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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX 2

of the Commission Implementing Decision on the financing of the individual measures in favour of the Federal Democratic Republic of Ethiopia for 2022 (part 2)

Action Document for food crisis response and social protection in rural areas of Ethiopia

ANNUAL MEASURE

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and measures in the sense of Article 23 of NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Food crisis response and social protection in rural areas of Ethiopia. OPSYS Number: ACT- 60859 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI- <u>Global Europe</u>)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in Ethiopia.
4. Programming document	Not applicable. Individual Measures outside the scope of programming documents (NDICI-Global Europe Regulation, Article 23.3)
5. Link with relevant MIP(s) objectives / expected results	Not applicable. Individual Measures outside the scope of programming documents (NDICI-Global Europe Regulation, Article 23.3)
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Not applicable. Individual Measures outside the scope of programming documents (NDICI-Global Europe Regulation, Article 23.3)
7. Sustainable Development Goals (SDGs)	<p>Main SDG: 2 – End hunger, achieve food security and improved nutrition and promote sustainable agriculture. Target 2.1: Universal Access to Safe and Nutritious Food; Target 2.2: End All Forms of Malnutrition; Target 2.4: Sustainable Food Production and Resilient Agricultural Practices Target 2.C: Ensure Stable Food Commodity Markets and Timely Access to Information.</p> <p>Significant SDG: 1 – End poverty in all its forms everywhere. Target 1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions. Target 1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.</p>

	Significant SDG: 5 – Gender Equality.			
8. a) DAC code(s)	Agriculture Development – 31120 Social Protection – 16010 Environmental Policy and administrative management - 41010			
8.b) Main Delivery Channel	- Third Country Government (Delegated co-operation) – 13000 - United Nations Agencies – 41000 - World Bank – 44001 (IBRD International Bank for Reconstruction and Development)			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social Inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Inclusion of persons with Disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective
Digitalisation		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital connectivity		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	
digital governance		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
digital entrepreneurship		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital skills/literacy		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital services		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Connectivity		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	YES	NO		

	digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	transport	<input type="checkbox"/>	<input type="checkbox"/>	
	health	<input type="checkbox"/>	<input type="checkbox"/>	
	education and research			
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2022-14 02 01 21-C1-INTPA Total estimated cost: approx. EUR 724 762 919 Total amount of EU budget contribution: EUR 75 000 000 This action is co-financed in joint co-financing by: <ul style="list-style-type: none">• IFAD for an amount of EUR 70 000 000• FAO for an amount of EUR 500 000• AFD for an amount of EUR 15 000 000 This action is co-financed in parallel co-financing by: The World Bank for an estimated amount of USD 629 000 000 (approx. EUR 570,262,919 ¹)			
MANAGEMENT AND IMPLEMENTATION				
14. Type of financing	Direct management through procurement Indirect management with Agence Française de Development (AFD) Indirect management with International Fund for Agriculture Development (IFAD) Indirect management with Food and Agriculture Organisation (FAO) Indirect management with the World Bank			

1.2 Summary of the Action

Food insecurity in Ethiopia is driven by multi-layered factors including conflicts, natural disasters and social-economic factors. The country is currently facing a serious food crisis with disruption of farming activities in the North and West due to the conflict in Northern Ethiopia, and a prolonged and historical drought (after three consecutive failed rainy seasons) affecting people in south and eastern pastoral and agro-pastoral areas. Over 20 million people are currently classified as food insecure (IPC level 3 and above²), a situation which is likely to further deteriorate due to the current drought and persistently high inflation, among other factors.

The proposed Action addresses two major aspects of food insecurity in Ethiopia: the low availability of nutritious food and the low food accessibility by the rural poor.

In terms of low food accessibility, this will be addressed by the cash/food transfer to the most vulnerable people, provided through the Rural Productive Safety Net Programme (PSNP). This is a flagship programme supported by the World Bank and several bilateral partners (including the EU and several Member States), which addresses rural poverty as part of a strategic approach to build resilience for most vulnerable and poor people. The programme targets 8 million food insecure and vulnerable people across almost all regions³, a number that may increase as part of the post-conflict reconstruction and rehabilitation efforts.

¹ Exchange rate used: 1 EUR = 1.103 USD

² Integrated Food Security Phased Classification: Level 3 “Acute Food and Livelihood Crisis”, level 4 “Humanitarian” and level 5 “Famine”

³ PSNP implementation in Tigray has been suspended due to the conflict. Gambella and Benishangul-Gumuz are not target regions.

The Humanitarian-Development nexus will be operationalised by supporting target rural households in terms of immediate food access and child acute malnutrition.

In terms of low availability of nutritious food, this will be addressed by two essential multi-donor interventions to increase food production in conflict/drought stricken areas: a) support to respond to the needs of improved seeds as one of the essential input for agriculture recovery, and b) support irrigation in the low lands as a means to limit the dependency on rain-fed agriculture in those regions. Specific support to the dissemination of bio-fortified and nutrient dense crops will be provided, while ensuring a nutrition-sensitive approach across the actions targeting vulnerable rural populations in Ethiopia.

This Action has a budget of EUR 75 000 000, and will have a duration of 48 months. The main beneficiaries of this Action will be the most vulnerable populations, in particular those affected by drought and conflict (including people with disabilities and displaced populations) in rural areas of Ethiopia. Their needs will be addressed through the support proposed through food security and social protection.

The Action will use multi donor framework programmes or initiatives in order to maximise EU leverage.

