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IMPLEMENTATION COMPLETION AND RESULTS REPORT  
(IDA-D2330)

ON A

GRANT IN THE AMOUNT OF SDR 426.3 MILLION  
(US\$600 MILLION EQUIVALENT)

TO THE

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

FOR THE

Ethiopia Rural Productive Safety Net Project  
November 30, 2023

Social Protection & Jobs Global Practice  
Eastern And Southern Africa Region

## CURRENCY EQUIVALENTS

(Exchange Rate Effective {July 31, 2023})

Currency Unit = Ethiopian Birr (ETB)

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ETB55.09= US\$1

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US\$1.34 = SDR 1

FISCAL YEAR

July 1 - June 30

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## ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
APL	Adjustable Program Loan
CMPM	Commodity Management Procedures Manual
CPF	Country Partnership Framework
DANIDA	Danish International Development Assistance
DCT	Donor Coordination Team
DFATD	Department of Foreign Affairs, Trade and Development
DFID	Department for International Development (UK foreign assistance)
DP	Development Partner
DRM	Disaster Risk Management
DWG	Donor Working Group
EFY	Ethiopian Fiscal Year
ESAP	Ethiopia Social Accountability Program
ESMF	Environmental and Social Management Framework
ETB	Ethiopian Birr
FM	Financial Management
FSCD	Food Security Coordination Directorate
FY	Fiscal Year
GAP	Gender Action Plan
GoE	Government of Ethiopia
GRM	Grievance Redress Mechanism
GSD	Gender and Social Development
GTP	Growth and Transformation Plan
HFA	Humanitarian Food Assistance
IBEX	Integrated Budget and Expenditure
ICR	Implementation Completion and Results Report
IDA	International Development Association
IFPRI	International Food Policy Research Institute
IFR	Interim Financial Report
IPF	Investment Project Finance
ISR	Implementation Status and Results Report
JRIS	Joint Review and Implementation Support
KAC	<i>Kebele</i> Appeals Committee
KFSTF	<i>Kebele</i> Food Security Task Force
M&E	Monitoring and Evaluation
MDTF	Multi-Donor Trust Fund
MFI	Micro-Finance Institution
MIS	Management Information System
MoANR	Ministry of Agriculture and Natural Resources
MoFEC	Ministry of Finance and Economic Cooperation
MoLSA	Ministry of Labor and Social Affairs
MoU	Memorandum of Understanding
MTFF	Medium-Term Financing Framework
NDRMC	National Disaster Risk Management Commission

NGO	Nongovernmental Organization
NSPP	National Social Protection Policy
OP/BP	Operations Policy/Bank Policy
PAD	Project Appraisal Document
PASS	Payroll and Attendance Sheet System
PDO	Project Development Objective
PDS	Permanent Direct Support
PASS	Payroll and Attendance Sheet System
PSNP	Productive Safety Net Program
PSNP4	Productive Safety Net Project 4
PW	Public Works
PWIA	Public Works Impact Assessment
RF	Results Framework
RPF	Resettlement Policy Framework
RPSNP	Rural Productive Safety Net Project
SDR	Special Drawing Rights
SNNPR	Southern Nations, Nationalities, and Peoples Region
SP	Social Protection
SWC	Soil and Water Conservation
TDS	Temporary Direct Support
UNICEF	United Nations Children's Education Fund
UPSNP	Urban Productive Safety Net Program
USAID	United States Agency for International Development
WFP	World Food Program
WOFED	<i>Woreda</i> Office of Finance and Economic Development

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**DATA SHEET**

**BASIC INFORMATION**

**Product Information**

Project ID	Project Name
P163438	Ethiopia Rural Productive Safety Net Project
Country	Financing Instrument
Ethiopia	Investment Project Financing
Original EA Category	Revised EA Category
Partial Assessment (B)	Partial Assessment (B)

**Organizations**

Borrower	Implementing Agency
FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA	Ministry of Agriculture (MOA)

**Project Development Objective (PDO)**

Original PDO

To support the Government of Ethiopia in improving the effectiveness and scalability of its rural safety net system.



**FINANCING**

	<b>Original Amount (US\$)</b>	<b>Revised Amount (US\$)</b>	<b>Actual Disbursed (US\$)</b>
<b>World Bank Financing</b>			
IDA-D2330	600,000,000	600,000,000	593,548,275
<b>Total</b>	<b>600,000,000</b>	<b>600,000,000</b>	<b>593,548,275</b>
<b>Non-World Bank Financing</b>			
Borrower/Recipient	621,000,000	621,000,000	426,812,350
US: Agency for International Development (USAID)	178,500,000	178,500,000	360,000,000
CANADA: Can. Bureau of Assist. for Central and East Europe	67,100,000	67,100,000	0
DENMARK: Danish Intl. Dev. Assistance (DANIDA)	10,600,000	10,600,000	0
UK: British Department for International Development (DFID)	206,600,000	206,600,000	502,593,948
EC: European Commission	11,300,000	11,300,000	0
IRELAND, Govt. of	33,900,000	33,900,000	58,601,764
NETHERLANDS, Govt. of THE (Except for MOFA/Min of Dev. Coop)	26,400,000	26,400,000	0
UN Children's Fund	700,000	700,000	16,464,690
World Food Program	10,000,000	10,000,000	29,990,991
<b>Total</b>	<b>1,166,100,000</b>	<b>1,166,100,000</b>	<b>1,394,463,743</b>
<b>Total Project Cost</b>	<b>1,766,100,000</b>	<b>1,766,100,000</b>	<b>1,988,012,018</b>

**KEY DATES**

<b>Approval</b>	<b>Effectiveness</b>	<b>MTR Review</b>	<b>Original Closing</b>	<b>Actual Closing</b>
14-Sep-2017	23-Oct-2017	31-May-2019	31-Dec-2020	30-Jun-2022

## RESTRUCTURING AND/OR ADDITIONAL FINANCING

Date(s)	Amount Disbursed (US\$M)	Key Revisions
11-Dec-2020	593.52	Change in Loan Closing Date(s)
25-Jun-2021	593.52	Change in Loan Closing Date(s)
23-Dec-2021	593.55	Change in Loan Closing Date(s)

## KEY RATINGS

Outcome	Bank Performance	M&E Quality
Satisfactory	Highly Satisfactory	High

## RATINGS OF PROJECT PERFORMANCE IN ISRs

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US\$M)
01	19-Mar-2018	Satisfactory	Moderately Satisfactory	156.22
02	30-Oct-2018	Moderately Satisfactory	Moderately Satisfactory	156.22
03	30-Apr-2019	Moderately Satisfactory	Moderately Satisfactory	311.54
04	11-Nov-2019	Moderately Satisfactory	Moderately Satisfactory	454.99
05	09-Jun-2020	Satisfactory	Moderately Satisfactory	516.40
06	14-Jan-2021	Satisfactory	Moderately Satisfactory	593.52
07	24-Jun-2021	Moderately Satisfactory	Moderately Satisfactory	593.52
08	23-Dec-2021	Moderately Satisfactory	Moderately Satisfactory	593.55
09	21-Jun-2022	Moderately Satisfactory	Moderately Satisfactory	593.55



**SECTORS AND THEMES****Sectors**

Major Sector/Sector (%)

<b>Social Protection</b>	<b>100</b>
Social Protection	89
Public Administration - Social Protection	11

**Themes**

Major Theme/ Theme (Level 2)/ Theme (Level 3) (%)

<b>Private Sector Development</b>	<b>3</b>
Jobs	3
Job Creation	3
<b>Social Development and Protection</b>	<b>100</b>
Social Protection	100
Social Safety Nets	100
<b>Human Development and Gender</b>	<b>97</b>
Gender	60
Nutrition and Food Security	97
Food Security	97
<b>Urban and Rural Development</b>	<b>97</b>
Rural Development	14
Rural Infrastructure and service delivery	14
Disaster Risk Management	97
Flood and Drought Risk Management	97
<b>Environment and Natural Resource Management</b>	<b>71</b>
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## I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES

### A. CONTEXT AT APPRAISAL

#### Context

- 1. Between 2007 and 2017, Ethiopia achieved high levels of economic growth and significant advances in poverty reduction, but millions of people remained vulnerable to shocks.** Falling poverty rates across regions masked significant disparities within regions and among woredas (districts). Although agricultural growth had been a main driver of poverty reduction, the benefits of growth were not shared by all, especially farmers most vulnerable to drought. During the El Niño-induced drought of 2016/17, for example, almost 20 percent of the rural population required safety net support to meet their basic needs. A series of ambitious Growth and Transformation Plans (GTPs) set out Ethiopia's structural transformation toward a middle-income country by 2025, supported by high and sustained equitable growth that would require continued investments in agricultural growth, basic service provision and rural safety nets. The rising frequency and severity of droughts highlighted the need for Ethiopia safety nets to be designed to respond to crises.
- 2. The Government of Ethiopia (GoE, the government) was making progress in social protection since the launch of the Productive Safety Net Program (PSNP) in 2005.** The PSNP aimed to transition chronically food insecure households away from emergency response through the provision of food or cash transfers to smooth consumption and protect assets. The safety net facilitated the creation of community assets through public works (PW) and livelihoods support to enhance environmental rehabilitation, household productivity, and access to infrastructure and services. The National Social Protection Strategy (NSPS, 2016) further promotes productive safety nets through PW, cash transfers, shock responsive safety nets, and livelihoods and employment linkages. At the time of appraisal, PSNP was in its fourth phase (PSNP 4, 'PSNP 4 Program') and reached a core caseload of 8 million chronically food insecure people in rural areas with cash or food transfers based on participation in PW or as permanent direct support (PDS).
- 3. The World Bank, in coordination with ten donor partners (DPs), supported the PSNP with financial and technical assistance since the start.**<sup>1</sup> The World Bank first provided the equivalent of US\$1,163.7 million under a three-phase Adaptable Program Loan (APL) series: (1) APL I (2005-2006, P087707) supported the transition from the annual emergency appeal system to a multiannual predictable approach with cash transfers, (2) APL II (2007-2009, P098093) focused on performance and governance improvements, shock response mechanisms, and increased program coverage, and (3) APL III (2010-2015, P113220) focused on program monitoring and accountability, integration and coordination with other interventions to maximize long-term program outcomes.<sup>2</sup> The three-phase series was followed by the PSNP 4 Project (2015-2022, P146883), which contributed to the PSNP 4 Program and focused on enhancing core systems and delivery of the safety net in response to chronic and transitory needs.
- 4. The GoE envisioned moving away from delivering safety net support through separate programs to developing a national safety net system.** Three national safety net programs included the PSNP, Humanitarian Food Assistance (HFA), and the Urban Productive Safety Net Program (UPSNP). The HFA provides transitory support through food or cash

<sup>1</sup> Department of Foreign Affairs, Trade and Development (DFATD) Canada, United Kingdom Department for International Development (DFID), European Commission (EC), Irish Aid, Royal Danish Ministry of Foreign Affairs (RDMFA), Royal Netherlands Embassy (RNE), Swedish International Development Cooperation Agency (SIDA), United Nations Children's Education Fund (UNICEF), United States Agency for International Development (USAID) and World Food Program (WFP).

<sup>2</sup> World Bank. Project Appraisal Document (PAD) for PSNP 4. Washington DC: World Bank, September 4, 2014.



transfers to people negatively affected by shocks, particularly drought, in rural areas. Flows of HFA continued to be significant in a context of recurring crisis and reached 10.2 million people in response to the 2016 drought. While the PSNP and HFA were managed by two separate agencies, their target populations often lived in the same communities and received transfers through similar modalities. Finally, launched in 2016, the UPSNP provides cash transfers to urban poor living below the poverty line in 11 major cities in exchange for participation in PW or as PDS. At appraisal, the GoE was building administrative systems to improve coordination and information sharing between the three programs.

5. **The government envisioned creating a scalable safety net system in rural areas, however institutional changes altered implementation.** The system would provide predictable transfers to chronically food insecure households and scale up support to shock-affected populations. The PSNP 4 Program adopted a ‘continuum of response’ approach which sequenced support between the PSNP and the HFA. However, in 2015 the National Disaster Risk Management Commission (NDRMC) split the Disaster Risk Management and Food Security Sector into two: (1) the NDRMC, responsible for the coordination of disaster management and implementation of the HFA; and (2) the Food Security Sector, responsible for the PSNP under the Ministry of Agriculture and Natural Resources (MoANR). All food transfers were channeled through the government’s food management system (NDRMC) whereas cash transfers were managed by the Ministry of Finance and Economic Cooperation (MoFEC) for PSNP, and by NDRMC for HFA. These institutional changes affected the envisioned ‘continuum of response’ approach and led to coordination challenges for shock response.

6. **The PSNP 4 Program faced a financing shortfall in part due to back-to-back droughts in 2016 and 2017 which affected a large number of PSNP households.** As a result, World Bank financing under the predecessor PSNP 4 Project was largely allocated after two years. The Rural Productive Safety Net Project (RPSNP, ‘the Project’) was launched to continue to fund the PSNP 4 Program with an enhanced focus on consolidating PSNP and HFA operations to improve program delivery. However, the PSNP 4 Project did not close when RPSNP was launched; therefore, the two World Bank financed projects contributed to the same government-led program.<sup>3</sup> The RPSNP was originally designed as a Program-for-Results (PforR) but ultimately processed as an IPF due to the government’s lack of the medium-term financing framework (MTFF). Therefore, the RPSNP provided financing while adjusting the program’s focus in light of changing institutional arrangements and the need to streamline HFA and PSNP operations. This resulted in a different Project Development Objective (PDO) and indicators as compared to the PSNP 4 project.

### Theory of Change (Results Chain)

7. **The Project Appraisal Document (PAD) did not explicitly describe a Theory of Change (TOC)<sup>4</sup>.** For this Implementation Completion Report (ICR) the Project’s TOC is constructed ex-post and retrofitted from the Project’s Result Framework (RF) and its detailed description. The TOC reflects activities, outputs, intermediate outcomes, and outcomes associated with the three project components. *Component 1 – Safety net transfers for food insecure households in rural areas* included improvements to food and cash transfer delivery, including in response to shocks, notably through improved targeting accuracy, timeliness of transfers, and payment modalities. This component also comprises the public works activities, that most clients contribute towards in exchange for the safety net transfers, and which facilitate improvement of community assets to support client livelihoods. *Component 2 – Enhance access to complementary livelihoods services* focuses on the livelihoods’ development activities, including livelihoods transfers reaching 10 percent (scaled down from 30 percent due to budget and implementation constraints) of PSNP clients

<sup>3</sup> These issues are explained further in the PSNP 4 ICR, which recommends that the PSNP 4 project should have been restructured or received a third AF rather than establishing a new project (the RPSNP). These decisions affect PSNP 4 project assessment and ratings. The RPSNP is assessed separately here based on its defined objectives.

