis methods, this evaluation predominantly used qualitative methods and to a lesser extent a quantitative approach was implemented. The qualitative approach included Key Informant interviews (KII) as well as Focus Group Discussions (FGD) which allowed for an in-depth understanding and illustrations of key issues while the quantitative approach (mostly applied data from the Programme M&E system) helped to identify the Programme overall result effectiveness.

As part of the study, KIIs were conducted with BUUSAA GONOFAA, ERSHA, ESHET, OSRA, SFPI, WASASA staff, management, board members, Cooperatives/unions, and interviews with external stakeholders (agricultural office, cooperative office). While the FGDs were undertaken with Programme’s participant farmers, MFIs’ clients, cooperative members and supported groups in each selected site with women and men were participated in the Programme. The groups were selected based on the Programme’s

intervention area and representing all Programme beneficiary groups. List of consulted individuals can be found in annex 3. Overall, 20 FGDs and 21 KIIs with representatives of implementing partners and Programme beneficiaries were conducted. Data collection instruments and tools were designed and applied on the basis of the evaluation questions, judgment criteria and consulting objectives and these can be found in annex 2.

Additionally, observation visits were undertaken to the Programme sites of Bekeji Buusaa Gonofaa RSF, Godino RSF of Wasasa and ERSHA Ambo cooperatives in the Oromia region.

Furthermore, relevant technical and financial documents provided by the SoS Faim and implementing partners were reviewed and analysed including technical and financial documents presented to the donor, as well as progress markers monitoring reports.

All qualitative data were analysed using “context and content analysis” methods. Thereafter, the content of the information/data were examined based on evidence/existing context using a framework analysis developed for this purpose. The framework that transcribed and organised the qualitative data was developed based on the evaluation leading questions response. As themes and issues were identified, the content was analysed in terms of the issues stated in the evaluation objectives. During analysis cross-cutting dimensions such as gender and environmental issues were considered and assessed. The quantitative data was analysed after aggregating the data from the Programme progress maker.

Reliability of all the above methods was ensured through the use of standardised instruments, compliance with standard practices in evaluation and data triangulation. Triangulation offered through the convergence of multiple data sources (FGD, KII, desk review).

### **3. Key findings**

#### **Evaluation question 1: What are the results of the Programme, analysed under the filter of the DAC criteria, in line with expectations?**

##### **3.1 Relevance**

As stated in the ToR, relevance<sup>4</sup> was assessed using the widest scope possible, Programme beneficiaries; experts within the implementing partners, and relevant district offices offered their views on this matter. Programme documentation, field observations and desk review complemented the findings for this section.

##### **Relevance of Programme design and strategy**

**Programme design:** it is the consultant’s view that the Programme design was appropriate, because:

- The Programme problem analysis and intervention logic model (as stated in the ToC) were coherent; the four results were logically interlinked and contributed to the Programme’s aspirations/objectives. Analysis of the Programme’s Logical Framework demonstrates that, the Programme has indicators and target values for each result. This allowed the Programme to design an efficient monitoring and evaluation system for measuring results and take informed actions;
- The Programme’s results statements are very descriptive, short and focused. This helps to develop indicators for better understanding and measurement;
- The Programme planning approach was participatory, consultative and involved the Programme beneficiaries. As a result, the Programme result statement and corresponding activities did not require many changes during the execution phase. For example a capacity gap assessment was conducted which identified the major cooperatives challenges such as leadership skill, financial management and limited numbers of women membership.

<sup>4</sup> The extent to which the intervention objectives and design respond to beneficiaries , global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.

- The Programme implementation design was tailored to the local conditions and the respective abilities of the local partners; as it has carefully taken into consideration the realities in the local context. For example, RSF model is perfectly fit into the local community implementation skills and capacity (it is not high tech), organic compost preparation requires little technical skill and it is not required much cost. Here, for example, farmers in Ambo, Oromia Region, saying “...we as farmers have been participated in the demonstration of different improved farming practices. The Programme staffs used simple methods and approach that enable us to learn new improved skills and knowledge. For example the compost preparation is very easy... that even be managed by our children, it is not complicated”.
- Programme activities were designed in an integrated package of interventions. This meant that the Programme’s impact paths ways are interlinked and systematic. For example, family farmers access credit and used this credit to purchase improved seeds, and then they are linked to better market outlets through the cooperatives. Moreover, the Programme improved the capacity of implementing partners and local organisations so as to provide quality services to beneficiaries. Therefore, it is justifiable to conclude that the relevance of the Programme design was appropriate,
- The Programme designed assumptions for each results statement helps to make appropriate management decisions, for example result-1, change assumption (hypothesis) stated “*a progressive shift towards environment friendly techniques is essential*”, following this assumption, the Programme benefited the introduction of organic agriculture practices such as vermi-compost and liquid organic fertilizer. This introduction has brought remarkable results.
- The Programme’s resources clearly identified and quantified the required resources and finances from the onset. However, Programme beneficiary’s participants’ labour contributions have not fully been quantified or recorded. For instance, participants have pointed out that they actively participated in the constructions of storage construction, Programme design processes, as well as in monitoring and evaluation activities. These require acknowledgement and recording both in the design and implementation periods; and
- The Programme results were not difficult to realize within the Programme period. In fact, to realize the Programme results, full government commitment, longer implementation period and strong evidence derived from the Programme implementation are required. Discussions with KIIs with cooperative government offices proved that, the offices supported the Programme activities, understand and appreciated the Programme results. For example, the office highly appreciated the introduction of organic farming (vermi-compost), they want to buy-in and sustain the techniques;

**Programme strategy:** the Programme strategic directions and its elements are describing existing work and shows the evidence of need i.e. indicates why the intervention is needed. Besides this, the strategic objectives discussed the evidence of context i.e. an analysis of other service providers and support available to the Programme beneficiaries, or of other internal and external factors that could affect the Programme work. The strategic objectives discussed evidence of the effectiveness of other interventions seeking to bring about Programme intended outcomes. This helps to decide on a particular way of working that’s most likely to bring about the type of changes the Programme want to see. This evaluation proved that, the Programme overall objective (aspiration) statement need minor attention, need to be focused to a certain area and target groups for better understanding and, especially for measurement, for example, *the Ethiopian farming families and micro-entrepreneurs sustainably meet their basic needs (nutrition, education, health) and are resilient*”. Here, measuring and calming attribution for this result could be difficult.

The Programme’s beneficiary selection strategy was excellent and effective. For example during the RSF beneficiaries’ selection local community leaders were involved and make sure that the needy ones who cannot access credit and improved seeds were identified to take part in the Programme. Furthermore, our evaluation has shown that due to a careful beneficiary’s selection, the loan repayment rates remained very high amongst the Programme’s participants. This avoided under coverage or leakage related to targeting, save the Programme resources, improved the Programme results and ensured the Programme values

commitment that states “offer to the farmers the opportunity to easily access financial services (savings, credit, insurance) that are adequate and adapted to their needs, whether they are for their agricultural activity or off farms activities”.

The Programme implementing partners and beneficiaries participation process was effective. The Program's strategy encouraged the full participation of sector government agencies, community member based organisations, microfinance institutions and academic institutions (Ambo University). During discussion with all evaluation participations, it was proved and agreed that, a diverse actors take part in the Programme, specifically, the field day and experience sharing events brings all actors together, and this has brought an excellent learning environment. Besides this, the Programme beneficiaries' participation was active. The Programme beneficiaries were involved in every step of the way, from defining needs to implementing and monitoring activities. Family farmers were the Programmes's major prerequisites for participation; they were actively involved in the Programme implementation process. This was because; the Programme has raised their comprehension and role, which was an important component of the Programme implementation strategy and process. This process has encouraged the family farmers to engage in and partake in a variety of trainings, consultations, agricultural demonstrations, farmers' field days, monitoring, and other activities. A good example here could be the RSF approach; the approach used the participation of the community in loan application screening and loan repayment follow up. Besides this, NGOs' cooperatives development and promotion of organic fertilizers have done more in organizing farmer's field days, demonstrations, regular consultations, etc. Given this fact, the participation of women in the overall implementation process is still limited and needs attention. For example, women's engagement in the RSF committee is limited, which needs development of a strategy to assure women's equal representation and participation.

#### **Relevancy to Programme beneficiaries**

The Programme design incorporated many aspects of challenges identified by Programme beneficiaries and best practices extracted from previous Programmes implemented by the Programme's partners. In this regard, we have extracted the below evidences:

- Prior to implementation, a capacity gap assessment analysis study was carried out. This study laid the foundation for the Programme's interventions approach making sure that it is aligned with beneficiaries' needs and priorities. For instance, this study was able to identify the required support for cooperatives in financial management, leadership, filing, and recording keeping challenges. Parallel to this study, an inclusive beneficiary's consultations and meetings were conducted. This approach to Programme delivery again validated and aligned the Programme's activities to fit into Program beneficiaries' priorities and needs. For example, the Ambo unions received matching fund to purchase tractors after consultation with the Programme team;
- The additional strength identified through this evaluation is the establishment of the Programme's in-house consistent monitoring and consultation. These monitoring and consultation spaces ensured that the Programme can respond to challenges and opportunities as they become evident, for example the vermi-compost technology promoted by the Programme was came in after consultation and discussion with all actors. Farmers are enthusiastic about the practices, saying “...we never imagined we'd be able to replace organic fertilizers.... But now this is realized with the vermin-compost, which is both simple and inexpensive. This year, I used organic fertilizer to all my crop fields, which is significantly reduced the input costs...”; and
- The Programme team has been effective in organising and holding regular meetings where beneficiaries' needs are discussed. The meetings allowed the team to review and evaluate new community's needs and agree appropriate responses during implementation.

#### **Programme relevance to government policy**

There is strong evidence to suggest that the Programme is relevant to the country's national development policies and plans. Government is committed to support MFIs and thereby promote financial inclusion.

Financial inclusion and microfinance in particular, has been a policy priority. Thus, Ethiopia laid down a legal framework for microfinance institutions (MFIs) by proclamation No. 40/96. The issuance of this proclamation is seen as an important breakthrough followed by a number of regulatory directives and policies that help to protect and ensure the prudential safety of Microfinance institutions. Similar to Banks, MFIs service provision also involve public property in the form of savings and credit that requires supervision and regulation of the activities of MFIs by the state with a view to ensuring sustainability and protection of depositors interest. Following the enactment of this proclamation, several micro credit programs that were previously operated by non-governmental organizations or various central and regional government departments were transformed into licensed microfinance institutions subject to regulation and supervision. Consistent to this, the Programme approach and strategy to support MFI for inclusion of rural family farmers to access credit is relevant to government policy.

During the Programme period, Ethiopia has been implementing the GTP-II, Ten-Year Development Plan and Home-grown Economic Reform Agenda (HERA). Furthermore, improving the national food security, promoting women empowerment and building climate resilient green economy were and are the major national strategic priority pillars and policies. Corresponding with this, the Programme objectives were developed to align and directly contribute towards the achievement of the GTP-II priorities and Home-grown Economic Reform Agenda, through improving the enabling environment for food security for family farmers and improving resilience to climate risks.

In fact, the Programme development process alone shows the relevance of the Programme's objectives to the overall national strategic direction. This can further be confirmed by the fact that a Programme Implementation Agreement was approved and signed through a consensus with government agencies such as with Oromia Regional and Amhara regional states. Another example is the fact that the Programme's interventions have been aligned closely with the National Action Plan on Gender Equality, sustainable development pathways and effective leadership development plan, thus strongly demonstrating that the Programme is based on a clear understanding of the Ethiopian dynamics, needs and priorities. Furthermore, the Programme takes into account policy frameworks and international development strategies with regards to inequality, poverty, exclusion of women and their families, by addressing the needs of most marginalised remote rural farming families from credit access, improving their access to seeds as well as market linkage.

Observation and consultation with district offices and partners have also confirmed that the Programme's strategies do not contradict with the services that are offered by the government sector offices and beneficiaries' socio-cultural context. Rather the Programme's interventions are actually complementary to existing government and community efforts. An example of this would be RSF that are managed by the local community capacity.

Given this fact, to further strengthen the alignment, it would have been also much better if the Programme made more structured and comprehensive assessments and analysed the local contexts and government policy for some interventions, for example district cooperative offices are encouraging farmers to join Rural Savings and Credit Cooperative (RuSACO) than RSF, to worsen the case, MFI-RSF strategy and approach includes more to cooperatives policy than government MFI regulation. However, on the other flip, as discussed with RSF clients, they are more interested to join RSF than RuSACOs. This dictates the Programme to design a comprehensive strategy and approach.

### **3.2 Effectiveness**

As per the ToR, the evaluation team was asked to consider a range of topics in order to assess the effectiveness of the Programme. This section will examine if the Programme has effectively been able to achieve the expected specific objectives, intermediate changes and if these have made progress towards the overall goal as per the Programme's ToC. Additionally, it will also analyse the two specific evaluation questions:

1. To what extent the alternative production techniques promoted during the Programme with the 2 NGOs (mainly vermicomposting and organic fertilizers) adapted to the needs and sustainability of the farmers and farming system? And
2. is the “Rural Services Facilities” methodology promoted by the MFIs to provide financial services to rural population, more resilient to external shocks (conflicts, economic, pandemic...) than conventional financial channels? And what are their added values for the target communities as well as the promoter MFIs in comparison to the MFIs conventional financial service provision channels?

**Achievement on the Programme Strategic target/specific objective:** Increase food and nutritional security by promoting equitable and sustainable climate smart agriculture and rural development/ Strengthened the economic, environmental and social performance of small producers in Oromia and South Amhara regions

This evaluation proved that, the Programme was successful in generating momentum towards the Programme objective, i.e. has improved food and nutritional security including the economic, environmental and social performance of small producers, as this evaluation generated the below key evidences:

- As we proved, most of the planned activities have been successfully realized or even exceeded; implies the Programme has brought the intended results;
- Another positive aspect is the multiplication effect of the Programme results, for example many farmers shared the use and application of organic farming techniques, this ensured that the Programme is accepted by the Programme beneficiaries and brought positive changes, contributed to increased food and nutritional security
- Family farmers adopted organic farming, access credit from RSF and received technical support, as a result, farmers have gained better yield per hectare, gained better income and managed to diversify their crop types. Thereby, Programme beneficiaries food and nutrition security have improved;
- The Programme has improved the capacity of family farmers, cooperatives and unions, thereafter, family farmers have better integrated and implemented improved agronomic activities and marketing system. For instance, the Programme support has improved storage capacities of the cooperatives/union, this has improved the farmers marketing capacity and access to timely supply of seed with an acceptable price;
- Remote rural family farmers accessed credit for agriculture activities. As we proved, many farmers purchased improved seeds and cope with shocks, created better opportunities and market environment for family farmers to sell their products at a better prices. This has brought significant increase on the household income; and
- The Programme has also improved farmers’ associations and partners’ organisations capacities. Here, for example, cooperatives and union’s provided better technical services to their members and implementing partners provided better Agri-financing, organic farming and related activities.

a) **Achievements on planned Result-1**

Table 2: Programme result-1 target points and effect generated

| <b>Result-1: Family farmers have adopted new sustainable production techniques and improved the management of their activity</b> |                                 |                                 |  |
|--|---------------------------------|---------------------------------|--|
| Indicators   | Target                          | Real value (as of Dec 2020)     | Effect/impact generated  |
| Indicator-1: Number of farmers who adopted new production techniques   | 2240 (1.652 male<br>588 female) | 1 219<br>933 male<br>286 female | - Smallholder adopted new production techniques/ Organic agriculture techniques (vermicompost and liquid organic fertiliser) introduced and adopted;<br>- Family farmer's income increased;<br>- Huge demand on the use of organic agriculture farming and inputs created;<br>- Agriculture production and crop diversification increased,<br>- Safe environment agriculture techniques adopted, the techniques improved soil structure, texture, water holding capacity and prevent soil erosion; |
| Indicator-2: Number of productive collective initiatives promoted (nurseries, prod equipment...)                                 | 3                               | 5                               |  |

a mis en forme : Anglais (États-Unis)

**Family farmers adopted new production techniques:**

This evaluation can affirm that the degree of outcomes achieved is outstanding, based on data acquired by the Programm's monitoring, progress maker reports, and verification sources, which were compared to information gathered via interviews with beneficiaries, as well as field observations. Alternative production procedures were used by many members of the 1219 family (vermicomposting and organic liquid fertilizers). As a result, family farmers upgraded their production practices, adopted organic farming techniques, and considered the influence of their productive activities on the environment. Because, via demonstrations, experience sharing, and audio-visual resources, the Program was able to provide farmers with excellent practical training in organic farming. Aside from that, model farmers, development agents, cooperative/union leaders, and implementing partners professionals backed up the ideas and made organic materials easier to get by. As a result, this Program activity has yielded significant improvements in agriculture productivity, crop variety, family farmer income, and the creation of a sustainable environment. The evaluator noticed the following important evidences in this regard.

