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United Nations Development Programme

INDEPENDENT COUNTRY PROGRAMME EVALUATION ETHIOPIA



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responsiveness MANAGING FOR RESULTS relevance COORDINATION AND DEVELOPMENT
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INDEPENDENT COUNTRY PROGRAMME EVALUATION: ETHIOPIA

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ACRONYMS

3RF	Recovery and Reconstruction Framework
#ETdeeds	Ethiopian Digitalized Entrepreneurial Ecosystem Development project
BES	Biodiversity and Ecosystem Services
CBIT	Capacity Building Initiative for Transparency project
CFSD	Catalysing Forest Sector Development project
CIFOR	Centre for International Forestry Research
COHA	Cessation of Hostilities Agreement
COP	Conference of the Parties
CPD	Country Programme Document
CRES	Climate Resilience and Environmental Sustainability
CRGE	Climate Resilience and Green Economy
CSO	Civil society organization
DBE	Development Bank of Ethiopia
DDR	Disarmament, demobilization and reintegration
DGP	Democratic Governance and Peacebuilding
DIM	Direct Implementation Modality
DPG	Development Partners' Group
DRR-P	Deputy Resident Representative-Programmes
EBI	Ethiopian Biodiversity Institute
ECMA	Ethiopian Capital Markets Authority
EDC	Entrepreneurship Development Centre
EDGE	Enabling Democratic Governance in Ethiopia
EDI	Entrepreneurship Development Institute
EFCCC	Environment, Forest and Climate Change Commission
EFF	Enterprise Financing Facility
EHRC	Ethiopian Human Rights Commission
EIO	Ethiopian Institute of Ombudsman
EMA	Ethiopian Media Authority
EMB	Electoral Management Body
EMEPA	Enhanced Management and Enforcement of Ethiopia's Protected Areas project
EMI	Ethiopia Meteorological Institute
ENDC	Ethiopian National Dialogue Commission
EWCA	Ethiopian Wildlife Conservation Authority

FAO	Food and Agriculture Organization
FEACC	Federal Ethics and Anti-Corruption Commission
FSTU	Forest Sector Transformation Unit
GDP	Gross domestic product
GDPP	Governance and Democratic Participation Project
GEF	Global Environment Facility
GEWE	Gender equality and women’s empowerment
GGGI	Global Green Growth Institute
GHG	Greenhouse gas
GLI	Green Legacy Initiative
GRES	Gender-Results Effectiveness Scale
HDP	Humanitarian-Development-Peace
HGER	Home-Grown Economic Reform
HoF	House of Federation
HoPR	House of People’s Representatives
ICPE	Independent Country Programme Evaluation
ICT	Information communication technology
IDP	Internally displaced person
IEO	Independent Evaluation Office
IET	Inclusive Economic Transformation
IFI	International financial institution
IFL	Innovative Finance Lab
IOM	International Organization of Migration
LNOB	Leave No One Behind
M&E	Monitoring and evaluation
MinT	Ministry of Innovation and Technology
MoF	Ministry of Finance
MoLS	Ministry of Labour and Skills
MoPD	Ministry of Planning and Development
MoWaSA	Ministry of Women and Social Affairs
NDC	Nationally Determined Contribution
NEBE	National Elections Board of Ethiopia
NIM	National Implementation Modality
OAG	Office of Attorney General
PBF	Peacebuilding Fund
PDRM	Partnership Development and Results Management

PSF	Peace Support Facility
PSP	Peace Support Programme
PSP/F	Peace Support Programme/ Facility
RBA	Regional Bureau for Africa
REDD	Reducing Emissions from Deforestation and Forest Degradation
RET	Renewable Energy Technologies
RSCA	Regional Service Centre for Africa
SDG	Sustainable Development Goal
SEEDS	Supporting Elections for Ethiopia's Democracy Strengthening
SGBV	Sexual and Gender-Based Violence
SIDA	Swedish International Development Cooperation Agency
SME	Small and medium-sized enterprises
TAF	Technical Assistance Facility
ToC	Theory of change
TVET	Technical and vocational education and training
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations Refugees
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
UNSDCF	United Nations Sustainable Development Cooperation Framework

Evaluation Brief: Ethiopia

Ethiopia has built an impressive track record of development progress since the early 2000s. Today, it is the fourth largest economy in sub-Saharan Africa, with the second largest population on the continent. As a key regional actor, and host of the African Union and the UNDP Regional Centre for Africa, Ethiopia wields significant influence, and is a pivotal country for UNDP programming in the region.

During this country programme cycle (2020-2025), Ethiopia was undergoing a major transition across political, demographic, economic, environmental and social spheres, accompanied by substantive policy reforms across multiple sectors. However, the country continues to grapple with multiple development challenges, including conflicts and the impacts of climate change. Dispute resolution, expectation management and fostering a political settlement that links peace with equity and democracy are continued complexities.

UNDP built on past achievements during the current programme cycle, notably its leadership in inclusive economic growth, democratic governance, a green and climate resilient economy, demographic transition and the promotion of gender equality and women's empowerment. The country programme is structured around three interconnected outcomes: (i) fostering a cohesive, just, inclusive and democratic society; (ii) promoting an inclusive, resilient and sustainable economy; and (iii) advancing a green economy and accelerating adaptation to climate change.

Findings and conclusions

UNDP played a vital role in Ethiopia's development, aligning closely with national priorities outlined in the country's Ten-Year Development Plan and Home-Grown Economic Reform. Across its portfolio, UNDP accompanied the Government of Ethiopia in its development and reform journey, emerging as a leading partner on several strategic and complex issues. Its ability to quickly pivot and realign in response to crises, while maintaining its niche as a patient investor, was a major strength of UNDP.

UNDP leadership was evident in critical areas such as human rights, stabilization, elections, national dialogue and disarmament, demobilization and reintegration. Although some efforts did not yield immediate results, UNDP upfront investments proved valuable by laying the foundations for the restoration of basic public services and delivering quick peace dividends. UNDP also established itself as a thought leader in a diverse and cross-sectoral policy and macroeconomic space. A significant strength of the current programme was its focus on vulnerable sections of the population.

However, balancing short-term crisis response with long-term development objectives posed challenges. Some programmes faced delays due to political sensitivities, while others struggled with resource mobilization, affecting momentum. Although UNDP engaged closely with the Government, coordination with United Nations agencies and development partners was at times insufficient, limiting opportunities for joint programming and integrated responses.

UNDP made significant contributions in the key area of governance reform. By fostering long-standing and trusted relationships with institutions in governance, justice, human rights and elections, UNDP made a significant contribution to strengthening capacity and advancing the policy, legislative and institutional frameworks needed to advance the governance reform agenda of the Government. A notable achievement was UNDP support for the 2021 election, which was successful despite a challenging national context. However, progress in peacebuilding, governance and justice was constrained by ongoing conflicts, slow

democratic reform, funding gaps and transition delays between flagship programmes. These challenges constrained programme effectiveness and the sustainability of results. With ongoing conflict in some regions, there are concerns that support in this area may not yield immediate gains in the near future.

In terms of inclusive economic growth, UNDP had greatest impact in its support for the Entrepreneurship Development Institute and Ethiopian Capital Markets Authority, where sustained, multi-pronged interventions strengthened policies, regulatory frameworks and ecosystem collaboration. Initiatives such as the Innovative Finance Lab, regulatory sandbox, support to small and medium-sized enterprises (SMEs) and startups and Ethiopia's first capital market reflect the systems-level approach of UNDP, which fostered government ownership. While these initiatives are still in early stages, they hold promise due to their ecosystem-driven approach, co-creation strategy, focus on institutional capacity and enabling regulatory frameworks. However, fully realizing their transformative potential requires a sustained long-term strategy. Though small in scale, UNDP downstream interventions positively impacted target communities and SMEs. However, the lack of clear mechanisms to assess long-term effects limited insights into their sustainability and resilience.

UNDP strengthened Ethiopia's climate adaptation and mitigation efforts by supporting policy development and enhancing institutional capacity. This enabled the Government to raise its emission reduction targets and integrate them into national development plans. UNDP delivered tangible results at local level, through land rehabilitation, afforestation and off-grid energy solutions, demonstrating scalable innovation. However, challenges remain in establishing a cohesive monitoring framework for capacity-building efforts and avoiding the dispersion of resources across numerous pilot projects.

Recommendations

Recommendation 1: Building on early lessons from the portfolio pilot, UNDP should focus on a smaller number of high-impact areas by deepening its area-based and regional engagement, fully embracing a portfolio approach. This will prevent siloed approaches, foster synergy and enable better use of expertise and resources to effectively tackle complex, interconnected challenges.

Recommendation 2: UNDP should continue to support key institutions to consolidate and build on gains in good governance, peacebuilding and justice, while mitigating the risk of fallback. As donor interest wanes, UNDP should consider prioritizing its core resource allocation to advance and sustain democratic reform.

Recommendation 3: UNDP should strengthen its communications, and the coordination of its projects and thematic areas with development partners, other relevant agencies and stakeholders. UNDP should emphasize efficiency, effectiveness and value for money in its programming and operations to meet the evolving expectations of donors.

Recommendation 4: UNDP should stay responsive and increase its involvement in emerging areas such as biodiversity and climate finance, green legacy initiatives, circular economy (focusing on plastics pollution and waste management), off-grid renewable energy solutions and private sector engagement in climate action. A key priority is to support the Government in delivering on its commitment to allocate 0.5-1 percent of the annual national budget to environmental goals at national and local levels.

Recommendation 5: Building on policy gains and stronger government commitment, UNDP should adopt a long-term strategy to ensure sustained institutional commitment to fully realize the benefits of investments. Priority should be given to scaling up innovative financial solutions, particularly for SMEs and startups, with increased private sector engagement. UNDP should focus on catalytic interventions that drive significant multiplier effects across value chains and markets, with a specific emphasis on high-growth SMEs, to achieve broader, scalable impact.

CHAPTER 1

BACKGROUND AND INTRODUCTION



1.1 Purpose, objectives and scope of the evaluation

The UNDP Independent Evaluation Office (IEO) conducts Independent Country Programme Evaluations (ICPEs) to critically assess UNDP contributions to national development priorities and results. ICPEs are independent evaluations conducted within the framework of the general provisions of the UNDP Evaluation Policy.¹ In the ICPE framework, the evaluation team assesses UNDP contributions and the effectiveness of the UNDP country office strategy towards the achievement of the development results articulated in its Country Programme Document (CPD).

This was the second ICPE conducted by the IEO in Ethiopia.² The overall objective was to inform the preparation of the next CPD for UNDP Ethiopia, 2026-2030. In addition, it aimed to support UNDP accountability to its stakeholders, including the Executive Board, the Government of Ethiopia and civil society at large, and to contribute to institutional learning and knowledge sharing, particularly at country and regional levels. The ICPE covered the current programme cycle (2020-2025) including all UNDP activities from January 2020 to July 2024, both development projects and non-project activities, regardless of their source of funding (Annex 6).

1.2 Evaluation methodology

This ICPE was conducted according to the approved IEO process and adhered to United Nations Evaluation Group norms and standards.³ Four main evaluation questions framed the whole exercise. In line with UNDP gender mainstreaming strategy and the Leave No One Behind (LNOB) principle, the evaluation examined the level of mainstreaming across the country programme and operations, as well as results achieved. The detailed methodology of the ICPE and retrofit theory of change (ToC) are described in Annex 1 and Annex 9.

The evaluation team collected and analysed qualitative and quantitative data from primary and secondary sources to inform, triangulate and cross-examine findings, conclusions and recommendations. Aside from a document review (see Annex 7), the evaluation team conducted semi-structured interviews and focus group discussions, online and in-person, with 215 internal and external stakeholders from different sectors and types of engagement with UNDP.⁴ Field visits covered intervention sites in three regions, Addis Ababa, South Ethiopia and Tigray (Annex 5).

BOX 1: Evaluation questions

1. To what extent did the UNDP country programme strategically address key national development priorities, particularly for those at risk of being left behind?
2. To what extent did UNDP effectively adapt its positioning and programmatic response to changing contexts, leveraging its comparative strengths?
3. To what extent were UNDP approaches successful in achieving the country programme's objectives and contributing to broader national development goals?
4. To what extent did internal and external factors influence UNDP efficiency and ability to maximize its contributions?

¹ See <http://web.undp.org/evaluation/policy.shtml>

² See <https://erc.undp.org/evaluation/documents/detail/15347>

³ See website of the United Nations Evaluation Group, <http://www.unevaluation.org/document/detail/1914>

⁴ UNDP personnel, government representatives, public institutions and civil servants at national and subnational level, United Nations country team representatives, development partners, donors, civil society organizations, private sector and academia and final beneficiaries.

The evaluation assessed outcome-level results based on an analysis of contributions, while examining adaptive capacity and the level of response to evolving needs and priorities (Annex 10). The IEO Gender-Results Effectiveness Scale (GRES) was used to assess the quality and level of achievements by programme outcome.⁵

The draft ICPE report went through internal and external quality assurance processes, before being submitted to the country office and the Regional Bureau for Africa (RBA) for review and identification of factual errors, and was finally shared with government officials and other national partners for feedback.

1.3 Evaluation limitations

Due to the conflict in the North, the evaluation team was unable to travel to the Amhara region, limiting direct observations and interactions with beneficiaries. To compensate, the team held virtual meetings with selected regional partners and conducted extensive document review. Some partners were unavailable due to competing priorities, prompting remote interviews. In Tigray, language barriers required local translators, and the early implementation stage of some projects limited robust assessment, leading the team to adopt a forward-looking analysis approach in those cases.

1.4 Context

Ethiopia, the largest landlocked country in the world and the second most populous nation in Africa, has made significant development progress in the past two decades. Ethiopia achieved an impressive track record of development progress, with gross domestic product (GDP) growth averaging about 10 percent (2014–2019), positioning it among Africa’s top-performing economies. Despite dealing with a succession of internal and external shocks and a marked decline since 2022, Ethiopia’s economy still recorded a robust growth rate of 7.3 percent in 2023.⁶

Ethiopia continues to face multiple development challenges, however, including the slow pace of structural economic transformation, rapid population growth, high levels of multidimensional poverty, ethnic tensions, conflicts and the impacts of climate change.⁷ Ethiopia’s per capita income remains low at US\$ 1,020 and approximately 83 percent of Ethiopia’s population experiences multidimensional poverty.⁸ Ethiopia ranks 176 out of 193 countries in the 2023 Human Development Report.

Since 2018, Ethiopia has undertaken significant policy, institutional and legal reforms aimed at enhancing democratic governance and promoting social and economic development. However, over the past four years the complex national context slowed the progress needed to fully realize the benefits of these reforms. While liberalization efforts opened political and civic space, this allowed for grievances and tensions to emerge, reflecting historically unresolved issues related to socioeconomic disparities, territorial disputes and ethnic tensions.

⁵ GRES categorizes outcomes as: gender-negative, gender-insensitive, gender-targeted, gender-sensitive and gender-transformative: https://erc.undp.org/pdf/GRES_English.pdf

⁶ IMF data, 2023.

⁷ With an estimated population of 129.7 million in 2024, Ethiopia is the largest landlocked country in the world and the second most populous nation in Africa. With an annual growth rate of 2.6 percent, the population is expected to reach 145.7 million by 2030 and 190.8 million by 2050. This makes Ethiopia the 11th most populous nation in the world accounting around 1.6 percent of the world population. Ethiopia is a diverse society with over 80 ethnic groups and numerous languages.

⁸ IMF and World Bank data, including World Bank (2023). Poverty and Equity Brief: Ethiopia.

The political transition and insecurity culminated in a devastating war in the northern part of the country in November 2020. The two-year conflict between the Government of Ethiopia and the Tigray People's Liberation Front officially ended with the Cessation of Hostilities Agreement (COHA) in 2022, leaving millions displaced, injured and in need of humanitarian assistance.⁹ Conflict-related damage across all sectors in the five affected regions (Tigray, Amhara, Afar, Oromia and Benishangul Gumuz) is estimated to be \$22.69 billion.¹⁰ The population dependent on humanitarian assistance was over 28.6 million people in 2024, and growing, presenting an unprecedented challenge for the country.¹¹ The compounded impacts of these crises deepened vulnerabilities for the most at-risk populations, including women, children, internally displaced people (IDPs), migrants and people with disabilities. The prevalence of sexual and gender-based violence (SGBV) increased substantially during the conflict, and the situation for survivors was aggravated by widespread damage to health facilities and the lack of specialized support. The COHA agreement relieved the situation somewhat, but fragility persists, with ongoing conflict and instability especially in two of the biggest regions of the country: Amhara and Oromia.

Notwithstanding the conflict, generally peaceful national and regional elections were held in 2021 with some opposition members appointed to the Cabinet. The 2018 reforms achieved 50 percent women's representation in the executive branch, though this figure had regressed to 36 percent by October 2022. Women's representation in the House of People's Representatives (HoPR) stands at 41.3 percent, though women remain underrepresented in governance and politics.¹² This is particularly evident in the House of Federation (HoF), where representatives are elected by their State Councils, and women make up only 29.7 percent of members.¹³ Broadly, the governance context remains complex, characterized by unpredictable and shifting priorities, with reforms still fragile and facing challenges related to voice and participation, justice, rule of law, transparency and the balance of power between central and regional authorities.

Ethiopia is facing unprecedented environmental challenges due to rapid population growth, deforestation and climate change. The country lost 3.78 million hectares (ha.) of its forest cover (18.46 percent) over the period between 1990 and 2020. Rising temperatures and changing rainfall patterns increased the likelihood of droughts, floods and landslides and decreased biodiversity.¹⁴ Despite encouraging progress on the electrification programme and expanded grid network coverage, Ethiopia has the third largest energy access deficit in Sub-Saharan Africa, with about half the population without access to reliable electricity.¹⁵ This exacerbated the poverty situation, preventing far too many people from fulfilling their basic socioeconomic needs and limiting access to opportunity. Rapid urbanization has caused significant environmental degradation in Ethiopia, prompting the country to revise its Nationally Determined Contributions (NDCs) by increasing its emissions reduction target from 64 percent to 68.8 percent, now integrated into the ten-year Development Plan to demonstrate a commitment to sustainable development.¹⁶

⁹ The war resulted in an estimated 600,000 casualties and 5.1 million displaced persons. By October 2023, there were approximately 4.6 million IDPs across the country. 2023 Humanitarian Response Plan.

¹⁰ World Bank Group (2022) Ethiopia Damage and Needs Assessment Report, p xii.

¹¹ OCHA, overview of humanitarian response in Ethiopia, 2024.

¹² IPU Parline data, Ethiopia House of Peoples' Representatives Data on Women <https://data.ipu.org/parliament/ET/ET-LC01/data-on-women>.

¹³ IPU Parline data.

¹⁴ IPCC (2019) Climate Change and Land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security and GHG fluxes in terrestrial ecosystems.

¹⁵ World Bank 2020 data.

¹⁶ World Bank Group, MoF, Environment, Forest and Climate Change Commission, UNDP (2021) Technical Report – Nationally Determined Contributions update July 2021.

GRAPH 1. Ethiopia timeline of key events



1.5 UNDP country programme under review

UNDP started operations in Ethiopia in 1981 under a Standard Basic Assistance Agreement with the Government. The 2020-2025 CPD aimed to consolidate past achievements while adapting to new realities and opportunities to drive structural transformation across five key pillars: transitioning from a State-command to a market-driven economy; advancing democratic governance; accelerating the shift to a green and climate resilient economy; demographic transition; and the promotion of gender equality and women's empowerment (GEWE). Aligned with Home-Grown Economic Reform (HGER) and the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2020-2025, the CPD defined the UNDP offer of support for the country's efforts to become a democratic, peaceful and prosperous middle-income country.¹⁷ The country programme focused on three interconnected outcomes: (i) a cohesive, just, inclusive and democratic society; (ii) promoting an inclusive, resilient and sustainable economy; and (iii) a green economy and faster adaptation to climate change.

Since the development of the CPD in 2020, Ethiopia's context has changed significantly. The bold democratic and economic reforms initiated by the Government of Ethiopia in 2018 formed the basis for the assumptions and programmatic focus of the 2020-2025 UNDP CPD. The ToC accounted for risks related to political instability, macroeconomic challenges and symptoms of other shocks, but its underlying logic was based on an optimistic assumption about the political and institutional reforms and sustained international support to development, governance and peacebuilding processes.

Outcome 1 - Cohesive, just, inclusive and democratic society: Most projects under this outcome utilized similar approaches, focusing on strengthening the policy, legal and institutional frameworks within the governance, human rights and peacebuilding sector, while building national capacity to implement and manage these changes. They adopted a human rights-based and developmental approach, incorporating cross-cutting elements such as inclusive participation, GEWE, enhancing accountability, access to justice and the rule of law and promoting social cohesion and the peaceful resolution of conflicts. A key component was election support and the strengthening of federal-regional linkages.

¹⁷ Home-Grown Economic Reform 1 & 2 (2020-2022 and 2023-2025).

Outcome 2 - Promoting an inclusive, resilient and sustainable economy: Under this outcome, UNDP focused on promoting economic development and job creation, particularly for youth and women, including improving access to finance for small and medium-sized enterprises (SMEs). It sought to achieve these goals through innovative approaches, such as an Accelerator Lab and an innovative ecosystem and financing models. The projects also included livelihood support, economic recovery and peacebuilding assistance for communities affected by conflicts in the country, with a specific focus on the needs of women and youth.

Outcome 3 - Green economy and faster adaptation to climate change: Under this outcome, UNDP aimed to implement a comprehensive and multi-faceted approach, leveraging partnerships, innovation, strengthened national capacity and data-driven interventions to support efforts to adapt to and mitigate the impacts of climate change and build resilience. This included piloting and scaling up tested adaptation practices across highland and lowland ecosystems, natural resource management, biodiversity conservation and early warning and risk management systems to deal with the rising threats of natural disasters. It also involved supporting efforts to expand access to renewable, affordable and clean energy as a catalyst for transitioning to a green economy.

Resource mobilization and status of expenditure

The UNDP CPD was adopted with resource requirements of \$275 million from both regular and other sources, anticipating a slight increase from the previous programme. This was approximately 4 percent of the total expected resource requirement of UNSDCF 2020-2025, at an estimated \$7.2 billion, but the actual proportion of the development component of UNSDCF for UNDP is likely to be higher. As of September 2024, the total expenditure of the country programme stood at \$184.5 million. The resource requirements for the entire country programme were largely met, with successful resource mobilization, particularly enabled through initiatives related to peacebuilding, disarmament, demobilization and reintegration (DDR) and national dialogue.

Resource mobilization and expenditure by outcomes

Outcome 1 accounted for the highest expenditure, at \$92.5 million, or 50 percent of the total country programme expenditure. The country office implemented 29 projects of various size and thematic areas, broadly categorized into five sub-thematic areas, with electoral support representing 45 percent of outcome expenditure. This was followed by peacebuilding and reconciliation (35 percent), rule of law (15.5 percent), citizen participation (1.9 percent) and public administration (2.5 percent). About 72.4 percent of projects were initiated during the current country programme, accounting for 42 percent of expenditure, while the remaining projects began under the previous country programme (2016-2020). Outcome 1 interventions were primarily implemented at the Federal level. Subnational interventions were concentrated in Tigray, Amhara and Afar regions, all affected by conflict.