<sup>4</sup> As per World Bank guidelines, including the TOC in Project Appraisal Documents became mandatory as of May 2018. The RPSNP was approved by the World Bank’s Board of Directors on September 14, 2017.



alongside tailored livelihoods support to core PSNP clients. Finally, *Component 3 – Institutional support to strengthen systems for the rural productive safety net* includes activities to support the GoE’s institutions, human resources, and systems to deliver an effective and scalable rural safety net. A diagram with the TOC is presented on the next page.

### **Project Development Objectives (PDOs)**

8. **The PDO was “to support Government of Ethiopia in improving the effectiveness and scalability of its rural safety net system.”**

### **Key Expected Outcomes and Outcome Indicators**

9. **The PDO Indicators (PDIs) included the following:**

- a. Timely transfers, measured as the percentage of core safety net transfers paid on time (PSNP) and percentage of transitory clients receiving humanitarian food assistance resources within 60 days of identification of need (HFA)
- b. Integrated PW planning, measured as the percentage of rural safety net public works sub-projects meeting common standards
- c. Robust payment modalities, measured as the number of PSNP core beneficiaries receiving their cash payments through e-payments
- d. Targeting accuracy, measured as the percentage of households on the beneficiary list who are poor

The Project’s RF also included two core indicators and fifteen Intermediate Results Indicators (IRIs) (Annex 1).

### **Components**

10. **The Project comprised three components, as described below:**

- a. *Component 1 – Safety Net Transfers for Food Insecure Households in Rural Areas* (Total Cost, US\$1,592 million equivalent; IDA financing, US\$515 million equivalent) finances safety net transfers to selected households that participate in labor-intensive PW to develop community assets and facilitate access to mainstream health and nutrition services.
- b. *Component 2 – Enhanced Access to Complementary Livelihood Services* (Total Cost, US\$53 million equivalent; IDA financing, US\$17 million equivalent) supports the PSNP’s existing livelihood interventions for chronically food insecure households, including tailored support core PSNP clients and provision of livelihoods grants.
- c. *Component 3 – Institutional Support to Strengthen Systems for the Rural Productive Safety Net* (Total Cost, US\$210 million equivalent; IDA financing, US\$68 million equivalent) was designed to strengthen the government’s institutions, human resources, and systems to deliver the social safety net.

## **B. SIGNIFICANT CHANGES DURING IMPLEMENTATION**

### **Revised PDOs and Outcome Targets**

Neither the Project’s PDO nor its Outcome Targets were revised.

### **Revised PDO Indicators**

The Project’s PDO Indicators were not revised.

### **Revised Components**

The Project’s components were not revised.



**Theory of Change**

Component	Activities	Outputs	Intermediate Outcomes	Outcomes	PDO
<b>Component 1:</b> Safety net transfers for food insecure households in rural areas	Delivery of <b>cash transfers</b> to PSNP and HFA households	Introduction of improved cash payment modalities, notably e-payments	PSNP core beneficiaries receive their cash payments through e-payments [PDI 1.3]	Predictable and timely safety net transfers to core clients, both for regular transfers and in response to shocks	<i>Improved effectiveness and scalability of Government of Ethiopia's rural safety net system</i>
	Delivery of <b>food transfers</b> to PSNP and HFA households	Transfers are indexed to maintain value and delivered in a timely and accurate manner	Improved targeting accuracy, as measured by the percentage of households on the beneficiary list who are poor [PDI 1.1]		
		Improved oversight and close supervision of the food management process	Improved timeliness of transfers, measured by the percentage of core safety net transfers paid on time [PDI 1.2]		
	Delivery of <b>food and/or cash transfers</b> in response to shocks	Shock-responsive transfers follow the same selection and targeting procedures and payment mechanisms as core transfers	Timely and responsive shock-response mechanism, measured by the percent of transitory clients receiving HFA resources within 60 days of need [PDI 2.1]		
Design and implementation of <b>public works sub-projects</b>	Common standards adopted for planning of PW sub-projects funded through the PSNP and HFA	Rural safety net PW sub-projects meet common standards [PDI 2.2]	Public works sub-projects support the creation of sustainable community assets and an improved enabling environment for livelihoods		
<b>Component 3:</b> Institutional support to strengthen systems for the rural productive safety net	Technical assistance and capacity development on key aspects of the SP system (targeting, transfer delivery, shock-response mechanism, public works, grievance redress, monitoring and evaluation, etc.) <i>supporting the achievement of all activities and PDIs</i>			Strengthened safety net delivery system	
<b>Component 2:</b> Enhance access to complementary livelihoods services	Tailored support to PSNP clients (on-farm, off-farm and wage employment)	Improved links to employment services	Households develop and diversify livelihoods and increase productive assets	Improved livelihoods productivity and resilience for PSNP households	
	Livelihoods grant provided to the most vulnerable households	Promotion of household savings and access to finance at the community level			
		Households access livelihoods grants to support on-farm or off-farm activities			



### Other Changes and Rationale

11. **The project was extended three times in 2020 and 2021, for a total of 18 months:** from December 2020 to June 2021; June 2021 to December 2021; and December 2021 to June 2022. The extensions provided additional time to complete important, ongoing contracts that suffered implementation delays following the outbreak of the COVID-19 pandemic in 2020, including for the finalization of the second phase of MIS development, continued data collection for the beneficiary household registry, and close out of the end-line impact evaluation contracts.

## II. OUTCOME

### A. RELEVANCE OF PDOs

#### Assessment of Relevance of PDOs and Rating

12. **The Relevance of the Project's PDOs is rated High.** At approval, the PDOs were aligned with the World Bank Group's Country Partnership Framework (CPF) for the Democratic Republic of Ethiopia 2018-2022.<sup>5</sup> The PDO responded to Focus Area Two (Building Resilience and Inclusiveness). By increasing access to effective safety net and disaster risk management systems, and complementary services for food-insecure households in rural areas, the Project contributed to the CPF's Objective 2.1 (Improved sustainability and effectiveness of safety nets) which elaborated that World Bank assistance would support a sustainable and harmonized nationwide SP system for poor and vulnerable groups by extending safety nets and improving the effectiveness of the government's safety net program in rural areas, including in response to drought. Through the PW component, the Project contributed to other objectives of Focus Area Two, particularly 'enhanced management of natural resources and climate risks.' This relevance was maintained throughout project implementation.

13. **The PDO was also aligned with the development priorities of the GoE.** Ethiopia's GTP II (2015-2020) highlighted the government's commitment to promote household food security and to strengthen disaster risk management (DRM), as elaborated in social protection and DRM policies and strategies. The Project supported the government's longstanding aim to establish a rural social safety net that scales up in response to shocks, improve food security and nutrition and promote asset creation, and protect and rehabilitate the environment to support household livelihoods. Furthermore, the project would help the government to consolidate management of the PSNP and HFA. Central to this vision was the GoE's intention to self-finance safety net support to the chronically food insecure population in rural areas by 2025, increase financing for scaling up transfers during periods of crisis, and adopt other risk financing strategies to improve the predictability of financing for crisis response through national systems. Therefore, the focus of the PDOs on enhancing effectiveness and scalability were directly in line with the GoE's priorities and vision for the rural social safety net.

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<sup>5</sup> World Bank, World Bank Group's Country Partnership Framework of the Democratic Republic of Ethiopia 2018-2022, Report No. 119576-ET dated May 22, 2017.

## B. ACHIEVEMENT OF PDOs (EFFICACY)

14. **For purposes of assessing the Project’s efficacy, the PDO is evaluated according to two-sub-objectives:** (i) to support the government in improving the *effectiveness* of its rural safety net system; and (ii) to support the government in improving the *scalability* of its rural safety net system.

15. **Improved effectiveness and improved scalability were defined in the PAD.** Improved effectiveness was defined as ‘progress in the performance of the core aspects of a safety net that are central to achieving results, particularly selecting the correct people into the program, delivering transfers on time and in a predictable manner, and using robust payments systems to ensure that transfers reach the right people.’ Improved scalability was defined as ‘the expected benefits of consolidating the PSNP and HFA delivery systems and procedures into a single framework led by the government.’

16. **Several project indicators are relevant to both PDOs.** As the Project’s TOC was constructed ex-post, the PDIs and IRIs are assigned to the PDO for which they are best aligned based on interpretation of the intent laid out in the PAD. An attempt was made to balance the number of PDIs and IRIs associated with each PDO.

### Assessment of Achievement of Each Objective/Outcome

#### **Objective 1 (PDO 1): Support the government in improving the effectiveness of its rural safety net system**

17. **PDO 1 was intended to be measured through accuracy of targeting, timeliness of transfers, and robustness of payment modalities, as reflected in the three associated PDIs (Table 1).** The number of PSNP core beneficiaries receiving cash payments through e-payments increased over the life of the project and far exceeded the indicator target. While progress was made towards including poor households in the beneficiary list as compared to baseline, this achievement fell short of an ambitious target. Finally, timeliness of payments lagged behind due to a number of factors outlined below.

**Table 1. PDO 1 – Achievement against PDIs**

No.	PDO Indicator (PDI)	Baseline	Actual	Target
1.1	Percentage of households in the beneficiary list who are poor	N/A	58.0	90.0
1.2	Percentage of core safety net transfers paid on time	60	59.5	85.0
1.3	Number of PSNP core beneficiaries receiving their cash payments through e-payments	420,000	2,770,188	2,000,000

18. **Progress was made towards improving targeting accuracy and inclusion of poor households in the beneficiary list.** This approach represented a shift in earlier phases from a focus on food insecure households to poor households based on findings from the Ethiopia Poverty Assessment (EPA, 2019) which noted the decreasing relevance of food insecurity as a defining characteristic of the poorest. The highlands outcome evaluation (IFPRI, 2022) categorized 58 percent of PSNP households as poor based on the national food poverty line (PDI 1.1).<sup>6</sup> Subjective measures show that at baseline, 80 percent of PSNP households considered themselves to be among the poorer households in the village (76 percent at endline), compared to 58 percent of non-PSNP households (54 percent at endline). Only subjective measures

<sup>6</sup> In the PAD, poor households were intended to be identified on the basis of a region-specific percentile distribution of households by asset holdings individually or combined in an index. However, only consumption-based measures were available at the time of preparation of this ICR, so are used here to assess achievement.





are available for the lowlands; at endline, 67 percent of PSNP households considered themselves poor compared to 63 percent of non-PSNP households. The 2019 EPA concluded that the PSNP is overall well targeted: one-third of PSNP beneficiaries were found to be in the poorest 20 percent and 60 percent in the poorest 40 percent. The shift towards reaching the extreme poor rather than the food insecure is expected to improve poverty alleviation and is continuing under the current and fifth phase of the PSNP (PSNP 5).

19. **Timeliness of transfers has been a continual challenge for the PSNP (PDI 1.2).** This indicator aimed to measure adherence to the timeliness performance standards for core PSNP transfers as defined by the payment calendar. However, the percentage of clients paid within the agreed timeframe was not available and this indicator used a proxy measuring the percentage of cash transferred to clients out of the total cash transferred to woredas, which varied year-on-year and between food and cash. The PSNP-4 Project Mid-term Review (MTR), conducted concurrently to RPSNP appraisal, attributed cash delays to insecurity, staff turnover and unpredictable cash flow from the federal level. A study of timeliness (2018/19) commissioned by the World Bank highlighted delays in submitting completed PW attendance sheets which is a precondition for release of cash payments. Several adjustments were made over the course of implementation to improve transfer timeliness, including the introduction of e-payments for cash transfers. In 2020, it was estimated that 60 percent of cash transfers and 67.5 percent of food transfers, on average, were delivered on time.

20. **Improvements to the payment system aimed to cover both regular and shock-response transfers.** The improved payment modalities focused on the use of e-payments for cash transfers, which primarily consisted of transfers via MFI mobile accounts (PDI 1.3). The use of digital transfers expanded from 66 woredas in 2017 to 146 by 2020, and the end-of-project target was ultimately surpassed by over 770,000 beneficiaries or 38 percent of the target. E-payments allow woreda officials to disburse transfers to beneficiary accounts at different MFIs available depending on the region and is also expected to improve transfer timeliness once fully rolled out. However, improved timeliness resulting from e-payments was not yet achieved by the end of RPSNP, as bottlenecks persisted along other links of the payment delivery chains for food and cash (cash liquidity issues, delays in dispatch of food).<sup>7</sup>

21. **Progress made against most IRI targets highlights a high level of achievement for PDO 1, particularly at the output level and regarding investments in improved, streamlined delivery systems (Table 2).** The core indicator (IRI 1.1) represents the core caseload of PSNP beneficiaries, which was maintained at approximately 8 million beneficiaries over the course of the project. This means that poor and food insecure households were reached with regular cash or food transfers which helped smooth consumption and protect household assets, including in the face of shocks. This core caseload does not include households receiving transitory support in the face of shocks.

**Table 2. PDO 1 – Achievement against IRIs**

No.	Intermediate Results Indicator (IRI)	Baseline	Actual	Target
1.1	Beneficiaries of social safety net programs	7,900,000	7,997,218	7,900,000
1.2	Percent of PSNP core transfers received that have a value of at least 15kg of cereals of its cash equivalent	80	0	95
1.3	Number of PSNP core clients with livelihood business plan financed	0	541,066	300,000
1.4	Impact assessment for the livelihoods' component designed and implemented	No	Yes	Yes
1.5	Design and pilot testing of new rural safety net MIS	No	Partial	Yes
1.6	Number of woredas with upgraded version of PASS	0	326	431
1.7	Percent of rural safety net woredas where all payrolls for PSNP core beneficiaries are administered by WOFED using PASS	75	93	90

<sup>7</sup> As identified by the project Aide Memoire from June 2020.



1.8	Percent of PSNP Joint Action Plans developed through ESAP that are implemented	0	84	80
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22. **Challenges persisted with regards to transfer value despite adjustments made under RPSNP (IRI 1.2).** The wage rate was sufficient to purchase 9.4kg of cereals on average. The indicator formulation suggests that zero progress was made, however this discounts the actual achievement as compared to the target transfer value (9.4kg out of 15kg on average, or 63 percent of the transfer value across all transfers made). One challenge in achieving the 15kg target was the attempt to provide a transfer value commensurate with the amount of the humanitarian food basket, in order to align PSNP and HFA payment values across food and cash, and to promote the use of cash as a more efficient and transparent payment modality. However, this proved to be overly ambitious in part given budgetary constraints.