2 RATIONALE

2.1 Context

This Individual Measure focuses on food insecurity in Ethiopia, a major challenge already under normal circumstances, which has severely aggravated due to the combined effects of conflicts and drought. In a normal year, an average 8 million Ethiopians people are classified as food insecure (IPC level 3 and above⁴). For 2022, over 20 million Ethiopian are considered food insecure due to multi-layered factors including internal displacement, natural hazards and farming disruption. Women and girls are amongst the most vulnerable groups in terms of nutrition, particularly pregnant and lactating mothers, adolescent girls, infants and young female children making the country rank 108 out of 113 countries in the latest Global Food Security Index, which measures food affordability, availability, quality and safety.

In this context, addressing human development is essential, not only to address the needs arising from the conflict, but also for the economic development of the country, its political and social stability, and to improve the livelihoods of the population to drive the reduction of poverty and inequality. It is vital that the EU ensures continued support to people in need in Ethiopia, including those affected by the conflict. The provision of support through a Individual Measure is consistent with a gradual approach in response to Ethiopia's current political crisis, which has led to a suspension of the approval of a Multiannual Indicative Programme (MIP) for the period 2021-2027. The increasing needs of the communities living in the most vulnerable situations in Ethiopia, in particular girls and women as well as PWDs must be addressed promptly and in complementarity with humanitarian assistance through the operationalisation of the Humanitarian-Development nexus. Without an international response in the form of crisis-oriented development cooperation including the EU contribution proposed here, Ethiopia is at risk of falling back to food insecurity levels of more than a decade ago.

Ethiopia's food security strategy has a multi-pronged approach. It addresses the different aspects of food insecurity: access, availability, utilisation and stability. The strategy is part of the 2021-2030 National Agriculture and Food Security Investment Plan as well as the National Food and Nutrition Strategy 2020-2030, including the Seqota Declaration commitments against malnutrition, under the overarching Ethiopian Food Systems Transformation Agenda (2021). In terms of availability, the government's strategy is to invest in flagship programmes having impact on the national food security, import substitution, foreign exchange earnings, creation of employment opportunities, supplying inputs for agro-processing industries, and since recently, expanding of irrigation schemes for dry season's food crop production. Finally, despite agriculture being the main economic sector regarding employment in Ethiopia, covering around 80% of all employment of which 47% are women, there are large gender imbalances as women do not participate equally in decision-making processes and have less access

⁴ Integrated Food Security Phased Classification: Level 3 "Acute Food and Livelihood Crisis", level 4 "Humanitarian" and level 5 "Famine")

to land and technology. A UN Women study furthermore estimates that closing the gender gap in agricultural productivity has the potential to take more than 1 million people out of poverty in Ethiopia⁵.

The EU has traditionally been a major partner in supporting food security and basic social protection in rural areas, through programmes such as “Resilience Building in Ethiopia” and the “Productive Safety Nets Programme”. Recognising the lead role of the agriculture sector in the economy, the EU is also a major player in supporting the agricultural transformation and climate change mainstreaming. This Action will continue this integrated approach in line with the four pillars of the EU-wide policy framework⁶ for food security and nutrition. This will in turn also contribute to the health and education status of the population, as there is evidence of the strong link with basic disposable income (and the possibility to cover out-of-pocket expenditures), secure food supply, and adequate nutrition. In addition, restoring the livelihood activities on land, this action has a substantial impact in limiting rural migration flows.

A key strategy to protect rural livelihoods in a food insecure context is the PSNP programme, which has evolved through several phases, witnessing significant expansion and important improvements in its design and implementation over the years. The EU has supported PSNP since 2005. The programme provides food and/or cash transfers to the extreme poor and food insecure households in chronically food insecure Woredas. These transfers will benefit both vulnerable people able to engage in labour-intensive public works as well as most vulnerable individuals (i.e. PWD, women head of household, elderly) who receive unconditional direct support. Women and girls are among the most vulnerable groups in terms of nutrition, particularly pregnant-lactating mothers, adolescent girls, infants and young female children. Vulnerable groups also include people with disabilities, whose number is expected to increase as a result of the conflict. Building on the lessons learned from PSNP4 (2015–2020) and the historical evolution of the programme, the new PSNP 5 will continue to focus on building resilience of the extreme poor and vulnerable. The programme aligns with the government’s 10-year strategic development plan and directly contributes to the realisation of three of the strategic directions: ensuring quality economic growth, ensuring that women and youth are properly benefitting, and building a climate change resilient green economy.

The present Action is fully consistent and aligned with European Commission policies, objectives and priorities. The action is aligned to the European Consensus for Development⁷, the Gender Action Plan III, the EU Disability Rights Strategy 2021-2030⁸, the EU vision of the future Africa-EU partnership as per its Communication “Towards a Comprehensive Strategy with Africa”⁹. Finally, it also contributes to the 2030 Agenda for Sustainable Development through SDG 1 (no poverty) and SDG 2 (zero hunger), which is also closely linked to SDG 5 (gender equality).

2.2 Problem Analysis

Short problem analysis:

Amid conflict and drought, Ethiopia faces one of the world’s most extreme food security crises, in addition to increased poverty levels and exacerbated vulnerabilities. Conflict affected areas in northern Ethiopia remain of greatest concern, where large consumption deficits and movement of population in line with emergency outcome are widespread, with an estimated 2.4 million people classified IPC Phase 4 and 5¹⁰. In addition, millions of households typically market reliant are affected by the recent high food price inflation (about 60% since March 2020), which further reduces their access to food mostly in areas far from the food production areas.

Women play a crucial role in food security in Ethiopia and at the same time are one of the most vulnerable groups if the access to food is hindered. Although men are perceived as the breadwinner, food security of the households is the responsibility of women. Household responsibilities also render women more vulnerable to external shocks, including natural hazards like droughts that can exacerbate the family’s food insecurity and related health problems, including malnutrition, when women are the main caretakers.