Outcome 2 expenditure totalled \$27.3 million, representing 15 percent of total programme expenditure. Projects were mainly concentrated across six sub-thematic areas, with three primary areas accounting for 63 percent of the total expenditure: development planning and coordination (25.4 percent); local governance (17.8 percent); and innovation (19.4 percent). The remaining 35 percent was allocated to entrepreneurship (11 percent), private sector development (11.8 percent), inclusive finance (8.3 percent) and other areas (6.3 percent). Over half (55 percent) of these projects were initiated during the current country programme, representing 71 percent of the expenditure, while the rest began under the previous country programme (2016-2020), with some dating back to 2011. In terms of geographic coverage, interventions under this outcome were mainly implemented at the Federal level, and in six regional states (Addis Ababa, Afar, Amhara, Oromia, Somalia and Tigray).

Outcome 3 had the second largest expenditure at \$64.7 million, or 35 percent of total expenditure. This outcome includes 35 projects across seven sub-thematic areas, with 66 percent initiated in the previous programme cycle, accounting for 68 percent of expenditure. The majority of expenditure (57.7 percent) was concentrated in disaster recovery/management (28.6 percent) and forestry (29.1 percent), while the remaining 42.3 percent was distributed across adaptation (17.6 percent), biodiversity/ conservation (12.9 percent), urban planning (4.1 percent), waste management (4.2 percent) and energy (3.4 percent). This outcome was the most successful in resource mobilization, with non-core resources comprising 78 percent of total spending. In terms of geographical coverage, interventions under this outcome had the widest and most extensive subnational footprint compared to other areas of UNDP work.

In terms of resource mobilization, the bulk of the resources spent during this cycle came from bilateral donors (51.2 percent), followed by UNDP core resources (26.8 percent). The remaining funds were allocated as follows: vertical trust funds (10.9 percent), local cost sharing (10.9 percent) and South-South cost sharing (0.5 percent). The top donors during the country programme cycle were the Swedish International Development Cooperation Agency (SIDA), the Government of Japan, UNDP Funding Windows, the United Kingdom Department for International Development (Foreign, Commonwealth and Development Office), the Government of Germany and the Government of Denmark. For a detailed analysis of the country portfolio, refer to Annex 4.

Figures 1 and 2 show the size of the outcomes and the source of funds.

FIGURE 1: Programme expenditure by fund source, 2020-2024

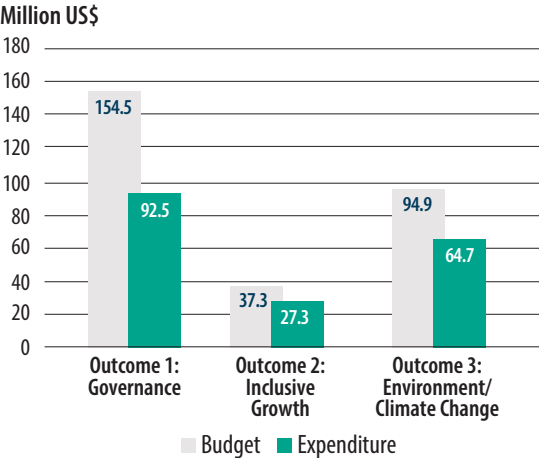
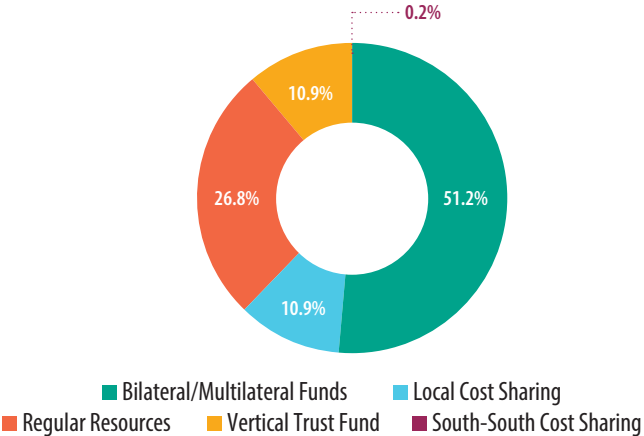


FIGURE 2: Budget and expenditure breakdown by outcome, 2020-2024



Source: Data from Atlas and Quantum, September 06, 2024

CHAPTER 2

FINDINGS



2.1 Programme responsiveness and coherence

Finding 1. Relevance, responsiveness to changes and emerging needs: UNDP Ethiopia made concerted efforts to adapt to shifting priorities and emerging needs amid various extenuating circumstances, including a changing funding landscape. By staying actively engaged during conflicts and crisis situations and demonstrating a strong commitment to the Humanitarian-Development-Peace (HDP) nexus approach, UNDP largely retained its relevance and niche in Ethiopia. In a broader context, UNDP was widely recognized for prioritizing critical yet complex and sensitive interventions that other partners were cautious to undertake due to the associated risks and capacity requirements. Owing to the shift in the funding landscape towards humanitarian response and recovery, the country office faced difficulties mobilizing resources for its core development work.

Implementation of the UNDP country programme involved navigating complex governance, political and economic challenges that mirror the dynamic nature of the country's transition to economic development and democratic governance. The reform process is still underway, but multiple and overlapping shocks profoundly affected the country, testing UNDP adaptability and agility. These events shaped the latter part of the country programme and will continue to influence its trajectory in the years ahead. The convergence of these crises slowed the country's renewed vision for development and democratization, undermining the momentum established at the beginning of the country programme. In response, UNDP adjusted its focus, shifting from development activities supporting the reforms introduced since 2018, to restoration and rehabilitation efforts. This included the Peace Support Facility/ Stabilization project in three regions, which featured the largest DDR initiative, aimed at supporting 371,000 ex-combatants.¹⁸

Despite these challenges, UNDP demonstrated its ability to pivot and realign its interventions to address multiple crises while maintaining a strong development focus. For example, during the COVID-19 pandemic, UNDP remained relevant by supporting 30 federal ministries and regional partners to adopt business continuity measures, including the introduction of virtual applications to ensure the continuity of critical government functions.¹⁹ UNDP also successfully procured significant quantities of essential commodities for the 2021 elections, despite facing global supply chain issues and logistical challenges. This effort was vital for Ethiopia's democratic processes, as elections are time-sensitive and cannot proceed without necessary materials like polling kits and ballots. Furthermore, UNDP reprogrammed and repurposed its resources to provide targeted support to safeguard SMEs and jobs, enhancing resilience amid economic uncertainty.

To address stabilization and peacebuilding needs in the North, UNDP quickly established and operationalized a comprehensive peace facility framework, initially using its own resources to jumpstart the process. Although the Peace Support Programme (PSP) was significantly scaled down from the original One UN plan, it provided partners with a flexible and accountable mechanism to respond to priority recovery, rehabilitation and peacebuilding needs in conflict-affected regions.²⁰ Positioned at the intersection of the HPD nexus, UNDP support maintained a developmental focus by facilitating the resumption of essential government and rule of law services and delivering peace dividends within a livelihood and service delivery framework for the most vulnerable groups. UNDP support was essential to establish the Ethiopian National Dialogue Commission (ENDC), its systems, structures and strategies, and strengthening its technical capacity

¹⁸ DDR efforts in Ethiopia are one of the largest in the world, primarily in Tigray, as well as in Afar, Amhara, Benishangul, Gambella, Oromia, SNNPR and Southwest Ethiopia.

¹⁹ UNDP Ethiopia (2022) Evaluation of the Socioeconomic Response and Recovery on the impact of COVID and Social Crisis in Amhara and COVID impact in Oromia and Somali Regions (January 2021 - June 2022).

²⁰ PSP is a short-term (24 months) initiative nestled within the larger Resilient Recovery and Reconstruction Framework (3RF). The design of the programme involved 18 United Nations agencies to achieve quick and targeted improvements in people's lives, fostering trust and confidence in peace processes. It serves to bridge the gap between the pressing need for rapid interventions to consolidate peace and the longer-term objectives of the 3RF. Originally estimated to be an \$849 million joint United Nations programme, it was downscaled to \$60 million at government request to not duplicate the 3RF, with UNDP contributing its own core funding to kick start peacebuilding activities.

to prepare for and commence the long-awaited dialogue processes. UNDP was also instrumental in establishing the National Rehabilitation Commission within the National Demobilization and Reintegration Framework. Stakeholders overwhelmingly agreed that UNDP served as a key link with government and development partners, providing analysis and responses tailored to the specific country context.

Thematically, UNDP was strategically positioned in the governance space, as one of the first to support the Government in its democratic transition. UNDP developed a long-standing and trusted relationship with key institutions responsible for governance, justice, human rights and peacebuilding. Through its signature programmes, UNDP engaged with these institutions, contributing to the Government's democratic reform agenda (New Horizon of Hope) and peacebuilding processes by strengthening policy, legislative and institutional frameworks. Although the 2021 election faced technical difficulties and boycotts by ethno-nationalist opposition parties, it was considered a watershed moment for democratic development in Ethiopia, amid ongoing conflict, political reform and the COVID-19 pandemic.²¹ UNDP played an essential role in this process by providing technical assistance, procurement support and managing a \$51 million electoral basket supported by 16 donors, becoming the largest provider of electoral support. Development partners and other stakeholders were unanimous in highlighting the effective role of UNDP in overall electoral support.

Under the HGER framework, UNDP provided extensive support to establish the first Ethiopian Capital Markets Authority (ECMA), a significant step in institutionalizing economic reform and creating new avenues for investment and economic growth. The Innovative Finance Lab (IFL), though still in early stages, holds promise to address the technical, regulatory and financial challenges faced by SMEs. With over two million SMEs in the country, the largest youth population on the continent and over two million new market entrants each year, the UNDP focus on SMEs, youth and women positioned it as a key player in advancing private sector development and job creation. UNDP maintained a strong presence in the policy space by providing evidence-based advice to the Government, through technical expertise and policy and research briefs on critical macroeconomic and development issues. A significant strength of the current programme was its focus on vulnerable sections of the population, particularly youth and women.

In alignment with the Government's climate resilience and green economy agenda, UNDP support significantly strengthened Ethiopia's climate adaptation and mitigation efforts. This included support to the development of crucial policies, the enhancement of institutional capacity and the rehabilitation and management of extensive degraded lands, alongside support to the country to raise its emission reduction targets and integrate them into national development plans. This cycle achieved impact through the continued operationalization of the Climate Resilience and Green Economy (CRGE) facility and the effective support to develop a financing strategy and action plan to update and implement the NDC.²² UNDP also supported renewable energy access by piloting and scaling tested practices that addressed the poverty-environment nexus.

While partners appreciated UNDP flexibility and responsiveness to government needs, its broad range of interventions resulted in a fragmented country programme. This sometimes limited strategic engagement and led to the undercapitalization of promising projects. The simultaneous launch of multiple complex projects stretched the focus and resources of UNDP, creating perceptions of competition with other United Nations agencies and partners. Recent economic shocks, the conflict in the North and shifting funding priorities towards humanitarian needs further constrained UNDP efforts. For example, official development assistance to Ethiopia, a key source of development financing, sharply declined from \$5.3 billion in 2020

²¹ UNDP Ethiopia SEEDS 2 Project Document; Human Rights Watch UK (2024) World Report Ethiopia; UNDP Ethiopia (2022) SEEDS Programme Completion Review; African Union, OpCit.

²² MoF CRGE Facility, Environment, Forest and Climate Change Commission (2021) CRGE Programme Annual Progress Report 2021.

to \$2.6 billion in 2022. The confluence of internal shocks and competing international priorities and crises (i.e. Ukraine) led to a significant reduction in international support for development projects, with traditional donors suspending or redirecting funds to humanitarian activities. This restrictive funding environment made it challenging for UNDP to mobilize resources for development initiatives during the latter half of its country programme, particularly in the areas of governance and rule of law, leaving priority interventions of the CPD under-resourced.

Finding 2. Thought leadership and harnessing policy assets: UNDP demonstrated strong positioning in the policy space and elevated its thought leadership on macroeconomic and analytical work on cross-sectoral issues. This was achieved through the production of various timely analytical pieces offering policy options and recommendations. These papers gained various degrees of traction, but evidence shows that UNDP-produced outlooks on the economy and crisis, resilience and human development became reference points for donors, United Nations agencies and government partners.

UNDP provided thought leadership in diverse policy and macroeconomic spaces, and these were cited as strengths by most respondents. Numerous stakeholders emphasized that this involvement was crucial in ensuring that human development and poverty considerations were integrated into broader national development policies. During the period under review, UNDP developed a multi-year research agenda addressing critical policy issues. It published quarterly economic outlooks and working papers on the impact of multiple shocks on poverty, human development, manufacturing and the macroeconomy, as well as Ethiopia's 2030 vision.²³ Notably, UNDP provided critical analytical inputs that supported the Government's negotiations for a larger funding envelope from international financial institutions (IFIs), helping to stabilize the macroeconomy. The UNDP policy paper on manufacturing contributed to shaping the Ministry of Industry's new industrial strategy, which aimed to enhance competitiveness by improving logistics, revitalizing industrial parks and facilitating profit repatriation. The country office also hosted the annual development conference over two years, creating a platform for discourse on issues of national strategic importance engaging multiple partners, including United Nations agencies and federal and state governments. Investment in a research fellowship programme added momentum to the growing contribution of UNDP to the policy space.

Interviews with stakeholders, including United Nations agencies, donors and government partners, highlighted the high quality and timeliness of UNDP analytical and policy contributions, which were empirically grounded and actionable. However, operating in the macroeconomic policy space remained challenging, with collaboration not always yielding the desired results. IFIs generally hold a comparative advantage in the macroeconomic space, though UNDP was uniquely recognized for its ability to offer a variety of perspectives with special attention to human development, inequality and social safety nets.

UNDP provided substantial upstream policy support, including the development of implementation progress reports on selected Sustainable Development Goals (SDGs) and SDG integration insight reports presented at the High-Level Political Forum in 2017 and 2022. The country office also contributed to the preparation of the ten-year national development plan and other sectoral strategies and policies through supporting background studies and stakeholder consultations. With increasing demand for better analytical inputs to national development plans, and to diversify and expand financing sources for development, UNDP Ethiopia spearheaded the development of the Ethiopian Sustainable Finance Strategy. Furthermore, UNDP supported efforts for enhanced national capacity for data collection and management, collaborating

²³ UNDP (2024) Quarterly Economic Profile, January 2024; UNDP (2022) Working paper series, Crisis, Resilience and Opportunity: Poverty, Human Development and the Macro-Economy in Ethiopia, 2020-2023; UNDP (2023) Working paper series, Can Ethiopia Become a Manufacturing Powerhouse?; UNDP (2023) Working paper series, From Debt to Development: What are Ethiopia's Choices?; UNDP (2020) Working paper series, Ethiopia 2030: A Country Transformed?

closely with the Ministry of Planning and Development (MoPD) and Ministry of Finance (MoF). This included support to roll out the Planning, Monitoring and Evaluation System to track national development plan targets, and the creation of an SDG tracker to monitor progress towards the SDGs. This remains a work in progress, particularly in capacity-building and data disaggregation at the woreda level. Stakeholders highlighted this as a critical area for improvement, as an entry point to better identify populations lagging in SDG targets. Addressing these gaps will enhance the role of UNDP as an SDG integrator, and its contribution to improved resource alignment, evidence-based decision-making and stronger coordination and impact across the HPD nexus.

Across the country programme outcomes, the evaluation team identified numerous studies, analyses, policies and proclamations produced and amended with the support of UNDP. For example, 19 studies were conducted to support the implementation of the Reducing Emissions from Deforestation and Forest Degradation (REDD+) programme. Despite this significant work, the UNDP partnership survey showed that stakeholders had limited knowledge on UNDP actions around the environment, energy and gender.²⁴ Interviews with some stakeholders highlighted the need for stronger focus on the utility of studies produced with UNDP support. Under the Inclusive Economic Transformation (IET) portfolio, several policies, regulations, needs assessments and studies were conducted with UNDP support. UNDP also supported policy and research briefs on civic engagement in parliamentary procedures and the relevance of Ethiopian customary institutions for national dialogue and reconciliation. However, the visibility of these briefs remains limited beyond their initial use in policy discussions.

Finding 3. Integrated programming and the area-based approach: UNDP gradually transitioned towards a more cohesive, area-based and integrated programmatic approach to enhance synergy across priority areas. Despite emerging progress, challenges remained, including coordination and synergy within and across thematic areas, effective knowledge management and evidence-based learning, and aligning donor-driven approaches with comprehensive, long-term development and durable solutions.

The 2019 ICPE highlighted that the large number of small, fragmented projects had negatively impacted UNDP efficiency and results.²⁵ In response, UNDP piloted a portfolio approach to address key development challenges across the country programme. Implementation was intended to be gradual, but UNDP Ethiopia took several immediate actions. The country office reorganized its programme into three portfolios - IET, Climate Resilience and Environmental Sustainability (CRES) and Democratic Governance and Peacebuilding (DGP) - and established three functional hubs - Partnership Development and Results Management (PDRM); Development Policy; and Research, Communications and Advocacy. A Portfolio Management Specialist was appointed to coordinate cross-cutting development issues and align programmes with country programme outcomes. Operational adjustments were also made to improve client orientation and adopt innovative service delivery methods. Furthermore, the country office conducted a sensemaking exercise to reflect on its current portfolio from a higher level, identifying opportunities for integrated, cross-cutting work across areas and units rather than managing isolated, independent projects.²⁶ As a pilot, the thematic focus was on GEWE.

To move away from siloed approaches, the country office designed projects that integrated multiple themes and sectors, such as the Peace Support Facility (PSF), which combines governance, social services, economic recovery and IDP integration. Transformative gains were in the early stages, and some components, such as DDR, had recently been launched, but PSF showed strong potential in reinforcing an integrated programme and HDP nexus approach. UNDP integrated several area-based projects in conflict-prone areas

²⁴ UNDP (2020) UNDP Partnership Survey Report 2020.

²⁵ UNDP IEO (2019) ICPE Ethiopia.

²⁶ UNDP Ethiopia (2022) Portfolio Sensemaking.

into its governance programming to address the issue of community-level violence and improve social cohesion and peacebuilding.²⁷ UNDP also combined peacebuilding with early recovery interventions in conflict-affected areas, addressing the needs of vulnerable communities and SMEs, promoting stability, social cohesion and economic recovery. The Multi-Year Resilience Building Strategy in the Somali Region exemplified UNDP focus on resilience as a systemic rather than sectoral issue.²⁸ Various interventions were implemented to foster cohesion within the office, with the support of SIDA, including the preparation of the country office Action Plan for Integrated Programming.²⁹

Recognizing that federal-level partnerships were insufficient for transformative change in a vast country like Ethiopia, UNDP shifted to deeper engagement with regional states like Amhara, Oromia and Somali.³⁰ Although the full effects were not realized, this approach was appreciated by several regional stakeholders as critical in addressing cross-cutting issues across UNDP three focus areas, and as a way to build capacity to help regions effectively plan and implement development programmes to accelerate the SDGs, marking a significant shift from the previous, federal-focused strategy.³¹ Complementary to this was UNDP support for establishing Recovery, Rehabilitation and Reconstruction Coordination offices in crisis-affected regions to ensure the continuity of key government functions, coordinate reconstruction efforts and enable businesses to restart. For PSF, UNDP established project offices to promote an area-based and integrated programmatic approach in Tigray, Amhara and Afar to support rapid recovery and stabilization.

Within the country office, collaboration between the Research and Policy Hub and thematic units, such as IET and CRES, strengthened integrated policy and programme approaches. The IFL and support for coffee compliance with the European Union Deforestation Regulation are examples of these efforts.

Despite promising initiatives, the overall programmatic approach was yet to result in cohesive and integrated programming. UNDP has a broad mandate, and the breadth of its interventions in Ethiopia across diverse sectors such as climate change, governance, economic development and socioeconomic recovery, reflected its commitment to address complex development challenges. While important, this wide-ranging focus diluted resources and efforts, leading to fragmentation and thin spread of projects. From 2020 to 2024, 84 projects were implemented with modest budgets, limiting the potential for impactful, large-scale, multi-stakeholder interventions.³² Due to their complexity and sensitivity, UNDP interventions on governance, peace and stabilization in conflict settings often struggled to secure adequate funding in time, due to donor scepticism and preferences, limiting the shift to a portfolio approach.

Projects across various outcomes were interconnected, but often remained siloed with limited cross-fertilization of thematic areas. For instance, projects under CRES were linked to IET, but cross-portfolio synergy among similar projects was underdeveloped, undermining the ability of UNDP to report on cumulative results and showcase its impact. Similarly, PSF integrated multiple components under one framework but treated DDR separately, given the political sensitivity and scale of the intervention, missing opportunities for greater synergy. The establishment of regional project offices in conflict-affected regions aimed to deepen the UNDP footprint and promote an area-based approach, but staff responsibilities were

²⁷ These included: Cross-Border Cooperation between Ethiopia and Kenya for Conflict Prevention and Peacebuilding in Marsabit-Moyale Cluster; Supporting Peacebuilding, Social Cohesion and Diversity Management in Ethiopia; Inclusive Governance and Conflict Management Support to Ethiopia; and Governance capacity, livelihood development and peace and resilience building in Oromia.

²⁸ UNDP Regional Engagement Programme Framework, 2020-2025.

²⁹ UNDP (2023) SIDA-UNDP Programme on Environment and Climate Change Progress Report 2022-2023.

³⁰ The UNDP country office portfolio review (2019) highlighted the need for UNDP to move towards strengthening partnerships with regional governments and engagement at the regional level to contribute to the structural changes required to ensure that social services, livelihoods, jobs and the rule of law are sustained by the State in a more accountable, inclusive and responsive way without leaving anyone behind. UNDP signed a Letter of Intent with regional governments and MoF, which outlines key areas of partnership in supporting sustainable development of the region.

³¹ The selection of thematic areas for programming was demand-driven, taking into consideration the specific conditions of each region/zone/woreda. The 2019 ICPE highlighted that UNDP predominantly focused on institutional capacity development at the federal level across the different thematic areas. The downstream work of UNDP was essentially in resilience building at the community level.

³² Between 2020 and 2024, 24 percent of projects had a budget of less than \$500,000, while 17 percent were between \$500,000 and \$1 million.

heavily project-focused, limiting broader portfolio-wide engagement. For instance, interview respondents noted that regional coordinators devoted approximately 90 percent of their time to PSF-related activities, reducing their capacity for broader regional coordination and engagement. Although these offices had the potential to play a larger role in area-based approaches, escalating instability also posed challenges for the full implementation of an integrated programmatic approach.

Overall, country office staff considered that UNDP had not sufficiently shifted towards a fully integrated and cohesive programming approach. However, it is important to note that the portfolio approach was not fully supported by corporate-level policies, tools and systems for much of the country programme's implementation. UNDP Ethiopia is one of the country offices that piloted this approach under the portfolio initiation framework. The country office recognized the challenges posed by siloed working and fragmentation within its programming, and with strong leadership commitment, it is making concerted efforts to overcome these barriers and promote more integrated approaches during the transition to the new country programme.