23. **Targets for the livelihoods’ component were either met or surpassed (IRIs 1.3 and 1.4).** The RPSNP provided livelihoods support in the form of skills training, business planning, savings promotion, credit facilitation and through three pathways: (1) on-farm self-employment; (2) off-farm self-employment; and (3) linkages to wage employment. Cumulatively, over 541,000 PSNP core clients developed business plans which were financed based on linkages to local sources of credit. The tailored support included referrals to MFIs and the provision of livelihoods grants to the most vulnerable households (bottom 10 percent) to facilitate asset accumulation, livelihoods development, and access to credit. The livelihoods grant was piloted in eight woredas and evaluated through an impact assessment completed in April 2022. The assessment identified higher-level results from the livelihoods grants as well as challenges which are discussed further in the Lessons Learned section below as well as in the PSNP 4 ICR. However, overall, RPSNP rightsized the livelihoods component as compared to previous phases as reflected in the greater achievement of targets.

24. **IRIs reflected investments in safety net delivery systems, including MIS development, payroll administration, and social accountability.** The MIS was expected to improve performance management and monitoring and contribute to the SP systems building agenda. While the MIS was designed by the end of the RPSNP, it was not yet pilot-tested, hence the Partial achievement (IRI 1.5). Pilot testing is planned for PSNP 5. MIS development was delayed due to procurement challenges, the impacts of COVID-19 on data collection, and shocks which undermined the government’s ability to prioritize systems-building activities. In addition, improved payroll administration by the Woreda Offices of Finance and Economic Development (WOFEDs) using the Payroll and Attendance Sheet System (PASS) facilitated a more efficient flow of resources between the federal, regional and woreda levels (IRI 1.6). PASS was upgraded to RPASS under the RPSNP to include provisions to prepare payrolls for both PSNP and HFA clients, improved reconciliation features, and the means to record the timing of transfer delivery. Full rollout fell short of the target due to delays in the lowlands, including woredas of Somali and Afar (IRI 1.7). Finally, the RPSNP supported the development of Joint Action Plans to improve social accountability performance through a partnership with the Ethiopia Social Accountability Program (ESAP).<sup>8</sup> This reached 16 of 19 woredas (84 percent), with remaining gaps due to the impacts of COVID-19 (IRI 1.8).

**PDO 2: Support the GoE in improving the scalability of the rural safety net system**

25. **PDO 2 aimed to consolidate PSNP and HFA delivery systems and procedures into a single framework.** These efforts applied to transfer delivery, safeguards, M&E, community structures, and PW management. The use of common frameworks would support the scalability of the safety net in response to shocks by eliminating redundancies in existing parallel systems for PSNP and HFA and by increasing harmonization to support the continuum of care provided by the two systems. Despite challenges that arose at the national level due to institutional roadblocks (see paragraph 5), progress

<sup>8</sup> Supported by a World Bank facilitated Multi-Donor Trust Fund, the ESAP supports strengthening of the social accountability system and mechanisms for enhanced service delivery in Ethiopia. It is led by national charities and civil society organizations and supported by the Government of Ethiopia. Source: <https://www.vng-esap.org/>

was made at the local level to harmonize delivery systems, payment modalities and common structures (Table 3).

**Table 3. PDO 2 – Achievement against PDIs**

No.	PDO Indicators (PDIs)	Baseline	Actual	Target
2.1	Percent of transitory clients receiving humanitarian food assistance resources within 60 days of identification of need	N/A	85	75
2.2	Percent of rural safety net public works sub-projects meeting common standards	0	85	90

26. **The first PDI measures transfer timeliness as it relates to HFA transfers (PDI 2.1).** Timeliness of HRA transfers exceeded the target by 10 percentage points as of ISR reporting in December 2019, however this is an estimated value based on reporting from the NDRMC and FSCD. The 2017 MTR noted that food delays persisted due to the lack of an effective commodity management system, miscommunication between the MoANR and Ethiopian Food Security Reserve Authority (EFSRA) over loans from reserve stocks, and shortfalls in deliveries to some woredas in Afar and Oromia.

27. **PDI 2.2 and several IRIs measured the extent to which PSNP and HFA structures, processes and guidelines were consolidated under one framework.** The RPSNP introduced a number of common standards (see paragraph 70), including those applied to PW implementation. Previously, planning and implementation of PW sub-projects through the PSNP or HFA was carried out separately. New common standards for PW across PSNP and HFA included screening according to the GoE's Environmental and Social Management Framework (ESMF), common planning procedures and safeguards, and a clear set of triggers for when PW would be suspended during shocks. Significant progress was made, and the indicator fell short of the target by only 5 percentage points (PDI 2.2). Standardizing PW activities also included the application of the GoE's community-based public works management guidelines (CBPWMG, IRI 2.5).

28. **IRIs measuring the streamlining of other program delivery and accountability systems had mixed results (Table 4, IRIs 2.1-2.6).** The strengthening of the grievance redress mechanism (GRM) through Kebele Action Committees (KAC) was one of the more successful elements of the project. Not only have KACs been established in all PSNP communities, but the majority of KACs operate effectively across both PSNP and HFA (IRI 2.1). Targeting through one committee structure fell short of the target largely due to regional variations – in the highlands, 40 percent of targeting was carried out through one community structure as compared to 87.5 percent in the lowlands (IRI 2.2). The decline in female representation on Kebele Food Security Task Force (KFSTF) is due to a different data source being used (IRI 2.6).

**Table 4. PDO 2 – Achievement against IRIs**

No.	Intermediate Results Indicator (IRI)	Baseline	Achievement	Target
2.1	Percent of sampled rural safety net kebeles with a functional KAC operating for both PSNP and humanitarian food assistance	0	84	75
2.2	Percent of sampled kebeles where targeting of PSNP core caseload and transitory transfers are targeted using one committee structure	0	61	90
2.3	Percent of rural safety net woredas in which food management makes use of core CPM formats	38	71.3	75
2.4	Percent of rural safety net woredas where payrolls for humanitarian food assistance clients are administered by WOFED using PASS	0	0	80
2.5	Percent of public works subprojects selected and implemented following GoE's CBPWMG/range management guidelines	75	84.5	85
2.6	Percent of sampled kebeles where KFSTF have two or more female members	80	45	85
2.7	Design and implementation of 'Hydromet' pilot	No	No	Yes
2.8	Number of person months of safety net support provided in response to shocks	N/A	2,679,806	0



29. **Two IRIs measured the shock-responsive nature of the safety net.** The Hydromet pilot aimed to improve the delivery of multi-hazard early warning services through better cooperation between the NDRMC, National Meteorological Agency and Hydrology and Water Quality Directorate (IRI 2.7). In 2018 it was agreed that the Hydromet pilot would no longer be financed by the RPSNP and the indicator was not monitored going forward. However, the RF was not formally revised to reflect this. PDI 2.8 target was exceeded; this is more a reflection of the shocks that affected Ethiopia during the implementation period and level of need among RPSNP households, rather than performance of the shock response mechanism.<sup>9</sup>

### Justification of Overall Efficacy Rating

30. **The Overall Efficacy rating is Substantial.** Despite some shortcomings, the operation almost fully achieved its objectives or is likely to do so in subsequent phases, in part due to adjustments made over the course of RPSNP implementation which will carry over into PSNP 5. Under both sub-PDOs, PDIs were either exceeded or partially achieved, which is further supported by overall progress against IRIs. Against an ambitious systems-building agenda, RPSNP made strides towards streamlining operations of the HFA and PSNP programs to contribute towards a more effective and scalable safety net. Some challenges remain, notably around transfer timeliness and transfer value under both HFA and PSNP, and necessary adjustments are being made. The RPSNP maintained the core PSNP 4 caseload of approximately 8 million beneficiaries of social safety net program, and in the face of recurrent shocks reached additional households with transitory support. Although improvements remain to be made, the shock-responsive elements of the safety net are functioning which will further advance the systems-building agenda.

## C. EFFICIENCY

### Assessment of Efficiency and Rating

#### Economic Analysis

31. **At appraisal, the PSNP's cost-transfer ratio, including the capital budget for public works, was US\$0.15, meaning that transferring US\$1 of benefits carried an administrative cost 15 cents.** This cost is lower (9 to 10 cents) when capital costs are excluded, which compares favorably with international benchmarks. Furthermore, the 2016 Ethiopia Public Expenditure Review concluded that when longer-term food security objectives are taken into account, the PSNP is "almost certainly more cost-effective than relief." At appraisal, the PSNP was considered to be a well-targeted program: about 75 percent of its beneficiaries come from the poorest 40 percent of the population.<sup>10</sup> Another aspect for the efficiency analysis at appraisal was the PW component, which had high rates of cost-effectiveness. The 2015 Public Works Impact Assessment (PWIA) estimated that the economic benefit-cost ratios exceeded 20 for several watersheds and, on average, a 9.1 percent increase in crop yields was attributed to the impact of PW soil and water conservation (SWC) measures.

32. **A Value for Money (VfM) assessment was conducted in July 2020 covering the original five-year period of the PSNP 4 (2015 – 2020).**<sup>11</sup> A full discussion of efficiency is included in the PSNP 4 ICR (Annex 4). Only key findings after the introduction of the RPSNP in September 2017 and their implications for efficiency are discussed here (i.e., the final three years of the assessment, or 2017-2020), including findings directly relevant to the areas of efficiency laid out in the PAD. Initial increases in cost were due to the increase in duration of PDS transfers from 6 months to 12 months starting in 2017,

<sup>9</sup> This indicator measures the extent of any scale-up using safety net systems. It includes extended support to existing PSNP core clients, and expansion of support. The level of scale up varies significantly depending on the level of shock experienced. No target was included as it was impossible to predict when a drought would occur and its magnitude.

<sup>10</sup> According to the World Bank Public Expenditure Review for Ethiopia (2016).

<sup>11</sup> White, Philip. *Ethiopia's Productive Safety Net Programme, Phase 4, 2015/16-2019/20: Value for money assessment*. July 2020.



however costs declined slightly starting in 2017/18, largely due to the decline in the daily wage rate resulting from the removal of pulses from the transfer package.

33. **Cost-efficiency analysis for the RPSNP compared total costs based on transfer value to client households at the delivery point, with food and cash transfers valued in comparable terms.** Three alternative transfer cost to transfer value (TCTR) findings are: (1) total transfer cost and administration costs compared to transfer value averaged 1.11; (2) total transfer and client costs, notably PW opportunity costs, and administration costs compared to transfer value averaged 1.38; and (3) all PSNP costs (transfer, administration and client costs, PW capital costs and livelihoods component costs) compared to transfer value averaged 1.48. All three TCTR metrics rose between 2017-2020 due to a decline in the real value of transfers compared with overall costs – despite a decline in transfer costs over this period – due to the falling value of wages and subsequently due to food price inflation outstripping annual wage adjustments.

34. **The PW component is generally cost-effective in terms of climate change mitigation and adaptation.** Generally, PW have relatively low cost-efficiency as a mechanism for effecting social transfers, but bring about other environmental, climate and livelihoods benefits which justify their use. By international standards, RPSNP PW have low costs per workday and are highly labor intensive. Under RPSNP, PW sub-projects were found to reverse land degradation, raise productivity, enhance social infrastructure, and address gender disparities. The benefit-cost ratios for SWC, irrigation and carbon sequestration activities ranged from 2.0 to 3.4 with positive net present values for all sampled watersheds. While some challenges persist around maintenance and social costs, especially related to women’s participation, the productivity benefits generally outweigh the costs. Both social transfers and PW are found to have multiplier effects in the local and national economy, including income and production multipliers that generate on average \$2.08 per \$1 transfer.

35. **The livelihoods component contributes to household productivity, and some efficiency improvements were noted over the 2017-2020 period.** The livelihoods component represents less than 2 percent of overall program costs, in part due to reduced coverage from 30 to 10 percent of poor households. The number of clients in households approved for livelihoods transfers or linked to employment increased between 2017-2020, with a peak of 90,814 in 2018/19 compared to 28,119 in 2015/16, whereas costs per clients decreased (excluding PSNP administration costs). As a result, the TCTR for the livelihoods component decreased from 9.09 in 2015/16 to 1.84 in 2019/2020. The VfM assessment considered potential profitability of livelihoods support, but estimated benefit cost ratios are not sufficient to outweigh costs and identified challenges in achieving outcomes at scale.

#### ***Aspects of design and implementation***

36. **The RPSNP was designed to improve program efficiency, notably through consolidation of PSNP and HFA operations.** Efforts to harmonize the PSNP and HFA delivery systems (targeting, grievance redress, payment systems, etc.) were expected to improve the overall cost-effectiveness and cost efficiency of the rural safety net through savings in administrative cost and more efficient spending on transfers. Historically, PSNP targeted chronically food insecure households whereas HFA responds to transitory food insecurity, and both programs have large rural caseloads. However, administration by separate agencies leads to fragmentation and duplication. A GoE decision communicated to DPs in May 2020 to consolidate PSNP and HFA management under the MoA would be expected to improve efficiency and effectiveness and expand the geographical coverage of PSNP through woreda caseload reallocation.<sup>12</sup> However, this decision did not materialize under RPSNP due to ministerial restructuring following the 2021 elections, COVID-19 and conflict which shifted government priorities. Recently, government and DPs have agreed to pursue a two-phased approach to consolidation under PSNP5.

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<sup>12</sup> World Bank SEASN concept note, January 2020



37. **Whereas some components of the safety net faced implementation challenges, other areas were found to be implemented as intended, so overall impacts on efficiency are relatively balanced.** For example, the livelihoods component faced implementation performance issues, due to low awareness of the livelihood’s activities at the kebele level and delays in credit provision. Off-farm and employment pathways also suffered from lower client and technical support, and these pathways saw limited results. In addition, transfer timeliness was a recurring issue as discussed in the Efficacy section, which impacted efficiency. At the same time, PW and gender provisions were generally well implemented: processes to identify and generate community assets are on the whole participatory and in line with GoE environmental guidelines, and gender provisions were generally well managed, which contributed to greater gender outcomes (paragraphs 40-42).

#### **Rating**

38. **The efficiency for RPSNP is rated as Substantial, or comparable to what would be expected in the operation’s sector.** The VfM assessment finds that the RPSNP exceeds nearly all comparator country programs in terms of real multiplier effects. While TCTR metrics rose between 2017-2020 due largely to declining wage rates and high food price inflation, this occurred during a time of crisis in Ethiopia and globally with the onset of the COVID-19 pandemic. At the same time, components around PW, livelihoods and gender contribute to efficiency gains, and the efforts towards institutional streamlining are expected to play out in terms of improved efficiency over the longer term.