⁵ UN Women (2018) Study Report: The Cost of the Gender Gap in Agricultural Productivity in Ethiopia .

⁶ 2018 Council Conclusions on ‘Strengthening global food and nutrition security’ (14554/18, 26/11/2018)

⁷ OJ C210 of 30 June 2017

⁸ COM(2021) 101 final, 03 March 2021

⁹ JOIN(2020) 4 final, 09 March 2020

¹⁰ Integrated Food Security Phased Classification, June 2021 IPC release, FAO.

In order to tackle issues of poverty and food crisis, this Action will address the following specific problems:

Low availability of adapted seeds: The timely provision of seeds is an essential input to quick-start agriculture production after disruption due to conflicts and droughts providing that the seeds are adapted to the soil and climate conditions, and provides an important transitional element from dependency on humanitarian assistance. In a rapid assessment completed in December 2021 it was found that seeds and fertilisers are required for a minimum of 3.7 million farmers in Tigray, 1.1 million farmers in Amhara and 1.1 million agro pastoralist in Afar regions as a consequence of the conflicts. This short term response was estimated at EUR 137 million for the coming and next agriculture seasons (while the sudden 200% fertilizer cost increase due to the impact of the Ukraine war and the unfolding consequences of the drought have not yet been taken into account). In addition, responding to frequent drought occurrence, there is a structural need to avail seeds for short maturing cereal varieties to be produced combining the advantages of the public and the private seed producers for quality seed production and distribution through market channels as part of an integrated seed system.

Low levels of irrigation in lowland areas: climate change is already impacting Ethiopia with increasing temperature, erratic rain causing more frequent droughts and floods, so continued dependence on rain-fed agriculture is not an option. Only 5% of the potential area of 5.3 million hectares is irrigated. At the same time, almost half of the irrigated area relies on traditional forms and only a negligible amount uses high-tech systems such as sprinkler and micro-irrigation¹¹. In addition to that, irrigation system management (water management, crop selection, market linkages, etc.) has been a major issue to sustain irrigation development. As a consequence, the current drought in lowland is affecting the livelihood of some 6.8 million people across the drought-affected areas and more than 260,000 livestock deaths are reported because of lack of food and water¹².

Low level of adapted nutrition solutions for the rural population: diets of rural households in Ethiopia are poor and non-diverse (based on starchy staple food), with little inclusion of animal-source foods, vegetables, fruits and nutrient-dense crops. Vitamin A, iron and zinc deficiencies are widespread and considered a major public health problem. Recent cost-based simulations indicate that while almost all households (over 90%) are able to meet their energy needs, only one out of four (about 26%) would potentially have access to nutritious diets¹³. There is a need to provide systemic solutions to increase production and access to better quality food to the majority of the rural population who cannot afford the nutritious food availed for urban consumption.

Low access to sufficient quantity of food for most vulnerable people: increased food insecurity and poverty levels triggered by increased exposure to shocks (conflict, drought, inflation pressure etc.) contributed to reduced access to basic services and food (both quantity and quality) for most vulnerable people. In addition, the conflict as well as extreme weather events have had a significant impact on the rural population, leading to loss of livelihoods and ultimately increasing the number of food insecure population to around 20 million people, causing as well disruption of farming and the displacement of people.

Lack of climate change mainstreaming: climate change is responsible for extreme weather conditions that have exacerbated an already delicate agriculture sector, notably weakened by land degradation. As such, there is a need to support ongoing efforts to further improve and consolidate climate smart approaches and land restoration best practices to all programmes with, when possible, the systematic integration of IT solutions and specific gender approach.

The action will contribute to the Great Green Wall initiative specifically through its activities on water management and soil protection and also the cross-cutting technical assistance to the Climate Mainstreaming Initiative.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

This Action will reach an estimated population of 350,000 households (HHs) in the agriculture sector as well as 8 million people benefitting from PSNP. This Action has identified the following primary target groups:

¹¹ The State of Food and Agriculture 2020. Overcoming water challenges in agriculture. FAO

¹² OCHA Ethiopia Drought Update, NO. 1, January 2022

¹³ Fill the nutrient gap – Ethiopia. MoH, EPHI, WFP, July 2021.

- Smallholder farmers living in food insecure areas;
- Smallholder farmers able to participate in markets;
- Female farmers (including female-headed households);
- Malnutrition prone categories, notably under-5 years old children, adolescent girls, pregnant and lactating women;
- Rural underemployed and unemployed youths not having access to land;
- Most vulnerable and poor individuals, including disabled, elderly, female-headed households, displaced persons which are estimated to have increased due to the conflict and other shocks.

Key stakeholders include:

