Ethiopia has seen notable political institution-building and democratic reforms in recent decades. Public sector-led economic growth, averaging about 11 per cent per year over the last 10 years, is remarkable. But the country continues to face enormous challenges to human development, with the absolute number of poor people remaining the same over the last 15 years despite a fall in the poverty rate.

UNDP has provided policy support and institutional capacity development in the areas of sustainable economic development, climate-resilient green growth, and democratic governance and capacity development. The Independent Evaluation Office of UNDP conducted an independent country programme evaluation that covered UNDP work from 2012 to 2015.

Overall, UNDP-backed interventions had a high level of government ownership. UNDP leveraged this close relationship to navigate sensitive policy issues from a human development perspective. Interventions fully aligned with national and sectoral development plans and policies, and were largely relevant to local communities.

Capacity development measures supported new institutions at the federal level, including the National Electoral Board, the Ombudsman, the Human Rights Commission, and the Federal Ethics and Anti-Corruption Commission. Capacities were enlarged in the ministries of agriculture, water, irrigation and energy, and industry, and at some subnational institutions, such as bureaus of finance and economic development. This approach enhanced national ownership, which may partly sustain programme results. But the evaluation found that other elements of sustainability need improvement. Exit strategies, for instance, need to be clearly defined to enhance a smooth transition.

Under the sustainable economic development portfolio, upstream policy and institutional support actions were complemented by local institutional development and strengthening, as well as projects supporting the livelihoods of local people. In agriculture, interventions contributed to improved services, marketing, and agricultural technologies and practices that appear to have brought tangible improvements to agricultural production and productivity among smallholder farmers. While UNDP cannot be credited for detailed field results achieved by the Agricultural Transformation Agency and the Ministry of Agriculture, catalytic resources, technical support and capacity-building provided to these institutions allowed them to achieve important results.

In the industrial sector, UNDP-supported projects were effective in building government capacity and creating strong support institutions, but much more needs to be done to transform these capacities into stronger growth among small and medium enterprises. The Entrepreneurship Development Programme, which incorporated some of the goals of an earlier local economic development project, has played a catalytic role in encouraging women and young entrepreneurs, with promising initial results in terms of increased income. The scale was limited, however, with only 10 percent of the training target achieved at the time of the evaluation. Reasons for this included budgetary shortfalls.

With UNDP’s assistance, Ethiopia now has a climate-resilient green energy strategy and a complementary supportive financial facility. Implementing institutions have gained equipment and trained personnel. UNDP has played an equally significant role in disaster risk management, with progress made in the development of policies, strategies and capacities, including a national Disaster Risk Management Strategy Programme and Investment Framework. More coordination is required, however, to fill gaps in mainstreaming climate change.
and environmental issues in planning, investment and development programmes.

Democratic governance programmes made adequate contributions to policy changes and government institutional capacities resulting in tangible advances in human rights, anti-corruption measures, elections and auditing. The 2013 National Human Rights Action Plan demonstrated strong national ownership and a coordinated and comprehensive approach to the promotion and protection of human rights. Although most UNDP-supported projects incorporated some gender concerns and supported greater women’s participation, much more needs to be done in mainstreaming gender across programmes.

While most UNDP programmes delivered satisfactorily at the output result level, specific contributions to outcome results were more difficult to assess. Links to changes in people’s lives on the ground were not always evident. Theories of change were not clear enough. Only a few synergies were identified across programme units. Clear and deliberate protocols that show macro-micro linkages and assess the effectiveness of pilots for potential scale-up will increase the utility of lessons learned on the ground.

Strong internal management practices backed high programme implementation rates, but over-ambitious budget plans required continuous adjustments. UNDP played a key role in rolling out the Business Operations Strategy and other operations-focused initiatives that have demonstrated cost savings, such as a $2.6 million drop in procurement services costs in 2014.

UNDP’s position of trust and neutrality has allowed it to act as an interlocutor between the Government and other development partners. A challenge has come in balancing partner expectations. Some donors maintain that UNDP should advocate for room for more diverse political parties. Some opportunities may come from the recognition of citizens’ empowerment in national legislation. Moving forward, UNDP can further leverage its close relationship with the Government to discuss best practices in people’s self-empowerment, underscoring how civil society engagement will ultimately enhance development effectiveness and sustainability.

**RECOMMENDATIONS**

- By building on its track record, and taking account of the Government’s Growth and Transformation Plan II priorities, UNDP should continue to support institutional building and capacity development particularly in sustainable economic growth, democratic governance and climate-sensitive and resilient development. At the same time, continued attention to the private sector and community-level development will be necessary to support expected development outcomes. An explicit focus on resilience should be included.

- UNDP should maintain and use its strong relationship with the Government to engage in policy dialogue, but strengthen its sustainable human development perspectives. These are critical to meeting the needs of Ethiopia’s people and are consistent with the UNDP Strategic Plan priorities and engagement principles.

- To enhance sustainability, UNDP should incorporate well-defined exit strategies into all its programmes and projects, as well as explicit learning. It should scale up strategies for pilot projects. This should be complemented by building synergies horizontally across programming units and vertically through clear articulation of macro-micro linkages between local projects, and upstream policy and institutional reform.

- UNDP should ensure the clear articulation and ownership of theories of change at the time of programme design by engaging key stakeholders. This should be complemented by appropriate outcomes indicators and baselines as part of systematic and more institutionalized approach to monitoring and evaluation. While UNDP should continue to strengthen its results-based management approach, it will have to be prepared to deal with natural hazard and socioeconomic shocks and stresses. This will require flexibility and adaptive management.

- More systematic participatory assessments of community assets and needs are required to better align UNDP’s projects to specific community priorities and at the same time ensure greater ownership and sustainability at that level and to nurture bottom-up processes of self-empowerment. Supporting bottom-up self-empowering engagement processes with communities will also increase communities’ voice and participation.

- UNDP should prioritize gender mainstreaming in the next country programme. The 2014 Gender Equality Strategy must be accompanied by an operational implementation framework with dedicated staff to ensure that necessary systems and structures are in place to contribute to gender transformative results.

**ABOUT THE ICPEs**

Independent country programme evaluations (ICPEs) are the backbone of the work of the Independent Evaluation Office. They capture evidence of UNDP’s contributions to development results and the effectiveness of strategies supporting national development. They enable continued improvement in UNDP programmes, contribute to strengthened national ownership and evaluation capacity, and underpin accountability to national stakeholders and UNDP’s Executive Board.

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