#### **D. JUSTIFICATION OF OVERALL OUTCOME RATING**

39. **Based on the above factors of Relevance, Efficacy and Efficiency, the overall outcome rating is deemed Satisfactory.** The Satisfactory rating reflects minor shortcomings in the operation’s achievement of its objectives as reflected in the Efficacy section, resulting in a Substantial rating for Efficacy. When considered alongside the Substantial Efficiency and High Relevance rating, this supports a Satisfactory overall outcome rating.

#### **E. OTHER OUTCOMES AND IMPACTS (IF ANY)**

##### **Gender**

40. **A Gender Action Plan (GAP) was developed during preparation of PSNP 4 in 2014 and reviewed during RPSNP appraisal.** The review found mixed implementation, but continued relevance overall in terms of women’s participation, implementation of Gender and Social Development (GSD) provisions, access to social services and infrastructure, and gender mainstreaming. The review identified seven entry points to improve gender outcomes: (i) systematic awareness and sensitization; (ii) behavioral change with a focus on gender norms; (iii) capacity development on gender dimensions; (iv) setting implementation standards for GSD provisions (e.g., light work, day care construction, etc.); (v) systems strengthening, including placing GSD officers at the woreda level; (vi) strengthening partnerships with NGOs to help mainstream GSD; and (vii) designing and implementing tailored activities related to livelihood services for women.

41. **As a whole, the PSNP 4 addressed gender more systematically than earlier phases of the PSNP, and the RPSNP contributed towards this progress.**<sup>13</sup> Efforts included an assessment of gender dynamics in lowland areas, the development of minimum standards for temporary childcare, and standardization of job aids and training for GSD officers. Flex-work for women – or a 50 percent workload reduction to accommodate domestic and livelihoods responsibilities – was introduced, and 103,453 pregnant women shifted from PW to TDS until their child reaches one year of age. During

<sup>13</sup> Due to the program structure and efforts around aid harmonization undertaken during the fourth phase of PSNP 4, it is impossible to separate out specific gender impacts of each project. This is explained further in the PSNP 4 ICR.



their leave time, about 20,000 pregnant women received ante-natal care services and 11,000 lactating women received post-natal care and vaccination services. Regarding livelihoods, almost 500,000 women developed off-farm business plans, received crop, livestock, or off-farm skills training, and received financial literacy training. In woredas where the livelihoods transfer is implemented, women make up 50 percent of livelihood grant recipients, and women account for almost half of the total number of clients that access loans from different financial services providers.

42. **In 2023, UNICEF conducted a qualitative evaluation of the RPSNP gender provisions focusing on the PW component.** Provisions included: 1) preferential targeting, 2) working conditions, 3) women in supervisory roles, 4) childcare, 5) TDS, 6) joint access to payments, and 7) women’s participation in decision-making structures, which were found to contribute to some improved gender equality outcomes at the individual, household and community level. At the individual level, preferential targeting for women in female-headed and polygamous households was perceived to improve women’s access to resources. At the household level, there is evidence that the introduction of joint access to payments contributed to women’s decision-making power. There were some shortcomings, for example, modest implementation around women taking on supervisory roles and participating in decision-making structures led to limited engagement in leadership and community decision-making. In some areas, inconsistent implementation of adjusted working conditions contributed to greater time poverty and stress for women. Furthermore, while childcare centres are designed to support pregnant women and women with young children, poor adherence to standards with regards to childcare led to some adverse consequences such as other children in the household taking on care responsibilities.

### **Institutional Strengthening**

43. **The RPSNP focused on systems building and institutional strengthening.** Component 3 provided institutional support to strengthen systems for the rural productive safety net, including strengthening the government’s institutions, human resources and systems to enable functioning of core safety net delivery systems that were critical to achievement of the project’s objectives. These included investments in effective targeting, timely delivery, shock-response, productive inclusion (public works and livelihoods), GRM and social accountability, and M&E. Ethiopia’s safety net is largely delivered through government systems, which required financial and technical assistance across a range of areas: administration and program management budgets, capacity building activities, strengthening of administrative systems, establishing the program MIS, improving the PASS system, and strengthening the government’s early warning system to inform scaling up of the safety net in response to shocks. This component strengthened the government’s Financial Management (FM) systems for cash transfers, food management, and electronic payments. In addition, streamlining HFA and PSNP activities required close coordination between the institutions managing these programs. However, institutional changes made integration of the DRM and SP systems components for the shock-responsive mechanism as envisioned under the PSNP 4 project significantly more challenging than anticipated due to issues of coordination across government institutions. Implications of these institutional changes were still unfolding during RPSNP implementation and introduced some challenges for program management and coordination across programs.

### **Poverty Reduction and Shared Prosperity**

44. **The RPSNP targeted poor households in rural Ethiopia.** Analysis undertaken as part of the 2019 Poverty Assessment of Ethiopia found that in the highlands, 36 percent of RPSNP beneficiaries are in the lowest quintile and 60 percent of beneficiaries are in the lowest two quintiles. In the lowlands, 65 percent of beneficiaries are in the lowest two quintiles.<sup>14</sup> The RPSNP is overall well-targeted to poor households, and over the years, has demonstrated impacts on

<sup>14</sup> World Bank (2019) “Ethiopia Poverty Assessment: Harnessing Continued Growth for Accelerated Poverty Reduction” Available at <https://documents.worldbank.org/en/publication/documents->



improving their food security, and targeting is progressive largely due to the quality of community-based household targeting. Relative to non-beneficiaries, RPSNP beneficiaries in both highlands and lowlands are poorer, have fewer durable assets, have an older household head and live in places with less vegetation. The assessment drew attention to the declining relevance of food security as a defining characteristic of the poorest as only one in ten people in Ethiopia suffer from self-reported food shortages, but one in four live below the poverty line. This leads to recommendations which are discussed in the Lessons Learned section.

### Environmental and Climate Impacts

45. **The RPSNP aimed to address environmental degradation as an underlying cause of food insecurity through public works (PW).** The planning and implementation of PW sub-projects relies on a community-based approach to integrated watershed management, contributing to the rehabilitation of entire community watersheds, improved agricultural productivity and livelihoods, and climate change adaptation and mitigation. Overall, the PW program covers around 12,000 watersheds. The 2019 PWIA found that across ten watersheds and rangeland areas sampled, 183,000 tons CO<sub>2</sub>/Anum were sequestered, as well as substantial improvements in watershed resource management. Across 8 sampled watersheds, soil erosion was reduced by 36 percent, woody biomass in non-pastoral watersheds increased by 169 percent, and carbon sequestration resulting from increased vegetation cover increased from 3.25 to 4 MT Co<sub>2</sub> per hectare between 2015 and 2019. This translated into livelihoods and health benefits for agricultural households: crop yields in sample watersheds grew by 24 percent, irrigated crop production rose from 12 to 26 percent of households (including 6 to 12 percent for female-headed households), and access to safe water increased to 100 percent in several watersheds while incidence of diarrhea fell by 3.6 percent between 2015 and 2019. There is evidence of spillover effects as other farmers adopt SWC technologies on their farms. Finally, access road construction increased the proportion of households within 30 minutes' walk of a main road from 78 to 90 percent. Challenges remain in lowlands areas for households with pastoral livelihoods, as limited improvements were noted in livestock assets and milk production. This suggests that adaptations to PW activities in lowlands areas may help achieve intended benefits.

### Donor coordination

46. **The RPSNP continued the legacy of donor coordination established in previous phases.** This included streamlining aid provision from multiple DPs towards the PSNP program. RPSNP also aimed to streamline humanitarian and safety net donor support. A number of development partners are active in both RPSNP and humanitarian coordination mechanisms, notably DFID, USAID, the World Bank, WFP and UNICEF; however, they were often led by different teams within the same institution. This resulted in coordination challenges but also opportunities for donors to bring together humanitarian and development efforts under the same umbrella. The World Bank also facilitated strong engagement with the MoFEC on disaster risk financing, which contributed to some changes in how donors financed their programs.

## III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME

### A. KEY FACTORS DURING PREPARATION

47. **The RPSNP contributed financing towards the PSNP 4 but increased focus on institutional factors to enhance effectiveness and scalability of the safety net.** The PSNP 4 project was launched in 2014 to support the government-led PSNP 4, however due to severe back-to-back droughts alongside institutional adjustments, the project was falling

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*reports/documentdetail/992661585805283077/ethiopia-poverty-assessment-harnessing-continued-growth-for-accelerated-poverty-reduction*





short of intended objectives with regards to systems-building. Therefore, the RPSNP was designed to address these shortcomings while contributing to the same government-led program. As a result, many characteristics of the PSNP 4 project carried over into the RPSNP. Originally designed as a PforR, the RPSNP was ultimately approved as an IPF.

48. **The MTR for the PSNP 4 project led to adjustments applied during RPSNP, including efforts to reduce costs of the program.** Taking effect in July 2017, these changes included: (i) lowering the transfer value with the removal of pulses from the benefit package; (iii) lowering the proportion of poor households who receive the livelihood grants from 30 percent to 10 percent; and (iv) focusing on core systems-building activities related to PSNP-HFA harmonization while scaling back the DRM component. The latter change became necessary due to shifting institutional arrangements which required a more intentional streamlining of humanitarian and safety net efforts. The RPSNP PDO and RF intentionally reflect the progress already made while incorporating lessons learned. RPSNP was more practical and realistic in its design, corrected some of the overly ambitious aspects of the PSNP 4 project, and aimed to consolidate progress made while addressing operational challenges to program delivery.

49. **Preparation of RPSNP continued to count on the strong donor coordination that was a salient feature of earlier phases.** Eleven donor partners (DPs), including the World Bank, pooled funding (both cash and in-kind contributions) together with government resources to provide unified technical advice and analytical work in support of a single program led by the government. The RPSNP would continue to operate within the established framework for donor coordination that had been functioning well in earlier phases of the program. This framework was operationalized through a Donor Working Group (DWG) and Donor Coordination Team (DCT) with rotating chair, which coordinated and reported on activities and progress of DPs contributing towards the RPSNP.

## B. KEY FACTORS DURING IMPLEMENTATION

### (a) Factors subject to government control

50. **RPSNP was implemented in an environment of strong donor partner coordination, both for financial and technical support, in support of the government-led program.** The well-functioning DWG and DCT established since the earliest phase of the PSNP continued to provide ready, on-the-ground, just-in-time support in a coordinated manner. Progress, implementation status and issues, including challenges and needs arising from recurrent crises, were reviewed, discussed and documented in semi-annual Joint Review and Implementation Support (JRIS) missions or ad-hoc meetings as required, with participation of government officials at the federal, regional and woreda levels, DPs and other stakeholders.

51. **The government introduced a number of changes in response to the COVID-19 pandemic.** With a large proportion of Ethiopia's population clustered just above the poverty line, a reduction in consumption due to COVID-19 could increase poverty, reversing the progress made in recent years. The government suspended the PW requirement from April through June 2020, and additional donor financing was disbursed to support about one million RPSNP beneficiaries (about 300,000 households) from July-December 2020.

### (a) Factors subject to World Bank control

52. **The World Bank's role was essential among the DPs in terms of ensuring continued and streamlined donor support, including both technical and financial assistance, despite persistent challenges.** Under the supervision of a rotating donor chair, the DCT successfully fulfilled four primary responsibilities as indicated in Annual Reports: (1) provision of core analytical work informing donor-government dialogue; (2) provision of advice, training and hands-on technical assistance to the government; (3) planning of all regular joint donor-government activities including the JRIS



missions; and (4) DWG coordination and harmonization of donor policy and practice with the government.

**(a) External factors not subject to government or World Bank control**

53. **Implementation of RPSNP was marked by ongoing conflict and civil unrest.** In November 2020, a serious conflict between the federal government and the Tigray Regional Administration began. While the government introduced measures to allow for continued delivery of food and cash transfers during the conflict, the ongoing security situation significantly disrupted RPSNP implementation. The increase in conflict and civil unrest led to internal displacement, rising food insecurity and reduced incomes for affected households. The response to the Tigray crisis reached both existing PSNP beneficiaries, and non-PSNP beneficiaries who received temporary benefits during the crisis period. Given the severity of the crisis in Tigray, a blanket distribution of food was provided to all households in PSNP woredas to address the critical food security situation and the significant disruption to normal sources of income.

54. **In addition, the outbreak of the COVID-19 pandemic in 2020 affected implementation and contributed to a delay in the project closing date due to impacts on planned project activities.** The government took measures to contain the spread of COVID-19 in the country and declared a State of Emergency on April 8, 2020. Government spending and investment suffered from declining revenues and pressures on social services increased. Border closures, quarantines, and market, supply chain and trade disruptions are likely to further impact food security. The pandemic resulted in delays to several key activities under the RPSNP, notably testing and deployment for the MIS, data collection for the social registry and the endline impact evaluation. The COVID-19 pandemic overlapped with a locust plague, which impacted livelihoods and food security in more than 156 woredas across six regions. Response to the locust plague was impacted by COVID-19 response as supply lines for pesticides slowed, international experts were unable to travel, and response teams needed to ensure that they not import COVID 19 to remote areas affected by the locusts.

## IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME

### A. QUALITY OF MONITORING AND EVALUATION (M&E)

#### M&E Design

55. **The government and DPs adapted program delivery in response to lessons learned in previous phases.** RPSNP progress was to be measured using the government's M&E system, which includes indicators that assess higher level objectives as well as regular semi-annual monitoring. RPSNP was designed to include a number of studies and assessments to determine whether the program was on track to achieve its objectives and identify any needed adjustments. Several independent evaluations were intended to be carried out every two years: (i) impact evaluations of safety net transfers and livelihood grants for households, and (ii) PWIA to capture the impact of the assets created through public works sub-projects. M&E under the RPSNP improved significantly since previous phases and was developed based on learnings from the first two years of implementation of the PSNP 4. At the MTR of the PSNP 4 project, it became clear that several project indicators, including those measuring progress against the systems agenda, were no longer realistic given the context. Therefore, the RPSNP reflects much more appropriate and practical measures regarding the systems agenda while maintaining core project indicators (e.g., number of beneficiaries).