- The Programme has contributed to increasing agricultural production and crop diversification; farmers who used vermi-compost are now able to produce a variety of crops and vegetables such as potato, maize, wheat, barley and bean and gained higher yield and quality organic products. For instance, in Ambo area, before the introduction of vermicomposting farmers used to produce 22qtl/ha of wheat and 26 qtl/ha of barely but after the adoption of vermi-compost, they managed to produce 26.5 qtl/ha wheat and 32 qtl/ha of barely. Besides this remarkable result, farmers managed to produce different types of vegetables and fruit crops using vermi-compost. In fact, before the introduction of vermi-compost, farmers predominantly used to produce cereals (wheat, beans or barley). This crop diversification assisted family farmer as an alternative strategy to increase food and nutrition security and to make them resilience against environmental shocks and climate change. This is a remarkable achievement

towards contributing for the SoS Faim Programme aspiration;

- Results of this evaluation revealed that respondent farmers are earning a more income from organic farming techniques. This is mainly associated with a lower cost of production, respondent farmers are enjoying a better income security than the conventional (chemical based) farming because they managed to cut fertilizer cost. For example, in west Shewa Zone, one of the farmers who planted improved maize variety with vermicomposting has earned 12,750ETB from the sales of green maize produced on 156 m<sup>2</sup> land. The findings of this evaluation also proved that; many farmers still need better market outlets, particularly farmers who produce vegetable crops. Thus, it can be concluded that through adopting organic farming, family farmers improved agricultural production in their small lands in a sustainable manner and if they have access to market with premium prices they may efficiently increase their income and that might be the key to farming families to meet their basic needs for food, nutrition, education and health;
- Family farmers agreed that vermi-compost and liquid fertilizer have improved soil fertility, soil texture and its water holding capacity. As a result, many farmers adopted organic farming techniques. Our observation proved that, the technique is gaining recognition and believed that organic farming has high-profit returns. Farmers said the prolonged application of inorganic farm inputs has degraded the environment and diminished soil fertility. But now, organic agriculture farming technique is widely adopted and used by many farmers;
- As a result of organic farming introduction, huge demand on organic farming inputs is created. In fact, in this regard, model farmers who used organic farming significantly promoted the farming techniques, the model farmers host demonstrations, train other farmers and effectively disseminating the information and techniques. The Programme approach using model farmer was effective. Besides this, the Programme has intensified the knowledge, access to correct information and organic farm inputs. This slowly transformed the existing conventional farming to organic farming practices. Again, this has created huge demand on the use of organic agriculture farming and inputs. For example, farmers interviewed in Ambo, Oromia Region, said “...many farmers have the capacity to prepare vermi-compost, began to practice improved soil management and agronomic practices .....now many farmers understand the importance of vermi-compost...there is huge demand, definitely some farmers will engage in selling vermi-compost business but they need more support to produce in bulk amount”. Our observation proved that, the organic input supply (vermi-compost warm and materials) as compared to the huge created demand is limited. In this case, the Programme need to take attention and shall design a strategy for this input supply. Probably, here the Programme can assist model farmers to engage in vermi-compost warm production business;
- The local government office has also showed strong interest to promote the practices of organic fertilizers particularly integrating vermin compost in their agricultural extension plan. The discussion made with government agriculture office shows that vermi-compost is the best practices that address the felt need of the farmers, saying “...in our area, vermin compost is a new concept and practice that needs to be ramped up. We have observed that many farmers are more interested in vermin-compost because it is relatively simple and has helped them to replace chemical fertilizers, which is very expensive... in fact farmers used to complain the price to our office...now vermi-compost is the best alternative solution for or extension system, thanks to SoS Faim ”.

**b) Achievements on planned result-2**

Table 3: Programme result-2 target points and effect generated

| Result-2: Family farmers, cooperatives and unions have strengthened their storage, processing and marketing capacities |                                |                                 |   |
|--|--------------------------------|---------------------------------|---|
| Indicators   | Target                         | Real value,<br>(as of Dec 2020) | Effect/impact generated   |
| Indicator-1: Number of farmers who improved their marketing initiatives  | 4,484<br>(M=2,750,<br>F=1,734) | 8,933<br>(M=6,754<br>F=2,179)   | - Farmers isolated from market are linked with markets and value chains improved;<br>- Family farmers integrated into better value chains, gained better market price and generating higher family incomes. |
| Indicator-2: Number of farmers who improved their marketing skills   | 491<br>(M=309,<br>F=182)       | 326<br>(M=247,<br>F=79)         | -   |

**Family farmers, cooperatives and unions have strengthened their storage, processing and marketing capacities:**

This evaluation affirmed that the degree of the results achieved here is very satisfactory. The Programme support has improved the storage capacities of the cooperatives and union as well as the capacity of store management and quality control including the development of business plans and linkages to markets. On average 8,933 family farmers (M=6,754 and F=2,179) have benefited from market linkages. This support has brought remarkable achievement in improving farmer's integration into the value chains and helping the families to gain better prices. In this regard, the consultant derived the below evidences:

- Cooperative leaders and members confirmed that, efforts to increase the volume of grains stored at harvest is significantly increased. This reduced the harvest glut and support prices during harvesting time. This would also help make more grain available in the off-season and dampen the peak in off-season prices. As they said, the grain storage helped the cooperatives to play a more active role in storing and marketing. The storage facilities helps farmers to a better market outlet and price. As farmers said "...we don't sell our crops to local markets; instead, we sell to our cooperatives who collect many quintals and safely store them ... in most cases ... they don't have the money to effect payment to members ... but ... if they don't buy all of our products, we can store them in our warehouses and no rush to sell without adequate market information and opportunity... this for us is a plus";
- Having said the above, it is evident that more storage facilities are still required and could bring more impact in the Programme area. For example, farmers targeted by Buusaa Gonofaa want to purchase more seeds but due to lack of storage facilities they are not able to do so. In fact, more attention is needed to ensure efficient and sustained use of the storage facilities. Here, the evaluators observed that, the cooperatives are spending costs related to storage facilities such as guards; maintenance etc. and this might deplete their financial resources. As a result the storage facility might stop providing the required services in the long run. This calls the Programme or cooperatives to do cost benefit analysis. Grain storage must be profitable, meaning that the rise in grain prices must be large enough to cover the full costs of storage. If grain storage is not profitable, a cooperative will either deplete their own financial resources or they will not be able to cover the storage operational cost;
- The Programme support to storage facility has also strengthened the seed supply system as well as access to new varieties of seeds at the right time and at an acceptable price. For example, in 2021, ERSHA was able to provide a total of 404 quintal of wheat, barley and bean seed distributed to 506 farmers. Besides this, cross-sharing of improved seed among the beneficiary farmers has significantly improved the seed volume. This is a remarkable achievement. The Programme seed supply system improved the capacity of farmers to produce good quality and quantity of products. This has attracted

wholesalers to buy from farmers with better price. In fact, this again created better market linkage with wholesalers;

- This Programme has directly increased the capacity of unions and cooperatives who are now playing an active role in the fields of input and outputs marketing. For example, ERSHA has supported the construction of 4 stores to Welkite, D/Gelan, Bedasa and Tulu primary cooperatives with 600,000ETB (the community contributed 131,092ETB). Similarly, in this Programme area ERSHA supported Union with matching fund of 400,000ETB to purchase a tractor (the total cost of the tractor was 2.95 million ETB). Moreover, the cooperative received technical and managerial capacity training on setting prices, maintaining the stocks and deciding on the timing of sales. The cooperatives are also, linked to different market outlet through cooperatives, unions and implementing partners. For example, implementing partners facilitated linkages with input suppliers such as the Ethiopian Seed Enterprise and with business entities engaged in grain purchase such as Heineken. All the support obtained from the Programme, has thus facilitated and improved the remote family farmers' integration into better market outlets, access better market prices which was an evident challenge to the commercialisation of their agricultural produce. The Programme has been able to improve the cooperative's 326 leaders and members' (M=247 and F=79) capacity to make informed decisions, as they now analyse and set prices, maintain stocks, and decide on the most appropriate time to sale;
- Nonetheless, it is evident there is still room for improvements here, by further improving the marketing capacity of the union, the cooperative and the members. As these families enter market-oriented production where family farmers will need to specialise in the production of those goods for which it holds comparative advantage, the transition from subsistence, or from a lower to a higher level of market participation, is influenced by their ability to produce products that meet the market's expectations in terms of quality, standards, and ability to deliver products on time for sell at a viable price. Thus, strong unions who provide adequate credit to cooperatives to purchase, store and supply ample quantity to the market is crucial. In this regard, this evaluation identified that the union's financial capacity is limited to provide sufficient credit to the cooperatives. As the cooperatives are not purchasing all the necessary products, store and sell to loyal customers, the farmers are forced to use alternative market outlets to sell their agricultural produce. These outlets offer different prices and services and in order to maximise the benefits that they may earn, farmers have to make appropriate decisions as to where they should trade their product. To this end, the Programme should look to improve the financial capacity of the unions so that they further benefit from the trade they are currently missing out on leading to further benefits for their members.

**c) Achievements on planned Result-3**

Table 4: Programme resul-3 target points and effect generated

| Result-3: Family farmers and rural micro entrepreneurs have access to adequate and sustainable financial services         |                                      |                                    |   |
|---|--------------------------------------|------------------------------------|---|
| Indicators  | Target                               | Real value, (as of Dec 2020)       | Effect/impact generated   |
| Indicators-1: Number of members of new Rural Savings and Credit Facilities (RSCF) who can access their financial services | 20,036<br>(M12,822,<br>F=7,214)      | 16,659<br>(M=13,205,<br>F=3,454)   | - 44 RSF supported, this offered the farmers the opportunity to easily access financial services adapted to their needs, whether they are for their agricultural activity or off farms activities.<br>- Culture of saving by family farmers started |
| Indicators-2: Total number of rural active  | 313,119<br>(M=137,928,<br>F=175,191) | 131,625<br>(M=65,485,<br>F=66,140) |   |

|   |   |  |   |
|---|---|--|---|
| borrowers from the MFIs   |   |  | - Linkage between credit and agricultural inputs (improved seed) created, |
| Indicators-3:<br>Outstanding rural loan portfolio (€) of the MFIs | 81,490,035<br>(M=35,418,355,<br>F=46,071,680) | 18,814,519 <sup>5</sup><br>(M=9,455,094,<br>F=9,359,425) |   |

**Family farmers and rural micro entrepreneurs have access to adequate and sustainable financial services:**

Our evidence suggests that the degree of results achieved in this regard was excellent. A remarkable achievement of the Programme was the establishment of the RSFs in amongst remote previously neglected rural communities. Microfinance institutions established 44 RSFs near their respective villages and provided financial products adapted to agriculture and considered appropriate repayment schedule. These facilities provided loans to 16,659 (M=13,205 and F=3,454) clients alongside financial education and business plan development support. The Programme supported to RSF, train local committee members, implementing partners staff, development of new ICT solutions, hire Agri-loans specialists, all These have improved the financial capacity of the MFIs to extend their reach for agriculture financing and bringing about tangible results. During this evaluation period, the below added value were identified:

- Remote rural family farmers accessed credit for agriculture activities such as to purchase improved seeds, invest in solar energy and cope with shocks. The RSF credit has had a positive and highly significant effect on agriculture productivity. This relationship could be attributed to the timely availability and application of the required inputs (improved seeds) purchased through loans from the RSFs. Farmers highly appreciated the RSF scheme because of its flexibility of guarantee, geographical proximity, consideration of the farming calendar for the repayment plans, flexibility in the requirements of identity documents required, granting credit for individuals, exemption from processing and other fees and their ability to timely process credit applications. Those consulted clients report: "*... our micro finance BG bridges the gap for us because we can get a loan whenever we need it. We are quite pleased with the services as their approach is friendly; they listen to us, strive to understand us and answer any questions that we have about saving and borrowing*"
- Moreover, many clients have reported that the RSF proximity to their village has allowed them to access their services easily. Prior to the Programme, many were forced to travel long distances and thus adding extra time and further costs to access microfinance institutions. Given this fact, this evaluation further analysed that, how near are the RSF to the client's door, or, on the other way how far the RSF are near to the main town where many conventional MF branches are located. For example, SFPI data shows that, distances of the five facilities are 7km to 11.5km except Guay which is 22 km from branch office. The distance between the facilities range from 4-30 km, the largest distance is from Guay RSF to Dejba RSF, which is about 30km, except Dejba RSF all RSF are on the same direction, those facilities on the same way distance variation range from 4-10 km. So, how far is far? This could be an argument between the implementing partners and SoS Faim;
- Given the remarkable achievement made by the RSF, the limited loan size is a critical concern for the programme's participants. Most farmers believe that the loan ceilings, which is minimum 7,000ETB and maximum 15,000ETB in case of WASASA and maximum ETB 10,000 for cash loan and maximum ETB 25,000 for farm input in kind loan in Busaa Gonofaa, are too low compared to the farmers' land size and the demand for agricultural inputs, this statement is confirmed by a current RSF member "*The only limitation is the loan size that we can get is not adequate for agricultural financing considering our land size...*"
- Although the RSF professionals have been providing advise on loan regulations, management, payback

<sup>5</sup> This includes effect of depreciation of ETB vs EURO

procedures and business development support; it is evident that all participating farmers would benefit from a fuller agricultural sector business management insights and training as it is currently very limited. This would allow farmers to engage in an additional farm business;