- UN and international agencies: The proposed Action being a Individual Measure in the context of a gradual approach for the continuation of EU cooperation with Ethiopia, international organisations will be key stakeholders. The international partners considered, i.e. the Food and Agriculture Organisation (FAO), the International Fund for Agricultural Development (IFAD) and the World Bank (WB) are key actors in the agriculture sector and will be key stakeholders in this Action given their mandates and current priorities. The United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) are strong supporters of the social safety net approach on basis of the PSNP.
- EU Member States: several are actively engaged in the Agriculture and Social Protection sectors mostly supporting existing framework programmes. Netherlands (NL), Denmark (DK) and France (FR), together with the EU, are providing support to Agriculture Commercial Cluster programme. NL, DK, Germany (DE) and Sweden (SE) are important supporters of the PSNP. Currently, due to the country situation, most have delayed the allocation of new funding but all except one (NL) continue implementing funds already contracted with governmental entities. EU engagement will have an important signal function for the Member States, and the EU can take on a coordinating and facilitating approach.
- Private Sector: Private seed companies are involved in production of certain specialised crops, and farmers' institutions such as unions and cooperatives play key roles in the multiplication and distribution of different grades of seeds.
- Civil Society: participation and coordination with CSO will be considered when appropriate. This includes, among others, organizations representing the rights of women and people with disabilities.
- Government: As all proposed actions build on existing government policies and several will continue established joint programmes on basis of these policies, close coordination with relevant government entities will be key for successful implementation. The Ministry of Agriculture (MoA), Ministry of Irrigation and Lowland Areas Development, Regional Bureaux of Agriculture and Woreda Agriculture Extension Services are important stakeholders. Government stakeholders for seeds are the National Agricultural Research Systems (NARS), Ministry of Innovation and Technology, the Ethiopian Seed Enterprise (ESE), and Regional Seed Enterprises (such as Oromia Seed Enterprise, Amhara Seed Enterprise, and Southern National Nationalities and Peoples (SNNP) Seed Enterprise. For nutrient dense quality food, the Ethiopian Institute for Agriculture Research (EIAR), the Agriculture Transformation Institute (ATI), the Ministry of Health, the Ethiopian Public Health Institute (EPHI), the National Disaster Risk Management Committee (NDRMC) and the Ethiopian Food & Drugs Authority (EFDA). For the PSNP, the main stakeholder is the Food Security Coordination Directorate (FSCD) in MoA. When relevant, participation of Women Directorates and related gender focal point across different line Ministries will be also considered.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** (Impact) of this action is the reduction of rural poverty and the improvement of food security and nutrition of vulnerable populations in Ethiopia, particularly those affected by conflict and drought.

The **Specific Objectives (Outcomes)** of this action are to:

1. Remove bottlenecks preventing adequate food crop and nutritious food production for vulnerable and conflict and disaster-affected populations.

2. Enhance efficiency and availability of social protection services for extreme poor and vulnerable rural households.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

- 1.1 Enhanced access to emergency seeds nationwide, especially in accessible conflict affected areas.
 - 1.2 Improved irrigation systems.
 - 1.3 Enhanced access to key bio-fortified¹⁴ crop varieties targeting in particular women in reproductive age and children under 5
 - 1.4 Improved IT and climate and environment mainstreaming systems in all relevant programmes.
-
- 2.1 Food security status of most vulnerable people will be enhanced through direct transfers
 - 2.2 Public works respond to community livelihoods needs and contribute to disaster risk reduction, climate change adaptation and mitigation.
 - 2.3 Linkages and access to available social services and livelihood opportunities facilitated for PSNP clients.

3.2 Indicative Activities

The Action will use multi donors framework programmes or initiatives in order to maximise the EU leverage and visibility

Activities relating to Output 1.1 may include, amongst others:

The strategic approach for the EU funding to this Emergency initiative is to progressively leverage resources from other EU Member States to jointly cover at least 20% of the seeds requirement for the coming seasons as well as to address the need of drought-adapted seeds. The EU leverage implies the continuation of the SEI coordination to also increase the share of Government allocation and private seeds enterprises contribution.

The main interventions will: a) supply seeds and other inputs in accessible conflict affected areas, complemented with the supply of fertilizers and other agro-inputs; b) promote farmers' ability to produce their own pollinated seeds varieties with periodic seeds parent stock improvement; c) produce climate adapted seeds in all Agricultural Commercialization Clusters (ACC) areas building on the ACC programme being implemented by Agricultural Transformation Institute (ATI) and; e) ensure equal capacity building and participation of women in all the activities above.

Activities related to Output 1.2 may include, amongst others:

The strategic approach for the EU funding for this component is to use the IFAD led Participatory Agriculture and Climate Transformation (PACT) Programme covering irrigation in low land area to address the critical need of irrigated agriculture in drought prone areas.

The main interventions will a) support the establishment of small scale irrigation schemes in drought prone lowland areas where potential exists, including, when appropriate, using solar power technologies along with water saving technologies; and b) establish local operation and maintenance governance systems for the small scale irrigation schemes, including promoting cooperatives or other kinds of farmers association to get involved in input supply as well as market linkages (50% of cooperative members will be female, and women will be given equal access to irrigated land).

Activities related to Output 1.3 may include, amongst others:

The strategic approach of the EU funding for this component will focus on improving the regulatory framework to promote adapted nutrition solutions for the diets of rural households hence giving a strategic positioning of the EU contribution to the country's food system transformation agenda.

The main interventions will: a) address the regulatory/legal frameworks to support the harmonisation of food safety regulation, management and control systems b) provide a targeted support to key bio-fortified and nutrient-dense crops c) strengthen market linkages through demand and supply and d) improve the policy/legal and regulatory framework for improved seeds and emergency seeds system.

¹⁴ "Bio-fortification" refers to nutritionally enhanced food crops with increased bioavailability to the human population that are developed and grown using modern biotechnology techniques, conventional plant breeding, or agronomic practices.

Activities related to Output 1.4 may include, amongst others, a) rolling out the Climate Smart Mainstreaming (CSM) guidelines that have been largely completed to all agriculture production and natural resource management programme of government including the PSNP5. Activities promoting nature-based solutions such as land restoration/reforestation, soil stabilisation and ground water recharge will also be included, as well as b) deployment of relevant IT systems for planning and monitoring.

Output 2: The EU will strategically contribute to the WB managed Multi Donor Trust Fund in support of PSNP since it has had in the previous phases a lead position to inform targeting, scope and inclusion of climate, gender and nutrition mainstreaming.