56. **Importantly, M&E would continue to be carried out using the government's M&E systems.** The RPSNP RF therefore included indicators that were selected based on the government's semi-annual monitoring reports and MIS data. RPSNP aimed to improve existing M&E systems by (a) introducing biannual spot-checks to assess implementation progress in a random sample of woredas (quarterly in Afar and Somali); (b) upgrading the PASS to create a more



comprehensive database of clients at the woreda level and stronger fiduciary controls around the payment processes, as the program-based MIS is rolled out; (c) extending the M&E system to the scalable component of the rural safety net to introduce assessments of targeting accuracy, time lines of payments, and financial and commodity audits.

### M&E Implementation

57. **M&E was implemented as designed, with semi-annual monitoring reports routinely provided to the World Bank and Ethiopia's other donor partners on a timely basis.** Impact evaluations were carried out in 2016, 2018 and 2021 (the endline scheduled for 2020 was delayed due to COVID-19) and the PWIA was carried out in 2019. The first spot-check was carried out in Afar and Somali, given that earlier reports had identified challenges with implementation in those regions, and a spot-check launched in 2019 covered all regions. Despite progress, routine monitoring continues to be weak at the woreda level due to government capacity constraints. While relying on government M&E systems was important for institutional strengthening and systems building, it also created challenges. For example, the government faced difficulties in collecting data as defined by the indicator descriptions in the RF, resulting in some indicators not regularly reported against. The administrative data provided through regular reports often lacks adequate verification mechanisms and is collected through telephone calls, potentially leading to delays and incomplete reporting to the federal level.

### M&E Utilization

58. **The program's monitoring reports, together with the numerous assessments and evaluations have provided a wealth of factual data, insights and feedback on the performance of RPSNP.** Over the years, they have provided a solid basis for reviewing implementation status and issues in semi-annual JRIS missions, and for ensuring that technical support is made available to help address bottlenecks or to make evidence-based decisions on needed adjustments to the RPSNP's implementation. The PSNP's focus on M&E since its inception has been strengthened over the years, including over the course of the RPSNP, both through implementation support as well as through technical assistance and financing for system improvements. Furthermore, over the course of the RPSNP, investments were made in various M&E systems that will enhance M&E implementation and utilization including the program MIS, social registry and payroll system.

### Justification of Overall Rating of Quality of M&E

59. **The overall M&E quality is rated Substantial.** There were moderate shortcomings in the M&E system's implementation and utilization. The M&E system was designed and implemented to allow for assessment of achievement towards objectives, and these were laid out clearly in the PAD. The project took an institutional approach to improving social protection systems in Ethiopia, and this was clearly reflected in the project Results Framework and consistently measured against defined indicators. The project made investments in core M&E systems which are expected to improve M&E implementation and utilization; however these changes did not yet bear out as intended under the RPSNP.

## B. ENVIRONMENTAL, SOCIAL, AND FIDUCIARY COMPLIANCE

### Environmental and Social

60. **RPSNP continued to promote rehabilitation of watersheds through the PW approach.** RPSNP was classified as a Category B in accordance with OP/BP 4.01, Environmental Assessment, as it needed to ensure that planned PW sub-projects would be complementary, provide continuity to the landscape approach to watershed development, and avoid negative environmental impacts. PW and livelihoods activities were screened following the ESMF framework that included: (a) a PW ESMF to develop site-specific plans prior to implementation of sub-projects and referral for an Environmental and Social Impact Assessment, as needed, and (b) a Livelihoods Strengthening ESMF to develop woreda-level environmental profiles, the potential impact of each type of activity, and environmental guidance on mitigating



measures. The project triggered other safeguard policies, including Pest Management (OP 4.09), Physical and Cultural Resources (OP/BP 4.11), Involuntary Resettlement (OP/BP 4.12), Safety of Dams (OP/BP 4.37) and Projects on International Waterways (OP/BP 7.50) that were addressed in the ESMF or through advice to potential affected parties.

61. **The ESMF covered procedures to identify potential direct negative social impacts of PW subprojects and livelihoods support interventions, and appropriate mitigating measures.** Although physical relocation of households was not eligible under RPSNP, a Resettlement Policy Framework (RPF) was prepared to guide consultations, and preventative and mitigating measures for sub-projects involving involuntary loss of assets or access to assets were developed. During preparation, consultations with potential project beneficiaries, including those of different socio-cultural groups, produced a series of recommendations to ensure that their needs would be addressed. The ESMF screening rate in all regions was 100 percent with the exception of Afar, where screening for some sub-projects had not been completed, bringing the national total down to 99 percent, and 60 percent of PW sub-projects required mitigating measures.

62. **The Indigenous Peoples policy (OP/BP 4.10) was triggered as the physical and sociocultural characteristics of the PW sub-project sites, as well as the people living in those areas, met the policy's requirements.** The social safeguards issues relating to this policy were assessed in detail through an Enhanced Social Assessment and Extensive Consultation Plan with potential beneficiaries and project-affected peoples, including those identified as vulnerable and underserved groups. The plan was implemented in compliance with OP 4.10, specifically: (i) reviewing and strengthening targeting in pastoral areas; (ii) carrying out a five-year review of the roving appeals audits that informed the development of the GRM manual; (iii) implementing an expanded social accountability pilot in 19 woredas (including Somali and Afar); and (iv) increasing communications and improving the awareness of both clients and non-clients. The appeals process for RPSNP includes a KAC in each kebele, as described in the Efficacy section above.

63. **Occupational Health and Safety procedures were designed for the PW program, and no incidents were reported formally.** However, in view of anecdotal reports that some incidents may have taken place, a set of questions was added to the national spot-checks and the government began to request that local government include a question related to accidents and fatalities in the sub-project completion handover notes. The preliminary results of spot-check indicates that one severe accident and two serious injuries related to PW happened in the woredas sampled.

#### Fiduciary

64. **As in previous phases, RPSNP applied the government's FM procedures, and arrangements have improved over the years.** The project follows the government's budget, accounting, computerized accounting, internal control systems, funds transfer and audit procedures, and counts on government staffing for the FM function. The government has made a concerted effort to strengthen financial accountability and transparency at all levels, and has shown improvements including the submission of timely and quality Interim Financial Reports (IFRs) and timely and clean audit reports, the use of IBEX computerized accounting software to produce more reliable financial reports, the use of the PASS system to strengthen internal control over beneficiary payroll, the expansion in the use of electronic transfers, and improvements in the program's internal control and supervisory role following signature of a Memorandum of Understanding (MoU) between the MoFEC and regional governments. Many accountants and cashiers were recruited at the federal, regional and woreda levels. The MoFEC and the MoA provided supervision in FM-related issues to the Somali and Afar regions to address issues identified in the audits and FM assessments and provided training for staff in the Afar region. Overall, the project's FM arrangements provide reasonable assurances that resources are used for their intended purposes.

65. **The main FM challenge continues to relate to food management.** Commodity Food and Utilization Reports (CFUR) and qualified commodity audit reports are submitted with delays, are of inconsistent quality, and delays persist in



addressing audit findings. The main weaknesses in food management include lack of capacity to deal with the RPSNP's food resources, lack of staff at various levels within the commodity management chain, insufficient timeliness and quality of reporting, lack of action on audit report findings, missing stock monitoring documents, lack of reconciled yearly inventory counts and poor condition of warehouses. Efforts to strengthen commodity management continued with the government's adoption of an automatic commodity tracking system and standardized forms, but progress has been slow and uneven. The NDRMC and the MoANR have agreed to strengthen the food management system by establishing a Commodity Management Coordination Office to manage the food resources of the FHA and PSNP and have developed a comprehensive Commodity Management Action Plan to address persistent challenges.

### Procurement

66. **Procurement for RPSNP was carried out centrally by FSCD of the MoA and by MoLSA, at regional levels by BOAs or Food Security Offices and at the woreda level by the WOFEDs.** A procurement capacity assessment carried out during preparation found that while these agencies had experience in the implementation of earlier World Bank-financed projects, there were still concerns on their procurement capacity mostly due to the high level of staff turnover, and the expansion of RPSNP to new woredas over the implementation period. Supervision assessments carried out during implementation found that procurement capacity had been strengthened over the years. Procurement staff at the federal and regional levels were mostly in place, and all regions except the SNNPR had put in place dedicated procurement staff. Periodic workshops on World Bank procurement procedures were being offered routinely to woreda level procurement staff and are important in view of the staff turnover at this level. The main challenges related to staff turnover, issues with record keeping, and the fact that procurement plans for woredas were not being submitted and approved by the World Bank through Systematic Tracking of Exchanges in Procurement (STEP) due to issues with connectivity.

## C. BANK PERFORMANCE

### Quality at Entry

67. **The RPSNP aimed to address challenges that persisted throughout the first two years of implementation of the PSNP 4.** These changes were informed by findings from the MTR for the PSNP 4 project and included efforts to streamline PSNP and HFA activities, notably: (a) biannual needs assessments to determine the food needs of households; (b) the selection of households using the same targeting and appeals structures; (c) the adoption of common payment procedures; (d) the waiving of PW requirements during severe droughts; and (e) the adoption of common reporting formats, audits, and evaluations. The adoption of these measures, as reflected in the project RF, would operationalize the achievement of the PDO. Additional actions were taken to address constraints in the design and delivery of PSNP 4 project and to learn from the first two years of implementation with regards to transfer timeliness, scalability of the safety net, food management, and performance issues in Afar and Somali. Finally, the livelihoods component faced significant implementation challenges during the PSNP 4 project; but was considered important by the government as a component of productive safety net. These priorities were balanced by scaling down the scope of the livelihoods component and designing a focused yet impactful approach, while building the evidence base to inform future programming.

68. **Risks at appraisal for RPSNP were slightly lower than that of the PSNP 4 project (substantial and high, respectively).** Political and governance risks were considered high in view of ongoing social and political unrest. Mitigation efforts included citizen engagement and communication, careful planning of missions and close monitoring of safeguard compliance. While technical, fiduciary, environmental and social risks persisted, the project's design measures adequately reflected these risks based on lessons learned during previous phases, and most notably during the first two years of PSNP 4. Continued emphasis was to be placed on capacity development, supervision and timely implementation support.



### Quality of Supervision<sup>15</sup>

69. **The World Bank team conducted high-quality supervision over the course of implementation through a number of mechanisms.** JRIS missions, organized every 6 months, served as an important venue to discuss, review, and document progress, implementation status and challenges. In addition to the JRIS, ad-hoc meetings were organized as needed with participation of government officials at the federal, regional and woreda levels, development partners and other stakeholders. The JRIS missions were a World Bank requirement as defined by the PAD, and the World Bank team therefore played an important role for organization and reporting. Furthermore, internal reporting requirements were met, and reporting tended to be candid regarding progress and challenges. Detailed Aide Memoires (AMs) were prepared for each JRIS, outlining key progress, remaining challenges, and clearly identifying action items and responsible parties. These efforts were supplemented through other monitoring and oversight tools such as quarterly financial reporting and annual financial and commodity audits. Audits were carried out annually, and generally found that program resources were being used as intended with identified issues addressed. The complexity of the RPSNP required intensive monitoring and supervision and these responsibilities were taken on seriously by the World Bank team across components.

70. **Overall, the World Bank team played a critical supervisory role.** The operating environment proved challenging, and the World Bank team adapted as needed to ensure continued program functioning. The multifaceted nature of the operation contributed to a complicated workload with competing priorities. It was challenging to prioritize systems-building and policy development in the context of recurrent crises, and the level of effort allocated towards supervision of the RPSNP – notably in terms of human resources – is substantial. This includes regular supervision, technical assistance, continuous research and evaluation, donor coordination efforts, government engagement and capacity building. Finally, the team made an intentional effort to harmonize supervision across the RPSNP and the UPSNP, leading to increased alignment between the two projects which relied on the same government systems and structures.

### Justification of Overall Rating of Bank Performance

71. **Based on these factors, the overall rating of Bank Performance is Highly Satisfactory.** There were no notable shortcomings in quality at entry and quality of supervision. The Bank team learned substantially from the first two years of PSNP 4 implementation and adjusted program operations accordingly. This was done within a challenging operating context that continued to be mired by crisis.

## D. RISK TO DEVELOPMENT OUTCOME

72. **As a program, the PSNP faces certain risks.** However, its central prominence in the government’s policy priorities, institutionalization over the years, broad support among donor partners, solid results, strong and consistent contributions from the World Bank, and ability to adapt and adjust to key challenges described previously make its Risks to Development Outcome relatively low. It is important to note that, given that the two World Bank projects RPSNP and PSNP 4 project contributed towards the same government program (PSNP 4) under the same general framework and within the same national and global context (and with the same closing date), the Risks to Development Outcome sections are similar across the two projects, as reflected in both ICRs with some adjustments.

73. **The GoE commitment to the PSNP has remained unwavering over the years.** The Program responds directly to the government’s National Social Protection Strategy that focuses on promoting productive safety nets and promoting

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<sup>15</sup> The same World Bank team supervised both the PSNP 4 project and the RPSNP project, with minimal changes to supervisory structure. Therefore, this section draws from the Quality of Supervision section in the PSNP 4 ICR with slight modifications.



employment and improved livelihoods. The PSNP is a cornerstone of the government's National Social Protection Policy (NSPP) and Disaster Risk Management Policy both of which provide its foundational framework. Further, through its evolution, cementing and improvement over the years, the Program also links directly to the government's National Food and Nutrition Policy, the Climate Resilient Green Economy, the Green Legacy Initiative and the Pastoral Development Policy, which informs the PSNP's design and implementation in lowlands regions. These policies proved the framework for the next phase of PSNP (PSNP 5), for which the World Bank-financed portion was approved on November 3, 2020.<sup>16</sup>

74. **Sustainability of funding is critical, and the government's financial contribution has increased significantly over the past few years.** The overall program budget for the next PNP phase, PSNP 5, is costed at approximately US\$2.3 billion to be financed by the government and DPs, with an increasing share taken on by the government. The World Bank approved a US\$200 million IDA credit and a US\$312.4 million grant for the Strengthen Ethiopia's Adaptive Safety Net Project (SEASN, P172479) in November 2020 to contribute to the PSNP 5. SEASN will continue to build on achievements to date with an increased focus on climate change adaptation, resilience, and shock-responsive social protection.

75. **The constant institutional reshuffling has the potential to impact long-term outcomes of the RPSNP.** Bringing the PSNP and HFA together under common standards made progress under RPSNP largely due to successful efforts made at the subnational level. At the national level, these efforts have proven more challenging due to the context of crisis but also political incentives, in which respective government agencies benefit from managing their own program. At the same time, efforts to streamline delivery of the PSNP and HFA are likely to increase efficiency in the long-term, reducing the financing burden on the government and DPs to continue to support the program. These efforts will need to continue to be strengthened alongside increasing funding from the government.