Finding 4. Engagement within the United Nations system and joint programming: UNDP Ethiopia had unique added value in its active engagement in, and contribution to, various United Nations wide initiatives, including the socioeconomic response to COVID-19, emergency recovery assessment, elections support and multi-year resilience planning and peace support efforts. The translation of planning frameworks into joint programmes, however, was inhibited by various factors.

The United Nations System in Ethiopia is one of the largest in the world, consisting of 28 resident agencies, funds and specialized programmes, including two non-resident agencies. UNDP holds a unique position as member of the Executive Committee of the Development Partners' Group (DPG), even after de-linking the Resident Coordinator function.³³ This strategic access enabled UNDP to engage effectively with development partners, the Government and other partners in Ethiopia.

The unique contribution of UNDP, highlighted by respondents, was its demonstrated capacity to provide the United Nations system with a support platform and integrator function. This was evident through its significant involvement in the socioeconomic response to COVID-19, emergency recovery planning, contributions to the Common Country Analysis, and promoting the HDP nexus. In a number of areas, UNDP utilized joint programming mechanisms to leverage partnership, leading or participating in joint programmes and initiatives of various sizes and thematic areas. For example, the country office collaborated with agencies such as the Food and Agriculture Organization (FAO), the International Fund for Agriculture and Development, International Labour Organization, United Nations Population Fund (UNFPA), United Nations Industrial Development Organization, United Nations Children's Fund (UNICEF) and others in conducting a comprehensive assessment of the socioeconomic impact of COVID-19. This collaborative approach, recognized as a regional and global model, enabled the United Nations to quickly develop detailed recovery plans and secure substantial resources. Under CRES, UNDP collaborated with United Nations Refugees (UNHCR), the International Organization of Migration (IOM), FAO, UN Habitat and UNICEF to address climate, humanitarian and urban development needs. UNDP also partnered with the United Nations Capital Development Fund (UNCDF) on the credit guarantee scheme under Renewable Energy Technologies (RETs).

³³ The DPG Secretariat is hosted by the UNDP country office and provides support to the MoF and Planning and Development Commission in the context of Pooled Fund support to national development priority plans. It also provides technical assistance and policy advisory services and facilitates support to the various sector and technical working groups, the DPG Advisory Committee and the DPG Heads of Agency.

However, in some cases, the nature of the issue affected the ability to raise funds jointly. For example, some United Nations agencies expressed less positive feedback over joint programming plans that did not materialize, such as the inclusion of IOM and the United Nations Educational, Scientific and Cultural Organization (UNESCO) in the electoral basket-funded activities. This sentiment was echoed in the abandoned effort for a unified One UN approach to the conflict in the North. Other initiatives such as the multi-year resilience plan for the Somali Region, designed in partnership with nine United Nations agencies, were yet to mobilize joint resources. In some instances, UNDP channelled funding to other agencies to implement parts of a project, such as collaborating with UN Women on initiatives related to women's political participation and peacebuilding. It also partnered with UNESCO and IOM on a joint Peacebuilding Fund (PBF) project. Additionally, UNDP collaborated with IOM on the Empowering Displacement-Affected Communities in Amhara and Tigray Regions project. However, most collaborations were limited to specific, topical interactions, such as providing funds to UNFPA for dignity kits for female IDPs and survivors of sexual violence. Some agencies felt they should have been more involved as UNDP developed its programmes and mobilized funding, particularly for the PSF and DDR projects.

Uncertainty regarding the direction of Ethiopia's democratic reforms led to an erosion of trust among some development partners, who were increasingly reluctant to fund new programmes. Some donors mentioned the diversion of United Nations humanitarian aid in the North, which they felt had not been adequately investigated. While this issue was unrelated to UNDP interventions, and interviewees considered UNDP one of the strongest United Nations agencies, development partners expressed reservations about supporting United Nations programmes, with many preferring the Direct Implementation Modality (DIM), where UNDP manages the programme directly, offering more confidence in fund oversight.

Many respondents pointed out that initiatives by development partners and United Nations agencies were fragmented, making it difficult for UNDP to collaborate in joint programming, and hampering joint fundraising efforts. Some respondents also highlighted flaws in the UNSDCF results framework and logic which complicated interagency collaboration, joint reporting, results measurement and the ability to showcase collective impact. Given Ethiopia's security situation in recent years, United Nations programming focused more on immediate needs, leaving limited space for joint programming, as donor multi-year development funding portfolios were constrained.

UNDP engaged in various taskforces and working groups within the United Nations country team and UNSDCF framework. It co-chaired the United Nations country team Communication Group and Operations Management Team and co-led or participated in groups focused on economic growth, governance and peacebuilding and environment/ climate. However, the evaluation illustrated a need for greater consistency in UNDP contributions to the technical working subgroups it led or supported, particularly for delivering on its three core pillars. Some stakeholders noted that the right personnel were not always assigned to partner meetings, or their participation was inconsistent, which undermined the effectiveness of these engagements.

After a two-year gap, interviews confirmed that UNDP recently committed to co-chair the Governance DPG Technical Working Group, addressing a concern raised by key development partners. Within the Development Assistance Group, UNDP forged a notable collaboration with IFIs, jointly presenting an analysis of Ethiopia's socioeconomic and poverty situation highlighting the impacts of the multiple internal and external shocks. Development partners stressed the need for stronger strategic leadership from UNDP in shaping analysis and intelligence, especially in the context of shocks and the fragmented nature of development assistance and siloed funding architecture. UNDP conflict analysis was beginning to take shape and was appreciated by development partners. This should continue to play a pivotal role in the DPG working groups, where important decisions and resources are concentrated.³⁴

³⁴ Amhara, Oromia and Benishangul regions.

2.2 UNDP contributions to programme objectives and sustainable development results

This qualitative assessment was based on analysis of the correlation between project and programme results and their contribution to the expected outputs under each outcome, and consequently to the overall outcome objectives.

A cohesive, just, inclusive and democratic society – linked to CPD outcomes 1

Outcome 1: By 2025, all people in Ethiopia live in a cohesive, just, inclusive and democratic society.

Related outputs:

Output 1.1: Constitution and law-making, electoral and parliamentary processes strengthened to promote inclusion, gender equality, transparency and accountability.

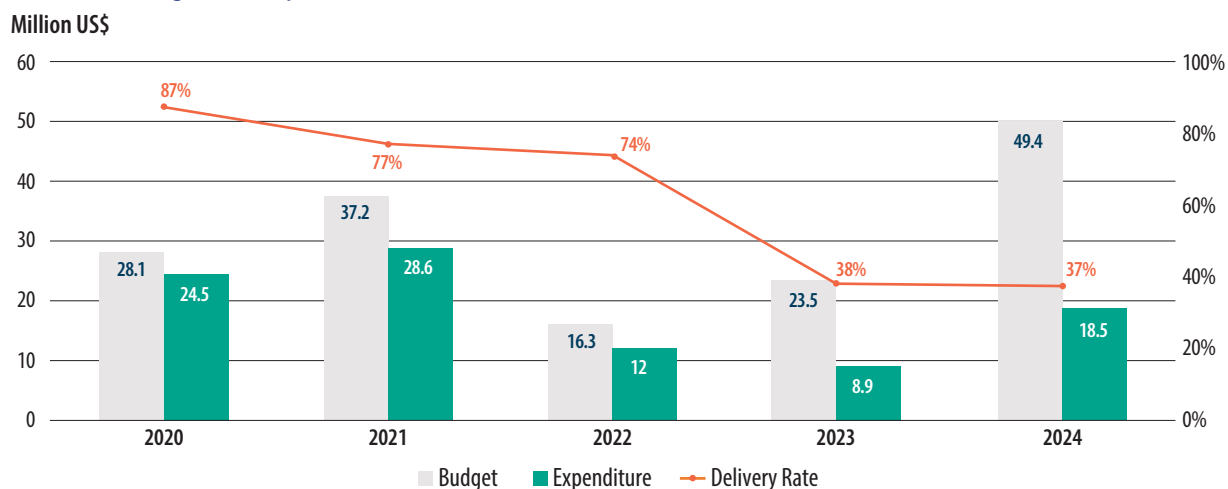
Output 1.2: Capacities, functions and financing of rule of law and national human rights institutions and systems strengthened to promote and protect human rights, expand access to justice and combat discrimination, with a focus on women and other marginalized groups.

Output 1.3: Institutions and systems enabled to address awareness, prevention and enforcement of anti-corruption measures across sectors.

Output 1.4: Capacities of federal and regional institutions strengthened to promote gender-responsive, inclusive and sustainable local development.

Output 1.5: Federal, regional and subregional capacities strengthened for reintegration, reconciliation, prevention and peaceful management of conflicts.

FIGURE 3. Budget and expenditure (Outcome 1), 2020–2024



Source: Data from Atlas and Quantum, September 06, 2024

Amongst other projects, UNDP implemented two flagship projects: the Governance and Democratic Participation Project (GDPP) and Supporting Elections for Ethiopia's Democracy Strengthening (SEEDS). Both started under the previous country programme and continued into the current one. GDPP targeted 11 Government of Ethiopia institutions for democratic reform focused on the legislature, policymaking, rule of law, peacebuilding, electoral processes and transparency, using a transformational approach for capacity-building and innovation. GDPP ended in 2022 and the Enabling Democratic Governance in Ethiopia (EDGE) project continued these efforts, expanding support to regional institutions and including private sector and civil society organizations (CSOs) to enhance governance reform processes.

Finding 5. Democratic governance, rule of law and civil service reform. UNDP support strengthened Ethiopia's democratic reform process and increased the transparency and efficiency of the Government in several key institutions and processes that are critical to strengthening good governance, the rule of law and peacebuilding. Ethiopia's situation remained complex and fluid, with the opening of political spaces bringing up latent tensions and unresolved issues. Despite these challenges, UNDP successfully navigated these sensitive processes, ensuring impartial support.

To address the need for stronger institutional capacity, more inclusive participation and voice, and to advance peaceful democratic reforms (Outputs 1, 2 and 4), the 2020-2025 CPD built on the work started by GDPP in 2017. This effort focused on building momentum on the Government's new reform agenda by supporting core institutions to entrench democratic governance and the protection of human rights at both federal and regional levels. The country office continued to work with 11 key institutions including HoPR, HoF, Ethiopian Human Rights Commission (EHRC), Ethiopian Institute of Ombudsman (EIO), Federal Ethics and Anti-Corruption Commission (FEACC) and the Ethiopian Media Authority (EMA) across the legislative, executive, justice, human rights and oversight sectors, to strengthen capacities to fulfil their mandates and develop the policies and processes necessary for transformational change.

UNDP supported key actors who shape the quality and nature of governance, through a blend of technical expertise, financial, material and policy support. In this way, core government institutions were strengthened to implement democratic reforms, be more responsive to stakeholders and more efficient in fulfilling their mandates.³⁵ The extent of change varied depending on the institution's starting point, as some were better positioned to leverage assistance than others. Furthermore, some had assistance from other development partners, making attribution to UNDP difficult. Nonetheless, UNDP has been engaged with these institutions since 2017 and all of the institutions reviewed reported enhanced capacity to implement their constitutional mandates as a result of UNDP support, corroborated through project evaluations, reports and key informant interviews.³⁶ The key factors partners most consistently linked to positive changes were capacity-building support, which strengthened their skills, and funding and material support, which equipped them with the tools and means to undertake research, consultation, planning, awareness raising and activities that they could not otherwise undertake because of limited budgets or political sensitivities.

A notable achievement of an implementing partner was the award of 'A' accreditation to EHRC in 2021, by the Global Alliance of National Human Rights Institutions.³⁷ This 'A' status substantiates the quality of EHRC work and grants it independent participation rights at the United Nations Human Rights Council. No pre and

³⁵ UNDP Ethiopia (2022) GDPP Terminal Evaluation, p 21.

³⁶ For instance, the GDPP Terminal Evaluation found that UNDP support established the credibility of its implementing partners as democratic institutions. SEEDS Final Evaluation found UNDP support strengthened the capacity of the NEBE to deliver elections that set new standards for the elections in terms of quality and context. The 2022 ROAR stated that UNDP support was a "direct contribution to improve the balance of power among the three branches," more specifically through their stronger oversight functions, more effective law making, increased skills and knowledge and accountability mechanisms.

³⁷ The accreditation is decided by a "peer-review process that ensures individual compliance with internationally recognized standards- the Paris Principles- to ensure their independence, pluralism and accountability." <https://ganhri.org/accreditation/>

post status survey data was available, but reports and interviews suggest that this accreditation elevated the stature of EHRC nationally and internationally, likely boosting public trust in its efforts to protect human rights within the country.

Notable changes were also observed in both houses of Parliament. Reports and interviews indicate that the HoPR now has more standardized procedures and manuals, along with better-trained committee staff, enabling it to standardize and enhance legislative and oversight functions. UNDP provided online certified training and opportunities to learn from the British Parliament before developing the HoPR oversight manual. The digitization of records and session recordings made HoPR deliberations publicly accessible, increasing the transparency of its work.³⁸ GDPP-supported gender training reportedly increased the activism of women members of Parliament, who now hold 60 percent of the committee chairs. In the HoF, UNDP technical and financial support facilitated institutional assessments and reforms in systems, structures and human resource management. The HoF likened UNDP support for reforms within Parliament as “leapfrogging” its institutional development.

UNDP support was instrumental in strengthening the Council of Constitutional Inquiry in its case management systems, with the number of cases increasing annually as the public became more aware of how to access the court. 1,650 cases were received in 2023, with 323 cases addressed between 2022-2024.³⁹ Coupled with the call centre, the systems enabled citizens to file and track cases online, increasing their access to the Council and the transparency of its cases.⁴⁰

UNDP support to civil service reform resulted in the establishment and equipment of its Competency Centre, to develop the systems to test and train Ethiopia’s 2.4 million civil servants to develop a merit-based system and increase their professionalism and diversity. This was done through a consultative process with stakeholders facilitated by UNDP. Other notable reforms supported included the development of a code of conduct to strengthen ethics for public servants and developing and digitizing the FEACC asset registration system for public officials. Between 2020 and 2023, the number of registered public officials increased almost three-fold, enhancing access to information and helping to identify potential conflicts of interests.⁴¹

Notwithstanding, partners interviewed highlighted significant gaps in civil servant capacity and the slow pace of civil service reform. Violent conflicts and crises shifted focus away from interventions vital for building a competent, independent civil service, strengthening inclusive institutions, improving governance and combatting corruption. This challenge was further compounded by a shortage of public sector reform specialists and weak coordination between federal institutions and regional counterparts. Both the HGER agenda and the 10-year NDP recognized weak public service capacity as a barrier to Ethiopia’s sustainable development.

UNDP support to various core government institutions was vital, but the gap between the end of GDPP and the start of its follow-up programme, EDGE, slowed much of the progress of implementing partner reform, which relied heavily on the support extended by UNDP through GDPP. However, interviews showed a high level of commitment, with most implementing partners continuing as best they could with the means available. The levels of funding through EDGE were much lower than previous rounds, creating another constraint and limiting the extent of UNDP-supported democratic governance efforts. This coupled with

³⁸ HoPR reported that more than 13,000 books from their library are now digitized and online. This process was started by GDPP provision of equipment and funds which enabled the HoPR to complete the process on its own.

³⁹ 2014-2016 fiscal year performance evaluation (first draft), HOF and 2023 number according to the interview with the HoF.

⁴⁰ UNDP Ethiopia (2021) GDPP Annual Progress Report 2020/21.

⁴¹ Ibid. The Bertelsmann Stiftung Transformational Index Ethiopia (2024) noted this was out of 1.5 million officials, and 47 percent of the assets declared were found to be inaccurate or false as of September 2021.

the conflict and the reduced availability of donor funds directly affected programme effectiveness and the ability of partners and UNDP to generate results at the same level in the second half of the country programme, especially at the regional level.

Finding 6. Elections. UNDP support strengthened the institutional development of the National Elections Board of Ethiopia (NEBE) and its independent administration of the 2021 elections. This resulted in credible and peaceful national and regional elections being held which, despite major challenges, provided mandates and legitimacy to newly elected officials and their offices.

The 2021 election marked a significant milestone for Ethiopia’s democratic transition, especially as the country was coming out of COVID-19, and embroiled in a civil war, with a history of non-competitive elections and a restrictive political environment.⁴² Although marred by boycotts and disputes over voter registration, the election was widely perceived as more democratic than previous ones, with stronger electoral law and a more independent and inclusive Electoral Management Body (EMB) that had taken positive steps to improve the integrity of the process and increase stakeholder engagement.⁴³ This allowed for elections to be held in most parts of the country, filling 471 of 547 seats in the HoPR and 2,139 of 2,451 in the Regional Council, with a new region created after a referendum on regional autonomy in the Southwest.⁴⁴ The election also provided political legitimacy and a mandate to the incumbent Prime Minister’s party, further increasing the importance of the elections.⁴⁵

The United States Agency for International Development and European Union also supported NEBE and the elections, but UNDP played an essential and significant role through its technical assistance, procurement and management of the \$51 million electoral basket fund.⁴⁶ Under the GDPP and SEEDS programmes, UNDP seconded national experts to NEBE headquarters and regional offices, developed COVID-19 safeguards for events that gathered millions of voters for registration and at polls, procured large amounts of time sensitive electoral commodities, and supported digital systems, logistics and warehousing among other areas.⁴⁷ The SEEDS final evaluation found that these efforts increased NEBE transparency, efficiency, inclusiveness and electoral operations, setting new standards for Ethiopia in terms of the quality and content of the elections.⁴⁸ Improvements in electoral administration were also evident in democracy indices, with Ethiopia’s ranking out of 54 African nations on the Mo Ibrahim Foundation’s Governance Index for Democratic Elections rising from 34th in 2020 to 26th in 2022. Some planned activities were off-track at the outcome level due to conflict and inter-ethnic violence. For example, in Tigray, elections could not be held due to the conflict, while security concerns in Afar, Amhara and Benishangul-Gumuz required NEBE to postpone the elections from June to September 2021. Furthermore, several democracy indexes still characterized Ethiopia as “not free”.⁴⁹

The scope of UNDP electoral support was determined by a 2018 Needs Assessment Mission led by the United Nations Electoral Assistance division. The project document was ambitious and covered a wide range of areas, but lacked an in-depth needs assessment. It underestimated the extent of needs for a newly established independent EMB, with a new electoral law, the need for voter education, and the logistical and organizational elements required to hold elections in a complex and politically volatile environment.⁵⁰

⁴² Embassies of Australia, Canada, Denmark, Germany, Ireland, Japan, Luxembourg, New Zealand, Norway, Sweden, Netherlands, United Kingdom and Delegation of the EU to Ethiopia, June 25, 2021. Statement on the Ethiopian elections [Statement on the Ethiopian elections \(international.gc.ca\)](https://international.gc.ca)

⁴³ See United States Institute of Peace (2021) Why Ethiopia’s 2021 Elections Matter; UNDP Ethiopia (2022) SEEDS Final Evaluation; UNDP Ethiopia SEEDS 2 Project Document; UNDP Ethiopia (2022) SEEDS Programme Completion Review; Human Rights Watch UK (2024) World Report Ethiopia; Other issues included ballot errors, allegations of some local officials blocking minority community registrations and turnout statistics felt to be unrealistically high.

⁴⁴ UNDP Ethiopia (2022) SEEDS Final Evaluation.

⁴⁵ African Union, OpCit.

⁴⁶ UNDP SEEDS also received a \$10 million from Government of Ethiopia to support ballot paper printing and related logistics.

⁴⁷ UNDP Ethiopia (2022) SEEDS Programme Completion Review.

⁴⁸ UNDP Ethiopia (2022) SEEDS Final Evaluation, UNDP Ethiopia (2022) SEEDS Programme Completion Review.

⁴⁹ Human Rights Watch classifies Ethiopia as 10/40 which correlates to “not free”. <https://www.hrw.org/world-report/2024/country-chapters/ethiopia>; Freedom House ranks Ethiopia at 20/100 for global freedom which correlates to “not free” <https://freedomhouse.org/country/ethiopia>

⁵⁰ UNDP Ethiopia (2022) SEEDS Programme Completion Review.

Donors and NEBE credited the ability of UNDP to rapidly adapt its plans to the reality on the ground, prioritizing areas for support and adjusting them to the areas covered by the other two international teams supporting NEBE to avoid duplication of efforts.⁵¹ Although reports on the level of coordination varied, this did appear to require significant strengthening.⁵²

UNDP introduced the electoral violence management and response system developed by the European Commission-UNDP Joint Electoral Task Force, but there was limited buy-in from NEBE for this role in electoral security and the system was not used.⁵³ SEEDS included a focus on women's participation, with some interventions jointly carried out with UN Women, providing gender analyses, gender awareness training and capacity-building for female candidates, but this element still needed attention. Out of 8,890 registered candidates, 1,880 were women and 96 were people with disabilities, and of the 2,610 persons elected, 1,074 were women and 15 were people with disabilities.⁵⁴ About two-thirds of the 50.4 million registered voters were men, but there were no voter turnout figures disaggregated by sex or disability.⁵⁵

The continuation of UNDP electoral support through SEEDS2 was appropriate and needed. Started in 2023, this electoral cycle project enabled UNDP to address the broader range of needs and stakeholders in the electoral process and to consolidate and build on the gains, to further strengthen NEBE and the democratic nature of the next general elections expected in 2026.

Finding 7. Judicial reform and access to justice: UNDP support strengthened the judicial reform process through building the capacity of a range of federal and some regional institutions working in the areas of rule of law and human rights, particularly in the early years of the country programme. The most visible impact was at federal level, where most assistance was concentrated, though efforts at regional level also showed positive effects. However, shifting priorities due to the conflict in the North and funding availability limited progress and follow up during the latter half of the programme.

Conflict in Ethiopia has been driven by historical injustices and long held grievances due to unequal treatment, marginalization, socioeconomic disparities, as well as inadequate systems to effectively address those grievances.⁵⁶ UNDP support to core institutions, provided through consecutive country programmes, and the commitment of partners to strengthen their institutions and support democratic transition, led to notable improvements in the governance and rule of law sectors, resulting in more inclusive, transparent and accountable processes.

Through GDPP, justice and peacebuilding projects, UNDP addressed a wide spectrum of federal and some regional institutions working in the areas of rule of law and human rights. Key partners included the Supreme Court, Ministry of Justice, EHRC, FEACC, EIO, Office of Attorney General (OAG), and others that covered the interrelated and interdependent sectors of the justice sector: administration of justice, enforcement, oversight and the protection of human rights. Focusing on the enabling framework and institutional capacity, UNDP support facilitated their efforts for reform and professionalization and increased their transparency, efficiency, equity, accountability and public access through the development of operational tools, manuals, guidelines and assessments. This sector-wide approach strengthened results and their institutionalization.

⁵¹ Separate USAID and EU projects provided technical assistance and capacity-building and other support to the NEBE for the 2021 elections. All three teams were embedded within NEBE.

⁵² Interviews, UNDP Ethiopia (2021) SEEDS Annual Report, UNDP Ethiopia (2022) SEEDS Programme Completion Review.

⁵³ UNDP Ethiopia (2022) SEEDS Final Evaluation; UNDP Ethiopia (2022) SEEDS Programme Completion Review.