- The Programme created better opportunities and market environment for family farmers to sell their products at better prices. The cash and in-kind input loan provisions have helped farmers not to rush to sell their crops at cheap prices to repay loans. The Programme loan repayment mechanism gave them farmers grace period prior to requiring repayment which has been a huge benefit for those participating in this Programme: *"... we do not rush to sell our products because we have adequate time after harvesting to pay back our loan...we sell our product when the market price has increased or to a wholesaler who can give us better prices, this is a good market linkage"*
- The RSF has improved culture of saving in the area, family farmers who had limited opportunity for saving and credit has now able to join the MFIs and cooperatives and increased their saving and receives credit. RSF increased the membership, financial transactions and mobilized huge saving in the rural area. Many clients started saving the first time in their life, saying *"WASASA is our organization, we had been having trouble getting a loan from conventional MFI located in the main town, we had to go almost 20 kilometers, in case if we get loan we need to take big risk carrying the loan back home, we'd be robbed on the way back home. Thanks to WASASA, such concerns have been solved, this time we never bring money home from market sales; instead, we save it at WASASA RSF, which is located in our local markets, we started saving and there is no risk..."*
- According to those consulted for this evaluation, the RSF loan repayment rates are very high as compared to conventional MFIs rates. This was because; the RSF has a local committee responsible in facilitating loan repayment activities;
- Many farmers complained that the government's seed distribution processes deliver poor quality seed, a mismatch between supply and demand resulting in seeds being left over in stores. The chain from demand estimation to the final sell of seed is very long, and the entire process involves many actors blurring accountability. The RSF system has solved these problems. The linkage between credit and agricultural inputs established by the Programme has enabled family farmers to access improved seeds on time. The implementing partners provided seed through cooperatives and MFIs, in which members received in-kind seeds and pay back in cash. All these initiatives have allowed family farmers to connect with seed suppliers resulting in timely and adequate supply of seed for the farmers. In this regard, farmers interviewed in Bokoji and Ambo, Oromia Region, attested that the quantity and quality of their yield increased as a result of the Programme's quality seed provision and related technical assistance. *"...worrying for seed had been our major concerns. But now Buusaa Gonofaa is our seed security. They regularly facilitated access to quality seed by searching for quality seed suppliers and paying on our behalf, which we repay after harvesting our products and this give has relief..."*
- On the other hand, Farmers under the WASASA RSF have shown a significant desire for in-kind seed distribution on a loan basis, despite the fact that the organisation only offers cash loans. The loan providing system must be critically examined in light of the needs and interests of the targeted groups, and it is vital to organise an experience sharing and learning sessions on seed credit provision in this regard;
- Despite the interest rate of RSF (23% interest, 3% service charge, and 1% insurance), which is high as compared to the conventional MFIs, consulted farmers are still preferred the RSF services, because the facility link farmers with agricultural input suppliers, saying *"...despite the fact that we are farmers who have limited skills in analysing credit cost benefit, we can analyse our gain from RSF...look Bossa Gonfaa interest rate is high, we know this, but we gained a lot, the RSF link us directly with input providers, who offer better prices and good quality, here the good price off set the interest rate ..if their service was not valuable, we would have been obliged to buy inputs from the local market with higher price, where we would have paid more money that exceed what we would have paid with Bossa Gonofaa"*

*including the interests..."*

- However, farmers' perception regarding the RSF interest rate is inconsistent across the Programme area. For example, interviewed farmers in Godino, East Shewa Zone, Oromia Region have strong opinion that the interest rate is very high, they demanded a revision.

**The Program has greatly promoted and facilitated agri-financing mechanism to Programme beneficiaries:**

- We proved that, the Programme developed and implemented Agri-finance strategies and instruments and enhanced suitable financial services to farmers as a way to increase agricultural productivity and income, and facilitating the integration of input suppliers and farmers and achieved economies of scale and stronger presence in markets. In this regard, this evaluation extracted the below evidences:
  - The MFI have line of credit for agri-financing purpose, these help farmers to access credit for agricultural inputs. At the same this credit system also avoids credit diversion to other purpose than agriculture inputs. The system is a win-win approach to both the clients and the MFIs. For example during 2021 cropping season BG provided Birr 31,006,67 to 4795 clients for purchase of 4056 qtl of improved wheat seed, Birr 13,959,387 to 2821 clients for purchase of 4056qtl of malt barley and Birr 104,737 for purchase of 341 qtl of maize. Besides this BG provided Birr 11,501,078 for purchase of 6237qtl fertilizer. Along with this inputs, BG also provided agri-financing to different agricultural inputs, such as vegetable seeds and chemicals. In a similar fashion SFPI and WASASA have line for credit for agri-financing;
  - The MFI facilitated the integration of inputs suppliers and farmers, in this regard, we proved that, the MFIs made agriculture inputs supply and demand assessment, made payment to input suppliers on behalf of their clients. This again, improved the Programme result effectiveness;
  - This evaluation also proved that, the MFIs facilitated the distribution of inputs, conduct input supply mechanism study (for example SFPI made feasibility study) and all these have improved the Programme agri-financing mechanism;
  - The MFIs have also created synergy and linkage with other organization working in Agri-financing system, in this regard, for example, SFPI leverage fund form IFAD and implemented quite similar activities in the Programme area, they are implementing a Programme called RUFIT(Rural Financial Intermediation Programme). The objective of the programme is to improve livelihoods and to reduce vulnerability and poverty through increased incomes and better risk management through financial and nonfinancial measures. This will be achieved through a nationwide network of more than 11,000 RuSACCOs, their secondary structures (the Unions) and 38 MFIs, with increased focus on marginalized areas.
- Furthermore, it would have been good if the Programme:
  - Conduct diagnostic studies on the state of agricultural finance within the Programme area and produce concrete action plans for effectively implementing the Programme i.e. looking at the regulatory system, required technical assistance and build capacity to MFIs, developing innovative products i.e. value chain finance, partial credit guarantee schemes for agriculture-sector loans, matching grants, crop insurance, mobile banking & payment platforms etc.
  - Conduct feasibility assessment/study on agriculture financing risk and mitigation measures and develop agri-financing model/mechanism specific to the Programme area;
- Here again, considering the Programme strategic direction (that promotes agro-ecological farming); during financing of agricultural inputs such as chemicals and fertilizer due attention is required not to compromise the environment. In this regard, strong follow up on the application and use of these inputs

are required.

In addition to the added value of the RSF, this evaluation has conducted further analysis comparing MFI and the RSF as well as conventional financial service provision channels. This analysis undertaken from the clients' and from the MFI experts' perspectives and the below table demonstrated responses captured.

Table 5: Comparison between the MFI RSF and conventional MFI model from client's perspectives

| MFI/RSF branch from the client's perspectives  | MFI-Conventional branch from client's perspectives   |
|--|--|
| <ul style="list-style-type: none"> <li>- Financial products &amp; services are tailored to clients' needs, credit linked with agriculture inputs,</li> <li>- The services are very close by, reducing time and distance to travel to get loans and reducing risks of being robbed</li> <li>- It is highly flexible and is not lengthy process, exemption from processing and other fees, timely processing of credit applications, including identity documents required</li> <li>- Credit granted for individuals rather than groups, client highly appreciate this</li> <li>- Screening procedure is effective, passed through community representatives, this has positive impact on loan repayment rates</li> <li>- Loan repayment plans consider clients agriculture harvesting schedule</li> <li>- Improved clients saving culture, many clients abled to save with the organisation rather than at home, because it is near to clients' village, for example after selling agriculture products clients usually visit the facility for saving</li> <li>- The loan size is limited and the interest rates are very high</li> </ul> | <ul style="list-style-type: none"> <li>- Tailored to both clients' needs and the MFI needs, credit not linked with agriculture inputs</li> <li>- Very far from the farmers, usually located in the district main town</li> <li>- Not very flexible, there are strict requirements, need ID and other documents</li> <li>- Used solidarity group lending, clients reduced appetite take group risk</li> <li>- Quite lengthy, need some processing, example it could be a business plan</li> <li>- Loan repayment not considerate of clients' harvesting schedule, has harsh repayment criteria, work under strict compliances,</li> <li>- Discourage regular saving because it remote and excluded rural families are not regularly saving as branches are far from their villages</li> <li>- Screening procedure conducted by MFI expert, community representative is not involved, has negative impact on the loan repayment rates</li> <li>- loan size is quite enough but comes with high interest rates</li> <li>- Use collateral substitutes to minimise associated financial risks and loan outreach is limited</li> </ul> |

Table 6: Comparison between the MFI RSF and the conventional MFI model from MFI expert's perspectives

| RSF branch from the eyes of the MFI's expert   | MFI-Conventional branch from the eyes of MFI experts   |
|--|--|
| <ul style="list-style-type: none"> <li>- Need more operational and logistic cost, during the start-up time but later the RSF can cover the operational cost;</li> <li>- The credit is used for intended purpose and plan</li> <li>- Help to work with rural poor and identify credit need and additional products such as solar power, has huge potentials to develop new credit schemes for different products such as agriculture machinery, post-harvest technology</li> <li>- Hard to implement financial services technology due to internet and electricity</li> <li>- Limited loan size compared to the demand</li> <li>- Help to link farmers with agricultural inputs at</li> </ul> | <ul style="list-style-type: none"> <li>- Disburse quick loan under urgency</li> <li>- Need less operational and logistic cost because it is located in the main district town,</li> <li>- Profitable and covers all operational cost, with limited staffs can reach to many clients</li> <li>- Help people to meet their financial needs but credit might be diverted to other business</li> <li>- Has professional staffs and easy to implement technologies like ICT facilities</li> <li>- Not facilitate or link farmers with agricultural inputs,</li> <li>- Provide an extensive portfolio of loans, Promote self-sufficiency and entrepreneurship</li> </ul> |

|  |   |
|--|---|
| <p>additional costs</p> <ul style="list-style-type: none"> <li>- Not aligned to government's MFI policy, RSF system and procedures are more aligned to cooperatives than MFI policy, RSF might face challenges (even closed) if new cooperative policy is developed</li> <li>- With Programme's support unlikely to reach remote rural area because it is not profitable as they will serve limited clients, generate small profit unless there is initial investment cost like office construction, grant is an entry point</li> <li>- An entry point for other relevant interventions</li> <li>- Staff on very low salary or allowance, some are volunteers and thus unsustainable, difficult to rent branch office or access land for office construction</li> <li>- Need strong follow up and technical advice regularly</li> <li>- Community owned facility, it is less risky for robbery and other collateral damages, for example during unrest time the RSFs were safe</li> <li>- Loan repayment time is based on clients' schedule, mostly during harvesting time</li> <li>- Created huge demand against the capacity of the RSF</li> <li>- Has loan capital shortage</li> <li>- Help MFI experts to raise and share community voice/advice to the government sector, for example RSF speaks the voice of the community to access improved seed,</li> <li>- Staff technical capacity and skills are limited,</li> <li>- the facility has limited or no electricity and thus difficult to engage ICT solutions</li> <li>- Brought job opportunities to local community and promoted a saving culture</li> <li>- The loan service outreaches to the poor fall short of the escalating demand</li> </ul> | <ul style="list-style-type: none"> <li>- Work based on government MIF policy and procedures</li> <li>- Business oriented and has limited role for social services, it is not a social enterprise</li> <li>- Predominantly it is a private owned, not a community owned business</li> <li>- Engaged in business after cost benefit analysis</li> <li>- Loan repayment time (collection) is based on MFI schedule, loan screening procedure is based on MFI procedures, it is quite lengthy;</li> <li>- There is training for borrowers and strong monitoring and support system,</li> <li>- High interest rate and has loan capital shortage,</li> <li>- Applied cost effective methods and has human resource effective management capacity</li> <li>- Better attraction on financial sustainability</li> </ul> |
|--|---|

**Implications and takeaways from the above two responses and perspectives**

- The RSF is a great programme which promotes the well-being of the underprivileged rural communities. However, there are many hidden challenges as this model will not give higher return on investment straight away but can ensure optimum growth due to stable demand for credit with strong initially external financial support. The SFPI RSF example growth pattern shows that in 2017 profitability of the branch was negative. However, thereafter it has been increasing from year to year and average growth rate of profit is 303%. As they were supported with initial investment from the Programme, they were able to provide effective services, cover their operational costs and become sustainable;
- There is huge potential for RSF to expand. Because many MFI (example Oromia Credit & Saving S.C.) who serve millions of rural community is now transforming into Bank. Implies, large segments of the rural poor farmers are not served with MFI modality. Inevitably, this brings and attract more clients to RSF;
- It is possible to say that the RSF have been successfully expanding in during the Programme period, including in remote villages where security was a challenge, where the majority of people are engaged in small scale agriculture with little support from previous agricultural extension services. Some of the

key strategies for the RSF success include innovative adaptation lending model, successfully customising their services to local realities; decentralising operation (using community representatives), a focus on using indigenous knowledge and resources in client screening and follow-up; appropriate strategies to deal with financing agriculture inputs;

- However, much remains to be done as the RSF are estimated to only have satisfied a small proportion of the demand for credit in these communities. In this regard, it would be better if the RSF are supported with “Loan fund. This will improve the RSF depth-of-outreach and financial viability. More lending to the poor enhanced the viability of operational expenses of the RSF. This is ensuring efficiency through reduced operational costs by reinforce a complementary outreach, the RSF are sustainable through full-cost recovery. The RSF need mobilizing funds from savings, leveraging equities, and making for-profit investments for sustainability;
- Due to poor infrastructure, access to roads, availability of electricity and other communication channels, as well as accessibility of agriculture input supply, the future for the RSF will become more and more challenging to further expand their credit reach in remote villages. And as such there will be need to revise and diversify the RSF credit products, for example credit for post-harvest technologies could be one possibility, and create credit access to farmers to engage in vermi-compost production business could be another opportunity;

Given the remarkable achievements that BG, SFPI and WASASA made, Eshet MFI failed to implement RSF because of the below main reasons. In fact, after taking risk recovery measures Eshet MFI reconsidered the plan, took appropriate measure, opened 4 conventional branches and reach many clients:

Key reasons why Eshet failed:

- RSF operational cost encored more cost on the MFI Eshet institutions;
- Saving mobilization was extremely low;
- Understanding of the RSF centre by the community was less;
- Loan repayment rate was very low;
- Eshet not recruited and used staffs from the local community;
- RSF were not fully accepted and owed by the community;
- Eshet not made feasibility assessment;
- Staffs understanding about RSF and credit management were limited, technical support made to RSR branch offices was limited; some were abandoned;
- Community understanding and expectation about RSF was wrong; and
- Like BG, Wasasa and SFPI, it is unfortunate that Eshet not adopt and implemented agri-financing credit scheme