Activities related to Output 2.1: the main interventions will: a) ensure timeliness of cash and/or food transfers according to action plans in the regions; b) build shock responsive system including prepositioning of food grains.

Activities related to Output 2.2: the main interventions will: a) ensure adequate mainstreaming of the gender, disability, social development, nutrition and livelihood issues in public works; b) ensure full quality and compliance with public works norms and provisions; and c) strengthen/establish sustainable operation and maintenance mechanisms for all public works.

Activities related to Output 2.3: the main interventions will: a) facilitate beneficiaries' referral to relevant locally available services (Woreda level); b) mainstream gender and social development and nutrition provisions across all program outputs; and c) target beneficiaries for vocational training, business plan development and livelihood grant support.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environment Impact Assessment) screening classified the action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design).

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this action is not at risk (climate risk will be addressed as part of an EIA).

Gender equality and empowerment of women and girls

A gender perspective will be integrated throughout the Action and *labelled as G.1 as per OECD Gender DAC codes section 1.1*. The project targeting approach is to leave no one behind including female farmers and female-headed households. The Action will promote women leadership role in farmers cooperatives/unions under the agriculture (seed interventions), and the irrigation development to look into equal right of women access to irrigable land, and the nutrition intervention to benefit malnutrition prone categories particularly adolescent girls, pregnant and lactating women. Gender-related objectives are embedded under the PSNP to promote women's participation in public works and in the structure of PSNP decision-making as well as to reduce women's regular work burden as well as to accommodate women's needs in the design of public works activities. The gender screening annexes to this action fiche details other mechanisms and provisions to be included through the whole project cycle to assure the gender equality in planning and implementation with structured follow up mechanisms.

Human Rights

Access to food is a basic human right recognised in the international legal framework. While the final beneficiaries of this Action do have special needs arising from the conflict, their rights to enjoy such services will also be underscored, moving from a needs approach to a rights-based approach. Such a human rights based approach will ensure as well the sustainability of the gains achieved, including through awareness raising activities aiming at

ensuring the population is aware of their rights so to be able to fully exercise them. Support to duty bearers will be directed towards fulfilling their human rights commitments and building their capacity to achieve these objectives in a transparent, non-discriminatory, and accountable manner. The intervention will put in practice the principle of “leave no one behind” and “do no harm”.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that a disability perspective is integrated throughout the Action and a systematic assessment of the particular needs people with disabilities will be taken into consideration in the planned activities. Also as a consequence conflict, the number of people with disabilities (PWD) in Ethiopia is estimated to have largely increased (although recent data not yet available). Support of PWD is mainstreamed across the various components of this Action. PWD also represent a specific vulnerable category targeted under PSNP5 for permanent unconditional (cash/food) transfer.

Democracy

A human rights based approach was followed in the design of the identification of the present action, and the five principles will further be applied in the formulation and implementation of the project: participation, accountability, non-discrimination, transparency and legality.

Conflict sensitivity, peace and resilience

The Action will take a conflict sensitive approach into consideration, ensuring that no particular region or ethnicity is receiving more support than others – to the extent possible - (in line with the Do No Harm principle) and while maintaining due consideration for the needs of the population. Capacity building / training on how to mainstream conflict sensitivity in food security and social protection will be provided to implementing partners. This will ensure a harmonisation of approaches (given the multiplicity of partners) and the identification of opportunities for conflict mitigation and peacebuilding. In addition, psychological support and possibly trauma healing training for practitioners will be provided to ensure they are equipped with basic resources to deal with conflict affected population. Conflict prevention/peace building shall also be mainstreamed in the different project trainings (i.e. irrigation) so that beneficiaries have enough capacities and tools to manage current or potential inter-communal tensions.

Disaster Risk Reduction

The interventions under this action strongly consider the mainstreaming of Disaster Risk Management in terms of promoting climate resistance agriculture with availability of drought resistance/adaptable varieties in drought prone areas including more irrigable lands for food and forage production. With regard to PSNP, the public works will focus in particular on soil and water conservations activities, while the built in shock responsive mechanism will contribute to protect communities against the impact of unforeseen shock/hazard (i.e. drought). Furthermore the component related CSM in agriculture, public works and natural resource management will help in avoiding future shocks.

Other considerations if relevant**Nutrition**

Enhanced nutrition of children under 5 years of age and women on reproductive age is an important output of the action aimed at increasing food security. Nutrition is furthermore mainstreamed in other activities, such as in the selection of the crops for which improved seeds will be made available or in the PSNP livelihood activities.

ICT

Digital technologies will be applied in several components of the action, such as seeds, where they will serve for collection and dissemination on data, as well as in the irrigation component, since digital systems are used to forecast droughts. The development of the Earth Observation to support food security crises and water agriculture/irrigation solutions could be supported by Copernicus such as the monitoring irrigation areas (WaFIRR) and water productivity (WaPOR). The Climate Mainstreaming component is also reliant on digital applications (see section on activities).