⁵⁴ UNDP Ethiopia (2022) SEEDS Final Evaluation.

⁵⁵ UNDP Ethiopia (2023) ROAR.

⁵⁶ United Nations Ethiopia (2024) Common Country Analysis, Draft.

The lack of continued follow up with several of these institutions following the end of GDPP, and the lag before the start of EDGE for others, made it difficult for institutions with limited government funding to sustain the activities undertaken with UNDP.⁵⁷ FEACC, EIO, EHRC and EMA are included in EDGE, but until other donors contribute to the project, only receive limited levels of assistance.

Interviewees noted that reforms and activities supported by UNDP improved the efficiency and responsiveness of service delivery in the sector. UNDP support to the Federal Supreme Court facilitated the reform process, including updates to legislation and judicial systems and enforcing the rule of law. Capacity-building initiatives enhanced the professional skills of judges, judicial staff and prosecutors while strengthening federal-regional justice linkages. The Ministry of Justice disseminated new laws and reforms to the regions and provided related capacity-building. Since regional bureaux of justice prosecute federal crimes within their regions, this alignment helped to harmonize regional legislation with new federal laws. As a result, the bureaux were able to revise, translate and develop accompanying manuals. For example, in interviews, Tigray officials noted that they were unaware of the new federal anti-trafficking law until PSP supported training of their prosecutors, who then started to investigate and prosecute trafficking cases.

Interviewees noted that support for digitized case management systems for key institutions, including the courts, EHRC and EIO reduced court and case backlogs, increased efficiencies, standardized systems and processes and enabled better tracking of cases and access to information. UNDP facilitated knowledge exchange between EHRC and the Kenyan Human Rights Association, which served as a model for the EHRC case management system. Both EHRC and EIO credited long-term UNDP support for their institutional development, including training, equipment, seconded national experts and financial support. For the EIO, UNDP also supported the opening of field offices enabled them to implement their mandates more effectively. According to EIO interviews, the acceptance rate of its recommendations by executing bodies rose from less than 50 percent in 2019 to over 80 percent.

UNDP support also enabled business continuity during the COVID-19 pandemic, providing remote work equipment and setting up public call centres. An EMA call centre allowed the public to file complaints and report hate speech, enhancing the Authority's capacity for media monitoring and tracking. EIO reported an 84 percent increase in the number of calls since the start of the pandemic, to around 1,000 calls daily. Interviewees noted that, although only about a third of these were related to their mandate, EIO offered free legal advice and directed other enquiries to the appropriate government agencies.

Among efforts to strengthen accountability and fight corruption, UNDP supported FEACC to develop the National Anti-Corruption Policy, undertake periodic national corruption perception surveys, update the digitized asset registration system and develop a code of conduct for public officials. In the 2022 FEACC corruption perception survey, 61 percent of respondents viewed the asset registration system as an effective anti-corruption reform.⁵⁸ These sensitive reforms would likely not have gone forward without UNDP support.⁵⁹ However, significant challenges remain. Ethiopia's ranking on the Corruption Perception Index fell from 87th of 180 countries in 2020, to 98th in 2023, and a recent Afrobarometer survey revealed that nearly two-thirds of Ethiopians believe corruption had worsened over the past year, with over a third perceiving civil servants as corrupt.⁶⁰

⁵⁷ Particularly in the conflict-affected areas according to the interviews.

⁵⁸ 52 percent felt the establishment of the EIO and EHRC was an effective reform with 45% believing civil service reform was effective.

⁵⁹ UNDP Ethiopia (2022) GDPP Terminal Evaluation.

⁶⁰ Voluntary National Review Report; Summary of Results, Afrobarometer Round 8 Survey in Ethiopia, 2020; Afrobarometer News release, Ethiopians say corruption is on the rise. This was actually a decrease from 2020 when 43 percent felt most or all civil servants were corrupt (m 47 percent/f 39 percent).

UNDP mainstreamed the inclusion of marginalized groups and women into its governance programming. Through GDPP support, the courts developed an SGBV Bench Book to provide uniformity of treatment and judgements for sensitive cases, and gender awareness training for most of the supported institutions. SGBV was seen by Ethiopians as the most important women's rights issue in recent polling.⁶¹ Support to the OAG in targeted regions helped to strengthen the Peace and Security Bureau's institutional and legislative frameworks, enabling a better response to human rights violations and support to vulnerable populations.⁶² However, the GDPP terminal evaluation found that, though gender was included in work plans, the project design lacked a clear gender strategy or gender-sensitive activities and implementing partners needed more targeted support to fully integrate it into their efforts.⁶³ Some progress was made in addressing youth and disability issues, such as NEBE accommodation for people with disabilities in voter education and legislation, and EHRC establishment of a department dedicated to disability rights, but most efforts were activity focused rather than mainstreamed.⁶⁴

The level of impact and ripple effect of many of these activities could not be appropriately measured, due to the lack of outcome level data. However, even though UNDP worked primarily at the federal level with many of these institutions, some of their work spread through the regional bureaux, impacting government offices and their stakeholders in the respective regions. This was particularly noticeable in the courts and justice system, where regional staff reported receiving training, materials and other support provided by UNDP through federal offices.

Despite improvements, tackling corruption and increasing access to justice (especially transitional justice which has yet to begin), and restoring the courts and a functioning justice system in war-affected areas, remained critical challenges. The application of nationwide and region-specific states of emergencies further eroded civil liberties and democratic norms. The follow-on justice programme had not started, but UNDP worked with Ethiopian justice institutions and five other United Nations agencies to undertake a rapid justice sector assessment to inform future United Nations programming.⁶⁵

Finding 8. Peacebuilding infrastructure: UNDP support strengthened peace infrastructure and enhanced peacebuilding capacity, reducing tension and fostering trust at community level in target areas. However, progress was slowed and, at times, undermined by the escalation of violence in parts of the country, and a politically charged environment. Some efforts may not yield immediate results, but are essential trust-building processes and prerequisites for successful long-term peacebuilding and stability.

UNDP addressed peacebuilding and conflict mitigation across its portfolio, integrated into its governance and IET programming as well through individual peacebuilding initiatives in targeted areas. UNDP support helped to develop an enabling framework to address some of the drivers of conflict and support peacebuilding efforts. Target partners integrated these aspects into their legislative and institutional reforms, consultative processes, outreach efforts and platforms for citizen enquiries and complaints. For example, in the HoF, this resulted in the development of a National Strategy on Conflict Transformation and Civic Resilience, while with the EMA, standard guidelines and journalist training addressed hate speech and disinformation.⁶⁶ UNDP support enabled the Ministry of Peace to develop a peacebuilding manual and a National Peacebuilding Strategy, completed in 2022 but yet to be adopted.⁶⁷ UNDP engagement with the Ministry of Peace was scaled down due to frequent restructuring and shifting priorities, though

⁶¹ 24 percent of women and 25 percent of men. AfroBarometer, Ethiopians rate government highly on promotion of gender equality, Dispatch No. 813.

⁶² UNDP Ethiopia (2022) GDPP Terminal Evaluation. UNDP Ethiopia (2022) ROAR.

⁶³ UNDP Ethiopia (2022) GDPP Terminal Evaluation.

⁶⁴ UNDP Ethiopia (2021) GDPP Annual Progress Report 2020/21.

⁶⁵ United Nations Common Country Analysis, Draft, p 29.

⁶⁶ UNDP Ethiopia (2021) PBF Project Evaluation.

⁶⁷ Ibid.; UNDP Ethiopia (2023) ROAR.

support was provided for a national volunteer community service programme which engaged youth in constructive community activities, deploying about 20,000 youth (35 percent women in the first group) for ten-month assignments.⁶⁸

UNDP support for ENDC helped to establish the institution, its systems, structures and strategies and strengthened its technical capacity. Through the use of its multi-donor basket fund, UNDP seconded more than 42 national experts to strengthen ENDC capacity and provided information communication technology (ICT) systems and vehicles to support preparations and dialogue processes. UNDP assistance for the launch of the ENDC's national bottom-up participant selection and agenda setting processes covered 10 regions and two city administrations, with more than 105,000 persons (28 percent female participants in the first five regions). UNDP also supported the Ethiopian CSO Council, with about 4,000 CSO members, to build the capacity of women and youth participants for more meaningful participation in the dialogue process.⁶⁹ The ENDC moved slowly in its mission, affected by the continuing violence in parts of the country and political issues, resulting in a loss of momentum and trust.⁷⁰ According to UNDP lessons learned, completing its mission within its three-year mandate will require iterative adaptation, interface with the peace processes and an ability to adapt to the evolving context.⁷¹

UNDP promoted the participation of women in peacebuilding through a number of different activities and partners. With UN Women, it assisted Members of Parliament and the Ministry of Women and Social Affairs (MoWaSA) to develop a Joint Action Plan for ratification of the National Action Plan and adoption of the Women's Peace and Security Agenda. UNDP supported an assessment on the Role of Women in Peace and Reconciliation and developed a policy brief on "An Integrated Approach to Amplifying the Voices of Women in Peacebuilding in Ethiopia." Based on the experience in Oromia and Somali regions, the brief helped inform national policy discussions and advocated for a more substantive role for women in the sector.⁷² These activities helped to ensure that a pillar on Women in Peace and Security was included in the Government's 2022 Gender Equality and Women's Empowerment Policy.

Initially, downstream efforts under the CPD aimed to promote peaceful conflict resolution and reduce violence in conflict-prone areas. UNDP directly targeted conflict-affected areas after a learning review noted the limited geographic coverage of its federal-level support.⁷³ These included area-based support to the Amhara, Oromia and Somali regions; key initiatives for cross-border peacebuilding efforts such as the Cross-Border Cooperation between Ethiopia and Kenya for conflict prevention and peacebuilding in the Marsabit-Moyale Cluster; and inclusive governance support and capacity-building for peace and resilience in Oromia.

Finding 9. Stabilization and social cohesion in conflict-affected areas: UNDP development of an integrated rapid response mechanism in the conflict-affected areas of Northern Ethiopia helped to restore service delivery of regional states, providing early peace dividends and a sense of normalcy to affected communities in targeted districts. However, funding levels were insufficient to meet the extensive stabilization and recovery needs, and complex political processes delayed key components like DDR and IDP integration, slowing programme implementation.

⁶⁸ See <https://www.undp.org/ethiopia/projects/ethiopian-national-volunteer-community-service-programme>

⁶⁹ UNDP Ethiopia (2023) ROAR.

⁷⁰ Interviews and Heinrich Böll Stiftung (2024) Ethiopia's Nationale Dialogue, Issues and Potential Scenarios <https://hoa.boell.org/sites/default/files/2024-07/hbs-e-paper-ethiopias-national-dialogue-july-2024.pdf>

⁷¹ UNDP Ethiopia (2023) ROAR.

⁷² UNDP Ethiopia (2022) Outcome Document, Voices of Women in Peacebuilding and Reconciliation in Peacebuilding.

⁷³ UNDP Ethiopia (2022) ROAR.

In response to the conflict in the North and the subsequent COHA, alongside the United Nations country team, UNDP launched several initiatives for peacebuilding and recovery, focusing on stabilization and early recovery. These were designed to bridge gaps before the longer-term, more comprehensive World Bank's Recovery and Reconstruction Framework (3RF) could be implemented. The Peace Support Programme/Facility (PSP/F) aimed to contribute towards a sustained peace process by delivering an early peace dividend and helping restore normalcy to affected communities. Support was to be provided through five windows: local governance, human rights and social cohesion; basic social services; economic revival; DDR; and development solutions for internal displacement. Initially set as an \$849 million joint United Nations programme, it was scaled down to \$60 million at the Government's request so as not to duplicate the 3RF. UNDP contributed \$13 million from core funding and mobilized additional resources from Germany, Japan and other sources. For DDR, \$49 million was mobilized separately to implement the first phase. The integration of DDR aspects into the PSP/F as one of its five assistance windows aimed to ensure a more integrated and holistic approach.

UNDP support helped to establish regional Resilience, Recovery and Reconstruction Offices to coordinate PSP activities and prioritize assistance in collaboration with the Regional Bureau of Finance and other relevant sector bureaux, ensuring non-duplication of efforts. This included supporting regional damage assessments, repairing and providing equipment to 106 government offices, and psychosocial support and training for civil servants.

Capacity-building initiatives reached over 4,128 judges, prosecutors, police and militia (3,447 men and 681 women) in the three regions and covered human rights, community policing, case management systems and recent federal legislation, including the human anti-trafficking law.⁷⁴ Regional and local officials stated that this gave them the confidence, tools and motivation to return to work, and over 6,000 civil servants at the woreda level and 1,200 at regional level did so. Regional officials also noted that this built trust between the federal and regional governments and the regional government with the woredas.

Rehabilitation and basic equipment were provided to 18 schools and four health posts, and several water schemes were installed, benefitting over 200,000 people, allowing children to return to school and patients to access medical care. Livelihood activities, including startup grants and training, were provided to 4,713 vulnerable groups including landless youth, returned IDPs and SGBV survivors. Additionally, cash grants totalling over \$2 million were distributed to 2,886 beneficiaries (510 men and 2,376 women) and \$1.16 million was distributed to revitalize 749 SMEs damaged by the conflict (399 male-owned and 348 female-owned). 10,009 people also received specialist psychosocial support (6,225 men and 3,784 women) including SGBV survivors, people with disabilities, SMEs and beneficiaries of income-generating activities.⁷⁵ The UNDP Ethiopia website shows that PSF engaged 14,770 community representatives in peace dialogues, significantly contributing to reducing violent conflicts and fostering social cohesion.

Regional and local officials highlighted that the most significant contribution of UNDP was the restoration of basic social services and support for economic revival. While this support was relatively small compared to the needs, stakeholders considered the strategic and targeted nature of UNDP support to be effective and impactful. Stakeholders also highlighted the UNDP focus on empowering disadvantaged groups, advancing peacebuilding and aligning recovery efforts with regional priorities as crucial contributions to the recovery process. Field visits to Tigray confirmed the success of UNDP efforts in increasing income among SGBV survivors, SMEs and some IDPs, aiding economic revival and enhancing social service delivery by government offices.

⁷⁴ IET presentation, June 2024.

⁷⁵ Implementing partners report, 2024.

The major constraint was delayed PSP funding at the regional and woreda levels, which affected the timeliness and quality of project implementation. The conflict caused damage amounting to billions, requiring extensive reconstruction and rehabilitation. The massive recovery needs in the regions exceeded PSP capacity at current funding levels. Currently, only nine of the 93 woredas in the Tigray region and eight of the 94 conflict-affected woredas in the Amhara region receive assistance. Many UNDP intervention areas border conflict zones and some are sites of recurrent violent conflicts, affecting the efficiency and effectiveness of UNDP interventions.

The launch of the DDR programme was delayed due to political sensitivities and slow resource mobilization, resulting in UNDP managing unutilized donor funds. Despite DDR being one of the five focus areas within the PSP/F, it was treated as a separate project. Formal DDR processes had not begun, but support could have been provided to ex-combatants returning to their communities by including them as a target group in PSP livelihood and training activities to address immediate community-based reintegration needs. However, development partners appreciated the transparency and high-quality expertise and engagement on the management of the DDR component, which allowed UNDP to mobilize \$47.5 million for DDR.⁷⁶ Donor funding for PSF did not flow as anticipated, highlighting the need for a comprehensive strategic offer to enhance coherence and effective communication with the government and donors.

The PSP/F, grounded in the LNOB principle, adopts an area-based approach that emphasizes inclusivity within the HDP nexus, effectively bridging immediate relief with long-term development for a sustainable path to peace. However, to maximize its impact, UNDP must enhance coordination with similar programmes, such as the regional engagement project, EDGE and economic transformation initiatives. This will help avoid duplication, leverage synergy and expand the reach of assistance. Furthermore, expectations on the speed and scale of stabilization need to be recalibrated. The current two-year timeline (2023-2025) for achieving sustainable peace is overly ambitious given the fluid and complex context. Interviewees explained that the return of IDPs requires careful planning, clear communication and risk management to navigate sensitivity and ensure a smooth transition. Most stakeholders highlighted the need for a medium- to long-term effort to foster social cohesion, peacebuilding and livelihood improvements.

UNDP support for the reconstruction of basic government functions and social services could be observed during the field visit to two war-affected districts in the Tigray region. Repairs and essential equipment were supplied to damaged schools and hospitals, enabling children to return to school and patients to receive medical care. While the assistance was highly valued, additional needs were observed, particularly the lack of water and ambulance services, which hindered the health centre's ability to deliver comprehensive medical care. Another example was a war-damaged school renovated by UNDP that successfully reopened after two years of closure but still faced challenges, including a lack of storage, library facilities, laboratory equipment and access to clean water. The absence of a school feeding programme was highlighted as a critical impediment to keeping students in school, exacerbated by the weakened livelihoods and low income levels of the surrounding communities. While these all fell beyond UNDP remit and control, this situation underscores the critical intersection of health, education and job creation, which require a more integrated approach to achieve a unified United Nations effort. Collaboration with counterpart agencies and other partners (donors, NGOs, World Bank programmes) with mandates in rehabilitation efforts appeared to be minimal and would have yielded better results.

⁷⁶ The total required budget for the DDR is \$1 billion.

Inclusive, resilient and sustainable economy – linked to CPD outcome 2

Outcome 2: By 2025, all people in Ethiopia benefit from an inclusive, resilient and sustainable economy.

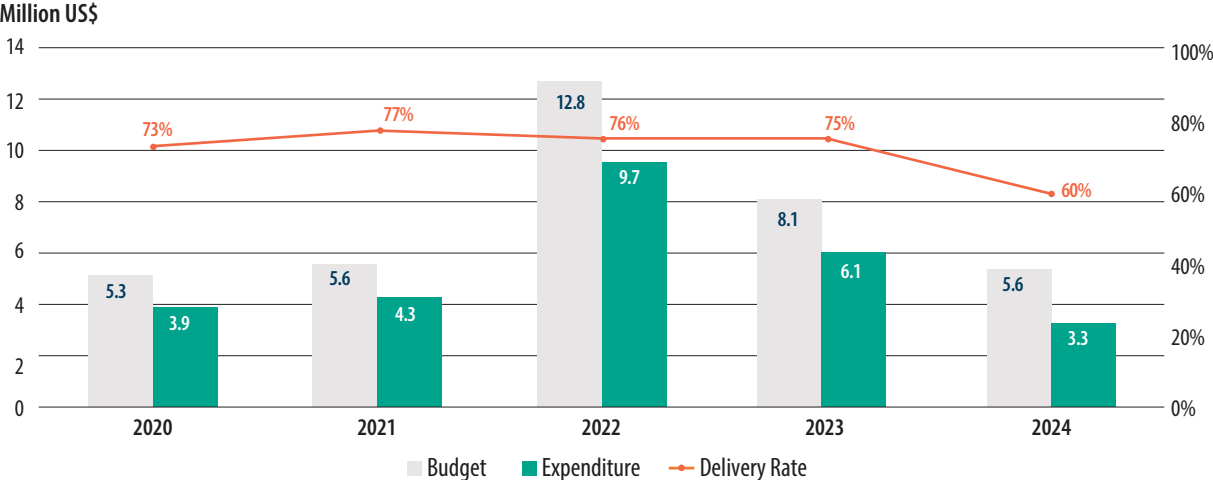
Related outputs:

Output 2.1: Capacities developed across the whole of government to integrate the 2030 Agenda, the Paris Agreement and other international agreements in development plans and budgets and to analyse progress towards the Goals using innovative and data-driven solutions.

Output 2.2: Marginalized groups, particularly the poor, women, persons with disabilities and displaced are empowered to access entrepreneurship services and financial and non-financial assets and services to build productive capacities and benefit from sustainable livelihoods and jobs.

Output 2.3: Institutional capacities strengthened through UNDP support to design and implement innovative and gender-responsive solutions for sustainable development.

FIGURE 4. Budget and expenditure (Outcome 2), 2020-2024



Source: Data from Atlas and Quantum, September 06, 2024

Finding 10. Entrepreneurship development and institutional capacity of ecosystem actors: UNDP significantly contributed to enhancing the capacity of key institutions through sustained engagement, supporting national policy, regulatory frameworks and institutional development in entrepreneurship and skills advancement. Fully realizing the transformative impact of these interventions requires maintained momentum, ensuring systematic follow-up, coordination among ecosystem actors and a commitment to long-term, flexible and innovative approaches.

Under the IET pillar, UNDP played a crucial role in fostering innovation and entrepreneurship in Ethiopia through policy support, institutional capacity-building and ecosystem development for SMEs and startups. These efforts align with Ethiopia's home-grown economic reform agenda, the 10-Year Perspective Plan, financial and private sector reforms.⁷⁷ Key areas of focus include enhancing access to finance, promoting sustainable job creation and ensuring inclusivity, particularly for women and youth.

A notable success is the evolution of the Entrepreneurship Development Institute (EDI), which after nearly a decade of UNDP support became a legally constituted entity. This transformation reflects the significant and sustained UNDP support in building institutional capacity and fostering a conducive environment for entrepreneurship development. Initiated with UNDP support in December 2013, EDI (formerly EDC) began with limited scope but since expanded its impact by supporting SMEs and growing businesses beyond Addis Ababa including Amhara, Southern, Tigray and Oromia regions.⁷⁸ The EDI strategy of connecting industries with universities and Technical and Vocational Education and Training institutions (TVETs) and the deployment of Business Development Support advisors as independent contractors, expanded its impact and reach. For instance, together with universities such as Bahir Dar, Hawassa and Asela, EDI fostered a robust entrepreneurial and innovation ecosystem by providing holistic support to entrepreneurs and SMEs. This collaboration facilitated connections between private sector companies and universities to co-create products, invest in value chains and strengthen suppliers in the sector.

EDI flagship projects created over 150,000 jobs, established 12,790 enterprises, expanded 13,000 businesses, provided business development services to 18,000 businesses and trained more than 170,000 individuals.⁷⁹ Given the country's significant youth bulge with over two million young people entering the job market each year, key informants highlighted that the UNDP partnership with EDI was catalytic and strategic in its approach to scaling impact. Interviewees highlighted the distinctiveness of the UNDP approach due to its focus on addressing key bottlenecks in the ecosystem rather than providing prescriptive solutions. They credited continuous UNDP support for the achievements of EDI, including leveraging resources from partners, including \$48 million from the Mastercard Foundation. UNDP became a preferred partner due to its commitment to building institutional capacity and fostering a conducive environment for entrepreneurship development.

UNDP played a key role in establishing ECMA as an independent body, aligned with the Government's economic reforms.⁸⁰ UNDP support included setting up the project office, covering advisor and technical expert posts and building the capacity of ecosystem actors through training and exchange visits. Beyond institutional set-up, UNDP facilitated the development of manuals, legal and regulatory frameworks, including the capital market proclamation enacted in 2021. It also supported Ethiopia's first regulatory "sandbox", launched in August 2024, to test digital financial products, foster innovation and mobilize

⁷⁷ The 10-Year PDP aims to transform the economy from one based on sustainable agriculture to one in which Ethiopia will become a leader in light manufacturing, while maintaining macroeconomic stability, becoming carbon neutral and achieving lower middle-income country status by 2030.