**d) Achievements on planned Result-4**

Table 7: Programme resul-4 target points and effect generated

| Result-4: Farmers’ associations and partners’ organisations capacities to promote sustainable family farming (through services, technical assistance and financial services) are strengthened |                      |                              |  |
|---|----------------------|------------------------------|--|
| Indicators  | Target               | Real value, (as of Dec 2020) | Effect/impact generated  |
| Indicator-1: Number of member based organisations strengthened (governance/managemement)  | 93 (RSF=55, coop 38) | 73 (RSF=44, and Coop=29)     | - Cooperatives capacity in financial system, filing and documentation and storage management has improved, they provided better service; as a result more active members including women and youths joined |

|   |   |   |  |
|---|---|---|--|
| Indicator-2: Number of networks built or strengthened by the main shareholders (NGO consortium, RSCF exchange network, Coop Unions) | 4 | 1 | <p>cooperatives; the role of women in coops has improved</p> <ul style="list-style-type: none"> <li>- Cooperatives storage capacity has improved, cooperatives become market-oriented; cooperatives realised the benefits of being market-oriented</li> <li>- Implementing partners capacity in providing Agri-financing to rural remote area has improved, partner's provided better services Programme beneficiaries</li> <li>- Linkage with university (Ambo University), government offices and NGOs initiated (ERSHA established network and cooperation agreement with Institute of Sustainable Development (ISD), PELLUM, Ethiopia</li> </ul> |
|---|---|---|--|

#### **Farmers' associations and partners' organisations capacities strengthened**

Here, the Programme achieved notable results and the degree of the results achieved was satisfactory. The Programme was able to improve: i) cooperatives and union's capacity to provide better services ii) cooperatives to become market-oriented and have shown its benefit iii) implementing partners capacity to provide Agri-financing and technical assistance for Programme's beneficiaries; and iv) linkages between partners, programme's beneficiaries with local government offices and relevant actor such as Ambo university and NGOs operating in the Programme area. The Programme has also provided effective training to cooperatives and unions' leaders in leadership, management, financial and data management, gender equality and ICT use, training to MFI RSCF staffs, MFIs' board members and MFIs' experts and provided computer and facilities to Unions, organised experience sharing and field visits to cooperatives as well as facilitating their linkages with other local government officials and Ambo university. Furthermore, the Programme's support for construction, office facilities and operation costs were vital and immense in improving the implementation capacity of the partners. Consistent with the above results this evaluation has identified the below evidence:

#### **Farmers' association's capacities strengthened**

- Cooperatives' capacity in financial system, filing and documentation and storage management has improved, they provided better service to their members and as a result more members including women and youths have joined and the role of women has improved. For example, some cooperatives audited to their accounts for the first time, training have helped the cooperatives to revisit their business plans to fit into the existing market potential and opportunities;
- These trainings also helped cooperatives to improve their capacity in seeking potential market outside of the Unions to gain better prices and of sells volume. And in fact, some cooperatives established linkages with consumer cooperatives in Addis Ababa and were able to sell their products at a competitively better price. And this has provided a good lesson for many cooperatives leaders and members, as they said *"The union prices offered to cooperative is not attractive and unfair ... since we have had the programme's support our cooperatives have expanded to buy more items from members. However, the price from union is not attractive, therefore with the support of ERSHA we established a link with potential consumers in Addis Ababa, where we have signed an agreement and were able to sell 200 quintals of wheat for the first time ..."*;
- Though the Programme support has enhanced the cooperatives' capacity to purchase products, they still have financial limitation stopping them to purchase more from their members. If the Programme was able to support in this regards the cooperatives would have made significant progress;

- The Programme's support has strengthened the cooperatives' governance, loan capacity, and financial management and as a result, they begun to act proactively, giving members essential support, including credit and business management technical assistance. This has encouraged more rural farmers to join, for example in Ambo, one cooperative has increased its members from 1,050 to 2,090. Increased membership size strengthens the cooperatives' financial capital resource which will have immense potential in financing short term loans for agricultural production technologies and undertake off-farm income generating activities;
- Furthermore, according to government cooperatives office experts and cooperatives' leaders, the ICT support help the cooperatives to prepare reports, letters, annual plans, various forms, the creation of various charts and graphs, recording financial transaction, and calculate profit and loss. These changes have encouraged new members, to join the cooperatives "...before the Programme's support our service was limited and our members were not satisfied. But now we have improved our capacity and services, such as the ability to prove improved seed on time at better prices, started documenting all records on the computers, these activities gave our members more confidence and trust and attracts more new members...".

#### **Partners' organisations capacities strengthened**

- Local partners have been able to provide needs-based, timely and high-quality services for targeted farmers as a result of the Programme capacity building support, which in turn has enhanced Programme quality and accountability. The assistance has allowed implementing partners to gain knowledge and skills in key Programme components such as RSF client management, improved agronomic practices, organic agriculture, value chain, and marketing, all of which are critical for providing better services. For example, because of the training, implementing partners have identified improved seed suppliers and buyers and have managed to link farmers with these actors, provided technical assistance to those who adopt vermi-compost and liquid fertiliser for agriculture production. The majority of the evaluation participants interviewed strongly believe that the Programme partners provide better services than other institutions, saying. "*After the organic-fertiliser experience sharing visits, we all became convinced and committed to adopt and implement the techniques we had seen*".
- Partners have "review and exchange meetings" for sharing experiences, learning, progress. During these meetings partners discuss about different subjects i.e. methods for financing cooperatives, how partners support the cooperatives, how to attract support from other donors, how partners can implement agro-ecology and sustainable food supply. According to the interviewees, these discussions have contributed to improving partners' capacity and Programme effectiveness;
- Partners (SFPI and BG) adopted new approaches and methodology for agriculture credit financing. For example, BG adopted Input financing loan and partners (ERSHA and OSRA) adopted and started new agro-ecological farming (use of organic liquid fertilizer and vermi-compost) approaches, focused on engaging women in cooperatives/union leadership position and adopted new approaches (like linking credit with input supply);
- MFI (SFPI and BG) opened more branches, reached out to more clients, increased office facilities and improved services so that quality credit service can be provided to clients. Agriculture financing mechanism started, like rural service (RSF)<sup>6</sup> and family farming is promoted. The organization's turn-over capacity has improved and number of employees increased. New knowledge in reaching clients was acquired. For example, SFPI increased its branches from 13 to 25 branches for agricultural production for the last four years. The total agricultural loan outstanding reached Euro 3,572,133.00, (42%) out of the total turnover. The smallholder farmer's accessed agricultural loan reached to 65.8%

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<sup>6</sup> RSF is one of the development programs which is intended to facilitate the efficiency and effectiveness of the rural financial service to enhance the agricultural productivity of SHF sustainable food security.

of the total borrowers, average loan size reached to Euro 361.00/client. This result change is observed within the last three years. Similarly, Buusaa Gonofaa increased the number of branches. The, number of branches offering input financing reached thirteen within the last four years. Initially it was three. The Programme helped increase the loan size, over the past four fiscal years. In the year 2019/2020 both loan portfolio and client outreach showed growth. The Programme also improved the organization loan outstanding portfolio share of agro-finance (Input Loan and Irrigation) compared with over all loan portfolios as of Sept 2020 it was 12%). Over the past three years (September ended 2018, 2019 & 2020) agro-finance loan balance portfolio share is growing over the periods, 7%, 10% & 12% respectively. Irrigation loan is offered at three branches composed of Meki, Zeway and Mojo branches. In the last past three years ended 2019, total of 172 million ETB is disbursed to 1,571 farmers;

- All these results were achieved because, the SoS Faim implemented innovative and improved approaches to partners; both the financial support and technical support was very useful; without financial support, the MFIs would not be able to provide loan to small farmers and implement related activities. The SoS Faim technical assistance was immense. This helped partners during planning, implementation, monitoring and sharing learning on the Programme results. For example because of the SoS Faim the technical assistant's support, the organizations developed OCAT tools for assessing the capacity of cooperatives, introduced and applied new agricultural techniques, improved the monitoring and reporting system and scaled up their networking; and
- Although the Programme has been successful in increasing RSF capacity to provide better service delivery, the RSF are still working manually rather than taking advantage of ICT facilities. Furthermore, RSF staffs have yet to be trained on gender and access to credit. The issues of women in MFIs have not been thoroughly investigated, and their participation, particularly in community-based loan management committees, is an area of concern that has been overlooked.

#### **Linkage with Programme partners and relevant organisation created**

The Programme support has facilitated and created linkages with Ambo University, local government offices and NGOs. ERSHA established network and cooperation agreement with Institute of Sustainable Development (ISD), PELLUM. In this aspect, the Programme benefited from pool of expertise that provide trainings, follow up and supportive supervisions capitalised and benefited from Ambo Agricultural Research Center technical and skills to implement vermicomposting in Ambo area for improving agro-ecological farming. The Programme support on networking has also strengthened the networks among the key actors through organising a knowledge and experience sharing activities. Networking particularly with local government offices has improved services and farmers were able to get technical support from the government sector offices who regularly visit the cooperatives. Furthermore, coordination and networking among the SOS Faim partners has been strengthened. This facilitated sharing learning and enabled them to design jointly new Programmes/plan. This was because; the SoS Faim the technical assistant organized joint meetings every three months, shared reports and documents to all partners.

### 3.3 Efficiency

In the OECD definition of efficiency<sup>7</sup> there are inputs and results the more significant the positive result of an intervention for every unit of input, the greater the efficiency. Accordingly, to analysis the efficiency of the Programme, this evaluation, in line with the ToRs, assesses the Programme's efficient use of its partnering arrangements, resources, how efficient is the RSF model and does it provide value in terms of coordination multiplier effects that it can achieve. For this, Programme's documentations were reviewed and implementing partners were interviewed and based on our findings we can conclude that the Programme's features were conducive to efficiency:

- The Programme has taken full advantage and benefited from implementing partners previous experience, especially during the formation and implementation of the RSF model, for example ESRAH used its experience in organizing and supporting cooperatives in East Shewa zone
- The Programme support has been able to successfully leverage additional funds from other organisations. For example, SFPI and BG received support from ICCO8 (aims to link MFIs and producer organisations); similarly, ERSHA received assistance from CSSPII9 (capacity building support program) and KNH (Kindernothilfe a Germany based funder)
- Implementing partners have worked in the Programme area for many years (from 7-10years) and have important contextual knowledge improving the Programme implementation efficiency
- Implementing partners' reputation and network has directly led to the effective delivery of the Programme results. For example, in the case of ERSAH, because of its good collaboration with cooperatives in the past, they facilitated and smoothly managed to merge two Unions (Ambo and Tobran Kutaye) directly leading to the efficiently implementation of the Programme activities
- The Programme implementation model was efficient and the technical support complemented the financial support provided. For example, technical advice and training provided to MFIs improved the capacity of the organisations to develop agricultural financing approaches for selected inputs; technical assistance to develop and implement OCAT tools for cooperatives assessment improved the capacity of ERSHA and OSRA
- The Programme efficaciously complemented its partners' plans and thus achieved synergy for better resources and staff utilization, for instance, in most cases the Programme provided training through relevant stakeholders such as Ambo University or model farmers. In fact, model farmers in turn, provided the training to family farmers. All these helped to improve the Programme efficiency
- The Programme four results are coherent and interlinked with each other and complementary in a positive and mutually reinforcing manner adding to the overall Programme's effectiveness and efficiency and
- The Programme improved beneficiaries' technical capacity to develop and implement the activities efficiently. The participation of Programme beneficiaries in performing the activities has facilitated the achievement of the Programme outputs, for example improving the cooperatives capacity has changed in delivering better services.

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<sup>7</sup> "Efficiency: A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results." Source: OECD Glossary of Key Terms in Evaluation and Results Based Management

<sup>8</sup> <https://www.icco-cooperation.org/en/>

<sup>9</sup> The Civil Society Support Programme (CSSP) is a capacity development programme designed to support Ethiopia's civil society and its contribution to the country's national development, poverty reduction and advancement of good governance in line with the government's policies and strategies. CSSPII will be managed by FCDO but includes contributions from The Norwegian Ministry of Foreign Affairs (Norway MFA), Swedish Government, and the Minister for Foreign Affairs and Trade of Ireland (Irish Aid).

The Programme results were implemented according to the required standards, agreement and operation plan. Due to covid-19, the State of Emergencies and national conflict there were some delays in some activity implementation. However, this delay has not significantly affected the Programme implementation plan as the delayed activities were implemented within the Programme period.

This evaluation can confirm that SoS Faim has a well-functioning and clear reporting lines and sharing systems. It is apparent that the Programme's reports, studies and other documentations have been shared with relevant partners and stakeholders. It is evident that SoS Faim has kept effective records as shown from this evaluation who accesses monitoring reports, up to date indicator results (progress maker) etc easily and efficiently. The strong partnership between SoS Faim and the Programme partners facilitated the implementation of important joint monitoring field missions, dissemination of situational analysis reports, quarterly reports and plan reviews, experience sharing and learning events and technical assistance for the development of agricultural financing strategies.

In fact, it is worth mentioning here, that the quality of this relationship is as a result of their long-standing working relationship with SoS Faim as well as the direct efforts of SoS Faim's Technical Assistant. According to the Programme partners' responses, the Technical Assistant has a good technical know-how to provide capacity building supports to partners, to conduct regular follow-up as well as providing general technical assistance in Programme delivery which has directly brought about the Programme efficiency.

Given these remarkable achievements, the below points were missed opportunities for efficiency:

- It would, however, be useful if the Programme could develop a learning agenda and learning framework to efficiently capture the Programme's learning
- More linkages are needed here, partnership and collaboration between partners still needs attention. Greater collaboration across implementing partners can help swing interests and raise the potential of informed actions, future collaborations, funding avenues, and opportunities for cross learning and strengthen joint implementations. It could be a good opportunity if there was partnership agreement in place between implementing partners
- Existing monitoring and evaluation systems tend to monitor the results and activities that implementing partners are carrying out, these results are aggregated at Programme levels which is a remarkable result. Furthermore, it would be advantageous to seek to capture Programme high level impacts such as changes in agriculture productivity and test the validity of the assumptions underlying these changes. In fact, this will allow SoS Faim to measure and assess impact rigorously, learn what has worked and what has not, adjust or fix and communicate about what does work, support accountability to participants, donors, and partners, support SoS Faim's evidence based Programme advocacy, support performance management and strategic planning and undertake impact assessment uniformly across Programme areas.

### **3.4 Impact**

The implementation of different interconnected activities has brought about positive intended and unintended economic and technical impacts on the targeted family farmers:

#### **Intended impact**

- RSF directly affect farming family household income by encouraging productivity. It has increased diversity of production and productivity, as well as, creating awareness and demand to use organic farming and to exploit comparative advantages within marketplaces. Furthermore, it encourages the socio-economic development of the local community by reinforcing and stimulating the local markets.
- The Programme helped farmers invest in improved agriculture technology, such as high yielding seeds and organic farming that have increased their income. Thus, it is possible to argue that engaging RSFs

is key to support farming families and micro-entrepreneurs to sustainably meet their basic needs (nutrition, education, health) and become resilient.

- Using organic farming has positively influenced government authorities, attracted other stakeholders (PELLUM and SDI) for further study, changed attitude of the farmers towards AE friendly practices, and improved production, productivity and income of the target farmers.