76. **Ethiopia remains extremely vulnerable to a range of shocks.** The possibility of price shocks affecting the poor in the near and medium-term remains high given the impacts of Russia's invasion of Ukraine on global food supply and rising food prices. The increasing intensity and frequency of climate shocks, notably drought, will exacerbate existing vulnerabilities among RPSNP households and continue to strain humanitarian response needs. Macroeconomic risks related to fiscal space and inflation could impact the program. The RPSNP introduced several measures to mitigate the effects of high inflation on cash transfer value, including annual reviews of the wage rate and use of the Consumer Price Index to inform the wage rate starting in 2017. High macroeconomic vulnerability could undermine the government's focus on program sustainability and adequacy of benefits. The government's commitment to increase its share of program financing coupled with the introduction of indicative targets on PSNP spending in its program with the International Monetary Fund are expected to mitigate this risk, but trends will need to be closely monitored.

77. **Finally, conflict and ongoing political turmoil may mitigate RPSNP outcomes.** The recent conflict in the Tigray region has impacted households in the RPSNP target areas, worsening food security and impacting household income generation. As program management is delegated to subnational administrative units under PSNP's decentralized structure, there is a potential for political changes to affect implementation. However, as PSNP is still strongly managed at the federal level as a national flagship program, decentralization is not expected to bring about significant changes to program sustainability in the short- to medium-term. It is important to note that while the PSNP underwent several significant disruptions and challenges during the fourth phase, it has remained largely relevant, indicating a relatively low risk to development outcome despite the level of complexity and increasing levels of global uncertainty.

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<sup>16</sup> World Bank, Project Appraisal Document, Strengthen Ethiopia's Adaptive Safety Net Project (SEASN, P172479), Report No. PAD3737 dated November 3, 2020.



## V. LESSONS AND RECOMMENDATIONS

78. **Several lessons and recommendations arise from the detailed assessment of RPSNP progress, results and challenges.** A few of these are highlighted below with relevance for future phases of the PSNP as well as flagship social safety net programs in other countries. As the two World Bank projects – PSNP 4 and RPSNP – contributed to the same overall PSNP program, there is some overlap in terms of lessons learned between the two ICRs.

79. **Issues around targeting, recertification, program entry and exit arose during the implementation of RPSNP.** Targeting the chronically food insecure in previous phases excluded some of the extremely poor rural population given the decreasing relevance of food security as a defining characteristic of the poorest. To address the shortcomings experienced in this phase of the program with regard to targeting, it is imperative to consider the following: (i) an adjustment to the program target group (extreme poor); (ii) expanded geographic coverage; (iii) a new methodology for geographic allocation of caseload; (iv) improved standards regarding the frequency and processes for retargeting and recertification; and (v) the introduction of a new methodology for beneficiaries’ recertification and program exit.

80. **Challenges persisted throughout RPSNP in terms of program implementation and achievement of outcomes in the lowlands’ areas.** While PSNP in the highlands has achieved significant gains, the impact of PSNP in the lowlands has been more modest. In lowlands areas, challenges in relation to targeting, the use of the GRM, and public works persist. Program capacity and governance remains relatively weak. The watershed-focused approach to public works is appropriate for parts of the lowland regions and the low population density means the impacts are less visible and less likely to translate into improved livelihoods outcomes. Future designs should enhance clarity on differences between the highlands and lowlands areas and include specific measures to respond to programmatic needs in the lowlands. This may include a strategy for enhancing the appropriateness and effectiveness of public works in lowlands; adjusting targeting mechanisms to capture the poorest and adjusting caseloads; and adapting the livelihoods program for pastoral areas.

81. **RPSNP continued PSNP’s aid harmonization agenda but required additional efforts to work across development and humanitarian actors.** The World Bank continued to finance and prioritize systems-building, whereas other actors focused on humanitarian response. It was at times difficult to bring these actors together to agree on program priorities. However, in highly shock-prone contexts, it is essential to make attempts to bridge the gap between humanitarian and development actors and approaches. Superficial distinctions can be made between chronic and transitory risks; in reality these challenges affect the same people over time in similar ways. This is particularly relevant to advancing the adaptive social protection agenda in which social protection systems are designed to scale up in response to shocks. The RPSNP brought together several distinct but overlapping sectors – social protection, disaster risk management, environmental protection and livelihoods development – to overcome the losses that arise from tackling these areas separately. In Ethiopia, the World Bank is well-placed to take on this coordination role for actors operating in different spaces.

82. **The PSNP 4 initiated an ambitious systems-building agenda which was built upon during the RPSNP.** PSNP 4 pursued an ambitious plan to develop key building blocks, tools and instruments for disaster risk management, information management, and social protection systems to transition individual programs into a system of integrated and shock-responsive social protection and service delivery. While some progress was made, the pace was slower than anticipated due to resource constraints, external shocks, and changes in institutional arrangements which overstretched technical and budgetary capacities of implementing structures. In order to improve effectiveness of a shock responsive safety net it is vital to work towards the operationalization of a single delivery system, systems building and modernization, to facilitate shock response. At the same time, issues of institutional resistance to change should not be underestimated, alongside challenges to program financing within a global context of growing crisis. Therefore, future





phases of PSNP should aim to better reflect institutional and political economy considerations in terms of program design, to also ensure that the approach taken is operational, realistic, and flexible should implementation arrangements shift.



ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS

A. RESULTS INDICATORS

A.1 PDO Indicators

Objective/Outcome: To support the GoE in improving the effectiveness and scalability of its rural safety net system

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of core safety net transfers paid on time	Percentage	60.00	85.00		59.50
		30-Jun-2017	31-Dec-2020		31-May-2022

Comments (achievements against targets):

RPSNP did not consistently measure timeliness of transfers. Instead, a proxy measure of the share of money transferred to beneficiaries out of the money transferred to woredas was used. Therefore, the proxy value is not considered to be a close measure as it does not cover food transfers nor transfer timeliness, and is thus likely to be an underestimate. Nonetheless, timeliness of transfers was considered to be a challenge during RPSNP. While more timely delivery of transfers was reported in early 2020, this declined by 2022 due to COVID-19, rising conflict and instability, and government capacity constraints.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
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% of transitory clients receiving humanitarian food assistance resources within 60 days of identification of need	Percentage	0.00	75.00		85.00
		30-Jun-2017	31-Dec-2020		31-May-2022

**Comments (achievements against targets):**

This indicator intends to measure transfer timeliness for the HFA. While the target was overachieved by 10 percentage points, this is an estimated value based on discussions between NDRMC and FSCD. There has been no update to this indicator since December 2019.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of rural safety net public works sub-projects meeting common standards	Percentage	0.00 30-Jun-2017	90.00 31-Dec-2020		85.00 31-May-2022

**Comments (achievements against targets):**

Achievement against this indicator is reported by the Food Security Coordination Directorate (FSCD) of the MoANR based on PSNP woredas. The target was underachieved by 5 percentage points.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
# of PSNP core beneficiaries	Number	420,000.00	2,000,000.00		2,770,188.00



receiving their cash payments through e-payments		09-Jun-2017	31-Dec-2020		31-May-2022
<p><b>Comments (achievements against targets):</b>            The e-payment modality covers more than one-third of PSNP woredas and over 2.7 million direct PSNP beneficiaries. The end-of-project target was surpassed by over 770,000 beneficiaries or 38 percent of the target. E-payments primarily consist of transfers made via MFI mobile accounts.</p> <p><b>Source:</b> EFY 2012 Q2 report</p>					

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Percentage of households in the beneficiary list who are poor	Percentage	0.00 09-Jun-2017	90.00 31-Dec-2020		58.00 31-May-2022

<p><b>Comments (achievements against targets):</b>            The endline impact evaluation found that 58% of PSNP households are categorized as poor based on the national food poverty line (315 Ethiopian Birr per adult equivalent per month in 2016 prices). The equivalent data point is not available for the lowlands, so the end value is based on the highlands only.</p> <p><b>Source:</b> PSNP IV Endline Outcomes Report – Highlands (IFPRI, 2022).</p>					
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## A.2 Intermediate Results Indicators

**Component:** Safety net transfers for food insecure households in rural areas



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
# of person months of safety net support provided in response to shocks	Number	0.00	0.00		2,679,806.00
		30-Jun-2017	31-Dec-2020		31-May-2022
<p><b>Comments (achievements against targets):</b>            While the target was overachieved, this indicator primarily measures whether PSNP households were affected by a shock during the period of project performance and is not a measure of program performance.</p>					

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Beneficiaries of social safety net programs	Number	7,900,000.00	7,900,000.00		7,997,218.00
		01-Jun-2017	31-Dec-2020		31-May-2022
Beneficiaries of social safety net programs - Female	Number	4079000.00	4,079,000.00		4,131,994.00
<p><b>Comments (achievements against targets):</b>            This indicator represents the core caseload of PSNP 4 beneficiaries, and the target was met. Only core PSNP beneficiaries are reported. Exact numbers of the humanitarian food assistance beneficiaries are not known and therefore not included in the reported value. The proportion of female beneficiaries exceeded 50 percent.</p>					



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of PSNP core transfers received that have a value of at least 15 kg of cereals or its cash equivalent	Percentage	80.00 31-May-2017	95.00 31-Dec-2020		0.00 31-May-2022

**Comments (achievements against targets):**

Based on analysis of Consumer Price Index data from CSA (June 2020), and reflecting adjustments to the transfer amount over time, the existing wage can purchase an average of 9.4 kg of cereals or its cash equivalent. This amounts to 63 percent of the target cereal value. However, due to the formulation of this indicator, this achievement is not captured.

**Component:** Enhanced access to complementary livelihood services

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of PSNP core clients with livelihood business plan financed	Number	0.00 31-May-2017	300,000.00 31-Dec-2020		541,066.00 31-May-2022

**Comments (achievements against targets):**

This indicator reflects financing through both livelihoods' grants (poorest 10 percent of PSNP households) and access to credit facilitated by the RPSNP for all other households with a completed business plan. It is a cumulative figure in which the target was overachieved by 80 percent.

**Source:** EFY 2012 Q2 Report.



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Impact assessment for the livelihoods component designed and implemented	Text	No  08-Jun-2017	Follow-up survey implemented and final impact evaluation report completed  31-Dec-2020		Report completed  31-May-2022
<p><b>Comments (achievements against targets):</b>                      The impact assessment evaluated outcomes associated with the livelihoods grant which was provided to the poorest 10 percent of households (approximately 133,000 beneficiary households in 168 woredas were ultimately reached with a one-off grant of US \$200/household). Data collection for the assessment was carried out between April and May 2021 and the final report submitted in April 2022 (IFPRI).</p>					

**Component:** Institutional support to strengthen systems for the rural productive safety net

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of sampled rural safety net kebeles with a functional KAC operating for both PSNP and humanitarian food assistance	Percentage	0.00  30-Jun-2017	75.00  31-Dec-2020		84.00  31-May-2022
<p><b>Comments (achievements against targets):</b></p>					



According to the final performance evaluation, 84 percent of kebeles reported having a functional KAC. This exceeded the target by 9 percentage points.

**Source:** PSNP IV Endline Program Performance Report (IFPRI, 2022).

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of sampled kebeles where targeting of PSNP core caseload and transitory transfers are targeted using one committee structure	Percentage	0.00	90.00		61.00
		30-Jun-2017	31-Dec-2020		31-May-2022

**Comments (achievements against targets):**

The HFA Baseline report found that 40 percent of kebeles (4 out of 10) in the highlands and 87.5 percent of kebeles (7 out of 8) in the lowlands used one committee structure for targeting of PSNP and HFA beneficiaries. Achievement at completion is based on an aggregate of highlands and lowlands kebeles (11 out of 18 total kebeles). This question was not included in the 2021 HFA assessment or the 2022 PSNP performance report so no updated measurement is available to measure progress.

**Source:** 2018 IFPRI HFA Baseline Report.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of rural safety net woredas where all payrolls for PSNP core beneficiaries are	Percentage	75.00	90.00		93.00
		30-Jun-2017	31-Dec-2020		31-May-2022





administered by WOFED using PASS

**Comments (achievements against targets):**

This indicator is as reported by the FSCD. The target was slightly overachieved by three percentage points. The PASS payroll system was upgraded to RPASS in 2018. Efforts went into ensuring the use of PASS at the woreda level for payroll administration including technical support and troubleshooting for the PASS software and training to woreda level staff. These efforts significantly increased utilization of PASS software in all PSNP regions.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of rural safety net woredas in which food management makes use of core CPM formats	Percentage	38.00 30-Jun-2017	75.00 31-Dec-2020		71.30 31-May-2022

**Comments (achievements against targets):**

This indicator is as reported by the FSCD of the Ministry of Agriculture. The Commodity Management Coordination Office was established to facilitate and coordinate commodity management of the program. The target was slightly underachieved by 3.7 percentage points.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of rural safety net woredas where payrolls for humanitarian food assistance	Percentage	0.00 09-Jun-2017	80.00 31-Dec-2020		0.00 31-May-2022



clients are administered by WOFED using PASS

**Comments (achievements against targets):**

Progress was not reported against this indicator.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of public works subprojects selected and implemented following GoE's CBPWMG/range management guidelines	Percentage	75.00	85.00		84.50
		09-Jun-2017	31-Dec-2020		31-May-2022

**Comments (achievements against targets):**

Public works sub-projects are identified by following the appropriate guidelines in the highlands and lowlands. Achievement against this indicator is reported by the Food Security Coordination Directorate (FSCD) of the MoANR.

The PSNP 4 Endline Program Performance Evaluation (IFPRI, 2021) reported that in the highlands, the process for selection and implementation of PW sub-projects is broadly bottom-up: communities identify and prioritize local problems and potential solutions with assistance from Development Agents (DAs). DAs then work with the Kebele Food Security Task Force (KFSTF) to consolidate and approve a final PW plan which is submitted to the woreda. Woreda officials in 9 of 11 sampled woredas in the highlands reported that they follow the integrated water management approach. In the lowlands, planning in both Afar and Somali was found to be community-based with contributions at the kebele and woreda levels. Knowledge of Pastoral Public Works Guidelines increased between 2018 and 2021; all six sampled KFSTF members were aware of the guidelines and reported they were being used.



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Design and pilot testing of new rural safety net MIS	Text	No 30-Jun-2017	Yes 31-Dec-2020		Partial 31-May-2022

**Comments (achievements against targets):**

MIS development reached the user testing stage by the end of the project. Phased roll-out at the woreda level has been suspended due to the impacts of COVID-19 on data collection capacities. It is being carried out under PSNP 5. The Partial achievement reflects the progress against design (completed) and pilot testing (not yet completed).