⁷⁸ EDI came into being following the latest government reorganization bringing together two entities, namely: the UNDP-supported Entrepreneurship Development Centre (EDC), established in February 2013, and the World Bank-financed Women Entrepreneurship Development Project, inaugurated in December 2012.

⁷⁹ UNDP Ethiopia (2024) Overview of the IET Unit.

⁸⁰ UNDP (2022) Capital markets in Ethiopia: Heralding a new era. The ECMA began to take shape in 2021, with a team of experts developing a 10-year implementation plan, outlining a roadmap that includes policy reviews, market infrastructure development and capacity building.

development finance.⁸¹ Connected to this, the anticipated launch of the securities exchange in October 2024 marked a significant milestone in Ethiopia's financial sector, opening opportunities for private investors and an instrument to driving economic growth.

UNDP engagement with ECMA also included the promotion of sustainable finance, in alignment with Ethiopia's environmental goals. This included efforts to develop green capital market products and attract investment in areas like green bonds. Stakeholders consulted during this evaluation consistently recognized thought leadership, innovative approaches, capacity development and proactive strategies as key strengths of UNDP, highlighting its pivotal role in driving transformational change. They emphasized that early and decisive UNDP support for ECMA was critical, especially when other development partners were constrained due to the COVID-19 pandemic and conflict in the North. UNDP involvement was key in overcoming scepticism about the viability of the capital market in the Ethiopian context. In addition, the UNDP strategy of embedding its professionals and co-locating its technical advisors within ECMA was seen as instrumental in delivering high-quality support.

Although the introduction of the capital market generated optimism and strong government support, stakeholders remained sceptical about its ability to deliver promises of inclusivity and access to finance for SMEs. To build on initial successes, stakeholders highlighted the need for UNDP to devise a longer-term approach to ensure sustained institutional commitment and the full realization of investment benefits. Such effort should focus on leveraging a UNDP coordination role with other development partners and maximizing its engagement in DPG and with IFIs, to expand support and impact. Given the broad scope of Ethiopia's capital market, key informants also underscored the need for UNDP to clearly define its value proposition by concentrating on a niche that supports SMEs and startups.

Finding 11. Inclusive finance for SMEs: UNDP support to various partners led to the development of innovative finance solutions. Many of these initiatives are relatively recent and are still embedding and their impact is not yet fully proven. Nonetheless, their transformative potential demonstrates UNDP capacity to work at systems level to build an adaptive innovation ecosystem.

With over 2.1 million SMEs in Ethiopia, the sector represents a critical yet underserved segment of the economy, often referred to as the "missing middle".⁸² Despite their crucial role in job creation and poverty alleviation, only 11.3 percent of SMEs had access to finance, a significantly lower level than is average for sub-Saharan Africa and worldwide. SMEs in Ethiopia face numerous obstacles including high-interest rates, heavy tax burdens, bureaucratic hurdles, limited market linkages and fragmented policy support. Furthermore, demographic trends show that more than two million youth enter the labour market every year, exacerbating the challenges faced by the country's labour market to absorb new entrants. The COVID-19 pandemic, the conflict in Northern Ethiopia and inter-communal conflicts in other parts of the country also stalled the Government's ambitious plan to create 14 million jobs by 2025, and slowed down UNDP work in this area.

Since 2015, UNDP strategically supported Ethiopia's innovation and entrepreneurship ecosystem, beginning by establishing the EDC and evolving to directly support SMEs and ICT-based startups. These efforts align with the broader UNDP goal of promoting homegrown solutions and advancing the Digital Ethiopia 2025 Strategy.⁸³ The 2019 "Innovation Ecosystem Assessment" identified key challenges like limited access to finance, fragmented ecosystem linkages and complex regulatory environments, and UNDP commissioned several studies and initiatives to address these bottlenecks. For instance, a 2021 diagnostic study evaluated

⁸¹ See <https://www.undp.org/ethiopia/blog/ethiopia-capital-market-launches-regulatory-sandbox>

⁸² World Bank (2015) SME Financing in Ethiopia: Addressing the missing middle challenge.

⁸³ Digital Ethiopia 2025 Strategy proposes an inclusive digital economy approach that will catalyse the realization of Ethiopia's broader development vision.

the readiness of government bodies, including universities and TVETs, to support startups and SMEs, and informed subsequent initiatives. UNDP also supported the launch of the Public Sector Innovation Lab to enhance capability in this area, with experimentation and implementation of new ideas for business processes, products and quality public services.

UNDP was a central figure in shaping Ethiopia's innovation and entrepreneurship ecosystem, driving significant changes through strategic partnerships, innovative financing solutions and capacity-building initiatives. In particular, UNDP made significant investments to address the institutional, policy and regulatory challenges faced by SMEs in Ethiopia, collaborating with key ecosystem actors such as the Ministry of Labour and Skills (MoLS), Ministry of Innovation and Technology (MIiT), Ministry of Trade, National Bank of Ethiopia and MoF. A cornerstone of UNDP strategy is to test and promote innovative solutions to tackle credit rationing for SMEs.

The October 2022 launch of the IFL, in partnership with the National Bank of Ethiopia, was the most significant achievement in this area during the country programme cycle. The IFL brought together key stakeholders from banking, the public sector, development partners and the private sector to enhance financial inclusion for startups and SMEs, including through digital finance as the sector liberalized. IFL was structured around two key components: the Technical Assistance Facility (TAF), which helps innovative startups and growth-oriented SMEs strengthen their business capabilities; and the Enterprise Financing Facility (EFF), which provides tailored financing solutions. Together, these initiatives sought to address technical, regulatory and financial barriers to SME financing in Ethiopia.

UNDP actively supported IFL by organizing events on digital and financing options for SMEs and participating in its advisory board alongside key stakeholders. IFL made significant progress, including onboarding a cohort of nascent firms for business planning and financial modelling and preparing them for investment through TAF, and initiating development of EFF. To foster South-South and triangular collaboration, UNDP facilitated several benchmarking and exchange visits to countries like China, Israel, Turkey and Kenya. These visits allowed stakeholders, including business representatives and government officials, to learn from successful SME finance models, capital markets and startups in other countries. Challenges remained, however, in adapting these lessons to the local context, given the fragmented coordination and political instability that affect policy continuity and implementation.

Many stakeholders highlighted limited awareness of the public, and even of the banking sector, regarding new initiatives like capital markets, micro-insurance and green finance. The success of EFF depends on securing the anticipated \$100 million over the next five years and attracting key investors. Despite promising policy directions, the ecosystem to support SMEs and startups was underdeveloped, characterized by weak linkages between government agencies, academia, industry and the private sector, regulatory hurdles, high-interest rates and stringent collateral requirements. This fragmentation affected the ability of UNDP to provide cohesive support and scale up successful interventions. Moreover, weak institutional capacity, particularly at regional level, posed a risk to the sustainability and coherence of supported projects. A long-term strategy would be essential to build on policy gains, address systemic bottlenecks, introduce innovative financial instruments and incentives and scale up early achievements.

Interviewees emphasized the need for alternative models that cater to the unique capacities and needs of SMEs, including policies that support access to finance, markets and skills development tailored to the specific needs of businesses. As Ethiopia's innovation and entrepreneurship ecosystem expands, effective coordination among government ministries, development partners and private sector actors will be increasingly important. Without improved coordination, the transformative potential of UNDP interventions in the private sector and job creation will remain limited. Moreover, stakeholders underscored the need to

clearly differentiate between SMEs and startups within the ecosystem, as confusion among stakeholders hampered the development of targeted solutions. For example, IFL targeted high-growth SMEs, while early-stage startups required a different approach. Many stakeholders suggested shifting the focus from supporting a large number of SMEs to targeting a smaller group of potential high-growth SMEs that could drive significant multiplier effects across value chains and the broader market.

To address these challenges, there was a growing recognition both within UNDP and partner ministries of the need for a more scalable and systemic approach, moving beyond small-scale efforts to more impactful initiatives. A comprehensive strategy would be needed to address the entire ecosystem, balancing focus on quantity and quality, while aligning with CPD priorities that emphasize inclusivity, particularly for women and youth. This requires a scalable approach, including training and certifying service providers, such as TVETs and universities, to broaden service delivery and better support the SME ecosystem.

Within the country office, the evaluation found coordination gaps among initiatives and units such as IET, CRES and Peace Support. This fragmented approach affected the ability of UNDP to effectively support the broader ecosystem, including SMEs in crisis-affected areas, or report on cumulative results across different portfolios. A more integrated portfolio approach would enable diverse efforts to be aligned, and leverage tools like EFF. As EFF becomes operational in 2024, consolidating innovative funding opportunities under a unified structure will be crucial for maximizing impact and ensuring cohesive, impactful interventions.

Finding 12. ICT-based startups and digital entrepreneurship: UNDP played a pivotal role in accelerating the growth of Ethiopia's startup ecosystem. The ecosystem gained significant momentum and now enjoys a prominent place on the government agenda. Through its multifaceted support, UNDP fostered awareness across various ministries of the unique policy needs of ICT-based startups, making them a priority. This shift is evident in various innovative initiatives which proved promising in fostering a conducive environment for innovation and entrepreneurship. However, the broader benefits of these initiatives were not fully realized due to systemic barriers such as complex regulations, limited market access and weak infrastructure.

Through various projects, UNDP was instrumental in creating a supportive policy environment for ICT-driven startups in Ethiopia. By strengthening institutional capacity and fostering coordination among ecosystem actors, UNDP helped to build a more adaptive innovation ecosystem. Strategic collaboration with key ministries such as MoIT and MoLS shaped policies and strengthened regulatory frameworks to promote innovation-led economic growth and job creation, enhancing their understanding of startup and SME policy needs through a startup profile study and public entrepreneurship training. UNDP also promoted collaboration among ecosystem stakeholders, including academia and industry, through research grants, and directly supported ICT-based startups and SMEs to boost productivity and foster sustainable livelihoods.

In collaboration with MInT, UNDP supported the development of key directives like the Startup Act and the Technology Transfer and Adoption regulation to provide alternative financial support, especially for women-led startups and SMEs. UNDP also worked with MInT to draft the Startup Proclamation, now awaiting endorsement. Once enacted, the Proclamation is expected to streamline business registration and licensing process for startups and introduce alternative funding sources. Additionally, in partnership with UNCDF, UNDP provided technical assistance to the Development Bank of Ethiopia (DBE) to establish a Credit Risk Guarantee Fund scheme, enhancing access to finance for startups and SMEs. Through the Ethiopian Digitalized Entrepreneurial Ecosystem Development (#ETdeeds) project, implemented with MInT, UNDP supported 10 ICT-based startups with incubation, grants, business development services and training, as well as twinning arrangements with advanced startups in countries such as Israel. A second #ETdeeds cohort of 200 entrepreneurial youth from Addis and the regions received bootcamp training.

Other significant successes include the launch of initiatives like the Next Startup Ethiopia Hub, a collaborative space for startups and ecosystem actors to foster networking, innovation and capacity. Additionally, UNDP facilitated the Enkopa Summit and Digital Startup Marketplace events, which empowered startups as drivers of economic growth by providing opportunities to showcase their ideas, attract investment and network within the ecosystem.⁸⁴ The Empower, Digitize and Globalize Entrepreneurs for Ethiopia's Transformation project, launched in August 2020 with UNDP support and implemented by MoLS, exemplifies progress in digital entrepreneurship. This project supported early-stage and high-growth digital entrepreneurs with incubation facilities, seed funding and other resources.

Stakeholders consistently commented on the comprehensive approach of UNDP, seen as bold, innovative and uniquely tailored to Ethiopia's context. According to key informants, unlike other development partners who often focus on isolated issues, UNDP strategy addresses the entire ecosystem, fostering a positive policy environment despite challenges such as outdated regulations and a complex policy landscape. They recommend that UNDP continue leveraging its unique partnerships and deep knowledge to drive further innovation and sustainability, reinforcing its projects as catalysts for transformative change.

Despite these successes, challenges persist. Many startups continue to struggle to find investors and secure the necessary financing to transform innovative ideas into successful businesses. UNDP reached a handful of startups in the capital, but scaling remains a challenge due to the limited number of startups in the country. Crucial steps mentioned by interviewees included institutionalizing initiatives like Next Startup Ethiopia, by positioning it as an entry point and central hub for startup innovation ecosystem activities, and creating robust investment schemes and early-stage support mechanisms. Consolidating these and similar efforts should be the central focus of the next country programme.

Finding 13. Livelihoods and economic recovery: UNDP targeted support, though limited in scale, positively impacted vulnerable communities in different regions by revitalizing businesses, creating jobs and boosting the local economy. However, impact remained localized due to limited scale and the sustainability of support was not evident. This limited the opportunity to provide clearer insights into the long-term sustainability of support and whether it would effectively translate into resilience.

UNDP interventions were strategically designed to address the complex challenges arising from conflict, economic instability and the COVID-19 pandemic. Targeting vulnerable groups such as women, youth, IDPs and survivors of SGBV, these efforts focused on economic recovery, livelihood support and conflict mitigation. UNDP provided extensive technical assistance, financial packages, seed funding and capacity-building support to SMEs and informal businesses affected by multiple crises, including the COVID-19 pandemic and inter-communal conflicts. This support enabled businesses, especially those employing vulnerable women and youth, to stay afloat, retain jobs and continue contributing to local economies. Despite the limited scale, these interventions had a positive impact on job creation and local economic growth, particularly for young people.

Stakeholders broadly commended the UNDP adaptive approach in conflict and crisis-affected areas, which included targeted livelihood opportunities, startup capital, non-financial support and the restoration of business infrastructure in conflict-affected areas in Afra, Amhara and Tigray. For example, in North Shewa and Oromo Special Zones of the Amhara Region, UNDP support restored sheds, rehabilitated women-led SMEs, provided legal aid and trauma healing services for SGBV survivors, and delivered vocational training and startup capital. These initiatives strengthened the infrastructure for peace and the capacity for

⁸⁴ UNDP has provided financial and technical support to the annual Enkopa summit, an industry event that brings together entrepreneurs and policymakers for networking and dialogue, for the past two years. The Digital Startup Marketplace event focused on digital startups to align with Ethiopia's digital transformation strategy 2025.

peacebuilding, reducing tension and fostering community trust in targeted areas. Interviewees reported that in Ataye town, for example, the Kollo initiative provided financial and technical support to small and informal businesses, further supporting community recovery.

Stakeholders emphasized the importance of UNDP efforts in addressing power imbalances in post-conflict contexts and increasing women's participation in peacebuilding and economic recovery. Many women beneficiaries met by the evaluation team reported improvements in income levels, ability to send their children to school and access to basic health services. However, measuring the actual increase in women's access to resources (like finance, sheds and markets) is challenging, highlighting a need for more robust impact measurement frameworks and support systems. This is especially true in conflict-affected regions where economic conditions are volatile and businesses face ongoing challenges such as insecurity, limited market access and regulatory complexities.

Another crucial component of the UNDP support strategy was wage subsidy assistance, to help businesses pay their employees during periods of economic uncertainty and conflict. This intervention helped to stabilize enterprises, prevent job losses and foster inclusive growth, particularly among women and youth. For instance, under the COVID-19 stimulus package, 505 of 734 informal businesses benefitting were women-led, highlighting the programme focus on gender and inclusion. Similarly, 382 of 1,344 formal businesses receiving wage-subsidy support were women-led.

This support was vital for business survival and preventing job losses, though stakeholders noted that sustainable outcomes would require a more balanced approach combining immediate relief with strategies for long-term resilience. Stakeholders suggested that UNDP support could have been more substantial and strategically focused on building long-term resilience, helping to ensure that enterprises can thrive in future crises. Stakeholders recognized the impact on informal enterprises, highlighting how targeted support, though modest, had helped them sustain livelihoods during crises.

Climate, Resilience, Environment and Sustainability – linked to CPD outcome 3

Outcome 3: By 2025, all people in Ethiopia live in a society resilient to environmental risks and adapted to climate change.

Related outputs:

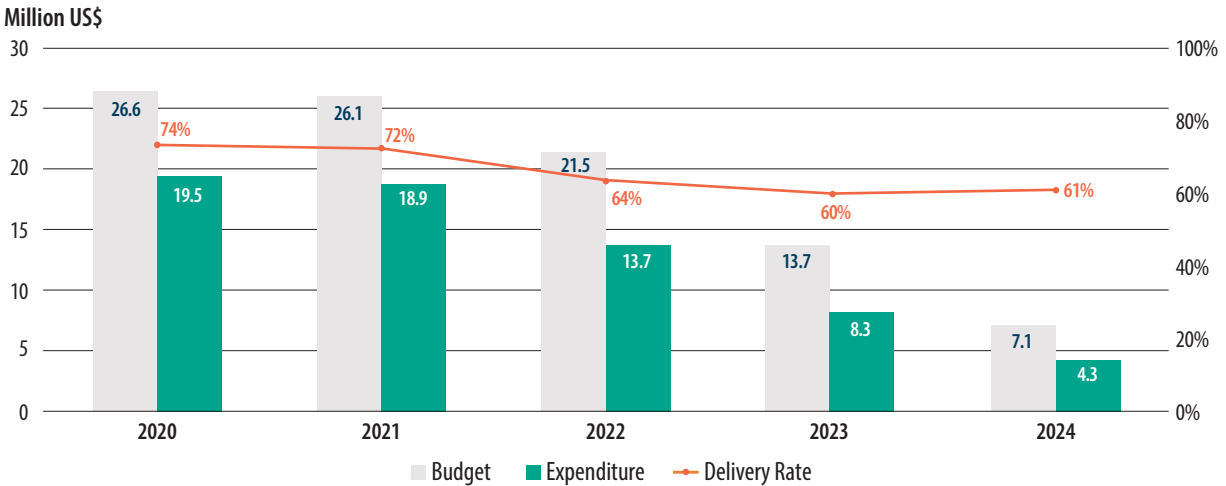
Output 3.1: Integrated and gender-responsive climate and disaster risk governance systems strengthened to reduce risks and vulnerabilities, improve early warning systems (EWS) and enable rapid recovery.

Output 3.2: Gender-responsive legal and regulatory frameworks, policies and institutions strengthened and solutions adopted to address conservation, sustainable use and equitable benefit sharing of natural resources in line with international conventions and national legislation.

Output 3.3: Solutions adopted to increase access to clean, affordable and sustainable energy.

Output 3.4: Action on climate change adaptation and mitigation scaled-up, funded and implemented across sectors.

FIGURE 5. Budget and expenditure (Outcome 3), 2020-2024



Source: Data from Atlas and Quantum, September 06, 2024

By leveraging cross-sectoral partnerships, UNDP implemented a portfolio of 35 projects that spanned multiple sectors, including climate, energy, natural resource governance, waste management, disaster risk management and urban development. These projects were crucial in supporting Ethiopia’s CRGE strategy, which aims to achieve climate resilience and reduce greenhouse gas (GHG) emissions by 2030.

Finding 14. Climate adaptation and mitigation: UNDP support bolstered Ethiopia’s climate adaptation and mitigation efforts by supporting policy development, enhancing institutional capacity and facilitating the rehabilitation and management of extensive degraded lands. These efforts helped the Government raise its emission reduction targets and integrate them into national development plans.

UNDP has long-standing and trusted relationships with a number of actors in the climate and environment realm, built on decades of consistent collaboration and alignment with government priorities, which are a cornerstone of its comparative advantage. The role of UNDP in CRGE and NDC processes underscored its position as a reliable and effective partner. Since the launch of the CRGE Programme in 2011, UNDP partnered with MoF and the Environment, Forest and Climate Change Commission (EFCCC) to strengthen institutional frameworks and resource mobilization. UNDP support was instrumental in the development and enforcement of climate-related policies and frameworks. The CRGE facility, as the primary vehicle for channelling resources to climate initiatives, facilitated the mobilization of over \$250 million for the Government over subsequent country programmes, demonstrating the significant value for money of UNDP interventions.⁸⁵ More significantly, through the CRGE Programme UNDP supported MoF to upgrade its accreditation by the Green Climate Fund. UNDP interventions also enabled government officials and regional partners to participate in climate change negotiations, regional events and knowledge-sharing platforms.

UNDP played a pivotal role in supporting Ethiopia’s increased ambition in its revised NDCs, raising the emissions reduction target from 64 percent to 68.8 percent. This revised NDC was integrated into Ethiopia’s ten-year Development Plan, demonstrating a strong national commitment to sustainable development.⁸⁶ Support extended to regional and sectoral levels, including the development of sectoral NDC implementation plans for priority sectors such as water, energy, forest and mining, and preparation

⁸⁵ MoF CRGE Facility, EFCCC (2021) CRGE Programme Annual Progress Report; UNDP (2021) Climate Resilience and Environmental Sustainability Portfolio Review Presentation to RR/DRR-P.

⁸⁶ World Bank Group, MoF, Environment, Forest and Climate Change Commission, UNDP (2021) Technical Report – Nationally Determined Contributions update July 2021

of Ethiopia's Long-Term Low Emissions Strategy (2030). UNDP collaborated with partners such as the World Bank, World Resources Institute and Global Green Growth Institute (GGGI) to create a comprehensive NDC financing strategy.⁸⁷ It also carried out various supportive interventions in the process such as updating data in the health and urban sectors, and conducting a gender analysis of the NDCs which were integrated into the revision process. Stakeholders highly appreciated the organization of working group meetings, stakeholder engagement sessions, validation workshops and training by UNDP.

UNDP support played a crucial role in enhancing Ethiopia's institutional and technical capacity for climate transparency. The Capacity Building Initiative for Transparency (CBIT) project, for instance, led to the establishment of an interministerial body to coordinate climate action across different sectors; the development of a national measurement, reporting and verification system; and a functional national GHG emission system and database, which streamlined the collection and reporting of GHG data. Moreover, the project supported the preparation and submission of Ethiopia's Third National Communication and Biennial Update Report to the United Nations Framework Convention on Climate Change, meeting international reporting requirements. Additionally, a comprehensive Quality Assurance and Quality Control Plan was developed in collaboration with Haramaya, Addis Ababa University and Wondo Genet College of Forestry to enhance the transparency, consistency, comparability, completeness and accuracy of the national GHG inventory.⁸⁸ These accomplishments underscore the commitment of UNDP in bolstering Ethiopia's capacity to monitor, report and verify its climate actions, aligning with international standards and commitments.

Another key achievement of UNDP climate efforts was the development of new plantations, restoration of degraded lands and participatory forest management through the REDD+ and Catalysing Forest Sector Development (CFSD) programmes. These projects delivered substantial value to the country over nearly a decade, by implementing afforestation, reforestation and Assisted Natural Regeneration activities, contributing significantly to Ethiopia's National CRGE. Through support to institutional strengthening of the forestry sector, UNDP helped introduce modern forestry practices, including real-time forest monitoring, mapping and the use of Geographic Information Systems. At local level, interventions delivered meaningful results, including the rehabilitation and restoration of degraded land and afforestation, which strengthened community resilience to climate change. These activities not only restored ecological balance but also provided sustainable livelihoods for local communities. Cumulatively, this comprehensive approach resulted in the rehabilitation and management of 1,089,297 ha. of land, contributing significantly to CRGE.⁸⁹

Ethiopia's revised NDC indicated that the country remained highly vulnerable to climate change, however, with limited adaptation and mitigation capacity. Enhancing access to affordable energy and addressing climate change adaptation and mitigation efforts remained national priorities.⁹⁰ Key stakeholders lauded the recent government commitment to allocate 0.5-1 percent of the national budget to environmental goals, but emphasized the need for UNDP to continue to strategically support the Government to deliver on this commitment at both national and local levels. Stakeholders also expressed their reliance on UNDP support to establish the necessary institutional frameworks for the effective implementation of these ambitious policies. Decentralized evaluations highlighted the need for continuous capacity development, especially considering institutional instability and weak collaboration among relevant stakeholders, in the management of protected areas, biodiversity conservation actors and law enforcement agencies.⁹¹

⁸⁷ UNDP (2022) NDC Support programme Quarterly Progress Report 2022.