#### **Unintended impact**

- The Programme intervention has, providing diversified and new sources of income which has been invested in their children's education.
- Organic farming techniques have provided farmers with good quality fruit and tree seedlings, wheat and barley which are not easily lodged, reducing loss during and after crop harvest
- RSF clients have accessed new technologies such as solar energy and linked solar energy suppliers

#### **3.5 Sustainability**

Given the underlying assumption of the ToC, the Programme's overall design, approach and strategy have facilitated significant amount of results at different levels. Based on the fact that from the start the Programme consciously aligned itself with partners' and Programme beneficiaries' needs promises that the results achieved will carry on beyond the life of the Programme and SoS Faim's contribution. Furthermore, below are others factors that this evaluation has been able to unpack:

- **Capacity building:** the Programme through its integrated capacity building components has been designed as a sustainable initiative. By training the beneficiaries, implementing partners and directly supporting the adoption of organic farming methodologies, means that the skills acquired during these learning opportunities will remain within the Programme area and continue to bring about relevant changes. Evidence collected during discussion with Unions leaders strongly suggests that the skills acquired from the ICT training have been and will continue to be embedded into on-going and upcoming Union activities. Furthermore, the Agriculture offices have shown appreciation for the organic-farming techniques and are planning to implement the activities in the future. However, the financial means through which these activities can be continued is limited, it is not clear whether the office will have the means to do so. But the determination shown by the respondents suggests that there is hope that these learning will be incorporated into future finance Programmes if regional and Zonal bureaux support the process and allocate a budget
- **Appropriate strategies and approaches:** the RSF and organic agriculture methods employed by the Programme are seen as relevant, relatively easy to adopt, cost-effective and scalable offer set of sustainability building blocks, particularly for remote rural farmers. These activities have been shown positive impacts on households' incomes strongly suggesting that these activities will continue and have reasonable chances of being sustained. Furthermore, the Programme approaches such participatory and contextual planning guarantee the sustainability of the Programme, by creating ownership and responsibility within the community and other relevant stakeholders. A good example of this, is the fact that the communities consulted for this evaluation strongly think of the RSFs as their own organisations
- **Collaboration and partnership:** due to the quality of the Programme's partnerships it was able to leverage further resources for the Programme communities. Most impressively, ERSAH has signed MOU to undertake further on vermicompost by ISD and PELLUM.
- **Financial sustainability:** Even though this assessment was undertaken after the completion of the Programme, it was encouraging to see that MFI, cooperatives and Unions are still motivated to continuing the Programme's activities beyond its life. For instance, SFPI includes RSF activities in their next implementation plan, this activity is already included in their future strategic plan; strongly

suggesting that is more than likely to take place beyond the life-span of SoS Faim Programme

- **Technical viability:** the Programme activities promoted were in line with Programme beneficiaries and implementing partners' knowledge capacity and fit well with the existing needs of the beneficiaries and governments offices. Organic farming, RSF activities promoted by the Programme was in line with existing know-how and capacity of these actors, and was not complex or irrelevant. During consultation, the evaluation team was able to see that the activities introduced by the Programme were technically viable and could easily be managed by the Programme beneficiaries and government office. The Programme beneficiaries are ready to continue the Programme activities after the Programme ends because they are technically capable to manage, for instance vermi-composting preparation activities will continue after the Programme ends
- **Market linkages:** the Programme facilitates connections between cooperatives, retailers and wholesalers in Addis Ababa. This will definitely continue after the Programme ends its implementation.
- **Policy support for RSF:** as briefly mentioned above, the Programme was successfully aligned with the governments' national priorities and strategies, however, the RSF's strategy alignment to the government MFI's policy is still gray. There is evidence to suggest that MFIs may not want to establish new RSFs to new areas unless they are supported during the first and second year of implementation, they prefer to implement conventional methods where profit is generated bring into question the sustainability of the modality implemented by the Programme.

### 3.6 Programme cross-cutting dimensions

#### **Evaluation question 2: has the Programme satisfactorily integrated the cross-cutting dimensions of gender and environment?**

**Gender:** review of the Programme's documents indicates that, the strategic objectives reflect explicit efforts to tackle some gender-related barriers women face. Following this, the Programme implementation plan, monitoring and evaluation system and reports have indicators disaggregated by sex and other relevant determinants of gender disparities. For example, the Programme has gender grid, the grid consists of different questions that aims to give a self-assessment of the way gender is taken into account by SoS Faim staff. This is a good start, but it is evident that a specific Programme monitoring and Evaluation framework which contains independent gender-sensitive indicators reflecting the kind of information needed rather than merely sex disaggregation and reporting is needed.

Additionally, based on this evaluation's consultation with participants and further observations, a gender-responsive approach was adopted during organic-agriculture techniques dissemination. To ensure that women's and men's needs, priorities, and realities are recognised and adequately addressed in the Programme implementation and as a result, female members' participation in the cooperatives has increased.. A useful example here is the fact that the organic fertilizer production techniques trainings and demonstration were provided at the local level, near farm family villages/homes making sure that the communities' women can participate in the training as well as showcasing female lead farmers, as a woman FGD participant explains *"...when it comes to new technology, no one thinks of women, yet the Programme took actually included 4 model women farmers during the vermicomposting preparation pilot training. Receiving the training we have brought a lot of changes, and our success has inspired a lot of other women to practice the technology..."*.

The farmers' cooperatives have explained that the training provided on gender has improved their understanding and most farmers have now developed a positive attitude to include women in their leadership and management structures, *"...the gender and women's empowerment training provided has improved our understanding of gender equality. We learned that women have the right to participate in leadership and decision-making, which we have been denying them. We now have to encourage women to assert their rights, which is something that we have improved as a result of the training. Currently in our*

*cooperative we are men in the leadership position, but when our term of service comes to an end, we promise to make sure that there is a gender balance...”*

However, it is clear that in order to bring about sustainable changes, a similar programme must develop and implement a long-term gender mainstreaming strategy. As the barriers facing women are diverse and complex a separate mainstreaming strategy and guidelines are required to effect wider transformation of restrictive social norms that are disempower women at all levels. This type of strategy will help to consider gender power differences and their implications on each Programme activities. The current Programme’s gender strategy addresses women’s challenges within the Programme, while ignoring power differences at individual, household and community levels, which will have wider implication on the Programme implementation and sustainability of any intervention. Moreover, as the Programme geographic areas have complex gender power dynamics to effectively and sustainably address them, the Programme will require a gender expert’s support from the start.

**Environmental:** again, here review of the Programme’s documents indicates that the Programme intensively considered the environment in its intervention activities During planning and implementation periods, these includes:

- Actively planning to improve the agriculture production through the use of organic farming
- The integration of storage facilities for timely supply of improved seeds resistant to drought, addressed climate shocks that farmers faced; and
- Selection of appropriate activities based on environmental and long-term sustainability approaches such as the introduction of solar energy, linking energy suppliers with RSF clients. Using solar energy can have had a positive, indirect effect on the environment when solar energy replacing or reducing their reliance on other energy sources that have larger effects on the environment.

### 3.7 Programme strength and weakness

#### Evaluation question 3: What are the main strengths and weaknesses of the Programme?

Table 8: Programme strength and weakness

| Strength  | Weakness  |
|---|---|
| <ul style="list-style-type: none"> <li>- Activities were tailored and were adjusted based on beneficiaries needs</li> <li>- Activities brought about meaningful impact with limited staff and budget</li> <li>- The presence of a Technical Assistant encouraged the partnership and continuous communication</li> <li>- Programme managed to engage many and appropriate partners</li> <li>- Partners were selected based on their grass root experience, strategic plan and common vision</li> <li>- The communication and support with implementing partners was handled well</li> <li>- Financial management was flexible lending itself to respond partners’ emerging needs and funds were released on time</li> <li>- The Programme rightly provided full authority to partners to implement activities</li> <li>- Actively organised learning and experience sharing opportunities with all partners</li> <li>- Linking NGOs and MFIs with the same</li> </ul> | <ul style="list-style-type: none"> <li>- The RSF did not use improved technologies to reach more clients</li> <li>- SoS Faim does not have an office in Ethiopia and the Technical Assistant has limited budget and time</li> <li>- Experience sharing has been limited to partners but there is an opportunity here to engage other organisations and Programmes outside of the Programme to share best practice</li> <li>- Detailed capacity gap assessment was not conducted outside of consultations and brain storming sessions undertaken</li> <li>- Best practices were not effectively captured/documented nor shared widely</li> <li>- The Programme crucially lacked strategies and tools for gender mainstreaming</li> <li>- The lack of an exit strategy for early</li> </ul> |

|  |   |
|--|---|
| <p>beneficiary groups is an important synergy as it allowed both parties to develop comprehensive packages of services the targeted farmers</p> <ul style="list-style-type: none"> <li>- The Programme's approach promoted participation and was able to pool together technical experts for activity implementation</li> <li>- Building on the existing structures of cooperatives and MFIs has positively contributed to the achievement and sustainability of the Programme</li> <li>- The training approach i.e.: needs based practical demonstrations has positively improved the farmers' knowledge, skills and best practice transfer</li> <li>- the regular exchange meetings of partners have also been instrumental for sharing experiences and improve their activities.</li> </ul> | <p>independency of community institution supported by the Programme</p> <ul style="list-style-type: none"> <li>- The market and value change strategies of the Programme need a comprehensive review to address market barriers of accessing inputs and outputs</li> <li>-</li> </ul> |
|--|---|

### 3.8 Lesson Learnt

#### Evaluation question 4: What are the main lessons learnt?

- **Learning 1:** The RSF model is working, it also need an integrated approach and support from donors. Thus, the RSF is better used as an instrument along with other development interventions (seed provision) rather than a poverty reduction strategy in isolation, for example BG is used multi-stakeholder approach concerning the RSF involved in malt barley. It should be integrated with other development interventions and in this integrated intervention, SoS Faim, local government offices and implementing actors could play a great role.
- **Learning 2:** the nature of the Programme intervention needs active and full community participation such as in the implementation of organic farming. The aim of the participatory approach in this programme, is to assist communities to become more self-reliant, with the capacity to analyse their needs and challenges collectively, through the adapt of organic farming for a better effect on the environment and food self-sufficiency. To this end, the Programme needs to design and develop community participation procedures, tools and protocols. As a way out, an independent training related to Community Participation to implementing partners is important;
- **Learning 3:** working with the community help to bring additional products like solar energy which could not be easily identified by the conventional MFI methods. The MFI's RSF loan management committee is the key learning of the Programme in reaching the underserved resources poor farmers with sustainable credit access system;
- **Learning 4:** gender mainstreaming capacity building has resulted in a positive shift on the cooperatives leaders' perceptions of women in leadership roles. However, gender inequality is a long held cultural practise in many communities which requires separate strategy and plans for household and community gender transformation
- **Learning 5:** there is clear difference between the conventional MFI branch and RSF branch, the advantage, the disadvantage depend on the eyes of the beneficiaries, but there is trade-off between the conventional MFI branch and RSF

- **Learning 6:** the Programme has been able to create a huge demand for credit and organic agriculture inputs and methods. Yet, the supply of organic farming inputs such as vermi-compost and credit loan is limited and this will need coordinated effort and attention
- **Learning 7:** Many RSF clients are not interested in taking a loan from RuSACCOs or conventional MFIs, as they prefer loans from RSF who have able to link them with agriculture inputs
- **Learning 8:** RSF in addition to creating access to credit, have successfully built social cohesion, capital, are a safe and fertile environment for training, social and cultural norms discussion platforms. In addition to government offices, NGOs can use RSFs to directly access the communities they work with;
- **Learning 9:** farmers are particularly attracted to credit packages when they experience respectful treatment in the process, when the credit can be combined with training or farm inputs, when the credit meets their actual financial needs and has flexible repayment options. It is noteworthy that these non-financial factors are considered more important to farmers seeking to access credit than the interest rates. Farmers may be unwilling or reluctant to access credit due to risks related to over-indebtedness, reputational harm and loss of collateral, which could occur if loans are not repaid on time.
- **Learning 10:** The Programme team has been effective in organising and holding regular meetings where beneficiaries' needs are discussed. The meetings allowed the team to review and evaluate new community's needs and agree appropriate responses during implementation.

#### **4. Conclusions and recommendations**

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##### **Conclusion**

The Programme by design has been actively aligned to national development policies and planning of the government, implementing partners and its results are relevant to the Programme beneficiaries' needs and priorities such as financial inclusion and micro financing. Thus, the Programme's approach and strategy to support MFI to ensure rural family farmers access credit is relevant to government policy. The Programme's strategies do not contradict but rather compliment the services on offer by the government's sector offices. However, it is important to objectively review MFI-RSF strategy and approach relevancy to MFI country policy as RSF approach inclined more to RuSACO. Any policy applied to RuSACO will affect RSF activities.

The Programme planning approach was participatory, consultative and the implementation design was tailored to local conditions, the partners and beneficiaries' selection strategy adapted here was very effective.

The Programme effectiveness was excellent, explicitly, the RSF model and introduction of organic farming is working, has ensured that farming families can sustainably meet their basic nutrition, education, health needs and become resilient. Cooperatives and unions have strengthened their storage, processing and marketing capacities. Moreover, family farmers and rural micro entrepreneurs have accessed adequate and sustainable financial services and farmers' associations and partners' organisations capacities to promote sustainable family farming have been strengthened.

However, it is important to review the Programme progress in comparison to what it set to achieve at inception and below are areas in which the Programme has not met expectations:

- Facilitating and creating market linkages to family farmers have been better connected but the cooperatives are not purchasing all the necessary products due to limited financial capacity
- The participation of women in the overall implementation process is still limited, specially access to credit, which needs a strategy to assure women's equal representation and participation in all the community-based organisations

- The intention of ESHET to expand and implement RSF business model in the Programme area was not successful and thus it reduced the SoS Faim Programme's overall objective effectiveness

In terms of efficiency, the Programme has delivered results in an economic and timely manner. The Programme has taken full advantage and benefited from the implementing partner's previous experiences, the implementation approach has successfully enabled the leveraging of additional funds. The Programme implementation model of incorporating technical support has complimented the financial support, complemented its implementation partners' plans and thus achieving synergy for better resources and staff utilisation.

The Programme intervention has generated significant positive impact such as improving farming family incomes by increasing agricultural productivity, diversification of crops, the utilization of organic farming to gain comparative advantage within the marketplace. The extent to which this impact and result of the intervention will continue beyond the life of the Programme is promising as the Programme has effectively improved the capacity of the beneficiaries and this change will remain within the Programme area. Moreover, the Programme used appropriate strategies and approaches that can easily be implemented by the beneficiaries. The sustainability of the RSFs need attention, unless RSFs are supported by external sources especially during the start-up period, MIFs will not continue to open new RSFs due to the associated cost and profitability.

The alteration between RSF business model and conventional MFI business model factually depends on the eyes of the appraiser, different arguments can be generated. The principal purpose of conventional microfinance institutions is facilitating access to financial services for the poorest people and reducing poverty. However, they have to reconcile this objective with financial performance by trying to be profitable and sustainable. On other side, RSF objective is to reach to remote rural farmers and create access to agri-financing, link farmers with agriculture inputs and other product. Given the high interest rate and limited loan size, yet, family farmers are very much interested and appreciated the RSF model. On the other side, MFI gives more focus and attention to the conventional business model than the RSF model, because they want to maximize profit. It is therefore of utmost interest to consider the trade-off from the MFI expert perspectives and from the beneficiaries perspectives, MFI's are interested but need support to expand and open more RSF branch. On the other flip side, clients appreciated and need the RSF model. To narrow this loophole, the MFI shall bear corporate social responsibility, open more branches and reach more clients. In fact, the MFI should generate reasonable profit and sustained. This might need to revisit the RSF business model that off-set the loophole.