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of sampled kebeles where KFSTF have 2 or more female members	Percentage	80.00 30-Jun-2017	85.00 31-Dec-2020		45.00 31-May-2022

**Comments (achievements against targets):**

The decline in this indicator is due to the use of a different data source in 2018[EW1] . According to the IFPRI Performance Evaluations, 91 percent of KFSTF across all regions had at least one female member in 2021. However, the performance evaluation at endline did not measure against the exact formulation of this indicator (2 or more female members).

**Source:** PSNP IV Endline Program Performance Report (IFPRI, 2022).



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Percent of PSNP Joint Action Plans developed through ESAP that are implemented	Percentage	0.00 09-Jun-2017	80.00 31-Dec-2020		84.00 31-May-2022
<p><b>Comments (achievements against targets):</b>            This indicator target was overachieved at completion by 4 percentage points. 16 out of 19 ESAP woredas were implementing Joint Action Plans by the end of the project. Delays in the remaining woredas were due to COVID-19.</p> <p><b>Source:</b> ESAP Quarterly Report.</p>					
Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of woredas with upgraded version of PASS	Number	0.00 30-Jun-2017	431.00 31-Dec-2020		326.00 31-May-2022
<p><b>Comments (achievements against targets):</b>            This indicator was underachieved at completion by 105 woredas or approximately 24 percent of the target. Remaining woredas are primarily in Somali region (not yet completed) and Afar region (partially completed).</p> <p><b>Source:</b> FSCD Report</p>					



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Design and implementation of 'Hydromet' pilot	Text	No 30-Jun-2017	Yes 31-Dec-2020		No 31-May-2022
<p><b>Comments (achievements against targets):</b>            In June 2018, it was agreed that the RPSNP would no longer finance the Hydromet pilot activities. This indicator was therefore not monitored. However, the RF was never formally revised to remove the indicator.</p>					

## A. RESULTS INDICATORS

### A.1 PDO Indicators

**Objective/Outcome:** To support the GoE in improving the effectiveness and scalability of its rural safety net system

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of core safety net transfers paid on time	Percentage	60.00 30-Jun-2017	85.00		59.50 31-May-2022
<p><b>Comments (achievements against targets):</b> RPSNP did not consistently measure timeliness of transfers. Instead, a proxy measure of the share of money</p>					



transferred to beneficiaries out of the money transferred to woredas was used. Therefore, the final value is an estimate. This indicator was underachieved with uneven progress made year-to-year.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of transitory clients receiving humanitarian food assistance resources within 60 days of identification of need	Percentage	0.00 30-Jun-2017	75.00		85.00 31-May-2022

**Comments (achievements against targets):** This indicator intends to measure transfer timeliness for the HFA. While the target was overachieved by 10 percentage points, this is an estimated value based on discussions between NDRMC and FSCD. There has been no update to this indicator since December 2019.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of rural safety net public works sub-projects meeting common standards	Percentage	0.00 30-Jun-2017	90.00		85.00 31-May-2022

**Comments (achievements against targets):** Achievement against this indicator is reported by the Food Security Coordination Directorate (FSCD) of the MoANR based on PSNP woredas. The target was underachieved by 5 percentage points.



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
# of PSNP core beneficiaries receiving their cash payments through e-payments	Number	420,000.00 09-Jun-2017	2,000,000.00		2,770,188.00 31-May-2022

**Comments (achievements against targets):** The e-payment modality covers more than one-third of PSNP woredas and over 2.7 million direct PSNP beneficiaries. The end-of-project target was surpassed by over 770,000 beneficiaries or 38 percent of the target. E-payments primarily consist of transfers made via MFI mobile accounts.

**Source:** EFY 2012 Q2 report

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Percentage of households in the beneficiary list who are poor	Percentage	0.00 09-Jun-2017	90.00		58.00 31-May-2022

**Comments (achievements against targets):** The endline impact evaluation found that 58% of PSNP households are categorized as poor based on the national food poverty line (315 Ethiopian Birr per adult equivalent per month in 2016 prices). The equivalent data point is not available for the lowlands, so the end value is based on the highlands only.

**Source:** PSNP IV Endline Outcomes Report – Highlands (IFPRI, 2022).

## A.2 Intermediate Results Indicators

**Component:** Safety net transfers for food insecure households in rural areas



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
# of person months of safety net support provided in response to shocks	Number	0.00 30-Jun-2017	0.00		2,679,806.00 31-May-2022
<b>Comments (achievements against targets):</b> While the target was overachieved, this indicator primarily measures whether PSNP households were affected by a shock during the period of project performance and is not a measure of program performance.					

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Beneficiaries of social safety net programs	Number	7,900,000.00 01-Jun-2017	7,900,000.00		7,997,218.00 31-May-2022
Beneficiaries of social safety net programs - Female	Number	4079000.00	4,079,000.00		4,131,994.00
<b>Comments (achievements against targets):</b> This indicator represents the core caseload of PSNP 4 beneficiaries and the target was met. Only core PSNP beneficiaries are reported. Exact numbers of the humanitarian food assistance beneficiaries are not known and therefore not included in the reported value. The proportion of female beneficiaries exceeded 50 percent.					

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
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% of PSNP core transfers received that have a value of at least 15 kg of cereals or its cash equivalent	Percentage	80.00 31-May-2017	95.00		0.00 31-May-2022
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**Comments (achievements against targets):** Based on analysis of Consumer Price Index data from CSA (June 2020), the existing wage can purchase an average of 9.4 kg of cereals or its cash equivalent, or 63 percent of the 15 kgs of cereals. However, due to the formulation of this indicator, this is reported as zero percent of transfers with a value of at least 15 kg against a target of 95 percent.

**Component:** Enhanced access to complementary livelihood services

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of PSNP core clients with livelihood business plan financed	Number	0.00 31-May-2017	300,000.00		541,066.00 31-May-2022

**Comments (achievements against targets):** This indicator reflects financing through both livelihoods' grants (poorest 10 percent of PSNP households) and access to credit facilitated by the RPSNP for all other households with a completed business plan. It is a cumulative figure in which the target was overachieved by 80 percent.

**Source:** EFY 2012 Q2 Report.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Impact assessment for the livelihoods component	Text	No	Follow-up survey implemented and final impact evaluation		Report completed



designed and implemented		08-Jun-2017	report completed		31-May-2022
<p><b>Comments (achievements against targets):</b> The impact assessment evaluated outcomes associated with the livelihoods grant which was provided to the poorest 10 percent of households (approximately 133,000 beneficiary households in 168 woredas were ultimately reached with a one-off grant of US \$200/household). Data collection for the assessment was carried out between April and May 2021 and the final report submitted in April 2022 (IFPRI).</p>					

**Component:** Institutional support to strengthen systems for the rural productive safety net

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of sampled rural safety net kebeles with a functional KAC operating for both PSNP and humanitarian food assistance	Percentage	0.00 30-Jun-2017	75.00		84.00 31-May-2022
<p><b>Comments (achievements against targets):</b> According to the final performance evaluation, 84 percent of kebeles reported having a functional KAC. This exceeded the target by 9 percentage points.  <b>Source:</b> PSNP IV Endline Program Performance Report (IFPRI, 2022).</p>					

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of sampled kebeles where targeting of PSNP core caseload and transitory transfers are targeted using	Percentage	0.00 30-Jun-2017	90.00		61.00 31-May-2022



one committee structure

**Comments (achievements against targets):** The HFA Baseline report found that 40 percent of kebeles (4 out of 10) in the highlands and 87.5 percent of kebeles (7 out of 8) in the lowlands used one committee structure for targeting of PSNP and HFA beneficiaries. Achievement at completion is based on an aggregate of highlands and lowlands kebeles (11 out of 18 total kebeles). This question was not included in the 2021 HFA assessment or the 2022 PSNP performance report so no updated measurement is available to measure progress.

**Source:** 2018 IFPRI HFA Baseline Report.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of rural safety net woredas where all payrolls for PSNP core beneficiaries are administered by WOFED using PASS	Percentage	75.00 30-Jun-2017	90.00		93.00 31-May-2022

**Comments (achievements against targets):** This indicator is as reported by the FSCD. The target was slightly overachieved by three percentage points. No additional information is available.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of rural safety net woredas in which food management makes use of core CPM formats	Percentage	38.00 30-Jun-2017	75.00		71.30 31-May-2022



**Comments (achievements against targets):** This indicator is as reported by the FSCD. The target was slightly underachieved by 3.7 percentage points. No additional information is available.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of rural safety net woredas where payrolls for humanitarian food assistance clients are administered by WOFED using PASS	Percentage	0.00 09-Jun-2017	80.00		0.00 31-May-2022

**Comments (achievements against targets):** Progress was not reported against this indicator.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of public works subprojects selected and implemented following GoE's CBPWMG/range management guidelines	Percentage	75.00 09-Jun-2017	85.00		84.50 31-May-2022

**Comments (achievements against targets):** Uptake of GoE's guidelines for public works very nearly met the target (shortfall of 0.5 percentage points). When disaggregated, the target is achieved in highlands areas but underachieved in lowlands areas.



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Design and pilot testing of new rural safety net MIS	Text	No 30-Jun-2017	Yes		Partial 31-May-2022

**Comments (achievements against targets):** MIS development reached the user testing stage by the end of the project. Phased roll-out at the woreda level has been suspended due to the impacts of COVID-19 on data collection capacities. It is being carried out under PSNP 5. The Partial achievement reflects the progress against design (completed) and pilot testing (not yet completed).

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
% of sampled kebeles where KFSTF have 2 or more female members	Percentage	80.00 30-Jun-2017	85.00		45.00 31-May-2022

**Comments (achievements against targets):** The decline in this indicator is due to the use of a different data source in 2018. According to the IFPRI Performance Evaluations, 91 percent of KFSTF across all regions had at least one female member in 2021. However, the performance evaluation at endline did not measure against the exact formulation of this indicator (2 or more female members).

**Source:** PSNP IV Endline Program Performance Report (IFPRI, 2022).

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Percent of PSNP Joint Action Plans developed through ESAP that are implemented	Percentage	0.00 09-Jun-2017	80.00		84.00 31-May-2022



**Comments (achievements against targets):** This indicator target was overachieved at completion by 4 percentage points. 16 out of 19 ESAP woredas were implementing Joint Action Plans by the end of the project. Delays in the remaining woredas were due to COVID-19.  
**Source:** ESAP Quarterly Report.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of woredas with upgraded version of PASS	Number	0.00 30-Jun-2017	431.00		326.00 31-May-2022

**Comments (achievements against targets):** This indicator was underachieved at completion by 105 woredas or approximately 24 percent of the target. Remaining woredas are primarily in Somali region (not yet completed) and Afar region (partially completed).  
**Source:** FSCD Report

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Design and implementation of 'Hydromet' pilot	Text	No 30-Jun-2017	Yes		No 31-May-2022

**Comments (achievements against targets):** In June 2018, it was agreed that the RPSNP would no longer finance the Hydromet pilot activities. This indicator was therefore not monitored. However, the RF was never formally revised to remove the indicator.

Table



**B. KEY OUTPUTS BY COMPONENT**

<b>Objective/Outcome 1</b> <u>Improving the effectiveness of the rural safety net system</u>	
<b>Outcome Indicators</b>	PDI 1.1 Percentage of households in the beneficiary list who are poor PDI 1.2 Percentage of core safety net transfers paid on time PDI 1.3 Number of PSNP core beneficiaries receiving their cash payments through e-payments
<b>Intermediate Results Indicators</b>	IRI 1.1 Beneficiaries of social safety net programs IRI 1.2 Percent of PSNP core transfers received that have a value of at least 15kg of cereals or its cash equivalent IRI 1.3 Number of PSNP core clients with livelihood business plan financed IRI 1.4 Impact assessment for the livelihoods component designed and implemented IRI 1.5 Design and pilot testing of new rural safety net MIS IRI 1.6 Percent of rural safety net woredas where all payrolls for PSNP core beneficiaries are administered by WOFED using PASS IRI 1.7 Number of woredas with upgraded version of PASS IRI 1.8 Percent of PSNP Joint Action Plans developed through ESAP that are implemented
<b>Key Outputs by Component (linked to the achievement of the Objective/Outcome 1)</b>	Component 1: PDI 1.1 Percentage of households in the beneficiary list who are poor PDI 1.2 Percentage of core safety net transfers paid on time PDI 1.3 Number of PSNP core beneficiaries receiving their cash payments through e-payments IRI 1.1 Beneficiaries of social safety net programs IRI 1.2 Percent of PSNP core transfers received that have a value of at least 15kg of cereals or its cash equivalent  Component 2: IRI 1.3: Number of PSNP core clients with livelihood business plan financed IRI 1.4: Impact assessment for the livelihoods component designed and implemented  Component 3: IRI 1.6 Percent of rural safety net woredas where all payrolls for PSNP core beneficiaries are administered by WOFED using PASS IRI 1.7 Number of woredas with upgraded version of PASS IRI 1.8 Percent of PSNP Joint Action Plans developed through ESAP that are implemented



<b>Objective/Outcome 2</b> <u>Improving the scalability of its rural safety net system</u>	
<b>Outcome Indicators</b>	<p>PDI 2.1 Percent of transitory clients receiving humanitarian food assistance resources within 60 days of identification of need</p> <p>PDI 2.2 Percent of rural safety net public works sub-projects meeting common standards</p>
<b>Intermediate Results Indicators</b>	<p>IRI 2.1 Percent of sampled rural safety net kebeles with a functional KAC operating for both PSNP and humanitarian food assistance</p> <p>IRI 2.2 Percent of sampled kebeles where targeting of PSNP core caseload and transitory transfers are targeted using one committee structure</p> <p>IRI 2.3 Percent of rural safety net woredas in which food management makes use of core CPM formats</p> <p>IRI 2.4 Percent of rural safety net woredas where payrolls for humanitarian food assistance clients are administered by WOFED using PASS</p> <p>IRI 2.5 Percent of public works subprojects selected and implemented following GoE’s CBPWMG/range management guidelines</p> <p>IRI 2.6 Percent of sampled kebeles where KFSTF have two or more female members</p> <p>IRI 2.7 Design and implementation of ‘Hydromet’ pilot</p> <p>IRI 2.8 Number of person months of safety net support provided in response to shocks</p>
<b>Key Outputs by Component (linked to the achievement of the Objective/Outcome 2)</b>	<p><b>Component 1</b></p> <p>PDI 2.1 Percent of transitory clients receiving humanitarian food assistance resources within 60 days of identification of need</p> <p>IRI 2.8 Number of person months of safety net support provided in response to shocks</p> <p><b>Component 3</b></p> <p>PDI 2.2 Percent of rural safety net public works sub-projects meeting common standards</p> <p>IRI 2.1 Percent of sampled rural safety net kebeles with a functional KAC operating for both PSNP and humanitarian food assistance</p> <p>IRI 2.2 Percent of sampled kebeles where targeting of PSNP core caseload and transitory transfers are targeted using one committee structure</p> <p>IRI 2.3 Percent of rural safety net woredas in which food management makes use of core CPM formats</p> <p>IRI 2.4 Percent of rural safety net woredas where payrolls for humanitarian food assistance clients are administered by WOFED using PASS</p> <p>IRI 2.5 Percent of public works subprojects selected and implemented following GoE’s CBPWMG/range management guidelines</p> <p>IRI 2.6 Percent of sampled kebeles where KFSTF have two or more female members</p> <p>IRI 2.7 Design and implementation of ‘Hydromet’ pilot</p>