⁸⁸ UNDP Ethiopia (2024) Terminal evaluation of the CBIT project.

⁸⁹ UNDP Ethiopia (2022) CCA Lowland progress report; UNDP Ethiopia (2022) Highlands project report; UNDP Ethiopia (2022) integrated landscape management project report; UNDP Ethiopia (2023) ROAR.

⁹⁰ UNDP Ethiopia (2022) ROAR.

⁹¹ Ibid; Terminal evaluation of the CBIT project.

The introduction of new national and international frameworks, such as the Global Biodiversity Framework, evolving scientific developments and financial instruments like biodiversity and climate finance, reinforced the need for UNDP to stay current and responsive to the country's changing needs. Emerging challenges related to rapid urbanization, pollution, pressures on urban infrastructure and unemployment highlighted the need for continued and strengthened interventions in the circular economy and environmental health. Officials and international partners interviewed for this evaluation called on UNDP to sustain its efforts in these areas and intensify actions to address emerging issues in the coming years.⁹²

Finding 15. UNDP added value and comparative advantage in climate adaptation and natural resource management: UNDP played a pivotal role in strengthening institutional capacity, mobilizing financial resources, engaging communities and leveraging its trusted relationships with the Government to facilitate complex development initiatives. However, UNDP faced challenges in ensuring a cohesive monitoring mechanism for its capacity-building interventions and addressing perceptions of spreading efforts thinly across numerous pilot projects.

Capacity strengthening

The UNDP contribution to forest sector development, natural resource management and restoration and wildlife protection was evident through its long-standing and pivotal role in enhancing the capacity of key institutions such as the Ethiopian Biodiversity Institute (EBI), the Ethiopian Wildlife Conservation Authority (EWCA) and the Ethiopian Forestry Department. These efforts resulted in improved management of protected areas, reduced wildlife poaching and new policies and legislation against illegal wildlife trade. Collaboration with EBI, particularly through the Biodiversity and Ecosystems Network project, enabled the implementation of a national ecosystem assessment and created space for science-policy-practice dialogues. This led to EBI being shortlisted for funding under the Biodiversity and Ecosystem Services (BES) Solutions Fund to operationalize the national BES Platform.⁹³ EBI interviewees remarked that cooperation with UNDP was highly appreciated.

UNDP collaborated with EWCA on various projects to enhance the management and conservation of Ethiopia's protected areas. UNDP institutional capacity support enabled EWCA to provide direct support to 24 federal and regional protected areas, enhanced sectoral and stakeholder collaboration to combat wildlife crimes, particularly the illegal wildlife trade and trafficking, and facilitated critical training for law enforcement personnel, including investigators, prosecutors and judges.⁹⁴ For instance, UNDP partnership with the Oromia Policy College was pivotal in integrating wildlife protection topics into its curriculum, ensuring sustainability.⁹⁵ These interventions enhanced sectoral and stakeholder collaboration among the Ministry of Justice, Federal Police Commission and EWCA to combat wildlife crimes, particularly the illegal wildlife trade and trafficking.

UNDP supported infrastructure improvements (i.e., vehicles and field equipment) for law enforcement and facilitated the development and amendment of policies and legislation to combat the illegal wildlife trade. These initiatives, coupled with public awareness campaigns and the establishment of national and regional task forces, including an environmental crime unit, strengthened wildlife protection. UNDP investments also contributed to the removal of Semien Mountain National Park from the UNESCO endangered list, and UNDP was awarded a certificate to acknowledge its efforts in securing the designation of Bale Mountain National Park as a World Heritage Site, further highlighting its role in conserving Ethiopia's unique biodiversity.

⁹² UNDP (2023) EU Health and Pollution Project – Advancing Health and Environmental Sustainability through Action on Pollution, Progress Report.

⁹³ EBI (2023) BES-NET Phase II 3rd and 4th quarter report.

⁹⁴ Ibid.

⁹⁵ UNDP (2024) M&E framework results tracker 2024.

CFSD, one of the major programmes under this CPD cycle, strengthened the Forest Sector Transformation Unit (FSTU), created in 2018, alongside broader institutional strengthening efforts in collaboration with the Centre for International Forestry Research (CIFOR), the Swedish University of Agricultural Sciences, EBI, the Ethiopian Environment and Forestry Research Centre and Wondo Genet College of Forestry. FSTU was instrumental in driving forest sector reform and advancing Ethiopia's capacity to manage natural resources effectively through policy advice, capacity development, pipeline projects and several strategic studies.⁹⁶ The initiative enhanced forestry data collection, integrating pilot surveys into the first statistical yearbook on forestry with the Ethiopian Statistics Service, creating a framework to measure the contribution of forestry to national GDP. The programme also equipped higher learning and research institutions with advanced tools and laboratory equipment, boosting their capacity for field research and analysis. However, there was some confusion on the relationship and expectations between the UNDP CRES team and FSTU.

A key challenge lies in the multiplicity of interventions providing capacity strengthening support across government agencies from local to national levels, and the absence of an overarching mechanism within UNDP to monitor the effectiveness of capacity-building interventions in line with UNDP standards.

Financial resource mobilization and fiduciary management

UNDP successfully secured funding for major projects such as the REDD+ Investment Programme and the Institutional Strengthening for Forest Sector Development in Ethiopia project, which delivered significant value for the country over nearly a decade. Despite these successes, future financial sustainability was uncertain due to the risk of donor dependency and dwindling resources for projects beyond humanitarian support in the country. Furthermore, increasing competition from other agencies providing procurement services - such as the United Nations Office for Project Services (UNOPS), GGGI, CIFOR and ECA - could impact traditional UNDP roles in financial and project management.

Convening power and strategic partnerships

The ability of UNDP to convene diverse stakeholders was evident through various projects. For example, the three projects implemented with FAO,⁹⁷ as well as South-South and Triangular Cooperation with the Governments of Ethiopia, China and Sri Lanka, which engaged three UNDP country offices to accelerate technology and knowledge exchange and the transfer of information on renewable energy solutions. This ability to bring together different actors is particularly valuable in a diverse and dynamic context like Ethiopia, where coordinated efforts are essential to achieve comprehensive development outcomes. However, UNDP needs to step up in this space, particularly regarding its responsibility to deliver on Outcome III of UNSCDF. This requires consistency in the quality of its contributions within the technical working subgroups in which it is called upon to participate or lead.

Community engagement and localized interventions

UNDP interventions are characterized by deep engagement with local communities and a focus on addressing their specific needs. For instance, the REDD+ Investment Programme supported 82,277 people through sustainable livelihood activities such as agroforestry, sustainable agriculture and non-timber forest product harvesting.⁹⁸ The Enhancing Livelihood Restoration and Resilience of Refugee Hosting Communities and IDPs in Gambella Regional State project facilitated livelihood recovery and economic opportunities

⁹⁶ Strengthening the Private Sector Associations Engaged in Commercial Forestry and Wood Processing Industries; the Evaluation of Wood and Bamboo Resources for the Development of Enterprise Opportunities; the Designing and Managing of a Basic Tree Nursery and a Guideline to the Model Nursery Establishment, etc.

⁹⁷ EMEPA, CBIT and SCALA projects.

⁹⁸ UNDP Ethiopia (2020) REDD+ Investment Programme report.

tailored to the needs of host and refugee communities. UNDP projects also directly improved the economic resilience of beneficiaries. The Climate Change Adaptation project reached farmers with climate advice, significantly enhancing their ability to respond to climate variability and improve agricultural productivity.

The Enhanced Management and Enforcement of Ethiopia's Protected Areas project (EMEPA) aimed to reduce the pressure on protected areas by offering viable economic alternatives to the local population. The initiative organized 1,400 households into 36 cooperatives, providing over \$600,000 to support alternative livelihoods, and the terminal evaluation reported a 36 percent increase in household incomes around five target protected areas, demonstrating the effectiveness of alternative livelihood initiatives.⁹⁹ The Integrated Landscape Management project supported the creation of 176 self-help groups with links to financial institutions to facilitate access to financing for sustainable livelihood development, benefiting 238,074 households.¹⁰⁰

In addition to climate mitigation, UNDP integrated peacebuilding with socioeconomic recovery in projects like Stabilization and Recovery Support for communities affected by Gedeo-West Guji displacement. This project provided a comprehensive response to conflict and displacement by aligning humanitarian, development and resilience efforts, illustrating the relevance of UNDP in complex implementation contexts characterized by conflict, displacement and migration.¹⁰¹

A review of documentary evidence across different UNDP-supported projects illustrated that the livelihoods support programme strengthened local cooperation amongst government agencies and technical and financial partners, crucial for sustainability. Field visits and observations in Arba Minch validated the long-term impacts of UNDP-supported interventions at local level. UNDP national and local presence clearly positions it to respond to community needs over the long term. However, there were limitations on the collection and consolidation of data on the beneficiaries of its climate interventions and the impact on their livelihoods. This evidence is crucial to shed light on those reached, the longer-term sustainability of the support received, and whether support effectively translated to resilience. Interviews and field work suggest that this might be the case, but systematic assessment was not evident.

Finding 16. Clean and affordable energy: UNDP consistently demonstrated adaptability in responding to Ethiopia's evolving development needs and challenges, introducing and testing innovative solutions. Its pilot projects in off-grid energy solutions illustrated how innovative solutions could be deployed to achieve broader impact, reducing pressure on natural resources while improving productivity. Despite these successes, challenges remained due to limited local capacity, overestimated objectives, limited market linkages and gaps in gender-focused design, leading to concerns about the effective use of the technologies provided.

UNDP implemented numerous projects to promote access to clean and affordable energy, aligned with the National Electricity Programme's goal of a 35 percent increase in off-grid connections.¹⁰² The Government's broad aim is to attain universal electrification by 2025, with 35 percent off-grid and 65 percent grid connection, while extending the grid connection to 96 percent by 2030. The main projects implemented during this cycle include the Africa Mini grid, Renewable Energy China and Renewable Energy Technologies (RET) projects.¹⁰³

⁹⁹ EWCA (2023) Enhanced Management and Enforcement of Ethiopia's Protected Areas Estate Project, Terminal Report

¹⁰⁰ UNDP Ethiopia (2022) The integrated landscape management project progress report.

¹⁰¹ UNDP Ethiopia (2021-2022) Recovery Support for communities affected by Gedeo-West Guji displacement activity report.

¹⁰² The World Bank Group (2024) Ethiopia Electrification Program; MOWE and UNDP (2022) Project Steering Committee Meeting – Africa Minigrids Project.

¹⁰³ Ministry of Water and Energy (2022) National Child Project under Africa Minigrids Programme, Oct-Dec 2022 report. The Mini grid project is a UNDP country led technical assistance programme for minigrids in 21 African Countries, which seeks to promote cooperative-led renewable energy delivery models, led by private sector actors.

UNDP-supported interventions led to the establishment of numerous cooperative-led renewable energy models and enterprises and the widespread distribution of clean energy technologies. A key focus was the promotion of new technologies such as improved cooking stoves and the installation of solar-powered systems, to reduce pressure on natural resources and enhance energy access in rural areas. Altogether, 1.3 million such clean energy technologies were distributed in rural communities in Ethiopia, benefiting 821,721 households.¹⁰⁴ UNDP estimates that its support to renewable energy projects helped to reduce GHG emissions by over 157 million tCO₂eq.

The RET project contributed to the development of national standards for solar energy technologies, and produced a report on Ethiopia's energy pricing, tariff modelling and medium-long term renewable energy supply and development plan, along with a research agenda on mainstreaming biogas and solar energy for a sustainable transition.¹⁰⁵ The UNDP-UNCDF collaboration on the Inclusive Digital Economies Clean Energy project led to the establishment of a Credit Risk Guarantee Fund with the DBE loan guarantee/credit risk facility scheme. This mobilized \$1.58 million from financial service providers to support renewable energy enterprises and promote business incubation in the energy sector, facilitating the establishment of 200 RET enterprises.¹⁰⁶

UNDP interventions also enhanced the capacity of smallholder farmers and businesses in agro-industry by installing solar-powered irrigation systems. A notable example is in Sidama region, where the initiative improved agricultural productivity and also provided sustainable drinking water solutions, demonstrating the transformative potential of renewable energy to enhance rural livelihoods. UNDP interventions extended to education and public institutions, with the installation of 9-kilowatt stand-alone solar energy systems in rural schools. The construction of a 300m³ biogas plant at Wolaita University benefited over 46,000 students and staff, reducing health risks and easing the workload for female staff who previously relied on open fires for cooking.¹⁰⁷ Other efforts provided 4,939 fuel-saving stoves, 1,553 solar lamps, 103 electric stoves and biogas plants to communities.¹⁰⁸

Despite these successes, government interviewees raised concerns regarding the design of these projects. For instance, two of the three renewable energy projects were initiated by United Nations headquarters as part of global initiatives, and national partners were brought in to pilot them locally, but not engaged in the design process, although the objectives were in line with national goals. Some respondents noted that the cooperative model for off-grid energy production was untested in the country, and opportunities to learn about this model from other countries were limited. Due to limited capacity and new technologies, interviewees mentioned that the objectives for cooperative projects were overestimated and undercosted, leading to a significant scale-back of planned projects due to budget constraints. While the efforts promoted women's involvement in clean energy businesses, a gender analysis revealed limitations in the programme's design and targeting, such as the failure to fully address women's challenges in providing bank guarantees.¹⁰⁹ Other issues raised included the lack of experience of the participating cooperatives in energy production and distribution, meaning that they required close technical and organizational support, the lack of evidence to assess the degree and effectiveness of usage of the provided RETs, weaknesses in market linkages, and challenges in scaling pilot projects.

¹⁰⁴ UNDP (2024) Update information request from CRES unit.

¹⁰⁵ UNDP (2022) RET Project Annual Report; UNDP (2022) China, Ethiopia and Sri Lanka 2022 narrative report.

¹⁰⁶ UNDP (2022) China, Ethiopia and Sri Lanka 2022 narrative report; UNCDF (2024) UNCDF in Ethiopia.

¹⁰⁷ UNDP (2023) China-Ethiopia-Sri Lanka Biogas, Biomass and Solar Trilateral cooperation, progress report.

¹⁰⁸ Environment, Forest and Climate Change Commission (2021) Integrated landscape management to enhance food security and ecosystem resilience project annual report.

¹⁰⁹ Zewdi Abadi Alemu Getachew Eshete Beyene (2020) Gender Analysis Report for the Rural Energy Technology Promotion Project Promoting Sustainable Rural Energy Technologies for Household and Productive Uses.

During interviews, government and partners raised concerns about UNDP spreading its efforts too thin among stakeholders and emphasized the need to focus on scalable initiatives. Some recognized that pilot projects are essential proof of concept for future scaling, but that the results and learnings from pilots must be thoroughly documented and shared to drive the scalability and uptake expected by stakeholders. It is essential to ensure that these innovations are embedded in national policies and supported by strong institutional frameworks, for long-term success, especially for the CRES unit, given its current portfolio of 35 projects. With Ethiopia's current electricity access at only 45 percent, including 11 percent from decentralized solutions, there is significant potential for UNDP to support the development and expansion of decentralized energy solutions and enhance efficiency within existing systems.¹¹⁰

Finding 17: Disaster risk management and early warning. The UNDP integrated approach contributed to improving Ethiopia's disaster preparedness and response, blending modern technology, traditional knowledge and community engagement to enhance resilience and readiness for future climate-related disasters. However, there were gaps in effectively tracking how sectors and communities utilize the information provided, the level of adoption of resilience practices, and the use of climate information in risk management.

Despite challenges such as COVID-19 restrictions, security issues and high turnover of regional officials, the UNDP integrated approach contributed to improving Ethiopia's disaster preparedness and response. UNDP support to national climate goals was particularly evident through its partnership with the Ethiopia Meteorological Institute (EMI) for the installation or rehabilitation of automatic weather stations and the provision of critical infrastructure such as high-powered computers, servers and mobile phones. This expanded network, linked to the national meteorological system, facilitated real-time weather monitoring and the dissemination of localized weather forecasts and agro-meteorological advice to targeted woredas. These efforts enabled 319,102 beneficiaries (162,438 men and 156,664 women) to access improved climate information services.

EMI interviewees testified that these advancements strengthened the ability of EMI to provide accurate and near real-time information for decision-making, and its role in delivering national climate change objectives, including the development of agricultural calendars and national climate forecasts. Furthermore, UNDP support helped EMI to secure further funding to expand its network and capability, in collaboration with the World Meteorological Organization, laying the foundation for sustainability.

UNDP also supported implementation of the Multi-Hazard Impact-Based Early Warning Early Action systems roadmap through training at local and national levels.¹¹¹ 16 institutions were involved in multisectoral early warning, leading to the preparation of 37 automated woreda disaster risk profiles. Additionally, 24 institutions across all regions adopted gender-based, risk-informed investment plans, while federal stakeholders were familiarized with the National DRM policy reform agenda. Equipment was provided to digitize and enhance early warning data collection and communication between woredas and the main national database centre. UNDP also supported the development of a Disaster Risk Financing Strategy to support future insurance and risk finance programmes. Collaboration with IOM and UNHCR led to the ratification of a proclamation on internal displacement, prioritizing gender inclusivity in climate change adaptation and disaster risk management.

¹¹⁰ IEA 50 (2019) Ethiopia Energy Outlook– Analysis.

¹¹¹ Ethiopia Disaster Risk Management Commission January 2023 – 2022 Report – Strengthening government and communities' capacities for disaster and climate risk governance (DCRG project).

While the various interventions contributed to improving Ethiopia's disaster preparedness and response, there remained a need for UNDP and partners to report on how sectors and communities were utilizing the information provided. This would include assessments of the adoption of resilience practices and the extent to which stakeholders and community members use climate information for risk management and decision-making.

Finding 18. Urban waste management and sustainable urbanization: UNDP initiatives in urban waste management and sustainable urbanization improved solid waste management practices, created urban green spaces and generated jobs, particularly for women. Despite challenges such as inflation and high turnover of city officials, these efforts enhanced urban resilience, facilitated market linkages and supported the development of climate-resilient strategies, showcasing strong stakeholder collaboration and ownership.

The NAMA Solid Waste Transformation project, implemented in six major cities, focused on improving solid waste management through sorting, recycling and composting, establishing composting facilities, promoting urban green infrastructure and creating urban green spaces. The terminal evaluation lauded the gender-inclusive approach of the project. The intervention also supported the development and integration of waste management and urban greenery infrastructure standards and guidelines into city development plans, demonstrating strong ownership and sustainability. It also facilitated linkages for SMEs to financial institutions and engaged the private sector in recycling and compost production for urban greenery projects.

A national standard for organic compost, with quality assurance systems, was developed and approved by the Ethiopian Standards Agency, with guidelines translated into local languages to ensure accessibility and use. Over 360,000 tonnes of organic waste were processed into 109,000 tonnes of compost for 1,500 urban green spaces. These efforts contribute to GHG emission reduction through diverting the share of organic waste from landfills which would emit methane gases to the atmosphere, and the project reportedly led to 413 tonnes of omitted CO₂ emissions.¹¹² The project also had a strong educational component, training officials on incorporating climate issues into development plans and engagement with stakeholders. This training resulted in the development of enabling documents and climate-resilient strategies, which interviewees from the Ministry of Urban Development report were utilized in subsequent planning and infrastructure projects, including those supported by the World Bank. Furthermore, the project provides a model for other cities and projects in terms of sustainable urban management and resilience.

UNDP demonstrated flexibility and adaptability in responding to Ethiopia's evolving development needs and challenges. UNDP collaborated with the Addis Ababa City Administration to pilot a Smart City Hub aimed at improving urban planning, enhancing infrastructure resilience to climate impacts and benefiting sectors like agriculture, forestry, transport and health. This effort, in partnership with the Ethiopian Space Science and Geospatial Institute and Adama Science and Technology Universities, led to the development of spatial maps, urban hydrology analyses and comprehensive guidelines for city planning. The Beautifying Sheger through Sustainable Urbanization and Urban Resilience project was another example of UNDP effectiveness in urban settings, providing high-capacity servers, computers and laptops for the megaproject construction office.

Private sector engagement was particularly valued for identifying business opportunities in urban waste management. However, project effectiveness was affected by the inflation of construction costs, difficulties in establishing market linkages for compost products, and high turnover of city officials. According to key informants, some equipment provided to cities became non-operational due to limited local maintenance capacity and, in some cases, councils lacked the resources to continue the project. Despite these issues,

¹¹² UNDP (2021) Terminal Evaluation Report NAMA Compost project.

UNDP-supported interventions had lasting impacts, with cities continuing urban waste management processes, and the use of compost for city projects and greenery. Interviews with city officials lauded this initiative but emphasized the need for its continuation amid growing urban pressures from population increases.

2.3 Factors influencing programme performance and results

Finding 19. Partnership and programme efficiency: UNDP demonstrated strong engagement with government at all levels. Coordination and communications with United Nations and development partners varied and sometimes proved insufficient, limiting joint programming and more synergistic efforts, and adversely impacting perceptions and funding.

Partnership, communications and coordination

Bilateral partners and donors strongly appreciated the fiduciary role played by UNDP, described as a credible and trustworthy partner. Even though UNDP provided regular reporting on its projects and was active within United Nations and development partner coordination mechanisms, there was a perception among many development partners, and some United Nations agencies, of limited UNDP information sharing and communications. This was noticeable in the 2020 partnership survey, where more than 55 percent of respondents were not satisfied or not sure that UNDP pursued coordinated resource mobilization with other United Nations country team members.¹¹³ The United Nations Board of Auditors echoed this sentiment in 2023, citing excessive delays in providing documents and reimbursing unutilized credits. Several project evaluations noted the need for UNDP to create more meaningful participatory forums and more strategic engagement with development partners.¹¹⁴

Some stakeholders felt that UNDP had not fully leveraged its position of trust with the Government to advocate strongly on sensitive issues like human rights and democratic norms. Bilateral donor interviews also highlighted concerns about UNDP overreliance on external consultants and the dispersed nature of the country office team for certain projects. There was scant evidence of interconnectedness between UNDP-supported interventions with projects funded by other development partners in the various regions of implementation, which could lead to duplication or overlaps. The SEEDS final evaluation noted the absence of any information sharing platform - as commonly used in election assistance contexts - for all implementing partners to come together, share information, map interventions and leverage mutual efforts. This would have been especially important for stronger coordination of the three teams within NEBE, to avoid mixed technical messages and plans being presented to the NEBE.¹¹⁵

UNDP collaboration with higher education institutions and think tanks under CRES and the IET projects stands out as a strong practice, fostering national expertise and local ownership. For example, EDI linked industries with universities and TVET institutions.¹¹⁶ CRES similarly demonstrated the value of academic partnerships through targeted collaborations, such as with the Oromia Police College for wildlife law enforcement training and Addis Ababa University for the CBIT project. The FSTU partnerships with several universities, including Haromaya, Bahir Dar, Wellega and Semera, were pivotal in developing models for tree nursery and landscape restoration.