#### **Recommendations:**

##### **For SoS Faim**

- Record and quantify beneficiaries' labour contribution as this will provide a much clearer understanding of the impacts generated by the interventions;
- Improve the participation of women in the overall implementation process and develop a comprehensive long term gender mainstream strategy to transform restrictive social norms that are disempower women in their wider community as impacts their participation in any intervention;
- More linkage, partnership and collaboration between partners still need attention, the Programme shall develop partnership agreement between implementing partners;
- A phasing-out or exit-strategy can already be included from the start in the partnership. For example, more attention can be spent on enhancing Programme proposal writing skills. And conditions in case of phasing out need to be discussed, for example, the availability of a bridging fund in case a partnership will be phased-out;
- SoS Faim can support partners in conducting studies, for example on the performance of the new MFI financing models, study on why some farmers supported through RSF are not paying back their loan

and what solutions can be looked for, etc;

- The nature of this type of intervention needs active community participation, accordingly, any future intervention should develop community participation procedures, tools and protocols. Furthermore, an independent training on Community Participation models for all implementing partners would be very useful; and
- Increased opportunity to link with different partners;

#### **For MFI**

- The RSF management and experts need more technical and financial support within MFI structure, with the current limited RSF experts and structures it could be hard to reach more clients, for example BG has 23 branches, this needs more experts and support;
- The Programme's approach of RSF has drummed up a huge credit interest amongst the community and it is imperative that future similar intervention must review its RSF business model;
- The fact that RSFs have actively based their activities closer to their clients is the reason for the success uptake here, however, any similar future Programme should look to develop an agreed distances in consultation with the participating community to further to increase the impact of any intervention;
- Future Programmes should incorporate ICT capacity building component to the RSF training packages in order to increase the sustainability of similar interventions based on the available infrastructures;
- Before opening RSF branches, conducting a local context analysis that would look into existing infrastructure, access to roads, availability of electricity and other communication channels, as well as accessibility of agriculture input supply would help to clarify the objectives at the local level
- The issues of gender in MFIs have been overlooked in this implementation, thus it is imperative that in similar interventions gender training for MFI and RSF staff are delivered;
- Credit demands have shown that beneficiaries would like to see an increase in the loan size provided by RSF. Increasing the loan size will attract the better-off clients ultimately improving the profitability of these organisations leading to sustainability of any actions;
- Crop insurance to protect farmers from losses due to extreme weather or other shocks could be a good revenue opportunity for the RSFs that similar Programmes could consider;
- As the example of RSFs providing credit for solar power shows there are other opportunities that MFIs could explore in addition to financing agricultural inputs, such as post-harvest technology. Therefore, similar intervention could support financial institution conduct a study that are context specific;
- It is evident that the national MFIs policy does not fully favour RSFs and thus it is imperative to revisit the RSF model with government policy lens, as well as MFI strategy for effective and sustained result. ;
- Improved capacity of MFI's image in the community. This improved MFI's capacity to attract more clients;
- Improve capacity of MFIs to meet both financial (make available improved seed revolving fund) and social objectives (reach to remote rural areas who can't access credit)
- Buusaa Gonofaa suggested that, automated information management system, for MFI, more innovative rural financing model that address the excluded segments, capacity to manage loan grantee fund are the next recommended priority areas;
- Apart from the thematic topics identified by the partners, the consultant also recommends to invest in improving the IT based/automated MFI systems. This is already included in the MFI's strategic plans but due to lack of financial resources not yet implemented.

**For NGOs**

- Design and implement a scaling up strategy when introducing innovative practices such as organic farming which has brought about a huge impact and government office have shown strong interest to replicate widely;
- Increase the number of storage facilities that are constructed to improve the Programme’s impact and encourage that higher volume of grains stored which directly support the resilience of the intervention’s beneficiaries;
- Scale up the practice of organic farming, generate evidence and share to the wider public at different level;
- It is imperative for similar Programmes to better understand and develop more support around increasing the capacity of the cooperatives in marketing;
- Capacity building to implementing partners, specially NGOs, is highly recommended to implement organic farming and provide better capacity building to Programme beneficiaries on coops business plan and identified capacity gaps;
- OSRA suggested that, Food Sovereignty (the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems), need to be the major priority area. Beyond improving the capacity of cooperative/union, it is highly recommended to focus on family food enhancement (family asset building program). To that end, the partners need support from SOS Faim in designing mechanism / approaches that strengthen the capacity of individual farmers. And they need more SoS Faim support to implement the above program. And would like to receive more training, experience sharing, equipment, salary payment to staffs and networking with other organization. Furthermore, there is a request to improve the organization grant/fund proposal writing skills; OSRA has limited donors/fund source as compared to other NGOS (ERSHA) due to this limited capacity;
- SFPI suggested that, SoS Faim should focus on staff capacity building on leadership, skills/system on how to mobilize fund for loan mobilization (this is the main challenge for the organization), develop capacity for a loan guarantee fund mechanism so that the organization can provide loans to risky loan business such as agriculture, provide technical skills/system for improving the capacity of the organization information sharing system, image and advertisement so that it is possible to reach more clients (enhance the outreach scale),
- ERSHA suggested that, capacity building in seed supply system, climate smart agriculture/value chain; natural resource management and youth engagement are the major recommended priority areas. Also capacity improvement for preparing strategic plan and measuring results

**Annex-1: Evaluation framework**

| Analysis of programme results according to DAC criteria |  |
|---|--|
| Judgment criteria                                       | Guiding questions/indicators   |
| Relevance   | <ul style="list-style-type: none"> <li>– The degree to which an aid activity is relevant or appropriate to address the needs of the target group and the priorities of the beneficiaries;</li> <li>– Is the Programme design appropriate for the cultural, economic, social and political context in which it works? Is the Programme addressing the priority needs of the Programme beneficiaries?</li> </ul> |

|                |   |
|----------------|---|
|                | <ul style="list-style-type: none"> <li>- What is the relevance of the Programme within Ethiopia's policy, program and legislative environment?</li> <li>- To what extent are the Programme activities aligned and supportive of existing government initiatives and policies or other relevant donor funded programs?</li> <li>- The quality of the problem analysis and the Programme's intervention logic and logical framework matrix, appropriateness of the objectively verifiable indicators, analysis of assumptions and risks;</li> </ul>   |
| Effectiveness  | <ul style="list-style-type: none"> <li>- The degree to which the objectives of an activity are achieved;</li> <li>- To what extent the Programme has brought changes on the four Programme intermediate changes and overall desired goal</li> </ul>   |
| Efficiency     | <ul style="list-style-type: none"> <li>- Measures the relationship between the results - qualitative and quantitative - and the resources used to achieve them within a given time frame. An economic concept, efficiency means using the least expensive resources possible to ensure that the desired results are achieved. Therefore, to determine whether the most efficient process has been adopted, it is usually necessary to compare it with other possible ways of achieving the same results;</li> <li>- Are the Programme strategies/activities efficient in terms of financial and human resources in relation to their outputs and outcomes?</li> <li>- Are Programme resources being used efficiently for implementation of Programme activities?</li> <li>- Is the Programme cooperating/collaborating with other development activities to try to optimally use resources and maximize impacts?</li> <li>- How did the collaboration among partners and local authorities and the management contribute to the efficient utilization of resources and achievement of results?</li> <li>- Are the partner's structures adequate to allow for efficient Programme contributions to the Programme, and are there good relations between the Programme management?</li> <li>- How was the quality of the day to day management?</li> <li>- The quality of information management and reporting and the extent to which key stakeholders have been kept adequately informed of Programme implementation progress</li> </ul> |
| Sustainability | <ul style="list-style-type: none"> <li>- Measures the chance that the benefits of a development intervention will survive after the intervention ends. The potential for survival of the intervention after the end of the grant is assessed according to three aspects: financial sustainability, social sustainability and knowledge transfer/capacity building;</li> <li>- What steps has the Programme taken to ensure the sustainability of the Programme activities?</li> <li>- Which Programme activities/initiatives are most likely to be sustainable and transferable to relevant local institutions, communities, cooperatives and other business organizations before the Programme ends?</li> <li>- Is the Programme able to leverage additional financial or material resources from the government, private sector, communities, other Programmes, donors or partners? If so, please describe how this has been accomplished?</li> <li>- What additional steps need to be taken in order to improve the chances for sustainability of the activities and benefits derived from the Programme activities? What are the exist strategies</li> <li>- Do beneficiaries perceive benefits of Programme such as, market linkages, and cooperative developments being sustainable beyond the life of the Programme? What factors do they see as key to sustainability?</li> <li>- What recommendations can be made so as to improve chances of sustainability of</li> </ul>   |

|  |  |
|--|--|
|  | <b>Programme results?</b>  |
| Impact   | <ul style="list-style-type: none"> <li>- Positive and negative effects, direct or indirect, intended or unintended, induced by an intervention in support of development;</li> <li>- What were the wider effects of the Programme - social, economic, technical, environmental - on individuals, gender, age-groups (Youths), communities, and institutions</li> <li>- What are the important lessons and best practices of the Programme in terms the Programme results</li> </ul>  |
| <b>Analysis of the consideration of cross-cutting dimensions environment and gender</b>  |  |
| <b>Judgment criteria</b>   | <b>Guiding questions/indicators</b>  |
| Cross-cutting dimensions environment and gender  | <ul style="list-style-type: none"> <li>- Has the programme satisfactorily integrated the cross-cutting dimensions of gender and environment</li> <li>- You may need to specifically assess gender disaggregated data as well as specific activities implemented in relation to environment.</li> </ul>   |
| <b>Analysis of strengths, weaknesses and lessons identified from the analysis of programme results</b>   |  |
| Main strengths, weaknesses and Lessons   | <ul style="list-style-type: none"> <li>- What are the main strengths and weaknesses of the programme?</li> <li>- What are the main lessons learnt or drawn by the evaluator from observing the results of the programme?</li> </ul>  |
| <b>Recommendation and additional specific questions</b>  |  |
|  | <ul style="list-style-type: none"> <li>- To what extent are the alternative production techniques promoted during the programme with the 2 NGOs (mainly vermicomposting and organic fertilizers) adapted to the needs and sustainability of the farmers and farming system?</li> <li>- Is the “Rural Services Facilities” methodology promoted by the MFIs to provide financial services to rural population, more resilient to external shocks (conflicts, economic, pandemic...) than conventional financial channels? And what are their added values for the target communities as well as the promoter MFIs in comparison to the MFIs conventional financial service provision channels?</li> </ul> |
| <b>Sources of verification:</b>  |  |
| <ul style="list-style-type: none"> <li>- Program document review i.e. Technical and financial documents presented to the donor</li> <li>- The Theory of Change of the Programme, tables and methodology for monitoring-evaluation of the programme (progress markers monitoring tables)</li> <li>- Key informant interview with BUUSAA GONOFAA, ERSHA, ESHET, OSRA, SFPI, WASASA staffs, Cooperatives/unions,</li> <li>- FGDS with Programme beneficiaries/farmers</li> <li>- Interviews with external stakeholders (agricultural office, cooperative office)</li> </ul> |  |

**Annex-2: Evaluation tools**

**Introduction and consent**

Hello!!

Thank you for taking your time to talk to me.

My name is \_\_\_\_\_ and I am working at Path Development Consulting and Research Services. We are conducting a Programme Evaluation.

The information we collect will help SoS Faim and Partners to understand the added value of the Programme and extract learning. I would like to ask you questions to get information about the Programme results and process.

All of the answers you will give to us will be confidential and not shared with anyone other than members of our evaluation team. Your name or any other information that may identify you will not be part of any report from this survey. You are encouraged to answer as many questions as possible.

Your participation is voluntary and if I ask you any question you don't want to answer, just let me know and I will go on to the next question or you can stop the interview at any time. The interview will take about 30 to 45 minutes.

Are you willing to take part in the discussion? 1. Yes                      2. No

Do you have any questions before we start our discussion/interview?

- 1. Yes                      2. No

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I read the aforementioned information and procedures to the survey participant. I asked if the survey participant has any questions and tried to address all of them to the best of my capacity. The person is willing to take part in the study.

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**1) KII-guideline**

**A) With Programme Partners**

**Relevance**

- Do you think that, the Programme activity is relevant or appropriate to address the needs of the target group and the priorities of the beneficiaries? To what extent it is relevant as compared to the other priority need? What evidence do you have? Is the Programme addresses gender need?
- Is the Programme design appropriate for the cultural, economic, social and political context in which it works? How? Is the Programme addressing the priority needs of the Programme beneficiaries?
- What is the relevance of the Programme within Ethiopia's policy, program and legislative environment?
- To what extent are the Programme activities aligned and supportive of existing government initiatives and policies or other relevant donor funded programs?
- What were the criteria for the selection of Programme beneficiaries? To what extent and how the Programme involves the participation of target groups and stakeholders including government partners, sector offices in all stages of program cycle such as initial assessment and need identification, design, deliverables, selection of beneficiaries, implementation and monitoring and

evaluation.

### **Effectiveness**

*Intermediate change 1: Family farmers have adopted new sustainable production techniques and improved the management of their activity)*

- To what extent the Programme has brought changes on improving, small holder farmer's production techniques, and management of their agronomic activities? What evidence do we have? What is its effect on gender?
- Do you have evidence, example about farmers who adopted new production techniques? What are these?
- What are the major productive collective initiatives promoted by the Programme? What is the added value?
- To what extent the Primary cooperatives and Unions leaders support smallholder's farmers?
- Was there any support by research centres/universities? What are these? What was the added value?
- What was the added value of the provision of practical and productive training to farmers about improved techniques (land preparation, crop protection, threshing, )? Do you think the training methodology and approach was effective? How?
- What was the added value of the provision of improved seeds to farmers (cost-shared by the farmers)? How do you see the mechanism?
- How is the linkage between farmers and development agents from District administrations as well as with MFIs?
- Do you think that vermicomposting and organic fertilizers promoted by the Programme are adapted by the farm families and is that according to their need,
- Do you think that the approach is and activities are sustainable?
- Who do you see the approach and implementation of the "Rural Services Facilities" methodology promoted by the MFIs is providing financial services to rural population?
- Do you think that the RSF contributed to farm families to be more resilient to external shocks (conflicts, economic, pandemic...) than conventional financial channels? How, what evidence do you have?
- What is the added value of RSF for the target communities as well as the promotion of the MFIs in comparison to the MFIs conventional

*Intermediate change 2: Family farmers, cooperatives and unions have strengthened their storage, processing and marketing capacities*

- To what extent the Programme improved the smallholder farmers towards higher integration in the value chains by organizing better storage, processing and marketing of their products?
- Can you give us evidence about farmers who improved their marketing initiatives and marketing skills? How?
- What is the added value of the Programme in improving favorable sales conditions for smallholder's farmers (better prices, stability) generating higher family incomes. What about is addressing gender dimension, women?
- To what extent the Programme has strengthened cooperatives/unions storage, processing and marketing capacity? How? What evidence do you have?
- Do you think the training provided to farmers about storage management and quality control systems improved the farmer's capacity? How what is new after the training?
- To what extent the business plans and market studies, of investments proposed by the cooperatives and unions strengthen their integration into value chains? What is the added value of the plan?
- What was the added value of the provision of training to coop/union leaders on business planning and equipment management, on market assessment, on information and access; coaching and promoting linkages to markets and to private sector actors? Do you have evidence?
- What supports (could funds) is provided to cooperatives and unions to manage and increase their purchasing and sales capacities as well as participate to their investments? What is the added value of this support? Can we have evidence?