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
External environment	Economic instability: internal (conflict and climate-related shocks) and external factors could lead to economic instability. This, compounded by trade disruptions due to the conflict between Russia and Ukraine, is increasing inflationary pressure, which would translate in higher costs for the project.	H	H	Flexibility in terms of implementation (choice, sequencing and modalities of activities) will be built into the programme in order to adjust to the evolution of the situation in a conflict-sensitive manner.
	Difficult access to regions in conflict: some conflict areas may remain closed to access by implementing partners, and areas that have recently stabilised may become unstable again, which risks delaying the implementation of some activities and/or losing gains made during the implementation.	H	H	The programme will develop clear criteria for access to Zones, Woredas and Kebeles which will include a consideration of safety issues and safeguards to these risks. Alternative locations should be pre-identified to quickly adapt implementation if needed. In addition, implementing partners will maintain close relations and communications with government institutions to receive updated information on access.
	Weak institutional capacity: a complex, fragmented and competing institutional environment (e.g. regulatory frameworks, quality standards, certification system) may cause delays in the implementation of projects, which would then put at risk their timely completion.	M	M	Through provision of specialized technical assistance and institutional capacity development at all levels, based on capacity needs assessment, implementing partners will closely monitor this risk and minimise its likelihood. In addition, continued policy dialogue carried out will facilitate the early identification of potential regulatory or institutional bottlenecks.
Planning, processes and systems	Coordination issues: a lack of appropriate coordination with other development partners could lead to duplication of activities, which would render this Action not relevant.	L	M	Strong governance coordination mechanisms will be established with other partners and with the Government of Ethiopia, including use of the REDFS Platform and PSNP governance mechanisms (see section 4.7).
Lessons Learnt: <p>In 2009, the European Parliament and the Council adopted Regulation No. 1447/2008 for Food Facility financing. Its implementation demonstrated that timely availability of improved seed is essential for the avoidance of eventual famines.</p> <p>In addition, recent implementation of programmes and projects by the EU Delegation to Ethiopia, some of which will continue in the future, has demonstrated strength in some approaches to support to the agriculture sector. In particular:</p>				

- Experience has shown that cluster organisation of farmers is essential for their successful integration into the value chains.
- Development of irrigation systems in arid areas are essential for the avoidance of Climate related shocks, in particular droughts, and for the avoidance of famines. Use of appropriate technologies and capacity building in operation and maintenance are essential for their sustainability, as well as appropriate management systems.
- Climate Smart Mainstreaming allows for the avoidance of future shocks.
- Leveraging with contributions from other partners as well as with the government of Ethiopia avoids duplication and ensures synergies as well as bigger impacts.

A gender analysis of some projects conducted by the EU Delegation showed a social determinant for health and development challenges due to links between gender and nutrition.

As for social protection, the EU has been a contributor to the PSNP and similar programmes implemented in Ethiopia for over a decade. This continued contribution has led to the EU taking an active role in the steering of the programme. Some of the lessons adopted in this Action include for example:

- Importance to maintain scope and size of PSNP safety net at scale in order to address increasing vulnerabilities and exacerbated poverty levels.
- Investing in productive assets through public works such as watershed, roads repairs, etc. proved its value added in supporting livelihoods, mitigating impact of climatic shocks (i.e. drought) and contributes to a local enabling environment for community development.
- Shifting from short term food aid to more appropriate cash based responses.

3.5 The Intervention Logic

The Action aims at increasing resilience of vulnerable rural populations to shocks and crisis that have an impact on food security, and the risk of falling into absolute poverty whether conflict or climate-related. It does so by:

Addressing a number of bottlenecks preventing adequate food production (outcome 1): acting upon the availability of improved seeds in both conflict affected and not-conflict affected areas (output 1.1); increasing the capacity to cope with climate related shocks through irrigation (output 1.2) and through Climate Smart Mainstreaming in agriculture, public works and natural resource management (output 1.4); and improving the nutrition status of vulnerable population, in particular children under 5 and women on reproductive age (output 1.3).

Providing basic social protection (outcome 2) through the PSNP (output 2.1-2.3), thereby enhancing the capacity of the most vulnerable groups to better cope and become more resilient to different shocks (i.e. conflict or drought). This will be mainly achieved through a) conditional or unconditional (cash and/or food) transfers, b) equal and inclusive participation in productive public works activities, and c) linkages of target population to available social services

In order to allow for a successful implementation, the action assumes political stability and absence of conflict in areas where it is to be implemented, as well as government commitment to enhance food security and address the needs of the most vulnerable populations.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain: Main expected results	Indicators:	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To reduce rural poverty and the improvement of food security and nutrition of vulnerable populations in Ethiopia, particularly those affected by conflict and drought.	1. ¹⁵ SDG Indicator 2.1.1 Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES), disaggregated by location, household income, composition and sex. 2. Number of months of self-reported food insecurity (food gap). 3. Prevalence of anaemia in women of reproductive age (15-49 years old) within target HHs). 4. Prevalence of stunting in children under 5 within target HHs	1. TBD 2. TBD 3. TBD	1. TBD 2. TBD 3. TBD	1-3 FAO	<i>Not applicable</i>

¹⁵ SDG **SDG Indicator 2.2.2 Prevalence of malnutrition (weight for height $>+2$ or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight)