¹¹³ 44 percent were somewhat satisfied, none very satisfied. Similar responses were found for providing integrated development solutions in collaboration with other stakeholders. Guidehouse (2020) 2020 UNDP Partnership Survey, Country Report.

¹¹⁴ UNDP Ethiopia (2021) SEED Annual Report; UNDP Ethiopia (2023) Support to Judicial Reform in Ethiopia, Terminal Report; UNDP Ethiopia (2022) GDPP Terminal Evaluation Report.

¹¹⁵ UNDP Ethiopia (2022) SEEDS Final Evaluation, p 25. UK SEEDS Programme Completion Review, p iv

¹¹⁶ The UNDP-supported Entrepreneurship Development Centre was launched in 2013 to foster a supportive ecosystem for budding businesses.

Engagement with CSOs was limited due to the absence of a cohesive strategy. The new UNDP EDGE programme expanded governance reform to include CSOs, but many felt collaboration with CSOs remained insufficient across different projects. Partnership with the private sector was still in its early stages, though some concerted steps were made, particularly with SMEs, financial institutions and in areas like renewable energy, recycling and compost production for urban greenery projects. However, this engagement was largely project-based, lacking a systematic strategy for broader private sector involvement. Stakeholders consistently stressed the need for stronger private sector participation in areas like biodiversity, climate finance, renewable energy, off-grid solutions and access to finance and credit for SMEs. While the 2023 ROAR report noted efforts to develop a private sector engagement strategy, this had not been finalized at the time of the evaluation. As Ethiopia transitions to a green economy, and with the recent establishment of a capital market, the role of the private sector will become increasingly central, requiring incentives and policy frameworks that promote active participation across various sectors.

Programme efficiency

The country programme employed both National Implementation Modality (NIM) and DIM. NIM was used in 56 percent of the 84 projects implemented in the current cycle, and DIM accounted for the other 44 percent. In terms of expenditure, NIM represented 63 percent (\$116 million) and DIM 37 percent (\$68 million) of the country office total expenditure from 2020 to 2024. National partners often relied on UNDP for procurement due to constraints like lack of hard currency or to the cost-effectiveness of UNDP long-term agreements. In conflict-affected regions, UNDP used DIM to manage significant procurement needs and provide early recovery support. As this capacity improved, UNDP transitioned gradually to country office-assisted NIM. With over 60 percent of interventions implemented under the NIM modality, government engagement and ownership were significant, bringing sustainability benefits. Even in DIM projects, government partners at local and national levels were significantly implicated.

A unifying theme underlining UNDP engagement with the Government and partners was the perceived lack of improvement and responsiveness to challenges identified around procurement and service delivery, resulting in project delays, and straining relationships with partners who sometimes perceived these bottlenecks as a lack of responsiveness. At project level, delays in funding disbursement, including in conflict-affected areas, hindered timely project implementation. Interviewees reported that for the PSP project, for instance, some partners received their 2023 funds only a month before the end of the year, with funds for the first half of 2024 not arriving until June. This delay affected their ability to conduct competitive bidding for reconstruction projects, which requires a minimum of 45 days according to government protocol, and compromised the quality of rehabilitation.

While some delays can be attributed to cumbersome UNDP disbursement and procurement policies, they were exacerbated by external factors such as the COVID-19 pandemic, inflation, conflict, market shortages, late signing of annual workplans, and the limited capacity of implementing partners. Frequent changes in government structures also necessitated repeated compliance training and capacity development, underscoring the need for more sustainable solutions for effective programme implementation. These factors illustrate that delays are not necessarily the “fault” of UNDP but are often the result of complex, unpredictable circumstances on the ground. Despite these external challenges, stakeholders underscored the need for UNDP to improve coordination, streamline processes and develop clearer engagement strategies to enhance effectiveness and maintain strong partnerships in a complex environment.

Increasing competition from other agencies (such as UNOPS, GGGI, CIFOR and ECA) providing procurement services also poses a competitive threat to traditional UNDP roles in financial and project management. To maintain its competitive edge, UNDP must enhance its operational efficiency and responsiveness to

stakeholder needs, ensuring that its processes do not hinder project implementation and that it continues to be seen as a reliable partner. Some partners turned to alternative providers to bypass these inefficiencies.¹¹⁷ Overall, there was a favourable view of UNDP, and most partners remained committed to continued collaboration, subject to improvement in its internal processes.

Finding 20. Gender-responsive programming and results: While the UNDP mainstreaming approach was effective, it lacked comprehensive gender-specific interventions to tackle the root causes of inequality. Progress towards transformation was a challenge, considering the entrenched gender inequalities.

Following the 2019 ICPE recommendations, UNDP made significant efforts to make GEWE central to its programming and strategic focus. The country office conducted a comprehensive gender portfolio review and established a dedicated GEWE portfolio that focused on four critical transformations.¹¹⁸ The country office also launched a Gender Equality Strategy and Action Plan (2022-2025) to integrate GEWE across sectors, reflecting the compounded effects of conflict, COVID-19 and climate change. 73 percent of projects were rated GEN2 and 3 percent GEN3, while only 24 percent were rated GEN1, demonstrating significant integration of gender considerations in the country programme.¹¹⁹ The country office achieved silver certification of the Gender Equality Seal twice in the current programme cycle, and made strides to implement the UNDP sexual exploitation and abuse and sexual harassment policy.

UNDP made systematic efforts to integrate GEWE into its governance and peacebuilding programmes, increasing the awareness and activism of its implementing partners and their stakeholders for the inclusion of GEWE issues. This helped to expand the space for women's voices and participation. Collaboration with UN Women and MoWaSA resulted in significant initiatives, including the Women, Peace and Security Agenda.¹²⁰ Support to the Supreme Court led to a needs assessment on handling SGBV cases, resulting in an SGBV Bench Book, while support to the OAG in targeted regions helped to strengthen legislative frameworks for responding to human rights violations.¹²¹ However, the terminal evaluation of GDPP noted that, while gender was infused into work plans, the project lacked a dedicated gender strategy and implementing partners needed more targeted support to fully integrate gender into their work.¹²² Some efforts were made to increase implementing partners' focus on youth and people with disabilities. Examples include accommodations by NEBE for people with disabilities in voter education materials and legislation, and systematic efforts by the EHRC resulting in the establishment of a separate department focused on the rights of people with disabilities.¹²³ However, most of these efforts were activity-focused rather than systematically mainstreamed.

UNDP electoral assistance incorporated a gender perspective by incentivizing political parties to include at least 20 percent female candidates, although few parties met this target, and the participation of women candidates dropped from 29 percent in 2015 to 21 percent in 2021.¹²⁴ Despite this decline, women's representation in Parliament rose from 39 percent to nearly 42 percent over this timeframe, due largely to the ruling party's voluntary quota system.¹²⁵ UNDP expanded its focus from GEWE to Gender Equality and Social Inclusion, with projects like EDGE, targeting marginalized groups, including youth, ethnic minorities

¹¹⁷ UNOPS, Economic Commission for Africa, CIFOR and GGGI.

¹¹⁸ Economic resilience, enhancing women's decision-making power, transforming social norms, and ensuring women's safety and security, particularly in addressing SGBV.

¹¹⁹ UNDP reported \$148.2 million expenditure on project outputs having GEWE as a primary objective (GEN2), \$8.9 million as GEN3, significantly contributing to GEWE. \$27.5 million was projects with gender equality in a limited capacity (GEN1).

¹²⁰ UNDP Ethiopia (2021) PBF Project Evaluation.

¹²¹ United Nations Common Country Analysis, Draft.

¹²² UNDP Ethiopia (2022) GDPP Terminal Evaluation.

¹²³ UNDP Ethiopia (2021) GDPP Annual Progress Report 2020/21.

¹²⁴ United Nations Electoral Assistance Division, Needs Assessment Mission 2022.

¹²⁵ IPU Parline (2021) Ethiopia House of Peoples' Representatives Election results; PU Parline: global data on national parliaments.

and people with disabilities. However, despite these efforts, insecurity, entrenched social norms and fragmented politics remained significant barriers to achieving gender equality in political, peacebuilding and governance spaces in the country.

Under the IET portfolio, UNDP-supported projects consistently prioritized strengthening the livelihoods and resilience of poor and marginalized communities. Gender considerations were very high in project design, and targets were set to mainstream gender into project implementation. For instance, 74 percent of SMEs supported through the COVID-19 response project were women-led. However, there was room for improvement in consistent measurement and reporting of the impacts of interventions disaggregated beyond traditional gender categories, particularly relating to people with disabilities. There were also challenges in bridging the gap between capacity-building efforts and economic empowerment, as highlighted by the Entrepreneurship Development Programme II, where only 24 percent of women who received training were able to access financial services, due to the low involvement of women in startups and innovative initiatives, resulting from a legacy of gender disparities in business in the country.¹²⁶ This disparity is largely due to women entrepreneurs' limited access to resources, market information, formal credit and financial and digital literacy, compounded by social biases and conflicting domestic responsibilities.

The CRES portfolio reflected the UNDP commitment to integrate GEWE into climate resilience and sustainability initiatives, with 28 of the 35 projects rated GEN2. However, the lack of an overarching ToC for GEWE led to inconsistencies in gender mainstreaming across projects. Some evaluations, such as for the CBIT and RET projects, highlighted gaps in addressing gender-differentiated needs and equitable access, such as to renewable energy technologies, for women. Projects also consistently included a focus on strengthening the livelihoods and resilience of poor and marginalized communities, successfully reaching such communities affected by climate shocks, natural disasters and conflicts.

Finding 21. Sustainability: UNDP interventions demonstrated strong potential for sustainability, due to national ownership and positive outcomes, but faced challenges in complex environments marked by insecurity, weak institutions, high staff turnover and financial and environmental risks. Even so, the achievements of UNDP-supported projects are likely to persist beyond the current country programme period, albeit at varying levels.

The UNDP strategy of addressing institutional weaknesses through policy, legal and institutional reforms contributed significantly to sustaining positive changes. Projects were designed to leverage existing structures and align with national and sectoral strategies, often with a strong capacity development component. UNDP efforts in capacity-building were substantial and strategic, enhancing institutional and technical capabilities across various sectors. However, the sustainability of some interventions was uncertain, exacerbated by political instability, reduced development finance and the high turnover of civil servants. Many still required continued support and robust exit strategies to become fully institutionalized. On the other hand, factors such as a lack of adequate strategies for scaling up, and the scattered nature of projects, especially for climate and livelihood related interventions, affected the sustainability of some interventions and their achievements.

The sustainability of results under the governance pillar varied across supported institutions. While some reforms were institutionalized, others were still in progress. UNDP efforts over the past three country programmes laid the groundwork for various reforms, but most still required further assistance to become fully institutionalized. The UNDP focus on policy, legal and institutional reform helped to sustain changes, though transformational change often required longer and more sustained engagement. For example, EHRC

¹²⁶ UNDP Ethiopia (2023) Mid-Term Evaluation of Innovation for Development Project.

advanced its work, and FEACC independently updated its policy, but across sectors, high staff turnover, regular rotation of ministry staff and weak institutional structures led to the loss of institutional memory, necessitating repeated training of government officials. Ongoing conflicts and the slow pace of reform in some areas further threatened the sustainability of actions and results.

Under IET, UNDP support resulted in transformative instruments like the IFL, regulatory sandboxes and startup ecosystems. By positioning these projects as government-driven, national ownership and institutionalization were strengthened. For instance, ECMA hired over 45 staff members and effectively supported the ecosystem through licensing, awareness-raising and reaching out to regional states to promote municipal bond issuance. EDI evolved into a full-fledged institution within MoLS. The transition towards enabling TVETs and universities to operate independently of EDI and the deployment of independent contractors laid the foundation for sustainability. These strategic approaches successfully catalysed scale, mirroring past UNDP successes in supporting the establishment of institutions like the Agricultural Transformation Agency, Ethiopian Commodity Exchange, FSTU and CRGE Facility. The Government also developed a policy framework for startups, allocating resources to support the ecosystem. However, sustaining these achievements would require ongoing efforts to build on policy gains, tackle systemic bottlenecks and scale early successes amid challenges like limited ecosystem linkages and regulatory hurdles.

UNDP climate interventions showed strong national ownership, a crucial factor for sustainability. Achievements such as NDC updates, CRGE Facility funding, improved protected areas management, the promotion of renewable energy and early warning systems provided a solid foundation for sustained impact. At local level, evidence of rehabilitated landscapes, biodiversity recovery, improved livelihood options and strengthened social cohesion further supported sustainable outcomes. However, scaling up pilots was a significant challenge and weak private sector engagement posed ongoing risks. Insecurity and political instability also threatened sustainability, as environmental priorities shifted. The country remains vulnerable to climate change, conflict and population pressures on urban areas and natural resources, requiring ongoing adaptation and mitigation measures.

The sustainability of external funding remains uncertain, heavily influenced by security conditions and the broader context. The discontinuation or reduction of funding could reverse most gains, given the limited capacity of the Government to maintain progress. The practice of placing UNDP-seconded project officers in institutions raises questions about capacity transfer and long-term ownership. Several stakeholders emphasized the need for a well-defined exit strategy and focus on building permanent capacity within implementing partners to strengthen sustainability and project effectiveness.

Finding 22. Results-based management and monitoring and evaluation (M&E): The country office made notable efforts to improve its monitoring and results-based culture. A notable achievement was the introduction of the ToC in project planning, with most projects incorporating it as a core component. However, without a clear portfolio-level ToC, it was difficult for UNDP to track how interventions contributed to broader systemic changes.

UNDP had a well-established system for monitoring compliance and tracking outputs. Donor funded projects were regularly evaluated by external consultants, demonstrating commitment to transparency and accountability. The country office mainstreamed its M&E functions, reorganizing its staff along thematic lines, but recognized the need for a more robust M&E and learning system to go beyond quantitative metrics and include qualitative assessments of long-term impact. Project M&E plans varied in quality, and evaluations often called for better M&E systems and indicators to move beyond measuring activities to capturing results. The GDPP terminal evaluation, for example, noted the difficulty in assessing the programme's impact due to the poor quality of results-based reporting and the focus on activity reporting

by most implementing partners, despite UNDP and MoF training.¹²⁷ An underlying reason for this situation was the lack of a portfolio-level ToC to clearly articulate the various pathways of change and areas where overlaps may occur in programme design and implementation.

The CPD outcome indicators, derived from the UNSDCF, were overly ambitious and lacked intermediary outcomes, making it difficult to realistically assess their contribution to higher level results. For example, indicators for Outcome one, which included disaggregated voter turnout and conflict-related deaths, were affected by many factors beyond UNDP assistance and did not directly reflect UNDP achievements. It was difficult to determine from project reporting which activities and achievements were the results of UNDP support and how these activities contributed to higher-level results. Similarly, the outcome (by 2025, all people in Ethiopia will live in a society resilient to environmental risks and adapted to climate change) was overly ambitious and indicators formulated to measure progress on this outcome failed to effectively demonstrate the impact of the CPD. The country office measurement of success relied on counting the sectors with relevant policies, but should go beyond mere numbers. On the other hand, indicators on access to early warning information did not assess whether people were effectively using this information.

Some improvements in policies and livelihoods did result from interventions but were not documented. This ICPE provides evidence of the use of policies and strategies, the adoption of climate-resilient practices, and improvements in income and livelihoods as emerging outcomes from various interventions. Without clearer articulation of intermediate results and a more comprehensive M&E system incorporating quantitative and qualitative assessments, it is challenging to gauge the impact of the UNDP contribution.

UNDP did not have a system to assess the impact of capacity-strengthening interventions or track the adoption rates of innovations and livelihood options promoted in communities. As a result, UNDP faced challenges in effectively documenting and communicating the value of these interventions to broader partners. Partnership surveys revealed gaps in knowledge management and dissemination, echoed by a recent country office audit recommending improvements in documentation, communication and the visibility of achievements and lessons learned.¹²⁸ Disaggregated data on the participation of women and people with disabilities also needed improvement. Without a portfolio-level ToC, the intended impact and pathways to achieving CPD outcomes were unclear.

The majority of M&E activities were conducted at project level, resulting in data fragmentation. The challenges posed by recurring conflict in the country also impacted programme implementation and monitoring. In some crisis situations, such as for the PSP, the country office planned to utilize third-party monitoring, but this was not practiced at the time of the evaluation.

¹²⁷ Ethiopia, GDPP Annual Progress Report 2020/21.

¹²⁸ UNDP (2020) UNDP Partnership Survey Report 2020.

CHAPTER 3

CONCLUSIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSE



This chapter presents the evaluation conclusions on UNDP performance and contributions to development results in Ethiopia during the programme cycle 2020-2025, as well as the recommendations and management response. It is prefaced by a contextual backdrop outlining the operational environment in which UNDP Ethiopia implemented its current country programme, and the challenges and opportunities as it transitions to the development of its new country programme.

Ethiopia made significant progress across the political, social and economic spectrum over the past two decades. It remains at the epicentre of multifaceted challenges, where complex webs of insecurity, recurrent environmental shocks, political, economic and demographic factors significantly impact its development trajectory. This, coupled with regional geopolitical tensions, increases the risk to acceleration of sustained and inclusive development progress to achieve its national vision 2030. The unpredictable and intricate nature of conflict in Ethiopia is rooted in deep-seated historical injustices, economic disparities, ethnic federalism and political fragmentation.

The legacy of the two-year conflict and the ongoing instability in some regions, including a slow DDR process and the non-return of IDPs, continue to pose significant challenges. It is still complex to resolve disputes, manage expectations and foster a political settlement that links peace with equity and democracy. The implementation of national dialogue and the transitional justice policy hold promise for accountability and human rights protection, but risks remain if the process lacks transparency and meaningful participation from all stakeholders, particularly in conflict-affected regions. Ethiopia's complex aid ecosystem, with over 40 bilateral and multilateral donors, presents both opportunities and challenges for aid effectiveness and harmonization. The ongoing macroeconomic, private and financial sector reforms, as well as the green legacy initiative, hold enormous opportunity to accelerate economic growth and job creation.

3.1 Conclusions

Conclusion 1. Relevance and responsiveness to emerging needs and crisis: UNDP played a key role in Ethiopia's development and reform journey, emerging as the Government's lead partner on several strategic and complex issues. Its ability to quickly pivot and realign in response to crises, while maintaining its niche as a patient investor, was a major strength. However, UNDP involvement in multiple sensitive and complex engagements created tensions between responding to immediate crises and pursuing longer-term objectives. Some programmes struggled to mobilize resources as expected, while others were delayed due to politically sensitive and complex issues, hindering progress and momentum during the initial part of the country programme implementation.

The ICPE highlights a clear trajectory of the evolving UNDP Ethiopia country programme, showcasing its ability to respond to the needs of the rapidly changing context while maintaining a development focus during a global pandemic, violent conflict, states of emergency and national elections. UNDP was able to respond to these challenges by remaining flexible, leveraging its corporate assets and meeting demands with minimal disruption and delay. The relevance and responsiveness of UNDP were evident in its leadership in various interventions across complex, time-sensitive areas such as human rights, stabilization, elections, national dialogue and DDR. Although some efforts did not yield immediate results, UNDP upfront investments proved valuable by laying the foundation for restoring basic public services and delivering quick peace dividends. These actions also created the conditions for medium-term changes, such as building trust and establishing the groundwork for consolidating and sustaining peace beyond the immediate objectives of the five-year country programme.

However, the challenging environment, including a shifting funding landscape, fragmented UNDP efforts, affected resource mobilization and slowed progress in critical areas like democratic reform, national dialogue, DDR and IDP integration. Launching a large-scale complex programme such as the PSP without secure funding, and with overly ambitious commitments and targets, undermined realistic expectation management. These systemic challenges made it difficult to balance long-term, transformative initiatives with the more immediate demands of recovery and reconstruction, where funding was more readily available. The multiple demands on UNDP created a constant risk of excessive diversification, both in programmatic focus and in responding to the varied needs of its partners. While all priorities are significant, determining which demands to address and which to decline requires careful and strategic judgement.

Conclusion 2. Democratic governance: By cultivating long-standing and trusted relationships with key institutions in governance, justice, human rights and elections, UNDP made a significant contribution to strengthening capacity and advancing the policy, legislative and institutional frameworks needed to advance the Government's reform agenda. Its professional and impartial approach enabled UNDP to support sensitive national processes without its assistance becoming politicized or causing harm. However, progress was slowed by shifts in the political landscape, the slow pace of democratic reform, and funding shortfalls. With ongoing conflicts in some regions, there are concerns that support in this area may not yield immediate gains in the near future.

UNDP support was necessary and directly relevant to the Ethiopian democratic transition and the institutional needs of the key government agencies responsible for good governance, rule of law, the protection of human rights and peacebuilding. By employing a systems approach and engaging a broad range of key actors, UNDP provided technical, financial and material assistance that enabled these institutions to implement critical reforms and enhance their capacity to fulfil their mandates. This support, including efforts to raise awareness on democracy, rights and legal issues and establish digital access platforms, had greatest impact at the federal level, with only some benefits reaching the regions. A notable achievement was the extensive contribution of UNDP to the successful 2021 election, despite the challenging national context. Progress in peacebuilding, governance and justice was more limited due to the conflict, the transition gap between the GDPP and its successor programme EDGE, and a decline in donor funding. These factors significantly affected programme effectiveness and constrained the ability of UNDP and its implementing partners to sustain results during the latter half of the country programme.

Conclusion 3. Climate resilience and environmental sustainability: UNDP interventions addressed national priority needs with significant achievements at national and local levels. UNDP played a pivotal role in strengthening institutional capacity, driving innovation, mobilizing diverse resources, engaging communities, and leveraging partnership with the Government to advance climate, environment and natural resource policies and frameworks. However, the country's entrenched challenges, such as systemic poverty, environmental degradation and a complex implementation environment, highlighted the need for more inclusive, integrated and sustained efforts to consolidate the gains made.

UNDP made significant contributions to Ethiopia's green economic transition through a diverse portfolio of projects in climate, energy, natural resource management, disaster risk management and urban development. Its strategic capacity-building efforts strengthened institutional and technical capability across multiple sectors. Notable achievements included securing major funding for projects like the REDD+ Investment Programme and Institutional Strengthening for Forest Sector Development, which delivered long-term value for the country for close to a decade. UNDP facilitation of knowledge exchange and global best practices enhanced local capacity, while ensuring Ethiopia benefited from cutting-edge practices and innovations in renewable energy, transparency, climate change and wildlife law enforcement. Innovative pilots, such as off-grid energy solutions and automated weather stations, demonstrated strong potential.