*Intermediate change 3: Family farmers and rural micro entrepreneurs have access to adequate and sustainable financial services*

- To what extent the Programme creates opportunity to easily access financial services (savings, credit, insurance,...) to farmers? Are the services adequate and adapted to their needs, whether they are for their agricultural activity or off farms activities? How?
- To what extent the Programme financial services reached to remote rural areas? How? What evidence do you have?
- Do you think the Microfinance institutions (MFI) develop new financial products adapted to agriculture? How? Are the MFIs go deeper in remote rural areas?
- Do farmers have upgraded their financial education, at individual or cooperative level, and can present accurate business plan to MFIs? How?
- Do the MFIs attract additional funds to finance their agricultural portfolio? Do we have evidence?.
- What was the Programme support to RSF? Such as building construction and equipment, training local people (committee members) and dedicated staff?
- How many RSF are established by MFI? How is the support? Is that efficient to reach out remote rural areas?
- What is the linkage between the MFIs, the NGOs and the cooperatives and unions? What is the added value? Was that effective?
- How the Programme increased the financial capacity of the MFIs to be able to extend their outreach and attend the needs of agriculture? What is the added value? Is the Programme helped MFI to access funds from local banks? How?
- Can you give us data on:
  - Number of members of new RSF who can access their financial services
  - Total number of rural active borrowers from the MFIs
  - Outstanding rural loan portfolio (€) of the MFIs

*Intermediate change 4: Farmers' associations and partners' organizations capacities in promoting sustainable family farming (through services, TA and financial services) are strengthened*

- What capacity building support your organization received?
- To what extent the Programme has improved the capacity of your organization? How? What evidence do you have?
- After the capacity building support, have you provided better services to farmers and coops/union? Leaders involved in their cooperatives or unions? How?
- How do you see the capacity building support approaches such as training, experience sharing, organization of workshops, and provision of computer?
- How was the facilitation of linkages with other stakeholders like local government officials?
- How the Programme strengthened networks between partners, RSF, Coop Unions etc.?

**Efficiency**

- Do you agree that, the Programme strategies/activities efficient in terms of financial and human resources in relation to their outputs and outcomes? What evidence do you have?
- Are the Programme resources and activities implemented according to the Programme operational plan? How? What are the main reasons?
- Do you think that, the Programme is cooperating with other development activities to try to optimally use resources and maximize impacts? What evidence do we have here?
- Is the Programme structure adequate to allow for efficient Programme contributions to the Programme, and are there good relations between the Programme management?
- How was the quality of the day to day management?
- How was the quality of information management and reporting and the extent to which key stakeholders have been kept adequately informed of Programme implementation progress?

**Sustainability**

- What steps has the Programme taken to ensure the sustainability of the Programme activities? Do you have sustainability or exit strategy?
- Which Programme activities/initiatives are most likely to be sustainable and transferable to relevant local institutions, communities, cooperatives and other business organizations before the Programme ends? Do we have evidence?
- Is the Programme able to leverage additional financial or material resources from the government, private sector, communities, other Programme, donors or partners? If so, please describe how this has been accomplished?
- What additional steps need to be taken in order to improve the chances for sustainability of the activities and benefits derived from the Programme activities?
- Do beneficiaries perceive benefits of Programme such as, market linkages, and cooperative developments being sustainable beyond the life of the Programme? What factors do they see as key to sustainability?
- What recommendations can be made so as to improve chances of sustainability of Programme results?

#### **Impact**

- According to you, what are the positive and negative attributing factors for the Programme results? What are the unintended results of the Programme, induced by an intervention in support of development;
- According to you, what were the wider effects of the Programme - social, economic, technical, environmental - on individuals, gender, age-groups (Youths), communities, and institutions
- What did you learn from this Programme?

#### **Cross-cutting dimensions environment and gender**

- To what extent the Programme gave attention to gender? Environment? Are there any evidence?
- How gender and environment is mainstreamed in all Programme activities? Do we have a gender indicators, gender monitoring and reporting approaches, gender mainstream strategy? Do you have evidence?

#### **Programme strength and limitations**

- What are the main strengths and weaknesses of the programme?
- What was the main challenge during implementation of the Programme, could be unrest, drought etc.? how do you mitigate these?
- Do you have other points that you would like to say?

#### **B) Government offices (Cooperative Office/Agriculture Office/)**

- Do you know about the Programme implemented by SoS Faim partners (MFIs/NGOs)
- What were your involvement/ participation in all stages of program cycle such as initial assessment and need identification, design, deliverables, selection of beneficiaries, implementation and monitoring and evaluation?
- To what extent are the Programme activities aligned and supportive of with your plan? Can we have evidence?
- Do you think that the Programme activities improved smallholder farmer's production techniques, marketing? Can you give us example?
- Do you have evidence, example about farmers who adopted new production techniques? What are these?
- To what extent the Programme creates opportunity to easily access financial services (savings, credit, insurance,...) to farmers? Are the services adequate and adapted to their needs, whether they are for their agricultural activity or off farms activities? How?
- Which Programme activities/initiatives are most likely to be sustainable and transferable to your office or to, communities, cooperatives and other business organizations before the Programme ends? Do we have evidence?

- Do you think that vermicomposting and organic fertilizers promoted by the Programme are adapted by the farm families and is that according to their need? Do you think that the approach is sustainable?
- Who do you see the approach and implementation of the “Rural Services Facilities” methodology promoted by the MFIs is providing financial services to rural population?
- Do you think that the RSF contributed to farm families to be more resilient to external shocks (conflicts, economic, pandemic...) than conventional financial channels? How, what evidence do you have?
- What is the added value of RSF for the target communities as well as the promoter MFIs in comparison to the MFIs conventional
- Do you have other points that you would like to say?

## **2) FGD-guideline**

### **A) Farmers/MFI Clients**

- Have you participated in the MFIs activities, credit, agriculture etc supported by MFI and NGOs)? How do you involve?
- Have you received practical training about improved techniques (land preparation, crop protection, threshing, )? Do you think the training methodology and approach was effective? How?
- What was the added value of the provision of improved seeds to you (cost-shared by the farmers)? How do you see the mechanism?
- Have you gained any benefits? What are these? Have you seen any positive changes on your livelihood? Could be in improving agriculture product, storage, and marketing?
- Have you adopted/used vermicomposting and organic fertilizers promoted by the Programme? What was the added value? Are you using now?
- How do you see the approach and implementation of the “Rural Services Facilities” methodology promoted by the MFIs is providing financial services? How, what makes it different from others?
- Do you think that the RSF contributed to you to be more resilient to external shocks (conflicts, economic, pandemic...) than conventional financial channels? How, what evidence do you have?
- Do you think the Programme gave attention to gender? How?
- According to you, which Programme interventions are important for your need? Which one was less important? Why?
- Have you received support from cooperative/unions? What are these? Is the support improved in the last three or four years? What is new?
- Do you have anything you would like to say?

### **B) Union/Cooperative management/ Cooperative members /RSF manager**

- What were your involvement/ participation in all stages of program cycle such as initial assessment and need identification, design, deliverables, selection of beneficiaries, implementation and monitoring and evaluation?
- What support have you received the Programme?
- Do you think the Programme activities are according to your need and priorities?
- What was the added value of the provision of training to your leaders/memebrs on business planning and equipment management, on market assessment, on information and access; coaching and promoting linkages to markets and to private sector actors? Do you have evidence?
- What supports (could be provide funds) is provided to you to manage and increase your purchasing and sales capacities as well as participate to other investments? What is the added value of this support? Can we have evidence?
- To what extent the Programme has brought changes improving your organizations capacity? Overall, how do you see the added value of the Programme?
- To what extent the business plans and market studies, of investments proposed by your office strengthen you capacity? What is the added value of the plan?

- To what extent and how the Programme is appropriate/coherent to your plan and need?
- According to you, which Programme interventions are important for your organization? Which one was less important? Why?
- Do you have anything you would like to say?

**Annex-3: List of people consulted**

| No | Name                 | Sex | Representation                                      | Location    |
|----|----------------------|-----|---|-------------|
| 1  | Motuma Gutu          | M   | MFI   | Dukem       |
| 2  | Yonas Girma          | M   | MFI   | Dukem       |
| 3  | Birtukan Girma       | F   | RSF client  | Godino      |
| 4  | Damte Tufa           | M   | RSF Client  |             |
| 5  | Taddese Balcha       | M   | RSF Client  |             |
| 6  | Lemma Dadi           | M   | RSF Client  |             |
| 7  | Gossa Teferi         | M   | RSF Client  |             |
| 8  | Tsegaye Beyena       | M   | RSF Client  |             |
| 9  | Aboneshi Alemu       | F   | RSF Client  |             |
| 10 | Aberu Tamiru         | F   | RSF Client  |             |
| 11 | Debele Worke         | F   | RSF Client  |             |
| 12 | Negassa Kejela       | M   | Cooperative   |             |
| 13 | Alemayew Feyera      | M   | Cooeprative   |             |
| 14 | Bayissa Itecha       | M   | Cooperative   |             |
| 15 | Muluneh Deresa       | M   | Cooperative   |             |
| 16 | Hiwote Tlelahun      | F   | Cooperative   |             |
| 17 | Fufa Fana            | M   | Cooperative   |             |
| 18 | Abebe Tefera         | M   | Cooperative   |             |
| 19 | Tibebu Dyase         | M   | ERSHA   |             |
| 20 | Netsanet             | M   | ERSHA   | Bokoji      |
| 22 | Dirirsa Gadisa       | M   | Cooperative promotion office                        |             |
| 23 | Meshesha Demise      | M   | Wasasa-MFI  |             |
| 24 | Degaga Eirecha       | M   | Wasasa-MFI  |             |
| 25 | Lemi Yadete          | M   | Wasasa-MFI  |             |
| 26 | Ashebere Tufa        | M   | Wasasa-MFI  |             |
| 27 | Eibu Gemechu         | M   | Wasasa-MFI  |             |
| 28 | Terefe Dinkina       | M   | Wasasa-MFI  |             |
| 29 | Retta Lema           | M   | OSRA Project Manager                                | Addis Ababa |
| 30 | Shiferaw Mirsha      | M   | OSRA-Ara Office Coordinator                         | Addis Ababa |
| 31 | Desaligne Hailu      | M   | OSRA-Livelihood field officer                       | Addis Ababa |
| 32 | Dr.Alemayehu Mekasha | M   | OSRA-General Manager                                |             |
| 33 | Furgessa Hirpa       | M   | Eshet-General Manager                               | Addis Ababa |
| 34 | Gidi Diro            | M   | Eshet-Finance and Accounting Manager                | Addis Ababa |
| 35 | Ledia Bezu           | F   | Eshet-Operation Officer                             | Addis Ababa |
| 36 | Teshome Yohannes     | M   | BG-General Manager                                  | Addis Ababa |
| 37 | Mohamed Jemal        | M   | BG-Operation Manager                                | Addis Ababa |
| 38 | Bula Kenea           | M   | BG-RSF Regional section head                        | Addis Ababa |
| 39 | Tadesse Gemechu      |     | BG-Finance Manager                                  |             |
| 40 | Gelgelu Tusa         | M   | BG-RSF Regional coordinator                         | Addis Ababa |
| 41 | Jebesa Dugassa       | M   | Wasasa-DGM  | Addis Ababa |
| 42 | Yelma Tarekigne      | M   | Wasasa-DGM support                                  |             |
| 43 | Amsalu Elamayehu     | M   | Wasasa-CEO  | Addis Ababa |
| 44 | Zerihun Takele       | M   | Wasasa-Regional Manager                             | Addis Ababa |
| 45 | Fekady Gebeyehu      | M   | ERSAH-Board member                                  | Addis Ababa |
| 46 | Tamiru Sebsibe       | M   | ERSHA- Executive Director                           | Addis Ababa |
| 47 | Tefera Fantaye       | M   | ERSHA-M&E   | Addis Ababa |
| 48 | Zelalem Mengesha     | M   | SFPI- General Manager                               | Addis Ababa |
| 49 | Habtamu Obsa         | M   | SFPI- Agri. Finance Advisor                         | Addis Ababa |
| 50 | Sorsa Debela         | M   | SoS Faim Technical Advisor                          | Addis Ababa |
| 51 | Laurent Biot         |     | SoS Fiam- Coordinateur du Service Appui Partenaires | Belgiqu     |
| 52 | Marc Mees            |     | SoS Fiam-M&E  | Belgiqu     |

**Annex-4: The ToR**

**COMMON PROGRAMME OF PROMOTION OF SUSTAINABLE FAMILY  
FARMING AND SOCIAL ECONOMY FOR A FAIRER WORLD (2017-2021)**

**Terms of Reference for the final evaluation ETHIOPIA**

**SOS FAIM**

**October 2021**

### **Context of the evaluation**

This evaluation is part of the five-year programme for 2017-2021, financed by the Belgian Directorate-General for Development Cooperation and Humanitarian Aid (DGD) and implemented by a consortium of 3 Belgian NGOs, SOS Faim, Iles de Paix and Autre Terre, which work on the same general mission: *the promotion of family farming and the social economy model with a view to the emergence of a fairer and more united world oriented towards sustainable development.*

In Ethiopia, only SOS Faim is active.

### **Presentation of SOS Faim**

SOS Faim is a Belgian development NGO, active since 1964 in the fight against hunger and poverty in rural areas in Africa and Latin America.

SOS Faim supports family farming as the most sustainable model of food production that respects people and the land.

Two main lines of action structure the activity:

Capacity building for farmers in Africa and Latin America by providing technical, organizational and financial support to improve their own food, economic and social situation in a sustainable way and ultimately to become self-reliant.

Raising awareness and mobilizing Belgian and European citizens in order to influence, together with partners in the South, policies that have an impact on hunger and poverty in developing countries.

In the South, SOS Faim has an approach that favours partnership. This approach has always been a major element in SOS Faim's intervention strategy. SOS Faim works in close collaboration with local partners such as farmers' organisations, producers' associations, rural financial institutions and support organisations (NGOs) in order to enable people in the South to be actors of their own development.

SOS Faim accompanies its partners by providing technical, organisational and financial support, by establishing contacts, by supporting representativeness and recognition to ensure food security, a better nutritional balance and a decent income for small family producers.

Support and participation in the creation of financial institutions with a social purpose to allow equitable and sustainable access to financial resources in rural areas are also part of this effort.

SOS Faim collaborates with three types of partner organisations:

Grassroots organisations representative of rural stakeholders: cooperatives or producers' organisations, federations of farmers' organisations, local groups, etc.

Rural finance institutions: microfinance institutions, guarantee funds, agricultural banks, etc. with a strong social purpose and working with populations excluded from the traditional financial system. Priority is given to member-based organisations.

Support or advocacy NGOs that support participatory rural development dynamics, in conjunction with farmers' and producers' organisations..

SOS Faim operates in 3 South American countries (Bolivia, Ecuador and Peru) and 5 African countries (Burkina Faso, Mali, Senegal, Ethiopia and the Democratic Republic of Congo).