Outcome 1	1. Remove bottlenecks preventing adequate food crop and nutritious food production for vulnerable and conflict and disaster-affected populations.	1.1 Number of smallholders practising sustainable agriculture (e.g. conservation agriculture, Climate Smart Agriculture (CSA) approaches, etc.) disaggregated by sex.	1.1 TBD	1.1 TBD	1.1-2 FAO	Political stability remains. Government remains committed to implementing its Food Security Strategy, as well as to mainstreaming climate change.
		1.2 Total quantity of targeted nutrient-rich crops produced (disaggregated by type of crop, category of farmer and sex) (dissemination)	1.2 TBD	1.2 TBD		
		1.3 Number of households practising irrigation and benefitting from it, disaggregated by sex of head of household.				
		1.4 Number of women holding decision making positions in water committees and cooperatives.				
Outcome 2	1. Enhance efficiency and availability of social protection services for extreme poor and vulnerable rural households.	2.1 Average number of months that PSNP households report experiencing food shortages in the past 12 months disaggregated by sex of the HH	2.1 TBD	2.1 TBD	2.1-2 Impact evaluation report	
		2.2 Impact on beneficiaries' per capita monthly total consumption expenditure, disaggregated by sex..	2.2 TBD	2.2 TBD		
Output 1.1 relating to Outcome 1	1.1 Enhanced access to emergency seeds nationwide, especially in accessible conflict affected areas.	1.1.1 Extent to which EU-funded intervention contributed to new legal and regulatory framework for improved seeds production and distribution, including participation of private sector.	1.1.1 TBD	1.1.1 TBD	1.1.1 Drafted legislation	Political stability remains allowing access in conflict affected areas. Government remains committed to reforming the seeds system, the regulatory framework and food safety standards, and mainstream
		1.1.2 Number of small holder farmers that can access improved seeds with support of the EU-funded intervention, disaggregated by sex and type of location.	1.1.2 TBD	1.1.2 TBD	1.1.2 Agricultural Transformation Institute (ATI)	
Output 1.2 relating to Outcome 1	1.2 Improved irrigation systems.	1.2.1 Area of land (hectare) developed or rehabilitated for irrigation with support of the EU-funded intervention.	1.2.1 TBD	1.2.1 TBD	1.2.1-3 IFAD reports and impact evaluation reports.	
			1.2.2 TBD	1.2.2 TBD		
			1.2.3 TBD	1.2.3 TBD		

Output 1.3 relating to Outcome 1	1.3 Enhanced access to key bio-fortified ¹⁶ crop varieties targeting in particular women in reproductive age and children under 5.	1.3.1 Number of key bio-fortified crop varieties released for dissemination with support of the EU-funded intervention.	1.3.1 TBD	1.3.1 TBD	1.3.1-3 FAO	smart climate change practices. CSM practices accepted by the local populations.
		1.3.2 Hectares of land planted with bio-fortified crops for multiplication purposes with support of the EU-funded intervention (disaggregated by type of crop and type of producers). 1.3.3 Number of farmers accessing bio-fortified crops in target areas with support of the EU-funded intervention, disaggregated by sex.	1.3.2 TBD 1.3.3 TBD	1.3.2 TBD 1.3.3 TBD		
Output 1.4 relating to Outcome 1	1.4 Improved IT and climate mainstreaming systems in all relevant programmes.	1.4.1 Number of programmes and Woredas integrating CSM in their planning with support of the EU-funded intervention.	1.4.1 TBD	1.4.1 TBD	1.4.1 Project progress reports reporting	
Output 2.1 relating to Outcome 2	2.1 Food security status of most vulnerable people will be enhanced through direct transfer	2.1.1 Percentage of payments made in accordance with the Program Performance Standards for timeliness	2.1.1 60% (2020)	2.1.1 TBD	2.1.1-2 PSNP progress reports	Government remains committed to providing social protection
		2.1.2 Beneficiaries of social safety net disaggregated by gender.	2.1.2 8 million (2020)	2.1.2 TBD		
Output 2.2 relating to Outcome 2	2.2 Public works respond to community livelihoods needs and contribute to disaster risk reduction, climate change adaptation and mitigation.	2.2.1 Percentage of annual public works projects constructed according to the PSNP agreed technical standards.	2.2.1 86.2% (2020)	2.2.1 TBD	2.2.1-2 PSNP progress reports	Donors remain committed to contributing to the PSNP Government remains committed to mainstreaming
		1.2.2 Percentage of annual public works planned following the government's national watershed /rangeland guideline.	2.2.2 82% (2020)	2.2.2 TBD		
		1.2.3 Zero pregnant women participation in public work	2.2.3 0%	2.2.3 TBD		

¹⁶ “Bio-fortification” refers to nutritionally enhanced food crops with increased bioavailability to the human population that are developed and grown using modern biotechnology techniques, conventional plant breeding, or agronomic practices.

Output 2.3 relating to Outcome 2	2.3 Linkages and access to available social services and livelihood opportunities facilitated for PSNP clients.	2.3.1 Number of PSNP Woredas with a minimum of 8 child-care centres established.	2.3.1 0 (2020)	2.3.1 TBD	2.3.1-3 PSNP progress reports	climate change practices
		2.3.2 Number of clients with a business plan financed through livelihood grant/credit disaggregated by gender.	2.3.2 0 (2020)	2.3.2 TBD		
		2.3.3 Number of eligible clients who received the livelihood grant (total (T), off-farm (OF), female (F), youth (Y))	2.3.3 0 (2020)	2.3.3 TBD		

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action as a Individual Measure, it is not envisaged to conclude a financing agreement with the Federal Democratic Republic of Ethiopia.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities of the Budget Support Component

N/A

4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹⁷.

4.4.1 Direct Management (Procurement)

Output 1.4 “Climate Smart Mainstreaming (CSM) guidelines and IT systems rolled out outside pilot Woredas in all relevant programmes” will be implemented through a contract under Direct Management.

4.4.2 Indirect Management with a pillar assessed entity

A part of this Action may be implemented in indirect management with **AFD**. This implementation entails **Output 1.1 “The emergency seeds needs are met nationwide, including in conflict affected areas and the seeds production systems are reformed”**. The envisaged entity has been selected using the following criteria: AFD has proven technical competence in managing over EUR 1 000 000 000 per year agriculture and food security programme in Africa. In Ethiopia, based on the management of its project in support to the ACC programme since 2019, AFD has demonstrated management capacities by mobilizing adequate technical expertise in project management, monitoring and specific expertise when needed.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

Exception to the non-retroactivity of costs:

The Commission authorises that the costs incurred may be recognised as eligible as of 1st January 2022 because the conflict produced a situation of scarcity of improved seeds in conflict affected areas and it is imperative to act before the main planting season, which is May 2022.