A major upstream success was the continued operationalization of the CRGE Facility, which mobilized over \$250 million for government-led programmes. Additionally, UNDP advocacy, alongside CIFOR and FSTU, contributed to the Government's commitment to allocate 0.5-1 percent of GDP to environmental challenges. Locally, UNDP interventions led to significant gains in land rehabilitation, restoration and afforestation, benefiting both the environment and communities.

Many UNDP interventions were spread thinly across a wide geographic area, and a lack of clear communication to partners on the pilot nature of some of its interventions created a perception of silos and dispersal of efforts. This limited the ability of UNDP to leverage relatively small-scale interventions into sustained and scaled-up efforts, to go beyond small pilot projects to influence policies and strategies at national level.

Conclusion 4. Thought leadership and inclusive economic transformation: UNDP thought leadership, innovative finance solutions and its ecosystem approach to address system-wide barriers for SMEs and startups across diverse initiatives stand out as key strengths. The most transformational impacts are seen where UNDP maintained long-term strategic engagement, driving policy influence, institutional strengthening and embedding expertise with ecosystem actors. With over 2 million SMEs in the country, Africa's largest youth population, and over 2 million new labour market entrants each year, UNDP support and focus on SMEs, youth and women positioned it as a key player in advancing private sector development and job creation.

Despite its small weight compared to major macroeconomic actors, UNDP Ethiopia strategically leveraged its policy assets to shape cross-sectoral planning and decision-making. Its timely analytical work on poverty, human development, the SDGs and the macroeconomy was instrumental in influencing policy directions. Under the IET portfolio, the greatest impact was seen in areas like EDI and ECMA, where a multi-pronged, sustained approach strengthened national policies, regulatory frameworks and ecosystem collaboration, gaining strong government ownership and buy-in. The UNDP systems-level approach helped to build a robust, adaptive innovation ecosystem, exemplified by initiatives such as IFL, the regulatory sandbox, startup ecosystems and Ethiopia's first capital market. While these initiatives are still in their early stages, and tangible impacts on the national innovation ecosystem are yet to be fully realized, they hold promise due to their ecosystem-driven approach, co-creation strategy, and focus on institutional capacity and enabling regulatory frameworks. However, fully realizing their transformative potential would require a sustained long-term strategy. Downstream, UNDP economic recovery efforts provided quick support to help SMEs regain stability, though the impact was localized due to limited scale. The absence of clear mechanisms to assess long-term effects also hindered insights into the sustainability and resilience of these interventions.

Conclusion 5. Partnership, communication and coordination: UNDP had a long-established relationship with key government institutions at federal level and was developing closer ties at regional and subregional levels. Partnership with other United Nations agencies and development partners varied, influenced by different factors. Communications, coordination and programme efficiency needed strengthening at most levels to substantially strengthen UNDP positioning, programmatic reach and delivery of results.

UNDP Ethiopia is generally viewed positively, with the Government recognizing it as a dependable and adaptable partner, capable of implementing multisectoral and complex projects. UNDP contributed to, and benefited from, its strong relationship with the Resident Coordinator's Office, and the United Nations country team, though collaboration and synergy in terms of joint programming were not prominent. Bilateral partners and donors appreciated the robust fiduciary role of UNDP. However, communications and coordination were uneven beyond formal mechanisms. Limited joint programming in some of the basket funded projects, and perceptions by some donors and United Nations agencies of limited UNDP information sharing, adversely coloured their views of UNDP and its efforts. This affected the nature of UNDP partnerships, the level of donor funding and the development of programmatic synergy in some cases. These challenges, combined with operational inefficiencies in procurement, financial management and recruitment, caused delays and strained relationships with partners. The participation of higher education institutions and think tanks in projects supported by UNDP is a best practice that must be pursued consistently, as it strengthened the scale and sustainability of interventions in the country. The participation of CSOs was less prominent, while private sector engagement was growing but still project based, reducing potential long-term impact.

Conclusion 6. Results-based management and integrated programming approach: The UNDP portfolio evolved during this country programme towards more inclusive and integrated programming with an increased regional and area-based focus. This evolution is still underway, and portions of the portfolio are still fragmented and lacking synergy.

The UNDP portfolio during this country programme steadily shifted toward more integrated programming with a growing regional and area-based focus. However, the country programme remained fragmented and potential synergy between outcome areas was not fully realized. Pressures to respond to numerous small and often uncoordinated initiatives, including the preference for DIM modality by major donors, hindered cohesive implementation. While efforts to promote an integrated approach, particularly through the PSP, consolidated five support areas under a single mechanism, DDR was still treated as a separate project. Regional engagement expanded with the establishment of project offices in conflict-affected regions, though these offices remained project specific rather than aligned to the broader strategic focus.

There were improvements in M&E, but the absence of a portfolio-level ToC hindered the ability to capture the full range of pathways to impact and identify overlaps in programme design, implementation and reporting. This gap limited the capacity of UNDP to demonstrate its overall contribution and outcome-level changes to partners and donors. Moreover, there is a pressing need for stronger mechanisms to measure change beyond individual projects, alongside better documentation of extensive capacity-building efforts, innovations, and improvements to SMEs and livelihoods in communities. The key challenge remains to adopt a more cohesive, programmatic approach, as staff are often siloed within specific projects rather than working towards overarching impact areas.

3.2 Recommendations and Management Response

The below set of forward-looking recommendations are logically linked to the conclusions. Many cut across the findings to improve the programmatic focus, regional footprint, implementation mechanisms and management of the next country programme.

RECOMMENDATION 1.



Building on early lessons from the portfolio pilot, UNDP should focus on a smaller number of high-impact areas by deepening its area-based and regional engagement, fully embracing a portfolio approach. This will prevent siloed approaches, foster synergy and enable better use of expertise and resources to effectively tackle complex, interconnected challenges.

This consolidation could be enhanced through multiple pathways:

- UNDP should deepen its presence through area-based and regional engagement by consolidating small, fragmented projects into integrated federal and region-level programmes under a unified results framework, aligning initiatives like PSP/F, EDGE and Economic Transformation. This includes consolidating the PSP and its five windows, including DDR, under a unified results framework for strategic clarity and operational efficiency. To drive these initiatives effectively, UNDP should conduct an internal review to refine its strategic offer, showcasing the integrated programming approach of PSP/F with vertical and horizontal alignment across multiple SDGs. This approach requires recalibrating stabilization timelines, balancing ambition with contextual complexity, and carefully managing DDR and IDP returnees for sustainable peace. The role of regional project offices should be expanded to coordinate all UNDP-supported projects, beyond PSP.
- UNDP should enhance internal coordination and monitoring by developing a portfolio-wide ToC to ensure cohesive planning across thematic units and foster collaboration among team leaders/ portfolio units, implementing partners and UNDP projects for synergistic programming. Team leaders should play a key role in consolidating efforts across outcome areas, ensuring integrated, cohesive planning that integrates the efforts and pathways of different outcome areas rather than siloed approaches.
- Advance the HDP nexus approach across all interventions in conflict-affected regions by adopting a tailored, inclusive strategy to address the root causes of conflict and instability, reducing vulnerabilities over time, while strengthening local systems and capacity. Leveraging existing strategies such as the Tigray Durable Solution and Somali Multi-Year Resilience, this approach should seek more opportunities for joint programming and collaboration with HDP actors to mobilize resources, gradually scale and maximize United Nations/ UNDP impact, particularly at regional and subregional levels. UNDP can leverage its regional assets and PSP to support these efforts.

Management response: **Accepted**



UNDP Ethiopia is actively working to implement a portfolio approach in the upcoming CPD for the years 2025 – 2030. Drawing on lessons learned from previous collaborations with Regional Service Centre for Africa (RSCA), and Headquarters, such as the Portfolio Initiation Framework to guide its implementation of thematically focused interventions. This approach aims to maximize impact and efficiently manage resources. In 2025, the country office has prioritized to develop new portfolios on jobs and SMEs based on lessons learnt from previous portfolio developed on GEWE and leveraging the expertise of UNDP global and regional innovation team.

◀ Recommendation 1 (suite)

Furthermore, UNDP is integrating its regional engagement with existing project-based initiatives to comprehensively implement strategic initiatives through an area-based approach. This integration ensures that regional engagement, DDR, climate action and peace support initiatives are well coordinated at the field level, leading to increased synergies, reduced silos and improved cost-effectiveness. A prime example is the work to advocate for the Multi Year Resilience Strategy developed for the Somali Region to become the multisectoral response that implements the HDP nexus approach to development in Ethiopia.

Looking ahead, UNDP will prioritize strengthening the capacity of its personnel in applying portfolio approaches through a continuous learning process. This will involve promoting guidance documents, sharing experiences, fostering joint programming exercises and best practices from other successful UNDP country offices that have implemented the portfolio approach effectively.

Key action(s)	Timeframe	Responsible unit(s)	Tracking*	
			Comments	Status
1.1 Integrate a portfolio approach in the next CPD (2025-2030) design process with the intent of maximising strategic impact.	June 2025	PDRM, Resident Representative, Deputy Resident Representative- Programmes (DRR-P), team leaders and country office CPD Task Team		Ongoing
1.2 Create synergy and integration in a UNDP area-based approach to programme implementation - ensuring the regional engagement of UNDP integrates other project-based approaches.	December 2025	All team leaders, Peace Support Team, all Programme Units		Initiated
1.3 Strengthen the country office capacity for designing and implementing portfolio management approaches across the thematic focus areas.	December 2025	PDRM, DRR-P, RSCA, RBA/ HQ Portfolio advisors		Ongoing
1.4 Develop new portfolios on jobs and SME development based on lessons learned from previous pilots.	December 2025	DRR-P, IET Unit, RSCA, RBA/HQ Portfolio advisors		Initiated

RECOMMENDATION 2.



UNDP should continue to support key institutions to consolidate and build on gains in good governance, peacebuilding and justice, while mitigating the risk of fallback. As donor interest wanes, UNDP should consider prioritizing its core resource allocation to advance and sustain democratic reform.

- The country office should continue its two-pronged approach of strengthening the enabling framework for democratic reforms and peacebuilding while strengthening the key institutions responsible for those functions. Relationships with the core institutions of governance, justice and peacebuilding, built over a decade, are valuable and should not be lost. The new country programme should prioritize democratic governance, given that weak governance lies at the heart of development challenges and without adequate support other actions will be undermined. A citizen-centred approach should prioritize inclusivity, LNOB principles, GEWE and partnerships with non-state actors like civil society, academia, media and think tanks, to foster transparency, accountability and inclusion.
- In this reduced funding environment, UNDP should strategically target priority support for the transformative areas that the Government is unlikely to fund or continue without external support. It should also help jump start the key next steps for implementing partners in reform, good governance and accountability processes and continue providing bridge funding for implementing partners between projects to sustain relationships and essential efforts. UNDP should also expand efforts in fund mobilization to be able to fully fund projects and resume justice programming.

Management response: **Accepted**



UNDP will capitalize on the successes and insights gained from the CPD 2020 – 2025 to inform the development of the new CPD (2025 – 2030). This area is a key part of UNDP Ethiopia's engagement including the prioritization of TRAC funding aiming to solidify and enhance progress in good governance, peacebuilding and justice and the rule of law. As the lead in democratic governance and in alignment with the Government's democratization agenda, Government Development Priorities and UNSDCF's governance, peace and justice pillar, UNDP is committed to leveraging the accomplishments of the concluding CPD (2020 – 2025).

UNDP will as a standard operating procedure and in line with the risk dashboard, track risks and devise context-specific mitigation strategies. It will also undertake light-touch political economy/ peace analyses to help inform the direction of governance/peace building support that reflects the complex governance challenges. Risk mitigation approaches through thinking and working politically will also help the country office to navigate where best to allocate core resources. This reflects the agile and flexible approaches within the new CPD. This will be further augmented by the formulation of a multi-faceted stakeholder engagement strategy, the establishment of a robust resource mobilization plan and the creation of a ToC for the governance, peacebuilding and justice/rule of law portfolio, that highlights UNDP comparative advantage.

◀ Recommendation 2 (suite)

Key action(s)	Timeframe	Responsible unit(s)	Tracking*	
			Comments	Status
2.1 Conceptualize and design the ToC of the governance, peacebuilding and justice/ rule of law pillar that will clearly evidence and understand the change pathways and prioritize programmatic entry points & interventions that play to UNDPs comparative advantage.	31st January 2025	DGP Unit and PDRM		Initiated
2.2 Conduct regular political economy/peace analyses to identify potential risks and mitigation strategies/ actions to inform possible course corrections necessary in a complex governance space and thus ensure momentum so that transformational governance reforms are maintained.	Ongoing – quarterly reviews to be instituted	DGP Unit, PDRM & Policy Hub		Initiated December 2024 (baseline established)
2.4 Develop and implement a portfolio-based resource mobilization strategy, collaborating with implementing partner counterparts for joint resource mobilization to ensure efficient use of available resources.	January 2025	DGP Unit, PDRM & Development Communication and Advocacy		Initiated

RECOMMENDATION 3.



UNDP should strengthen its communications, and the coordination of its projects and thematic areas with development partners, other relevant agencies and stakeholders. UNDP should emphasize efficiency, effectiveness and value for money in its programming and operations to meet the evolving expectations of donors.

The country office should enhance communication, outreach and coordination with development partners, United Nations agencies and other stakeholders. More regular consultation channels should be established, beyond formal steering and technical committee mechanisms, to foster participation, partnership and collective risk mitigation in complex interventions. Risk-based planning should be strengthened to prevent delays in project startups, procurement, fund disbursement and partner engagement. Where appropriate, transitioning to NIM should be pursued.

Management response: **Accepted**



The country office is working to strengthen its capacities on partnerships, communication and coordination with development partners, United Nations agencies and stakeholders. UNDP will organize quarterly RM and partnership events for donors and provide updates on project progress and results achieved as an ongoing outreach activity. The country office will also organize/co-organize knowledge-sharing events including field visits with donors to strengthen partnerships, promote greater knowledge sharing and create space for sharing information focused on prioritized issues and to showcase UNDP partnerships with development partners.

Key action(s)	Timeframe	Responsible unit(s)	Tracking*	
			Comments	Status
3.1 Convene biannual thematic meetings with development partners, United Nations agencies and key stakeholders to mobilize resources, share updates and discuss challenges. Track participation and engagement levels to ensure active involvement from all parties and commit to feedback on matters raised in a timely manner.	December 2025	PDRM, Comms and all programme units		To be initiated in 2025
3.2 Organize a Partnership Taskforce led by the country office senior management (RR, DRR), with team leaders of programmes, Comms, Policy and Partnership Hubs as members. This TF will strategize and steer the RM effort of the country office in a coordinated manner as one UNDP. The taskforce will meet quarterly and propose concrete actions to be taken in order to engage partners for resource mobilization and joint collaboration. Each team will co-produce at least one thought piece annually with selected partners.	December 2025	PDRM, Comms, all programme units		To be initiated in 2025

◀ Recommendation 3 (suite)

Key action(s)	Timeframe	Responsible unit(s)	Tracking*	
			Comments	Status
3.3 Implement a quarterly feedback mechanism (surveys, workshops, or roundtable discussions) to strengthen dialogue with partners and stakeholders on key development priorities, funding opportunities and gaps.	December 2025	PDRM, Comms and all programme units		To be initiated in 2025
3.4 Conduct risk assessment for all new projects, ensuring that risk factors (e.g., procurement delays, fund disbursement issues) are identified and mitigated before project initiation. Monitor and report on risk resolution timelines, aiming for at least 90 percent of identified risks to be addressed before the start of any major project.	December 2025	PDRM, Comms and all programme units		Ongoing
3.5 Organize joint donor visits to programme field areas to enhance collaboration and stakeholder engagement at least biannually.	Continuous, December 2025	PDRM, Comms and all programme units		Ongoing

RECOMMENDATION 4.



UNDP should stay responsive and increase its involvement in emerging areas such as biodiversity and climate finance, green legacy initiatives, circular economy (focusing on plastics pollution and waste management), off-grid renewable energy solutions and private sector engagement in climate action. A key priority is to support the Government in delivering on its commitment to allocate 0.5-1 percent of the annual national budget to environmental goals at national and local levels.

Building on its success in strengthening national capacity for transitioning to a green economy, the country office should conduct systematic mapping of the policies and commitments secured during this cycle, assessing their implementation and identifying actions to facilitate progress. UNDP should also focus on bolstering resource mobilization by leveraging its expertise within the CRES team and the FSTU, to diversify its funding base.

Management response: Accepted



UNDP has already set goals both to embrace and build on its engagement in response to emerging climate and environmental concerns. To this effect, the plan is to build on progress in the circular economy, climate finance and access to off-grid renewable energy while stepping into the emerging aspects of carbon markets, biodiversity finance and private sector engagement in climate action.

UNDP will continue supporting national efforts towards the achievement of Ethiopia's Long-Term Low Emission and Climate Resilient Development Strategy (2020-2050) through fostering carbon markets and supporting the Green Legacy Initiative (GLI), among others. Building on national achievements on GHG emission reduction through the REDD+ and clean energy development interventions, looking forward,

◀ Recommendation 4 (suite)

UNDP will expand its ongoing support towards GHG emission reduction through its support for the government in forest conservation and development projects and programmes; the introduction of improved cooking stoves as well as the introduction of renewable energy sources such as mini-grids at community level. Furthermore, the country office will support the operationalization of the recently approved regulation (1361/ 2024) on the Green Legacy Initiative (GLI) and Land Restoration Special Fund. The regulation assigns 1 percent of the annual budget for GLI and land restoration activities. Climate finance will be at the core of UNDP strategic engagement in support of Ethiopia’s achievement of SDG 13 on climate action, with targets directly addressing the goals of the National Adaptation Plan of Action, and the multi-hazard climate and disaster risk management roadmap, with updated NDCs, and reduced emissions and deforestation. Support on climate finance will also be mainstreamed to area-based programming where ecosystem-based adaptation and resilience-building programming will be the prime tools for development programming. Among others, UNDP has already started supporting the Government in creating better conditions to access funds from the newly-established Loss and Damage Fund. Furthermore, UNDP will continue supporting Ethiopia’s active and productive participation in Conference of the Parties (COP) negotiations.

UNDP Ethiopia has already started working with its global partner, Nature Hub on Biodiversity Finance. This initiative will be strengthened during the upcoming CPD period where innovative financing mechanisms will be sought after, tested and applied.

Ultimately guided by the UNDP Energy Offer for Africa and the national energy policy, UNDP will continue promoting access to clean, affordable and renewable energy. Interventions on clean energy will be planned in such a way that they create a double stream of benefits for the country i.e. increasing access to clean energy (SDG 7), while contributing to GHG emission reduction targets (SDG 13).

UNDP has set clear goals for the next CPD to extensively engage the private sector in climate action. To this end, actions have already started to be taken on promoting gender-responsive entrepreneurship, mainly in the energy and forest sectors.

Over the next CPD period, UNDP urban resilience and environmental protection interventions will involve significant components of a circular economy, Water-related risk governance initiatives will also be part of our investment in a circular economy.

Key action(s)	Timeframe	Responsible unit(s)	Tracking*	
			Comments	Status
4.1 Mobilize additional climate funds from different sources (vertical funds, adaptation finance, blended finance, Loss and Damage Fund, bilateral sources and the private sector).	Continuous, December 2025	CRES Unit		Ongoing
4.2 Support implementation of Ethiopia’s long-term net-zero emission and climate-resilient development pathways through supporting: <ul style="list-style-type: none"> • Green Legacy Initiatives • Carbon markets • Clean, affordable and renewable off-grid energy • Ecosystem-based adaptation and resilience programming 	Continuous, December 2025	CRES Unit		Ongoing

◀ Recommendation 4 (suite)

Key action(s)	Timeframe	Responsible unit(s)	Tracking*	
			Comments	Status
<ul style="list-style-type: none"> • Biodiversity finance • Promoting a circular economy (mainly focusing on pollution and waste management for urban resilience) 				
4.3 Support gender-responsive private sector engagement on climate action, mainly in forest and energy sector innovations.	Continuous, December 2026	CRES Unit		Ongoing

RECOMMENDATION 5.



Building on policy gains and stronger government commitment, UNDP should adopt a long-term strategy to ensure sustained institutional commitment to fully realize the benefits of investments. Priority should be given to scaling up innovative financial solutions, particularly for SMEs and startups, with increased private sector engagement. UNDP should focus on catalytic interventions that drive significant multiplier effects across value chains and markets, with a specific emphasis on high-growth SMEs, to achieve broader, scalable impact.

UNDP should consolidate innovative financing models, such as the IFL/EFF, under a unified structure to maximize impact, ensuring alignment with CPD priorities, particularly for SMEs and startups. UNDP should scale up initiatives like TAF to de-risk investments, especially in regions outside of Addis Ababa, while strengthening partnership with TVETs and universities to broaden service delivery and better support the SME and entrepreneurship ecosystem. UNDP should clearly define its niche in the capital market by focusing on SMEs and startups, with an emphasis on supporting youth and women.

Management response: Accepted



UNDP Ethiopia has aligned its efforts with this recommendation. Country office support for the establishment of ECMA reflects its commitment to creating an institutional framework that promotes investment and expands access to finance for scalable SMEs and startups. Additionally, its collaboration with the National Bank of Ethiopia and ECMA to establish regulatory sandbox units ensures that financial sector regulators continue to offer innovative solutions that meet the evolving needs of the growing private sector. The Innovative Finance Lab (IFL) has been a key project for the country office, dedicating significant resources to build both the demand and supply of private capital for growth-oriented SMEs and startups. This work will be further strengthened and expanded. UNDP will also maintain its support for regulatory reforms that ease doing business in the country, as highlighted in the new CPD. The office will build on its existing relationships with key ministries to advance reforms in line with the HGER 2.0 framework in the country's 10-year plan. Country office involvement in key regulatory reforms, such as the draft startup act, demonstrates the significant impact UNDP can have on the reform agenda.

◀ Recommendation 5 (suite)

Key action(s)	Timeframe	Responsible unit(s)	Tracking*	
			Comments	Status
1.1 Catalyse the private capital market in Ethiopia by setting up the first locally domiciled \$100M fund that will operate as a fund of fund. This initiative aims to establish 6-8 subfunds and attract \$1 billion to Ethiopia's private capital market over the next 10 years.	Continuous, 2030	IET unit		Initiated
1.2 Provide technical assistance to SMEs and startups to build a robust pipeline of viable investment opportunities. Additionally, provide technical assistance to first-time fund managers and expand the pool of fund operations in the country.	Continuous, 2030	IET unit		Initiated
1.3 Establish university-industry linkages and implement early-stage interventions for startups and scalable SME pipeline development through Unipod setup across six universities in the upcoming CPD.	Continuous, 2030	IET unit		Initiated

* Status of implementation is tracked electronically in the Evaluation Resource Centre database (ERC).

ANNEXES



Annexes to the report (listed below) are available on the Evaluation Resource Centre website of the Independent Evaluation Office at: <https://erc.undp.org/evaluation/documents/detail/24336>

Annex 1. Evaluation terms of reference

Annex 2. Evaluation matrix

Annex 3. Ethiopia at a glance

Annex 4. UNDP Ethiopia office at a glance

Annex 5. Programme coverage and prioritization

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Annex 8. Status of country programme outcome and output indicators

Annex 9. ICPE Ethiopia reconstructed TOC

Annex 10. Country programme performance rating



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