### **General presentation of the SIA programme**

For the period 2017-2021, the 3 SIA NGOs are implementing a common programme, the SIA programme, to promote sustainable family farming and social economy for a fairer world. This programme has a North and a South component.

In the North, the SIA consortium wishes to contribute to the establishment of an alternative global paradigm acting - in a complementary way to other actors in the sector - more specifically on the theme of the social and solidarity economy, particularly applied to the emergence of sustainable food systems based on family farming.

In the South, SIA NGOs wish to contribute to strengthening the resilience and capacity to sustainably meet the basic needs of family farmers and micro-entrepreneurs and their families in 11 countries in three homogeneous geographical areas of Africa and South America.

The specific objective of the South component of the programme is therefore to contribute to strengthening the economic, environmental and social performance of sustainable family farming and social economy actors (AFD & ES), in particular by acting on 5 priority areas (intermediate changes): (1) production techniques and capacities, (2) processing, marketing and storage capacities, (3) access to sustainable and adapted financial services, (4) advocacy and citizen mobilization capacities for sustainable family farming and the social economy, (5) capacity building for the organizations supported.

### **Commissioning NGO, country and areas concerned by this final evaluation**

This evaluation is commissioned by SOS Faim.

It relates to the Specific Objective of the SIA programme in Ethiopia.

In this country, the programme is implemented by partners in the following areas in Oromia Region and in East Gojam (Amhara Region).

### **Presentation of the local context**

As far as agriculture development is concerned, during the past years, the problem was the lack of attention for appropriate technology selection/development and application in the sector. Moreover, attention for healthy agro-ecological and sustainable agriculture (environment, economy and social) was lacking. This has partially contributed to the inability of the sector to meet the desired level of food security and poverty reduction.

That lack of attention, the high variability of rainfalls (seasonal and annual variation accentuated by climate change) on which agriculture is dependent, the high population growth in Ethiopian Highlands (according to WWF, those are among the most densely populated agricultural areas in Africa), the widespread use of chemicals inputs are all contributing to the rampant land degradation and are restraints to the rise of agricultural productivity.

Farmer's organisations such as cooperatives and unions can be registered as marketing cooperative, financial cooperative, multipurpose cooperative, seed multiplication cooperative, etc. The law organizes them on

territorial basis. Farmers and potential business partners (like MFI's), often see them as not-reliable, with a weak level of professionalism, and parasitized by political issues. However, more and more of them are developing a business-oriented approach and some are even important players in local production and marketing (e.g. milk, malt barley,...) or international value chains (e.g. coffee), especially the ones that are promoted by private initiatives like local NGOs.

Many farmer communities are relatively isolated from markets, posing evident problems for the commercialisation of their agricultural produce. Generally, linkages with markets and value chains are poorly developed.

One of the key elements for development of rural areas is finance. The sector of microfinance and Sacco's (saving and credit cooperative) is reliable and well regulated under the National Bank of Ethiopia and Cooperatives Promotion Agency respectively. However, the sector lacks resources to deepen its outreach. Its scope is consequently limited. Even if most MFIs are largely active in rural areas, they don't offer enough specific products for agriculture.

Local authorities are present in the field of agriculture. Bureau of Agriculture and Rural Development are government structures that aim to enhance agriculture and rural development, in accordance with the policies and strategies set by the Regional Government. They have offices at Regional and Woreda levels, as well as a team of

development agents working in the kebeles. Taking into consideration that context and the main actors present, the programme has been implemented aiming at tackling poverty in developing farmers' sustainable production, further integration into value chains, strengthening their organizations, linking them to markets and to financial actors which will be offering them adapted financial services.

### **Logical framework of the programme**

The logical framework of the programme and the expected results have been defined on the basis of a theory of change which is included in the Technical proposal submitted to DGD. This file will obviously be available to the team in charge of the evaluation. However, we are summarising the programme's logical framework here in order to present the expected results that will be the subject of the evaluation.

The Specific Objective for Ethiopia was formulated as "The economic, social and environmental performances of family farmers in Oromia and South Amhara Regions are reinforced".

In order to achieve this Objective, the programme, in Ethiopia, aims to reach four results which can be summarized as follows:

- (i) Family farmers have adopted new sustainable production techniques and improved the management of their activity
- (ii) Family farmers, cooperatives and unions have strengthened their storage, processing and marketing capacities
- (iii) Family farmers and rural micro entrepreneurs have access to adequate and sustainable financial service
- (iv) Farmers' associations and partners' organizations capacities in promoting sustainable family farming (through services, Technical Assistance (TA) and financial services) are strengthened

### **Evaluation stakes**

#### **Rationale and objectives of the evaluation**

This evaluation must meet the requirements of learning and accountability to the donor that is the DGD. It must make it possible to assess the achievement of results and to draw lessons for future interventions.

In particular, the objective of this evaluation is to assess all the programme's results, whether or not they have been achieved, on the basis of DAC criteria. The new DAC criteria do not need to be taken into account for this current programme and the evaluation will therefore focus on the criteria of relevance, impact, effectiveness, efficiency, sustainability as well as the cross-cutting dimensions of gender and environment.

It will therefore:

For each of the results and the Specific Objective of the programme:

Assess the achievement of the result in terms of quality and quantity

Qualify the relevance, impact, effectiveness, efficiency and sustainability of the changes observed in the field

For the programme as a whole:

Appreciate the consideration of the transversal gender dimension

Appreciate the consideration of the cross-cutting environmental dimension

For specific aspects of the programme:

Responding to the specific evaluation questions proposed

### **Fields of evaluation**

The evaluation will report on the results of the SIA programme carried out by SOS Faim Ethiopia.

For this evaluation, the consultant will refer to the programme's Theory of Change, through which the desired results are made explicit. The progress markers of the specific objective will also give good indications on the achievement of the results. However, the consultant should focus on assessing the relevance, impact, effectiveness, efficiency and sustainability of the results achieved in accordance with DAC requirements.

**Relevance:** The degree to which an aid activity is relevant or appropriate to address the needs of the target group and the priorities of the beneficiaries.

**Effectiveness:** The degree to which the objectives of an activity are achieved.

**Efficiency:** Measures the relationship between the results - qualitative and quantitative - and the resources used to achieve them within a given time frame. An economic concept, efficiency means using the least expensive resources possible to ensure that the desired results are achieved. Therefore, to determine whether the most efficient process has been adopted, it is usually necessary to compare it with other possible ways of achieving the same results.

**Sustainability:** Measures the chance that the benefits of a development intervention will survive after the intervention ends. The potential for survival of the intervention after the end of the grant is assessed according to three aspects: financial sustainability, social sustainability and knowledge transfer/capacity building.

**Impact:** positive and negative effects, direct or indirect, intended or unintended, induced by an intervention in support of development.

### **Evaluation questions**

The evaluation questions are as following:

- Are the results of the programme, analysed under the filter of the DAC criteria, in line with expectations?
- Has the programme satisfactorily integrated the cross-cutting dimensions of gender and environment?
- What are the main strengths and weaknesses of the programme?
- What are the main lessons learnt or drawn by the evaluator from observing the results of the programme?
- What are the evaluator's conclusions and recommendations in view of the 2022-2026 programme, which will focus on the promotion of sustainable food systems?
- To this list are added the following specific questions:
- To what extent is the alternative production techniques promoted during the programme with the 2 NGOs (mainly vermicomposting and organic fertilizers) adapted to the needs and sustainability of the farmers and farming system?
- Is the "Rural Services Facilities" methodology promoted by the MFIs to provide financial services to rural population, more resilient to external shocks (conflicts, economic, pandemic...) than conventional financial channels? And what are their added values for the target communities as well as the promoter MFIs in comparison to the MFIs conventional financial service provision channels?

### **Stakeholders and responsibilities**

The evaluation is entrusted to a lead evaluator who will be responsible for the overall coherence of the evaluation and the delivery of the final evaluation report.

The evaluator will submit a detailed methodology (see below) for the proper execution of the evaluation exercise. He/she will ensure that the conclusions and recommendations are properly presented in the field and in Belgium.

The evaluation steering committee is composed as follows:

- The steering committee is composed by:
- The Desk Officer of SOS Faim for Ethiopia
- The Knowledge Management expert of SOS Faim
- The Technical Adviser of SOS Faim based in Addis Ababa

The Steering Committee is responsible for the overall support of the evaluation process: finalization of the ToR, selection of the bureau and associated consultants, pre-evaluation briefing of the evaluator to agree on the timetable and clarify expectations, validation of the draft report, validation and use of the final report, recommendations and management response.

It is also responsible for steering the evaluations in the field: logistical organization of the evaluation, support and information sharing with the partners involved, debriefing at the end of the mission and validation of the evaluators' initial conclusions before the reports are drawn up.

The leadership of the evaluation is conducted by Laurent Biot, Desk Officer for Ethiopia and Head of programmes, who is a member of the Steering Committee.

After receiving the final evaluation report, the Steering Committee will organize, together with the evaluator, a feedback to the International Committee SIA and COPIL SIA in order to ensure that the conclusions and recommendations of the evaluators are properly exploited.

### **Methodology and content of the evaluation work**

The methodology of the evaluation will be proposed by the consultant in his/her offer. Particular attention will be paid to the following elements:

Methodology envisaged for each of the questions taken individually;

Methodology envisaged for data collection to ensure the quality of the sources of information, the triangulation of information and the neutrality of the evaluation;

On the basis of the study of the programme documents, the selected evaluator will propose a work schedule with the field visits to be carried out and the partners to be met. This proposal will be discussed with the evaluation steering committee in order to ensure a good representation and diversity of the beneficiaries and partners met.

At the start of the evaluation, a briefing will take place, probably on virtual basis with the all steering committee. It will focus on the following points:

Review of evaluation questions (and, if necessary, revision of evaluation questions.)

Presentation and explanation of the evaluation methodology, and

Clarification of objectives and approach.

In a second step, a start-up briefing will also take place covering the following points, among others:

Discussion and validation of the list of partners to be solicited, and Planning and organisation of field trips and interviews with identified partners.

The consultant will work closely with the field team to ensure the best possible ownership of his/her work. In addition, the consultant will ensure that the objectives of the evaluation are explained to his or her contacts in the field.

At the end of his or her field work and preliminary results, the consultant will organise a workshop for restitution and reflection to deliver the preliminary conclusions and exchange on them.

**Indicative evaluation planning**

Approx. 15 to 20 Person Days (PDs) from November 15th 2021.

Fieldwork: the consultant proposes a planning that takes into account the sample of partners he/she wishes to meet, max. 15 days in the field. From the 6 partners, 3 to 4 could be visited on the field.

Max. budget: 10,000 €

**Indicative calendar**

| Period (indicative)                              | Action   |
|--|--|
| Nov 18 <sup>th</sup> 2021                        | Publication of the ToRs and launch of the recruitment procedure                                      |
| Dec 6 <sup>th</sup> 2021                         | Closing of submission of Technical and Financial proposal by potential tenders                       |
| Dec 6 <sup>th</sup> – Dec 15 <sup>th</sup> 2021  | Review of tenders and selection of evaluators  |
| Jan 15 <sup>th</sup> – Feb 15 <sup>th</sup> 2022 | Organisation of the evaluation. Note that some preliminary works could also be possible in December. |
| Feb 15 <sup>th</sup> 2022                        | Presentation and discussion of the provisional report  |
| Feb 28 <sup>th</sup> 2022                        | Submission of Final Report   |

**Expected outputs/Deliverables**

NB. The outputs will be written in English.

Support (PPT or other) for the restitution of preliminary observations to the field team at the end of the visits and partner meetings;

A provisional report;

A final report which should contain the following elements:

Executive summary,

Background and objectives of the programme

Reminder of the objectives and questions of the evaluation,

Description of the evaluation methodology (highlighting how the methodology was used to answer the evaluation questions, the arrangements made to ensure the quality of the sources of information, the arrangements made to ensure the triangulation of data, and the arrangements made to ensure the neutrality of the evaluation report),

Evaluation :

Analysis of programme results according to DAC criteria (evaluation question 1)

Analysis of the consideration of cross-cutting dimensions (evaluation question 2)

Analysis of strengths, weaknesses and lessons identified from the analysis of programme results (evaluation questions 3 and 4)

Response to specific evaluation questions

Conclusions and recommendations (evaluation question 5)

- Overall conclusions

- Overall recommendations and areas for improvement (making sure they are realistic and workable),

A PowerPoint presentation of the results of the evaluation

A "key message" note summarising in a maximum of one page the main messages to be retained from the evaluation

#### **Evaluator profile**

For this evaluation, one expert is sought.

He/she, as responsible for the overall coherence of the evaluation work, expected to meet the following requirements:

Solid methodological experience (at least 8 years) in external evaluations of socio-economic and environmental development programmes.

Mastery of evaluation methodologies for rural development programmes based on DAC criteria

Good knowledge of sustainable family farming and the social economy

Evidence-based experience in the country where the evaluation takes place

Availability to travel to the programme's areas of intervention,

Perfect command of written and spoken English, mastery of Amharic and ability to speak in Afan Oromo.

Excellent writing skills

The evaluator is expected to have duly registered his or her professional activity in his or her country of residence.

#### **Contractual and financial conditions**

The proposed contract will be a service provision contract. The evaluator is fully responsible for all costs related to the consultancy (travel, insurance, field trips, etc.). Payment for the service will be made by bank transfer and on the basis of invoices issued by the service provider according to the following breakdown:

1st instalment on signature of the contract: 20% of the total amount of the service.

2nd instalment on submission of the provisional report: 30% of the total amount of the service.

3rd instalment upon acceptance of the final report: 50% of the total amount of the service.

Mission expenses (accommodation, visa fees and international transport) will be paid on presentation of expense statements.

#### **Practicalities of application**

##### **Reply modalities and documents to be provided**

The application file in computer format will include two files written in English:

A technical and financial offer (15 pages maximum);

The updated CV of the evaluator (including a possible referenced list of relevant publications with the service in question: 5 pages maximum);

The technical offer will clearly include a description of the evaluation process, the proposed methodology and the possible survey mechanism, a proposed timetable, a list of logistics required to carry out the mission and a list of the documents required for consultation before the mission (the documents will only be sent to the selected profile).

The financial offer will clearly detail the fees (including all taxes) of the evaluator as well as all other expenses (travel, accommodation, etc.).

Tenders will be sent by e-mail to Mr. Laurent Biot – lbi@sosfaim.org - by November 22nd 2021 at the latest. Please note that only complete offers corresponding to the profile will be processed by the selection committee.

#### **Selection process**

Proposals will be evaluated on the basis of their compliance with the terms of reference, using the following evaluation criteria:

Expertise, experience and skills of the consultant: 30 points

Understanding the TOR and matching supply and demand: 25 points

Proposed methodology: 25 points

Financial offer: 20 points

Annexes

#### **List of available documents**

In order to carry out this evaluation, the following information and documents will be made available to the evaluator:

Technical and financial documents presented to the donor

The Theory of Change of the Programme

Tables and methodology for monitoring-evaluation of the programme (progress markers monitoring tables)

#### **List of partners of the programme**

BUUSAA GONOFAMFI

ERSHA - NGO

ESHET MFI

OSRA - NGO

SFPI MFI

WASASA MFI