¹⁷ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.4.3 Indirect Management with a pillar assessed entity

A part of this Action may be implemented in indirect management with **IFAD**. This implementation entails **Output 1.2 “Food crop deficits are significantly reduced through extension of irrigation”**. The envisaged entity has been selected using the following criteria: IFAD experience on irrigation in lowland areas and technical competence; as well as its demonstrated management capacities based on previous phases of the irrigation programme in lowland areas of Ethiopia. It will furthermore allow integrating lessons learnt from the Participatory Small-Scale Irrigation Development Programme (PASIDP) and it will leverage funding from IFAD; BMGF and GOE mobilised for the new phase of this programme that will cover the Tigray, Amhara, Oromia, SNNP, Sidama, Afar and Somali regions.

In case the envisaged entity would need to be replaced, the Commission’s services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.4.4 Indirect Management with a pillar assessed entity

A part of this Action may be implemented in indirect management with **FAO**. This implementation entails **Output 1.3 “Enhanced release and dissemination of key bio-fortified crop varieties targeting in particular women in reproductive age and children under 5”**. The envisaged entity has been selected using the following criteria: FAO experience on agricultural transformation and nutrition in Ethiopia. It has been at the core of the nutrition agenda in the country for many years. It has the human resources, organisational capacity and expertise to carry out the tasks. FAO will be engaged through an extension of the “FIRST” Policy Facility¹⁸ beyond 2022 in order to promote a conducive institutional / legal environment across the different subcomponents of the nutrition policy and of this Action.

In case the envisaged entity would need to be replaced, the Commission’s services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.4.5 Indirect Management with a pillar assessed entity

A part of this Action may be implemented in indirect management by the World Bank (International Bank for Reconstruction and Development – IBRD). This implementation entails **Outputs 2.1 – 2.3: PSNP (Productive Safety Net Program)**. The envisaged entity has been selected using the following criteria: Experience of the WB, which has been managing the PSNP trust fund since 2005. This component of the Action will be funded through a pool funding (Multi donor Trust Fund), to which various other MS (NL, DE, DK, SE) and other donors (UK) plan to contribute.

4.4.6 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

N/A

4.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realization of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

¹⁸ EU-FAO Food and nutrition security Impact, Resilience, Sustainability and Transformation programme

4.6 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution, in currency identified
Implementation modalities – cf. section 4.4		
Output 1.1 composed of	14 000 000	
Indirect management with AfD– cf. section 4.4.2	14 000 000	EUR 15 000 000
Output 1.2 composed of	19 000 000	
Indirect management with IFAD - cf. section 4.4.3	19 000 000	EUR 70 000 000
Output 1.3 composed of	4 500 000	
Indirect management with FAO - cf. section 4.4.4	4 500 000	EUR 500 000
Output 1.4 composed of	2 500 000	
Procurement (direct management) – TA - cf. section 4.4.1	2 500 000	
Outputs 2.1 to 2.3 composed of	35 000 000	
Indirect management with World Bank - cf. section 4.4.5	35 000 000	USD 629,000,000 (approx. EUR 570,262,919*)
Evaluation – cf. section 5.2	Will be covered by another decision	N.A.
Audit – cf. section 5.3		
Totals	75 000 000	EUR 655 762 919

*Exchange rate used: 1 EUR = 1.103 USD

4.7 Organisational Set-up and Responsibilities

In addition to specific Steering Committees to each of the components, an overall Programme Steering Committee will be set up, in order to allow for the strategic coordination of the different components.

Overall Policy Guidance will be furthermore provided by the already existing structures within the *Rural Development & Food Security* (REDFS) coordination. REDFS is part of the Ethiopian Government–Donors coordination architecture, covering agriculture and food security sector as one of the major sector supported by development partners including major EU development cooperation such as DE, DK, ES, FR, IT, NL.

The REDFS coordination has a mandate to review and update policies for the sector as well as to coordinative development partners contribution in the implementation of the sector policies either as part of a single project approach or as within existing flagship programme.

The EU will also participate in the governance structure of the rural PSNP, which is described in the Memorandum of Understanding signed between the Government of Ethiopia and development partners. The key management and coordination mechanisms are the following:

- Joint Strategic Oversight Committee: is the highest oversight body of the PSNP and is entrusted to oversee the overall compliance of the program with agreed strategic objectives;
- Coordination Management Committees: is the central high level support committee for PSNP delivery;
- Technical Committees: responsible for ensuring outputs are delivered as intended; and
- PSNP Donor Working Group: created to ensure donor coordination.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission will participate in the above governance structures set up for governing the implementation of the action.

4.8 Pre-conditions

The main pre-condition that needs to occur to allow the full implementation of the action is the existence of peace and stability and therefore, access, to the geographical areas targeted by the intervention.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Some of the data will be drawn from regular surveys made by UN Agencies such as FAO or WFP, while other data will have to be provided by implementing partners. Details are referred to in the logframe.

5.2 Evaluation

Having regard to the importance of the action, mid-term or final evaluation(s) may be carried out for this action or its components through a joint mission with one or several implementing partners.

A mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to the effectiveness and complementarity of the action with other initiatives.

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that progress on issues tackled under this Action are part of an ongoing process.

The Commission shall inform the implementing partner at least one month in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination¹⁹. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

¹⁹ See best [practice of evaluation dissemination](#)

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as:

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action