**ANNEX 2. BANK LENDING AND IMPLEMENTATION SUPPORT/SUPERVISION**

**A. TASK TEAM MEMBERS**

Name	Role
<b>Preparation</b>	
Sarah Elizabeth Coll-Black, Abu Yadetta Hateu	Task Team Leader(s)
Shimelis Woldehawariat Badisso	Procurement Specialist(s)
Meron Tadesse Techane	Financial Management Specialist
Tewodros Assefa Besrat	Team Member
Karol Karpinski	Team Member
Khurshid Banu Noorwalla	Team Member
Laura Campbell	Team Member
Judith Sandford	Team Member
Harish Natarajan	Team Member
Samrawit Girma Beyene	Team Member
Sofia Said Siraj	Team Member
Wolter Soer	Team Member
Berhanu Legesse Ayane	Team Member
<a href="#">Maiada Mahmoud Abdel Fattah Kassem</a>	Team Member
Chukwudi H. Okafor	Social Specialist
Julie Dana	Team Member
Ian Leslie Campbell	Team Member
Ian Leslie Campbell	Environmental Specialist



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Fikru Tesfaye	Team Member
Lucian Bucur Pop	Team Member
Margaret Png	Counsel
<b>Supervision/ICR</b>	
Michael Mutemi Munavu, Abu Yadetta Hateu	Task Team Leader(s)
Nizar Mohamed Ahmed Abu Elzoul, Shimelis Woldehawariat Badisso, Mogesie Ayele	Procurement Specialist(s)
Mekdim Hailu Yemane	Financial Management Specialist
Meron Tadesse Techane	Financial Management Specialist
Simon Narbeth	Team Member
Ayuba Sani Hussein	Team Member
Tewodros Assefa Besrat	Team Member
Yalemzewud Simachew Tiruneh	Social Specialist
Khurshid Banu Noorwalla	Team Member
Simon Sottsas	Social Specialist
Asegid Regassa	Procurement Team
Daisy Demirag	Team Member
Tamene Tiruneh Matebe	Environmental Specialist
Feben Demissie Hailemeskel	Safeguards Advisor/ESSA
Judith Sandford	Team Member
Harish Natarajan	Team Member
Samrawit Girma Beyene	Procurement Team
Jymdey Mercedes Yeffimo Garcia	Team Member
Berhanu Legesse Ayane	Team Member
<a href="#">Maiada Mahmoud Abdel Fattah Kassem</a>	Team Member
Chukwudi H. Okafor	Social Specialist
Ian Leslie Campbell	Environmental Specialist
Andrea Vermehren	Team Member
Margaret Png	Counsel

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Lynette Doreen MacAdam

Team Member

**B. STAFF TIME AND COST**

Stage of Project Cycle	Staff Time and Cost	
	No. of staff weeks	US\$ (including travel and consultant costs)
<b>Preparation</b>		
FY17	15.207	209,297.74
FY18	14.046	123,422.11
FY19	0	261.12
<b>Total</b>	<b>29.25</b>	<b>332,980.97</b>
<b>Supervision/ICR</b>		
FY18	14.369	53,320.04
FY19	24.340	80,781.17
FY20	23.795	102,395.82
FY21	16.595	81,494.24
FY22	19.012	102,937.40
FY23	2.295	50,853.24
FY24	1.369	8,577.87
<b>Total</b>	<b>101.78</b>	<b>480,359.78</b>



**ANNEX 3. PROJECT COST BY COMPONENT**

**Total Project Financing by IDA**

Components	Amount at Approval (US\$M)	Actual at Project Closing (US\$M)	Percentage of Approval (US\$M)
Safety net transfers for food insecure households in rural areas	515.00		
Enhanced access to complementary livelihood services	17.00	520.09*	97.76
Institutional support to strengthen systems for the rural productive safety net	68.00	73.46	108.03
<b>Total</b>	<b>600.00</b>	<b>593.55</b>	<b>98.9</b>

\*Spending on safety net transfers and livelihoods services was not disaggregated in financial reporting.

**Total Program Financing<sup>17</sup>**

Components	Amount at Approval (US\$M)	Actual at Project Closing (US\$M)	Percentage of Approval (US\$M)
Social Protection and Disaster Risk Management Systems	62.00	51.19	82.56
Productive safety nets and links to livelihoods services	3,031.86	2,749.86	90.70
Institutional Capacity Building and Project Management Support	317.67	193.75	60.99
<b>Total</b>	<b>3,411.53</b>	<b>2,994.80</b>	<b>87.78</b>

**Source of Program Financing<sup>18</sup>**

	Original Amount (US\$)	Revised Amount (US\$)	Actual Disbursed (US\$)
<b>World Bank Financing</b>			
TF-A1426		94,859,900.00	94,859,900.00

<sup>17</sup> Includes both PSNP 4 Project and RPSNP IDA financing, disaggregated by PSNP 4 components, based on available financial reporting. Actuals at project closing for RPSNP were not reported separately.

<sup>18</sup> The Government of Ethiopia and other Donor Partner contributions were made towards the overall PSNP 4 Program and there is no classification in the World Bank financial reports between contributions to the PSNP 4 Project and the RPSNP. Therefore, the Source of Program Financing is reflected in aggregate for the overall PSNP 4 Program.



IDA-55400* (PSNP 4 Project)	600,000,000.00	600,000,000.00	546,014,004.00
TF-A3267		182,387,387.00	182,387,387.00
IDA-58770		100,000,000.00	96,266,630.00
IDA-60410		108,100,000.00	110,902,814.00
IDA-D2330* (RPSNP)	600,000,000.00	600,000,000.00	593,548,275.00
<b>Total</b>	<b>1,200,000,000</b>	<b>1,685,347,287</b>	<b>1,623,979,010</b>
<b>Non-World Bank Financing</b>			
Borrower/Recipient	500,000,000	416,671,049	426,812,349.78
US: Agency for International Development (USAID)	550,000,000	400,000,000	360,000,000.00
UK: British Department for International Development (DFID)	412,000,000	502,953,948	502,953,948.05
IRELAND, Govt. of	68,000,000	58,601,764	58,601,763.80
UN Children's Fund	25,000,000	16,362,718	16,464,689.72
World Food Program	100,000,000	30,302,594	29,990,990.54
Austrian Development Agency	0	2,216,602	2,216,601.53
DANIDA**	25,000,000		
European Commission**	130,000,000		
Canada**	115,000,000		
Netherlands**	68,000,000		
Sweden (SIDA)**	23,000,000		
<b>Total</b>	<b>2,016,000,000</b>	<b>1,427,108,675</b>	<b>1,397,040,343</b>
<b>Total Project Cost</b>	<b>3,216,000,000</b>	<b>3,112,455,962</b>	<b>3,021,019,353<sup>19</sup></b>

\*Difference due to USD-XDR conversion. Project financing was fully disbursed against the XDR amount.

\*\*Contributions channeled through the MDTFs (TF-A1426 and TF-A3267). Individual donor contribution amounts not reported.

<sup>19</sup> Donor contributions were slightly higher than final program expenditures as reflected in the Total Program Financing table above, resulting in a small program surplus.



## ANNEX 4. EFFICIENCY ANALYSIS

- 1. A Value for Money (VfM) assessment was conducted in July 2020 covering the original five-year period of the PSNP 4 (2015 – 2020).**<sup>20</sup> This timeframe is considered to be appropriate for the PSNP 4 efficiency analysis for several reasons: (1) the project extensions until June 2022 were intended to accommodate contracting delays due to COVID-19; (2) financial resources expended during this time were primarily allocated towards the purchase of grains to be repaid within the GoE institutional framework<sup>21</sup>; and (3) since January 2021, transfers and program implementation costs have been covered by resources from the fifth phase of PSNP (PSNP 5). Between July and December 2020, PSNP 4 only transferred benefits to permanent direct support (PDS)<sup>22</sup> households, which represented about 14 percent of the project total beneficiaries over this period of time. Therefore, these are the only program-related costs not covered by the VfM assessment.
- 2. The VfM assessment reflects program caseload and costs and the cost-efficiency and cost-effectiveness of main program components with respect to program objectives.** Estimates utilize 2012 baseline data and 2020 estimates calculated following DFID's guidance framework. The analysis relied on data available at the federal level such as the GoE PSNP quarterly Interim Financial Reports (IFRs), quarterly Commodity Flow & Utilization Reports (CFURs) and Annual Reports (ARs), along with commodity price information from the Central Statistics Agency (CSA) and Ethiopian Grain Trade Enterprise (EGTE); as well as interviews with GoE federal level staff and partners. As such, the estimates are based on actual expenditures rather than planned budgets.
- 3. In terms of PSNP 4 public costs, cash and food transfers constituted 85 percent of total costs.** Other costs included public works capital costs (6 percent), livelihoods component (2 percent) and administration costs (7 percent). The cost-efficiency analysis for the cash transfer program was calculated based on the market value of transfers at the delivery point. The total cost-transfer ratio (TCTR) based on comparing administration and transfer costs with the market value of transfers was found to be 1.11, which is considered reasonably good for a mature social transfer program. With the inclusion of client opportunity costs the TCTR is 1.38, and with all costs, the TCTR is 1.48. Cost efficiency declined in the last three years of the program due to the falling value of wages due to the removal of pulses from the food basket and subsequently due to food price inflation. Other factors that affected cost-efficiency included the timeliness of transfers, which continued to lag behind throughout PSNP 4 and is being addressed in PSNP 5.
- 4. Public works and livelihoods components further influence the cost efficiency analysis.** In terms of public works, the cost per labor-day was kept very low (\$2.98) and labor intensity (81 percent) is considered high by international standards. However, including client opportunity costs in the analysis shows that a public works approach to social transfers is less cost-efficient given high component costs relative to transfer amounts. This does not however account for the productivity, climate and environmental benefits generated by the works undertaken, which are significant benefits of a PW approach and are discussed further below. Furthermore, while the livelihoods

<sup>20</sup> White, Philip. *Ethiopia's Productive Safety Net Programme, Phase 4, 2015/16-2019/20: Value for money assessment*. July 2020.

<sup>21</sup> Out of the reported total expenditure for EFY2014 (2021/22) of US\$64.8 million, US\$ 55.4 million were used to purchase food and grains for repayment, and US\$ 9.4 million on key instruments (MIS and household registry).

<sup>22</sup> Food insecure households without able-bodied adult members or are female headed with four or more dependents are eligible for permanent direct support (PDS), which includes year-round transfers without a work requirement.



component is quite small in terms of total costs, it is considered central to the 'productive' nature of PSNP. However, as discussed above, the benefits of the livelihoods program largely fell short of targets in terms of livelihoods diversification and employment linkages.

5. **The VfM assessment also included a discussion of cost-effectiveness, in which PSNP 4 was overall found to be cost effective, providing good value for money.** For example, PSNP transfers were found to have a significant direct effect on raising income and consumption within PSNP households. An estimation based on 2015/16 data found that PSNP 4 transfers raised almost a million clients (11 percent of total caseload) above the national poverty line and reduced Ethiopia's poverty gap by 8 percent. While targeting effectiveness measured by beneficiary incidence is comparable to international experience, there is room for improvement in terms of selection at the regional and woreda levels. The above efficacy discussion also highlights improvements in food security among client households, particularly in highlands areas. On the other hand, evidence of positive impacts on child nutritional outcomes has been lacking, and more recent assessments of productivity and livelihoods benefits have fallen short of expectations and previous phases.
6. **Shortcomings for the nutrition and livelihoods features are largely attributed to challenges and delays in implementation, which reduce cost-effectiveness.** Independent studies found, as the cause, miscommunication, and lack of awareness about different components of the program at regional and woreda level. This highlights the lack of effective internal monitoring systems at federal level; as well as the lack of a feedback-loop system cascading down from federal to regional until woreda and kebele implementers. These findings were primarily identified at the end of the project as the monitoring system during the life of the project was mostly relying on administrative data provided by FSCD. However, independent studies shed light on various challenges that had not been raised, and probably neither identified at federal level. This suggests the importance of triangulating administrative findings by independent assessments conducted frequently throughout the life of the project. This will allow the timely identification of challenges and the implementation of corrective actions to tackle them. While some of them were due to events outside of the project control, additional investments in human resources and institutional capacity are needed to bolster program implementation.
7. **Finally, and importantly considering the overall objectives of the PSNP, safety nets such as the PSNP have been shown to be more cost-effective than humanitarian aid in preventing food crises and building resilience.** A 2018 study found benefit-cost ratios of 2.25 and 2.88 in Tigray and Somali Regions, respectively, for safety net transfers compared with humanitarian response (taking income and livestock losses into account). With the inclusion of resilience building initiatives such as public works, benefit-cost ratios increased to 2.27 and 3.31, respectively.<sup>23</sup> Furthermore, a 2017 study found that PSNP also reduces both the initial impact of drought shock on households and the time taken for them to recover. Overall, it was found that drought shocks reduce the household food security, which persists for up to four years post-drought. PSNP transfers were found to reduce the initial impact of drought shocks by 57 percent and reduces the persistence of post-drought impacts from four to two years.<sup>24</sup>

<sup>23</sup> Cabot Venton, C. (2018) *Economics of Resilience to Drought - Ethiopia Analysis*, USAID Center for Resilience, January

<sup>24</sup> Knippenberg, E & J. Hoddinott (2017) *Shocks, social protection, and resilience: Evidence from Ethiopia*, Strategy Support Program Working Paper 109, IFPRI/EDRI, Addis Ababa, August.