Ministry of Foreign Affairs

Activity: ADD E-FSRP (23-0001317)

Id	23-0001317
Date	29-10-2025
SAP application number	4000006888

Contents

Key data **3**

Activity basics 3

Activity details 3

Accounting data 3

Policy data **4**

Beneficiary location **5**

Policy Appraisal **6**

Results **14**

Food and Nutrition Security 14

Monitoring and evaluation **15**

Monitoring 15

Evaluation 15

Finance **16**

Budget breakdown 16

Earmarking 17

Prepayments 17

Available resources 17

Grant with a repayment obligation, loans, equity investment or guarantee 18

Audit opinions 18

Key data

Activity basics

Type	Standard
Short name	ADD E-FSRP
Contract party	The World Bank (30011226)
ODA	Yes
Amount and Currency	30000000 USD
Amount EUR	28500000
Start date	01-11-2023
End date	31-12-2030
Full name	230001317_Ethiopian Food Systems Resilience Program
Summary	230001317_In addition to introducing many new and innovative elements, the project builds upon more than a decade of successful experience implementing AGP I and II. While the project will introduce many new elements, it will also seek to scale up many of the successful interventions and approaches of AGP I and II. The Ethiopia FSRP will expand its reach to additional woredas and specifically scale up or continue the push for (a) an integrated “one-wash” agenda using an “irrigation plus” approach; (b) the mainstreaming of nutrition-, gender-, and climate-smart agriculture; (c) an integrated research and extension system that is responsive to farmers; (d) soil and water conservation measures in upstream catchment areas that ensure the sustainability of SSI and other activities related to micro-scale irrigation technologies (MSITs); and (e) improved agricultural service delivery through and the transition to a pluralistic agricultural extension system.

Activity details

Date of receipt of proposal	24-05-2022
Proposal’s reference number	World Bank Report No: PAD4981
Budget holder	Ambassade Addis Abeba (8221ADD)
Limit access	No
Related activity	28033

Accounting data

SAP application number	4000006888
Funds center	ADD ET Food security contribution (1702U01010002)

Policy data

Cooperation modality	Basket/Pooled funding
Technical assistance	Between 10% (inclusive.) and 25% (exclusive) of the activity budget
CRS code	31120 Agricultural development
Policy Keywords	
Refugees & host communities	No
Policy Markers	
Climate change: adaptation	Significant
Equality between men & women	Significant
Explain your choices	Gender equality The FSRP will seek to address gender and climate issues in agriculture and food systems and will work to improve nutrition outcomes and rural employment opportunities in its area of operation. Thus, cross cutting issues of Gender, Nutrition, Climate Smart Agriculture and Job creation will be mainstreamed with in all components of the program including. Climate adaptation and mitigation Climate smart activities are integrated in all components of the EFSRP. Sub Component 4.4 is present in the project in order to build the capacity of at all levels of the MoA to Mainstreaming Cross Cutting Issues.

Beneficiary location

Beneficiary location	Country
Country	Ethiopia
Location type	
Specific location	

Policy Appraisal

Summary

The E-FSRP is funded by the World Bank and by the Multi-Donor Trust Funds managed by the World Bank. The program implementation has already started early 2023. The Design Document and the Program Appraisal Document were already approved and can no longer be changed.
For this reason the Intake and Quality@Entry were used to discuss which aspects of this program will receive additional attention from the Netherlands. Due to the limited capacity of the Netherlands to provide steering to this program, it was decided that the Netherlands will only focus specifically on Additional Safeguards and MEL. This means concretely that withing the DP community, the Netherlands will manage the expectations of other DPs regarding the need for additional safeguards. On MEL, the Netherlands will make sure that MoA and WB reporting are adequate for internal reporting to The Hague.
The Ethiopia Food Systems Resilience Project (Ethiopia FSRP) will address multiple related challenges, including:
1. Climate change, especially as manifest in severe droughts and floods and erratic weather patterns.
2. Agricultural water availability and control (limited access to irrigation and weak management of irrigation water resources).
3. Land degradation and the loss of topsoil.
4. Yield gaps, especially in the livestock and horticulture subsectors.
5. Post-harvest losses are in the double digits for many commodities.
6. Ethiopia's agrifood system is marked by various gender-related issues that deserve careful consideration in the context of building a resilient food system.
7. Weak private sector investment in agriculture which could drive commercialization, promote market-led development, strengthen the links of the sector to manufacturing and exports, and create jobs.
In addition to introducing many new and innovative elements as mentioned above, the project builds upon more than a decade of successful experience implementing AGP I and II. While the project will introduce many new elements, it will also seek to scale up many of the successful interventions and approaches of AGP I and II. The Ethiopia FSRP will expand its reach to additional woredas and specifically scale up or continue the push for (a) an integrated "one-wash" agenda using an "irrigation plus" approach; (b) the mainstreaming of nutrition-, gender-, and climate-smart agriculture; (c) an integrated research and extension system that is responsive to farmers; (d) soil and water conservation measures in upstream catchment areas that ensure the sustainability of SSI and other activities related to micro-scale irrigation technologies (MSITs); and (e) improved agricultural service delivery through and the transition to a pluralistic agricultural extension system.

Policy relevance

- What policy objectives, as set out in the annual plan, policy notes etc., will this activity contribute to?

From a national policy perspective, the Ethiopia FSRP is informed and guided by three key policy documents. They are the country's Vision 2030 food system strategy, the MoA's forthcoming revision of the National Agriculture and Rural Development Policy (ARDP), and the 10-Year Agriculture Sector Perspective Plan (2020–2030).
E-FSRP is supporting SDG2 (Zero Hunger), and thus IGG's commitment to specific SDG2 outcomes, SDG12 (responsible production and consumption), and SDG15 (Life on land)
E-FSRP fits within the MACS and the Annual Plan.

Rationale

- What issue/problem will be addressed by the activity

The following problems are addressed in the program

1. Climate change, especially as manifest in severe droughts and floods and erratic weather patterns.
2. Agricultural water availability and control (limited access to irrigation and weak management of irrigation water resources).
3. Land degradation and the loss of top soil.
4. Yield gaps, especially in the livestock and horticulture subsectors.
5. Post-harvest losses are in the double digits for many commodities
6. Gender disparities
7. Weak private sector investment in agriculture (beyond smallholder farmers and their cooperatives).

- Why does the activity help to address the issue/problem?
  For ODA activities over EUR 250.000, please explain the Theory of Change

Please refer to the attached ToC.

Contextual analysis

- Who is/are the target group(s) and why?

In general the target groups who would be eligible for the program support would include primary beneficiaries who would be smallholder farmers and rural youth, the latter benefitting from increased employment opportunities.
The program would target mainly viable farmers engaged in crop and livestock production and their organizations which have the potential to be linked to the markets, either directly or through various out-grower and contract farming schemes. The Program will specifically target women farmers with tailor made innovations, activities and technical assistance. The target proportion of female direct beneficiaries (both female head of household and married female) will be 40 percent.

- Who are the other main stakeholders?

Secondary beneficiaries including all value chain actors – cooperatives, informal farmer organizations, various enterprises (SMEs, traders, agro-processors, etc.) service providers (public and private) who would benefit from the project as it strengthens value chains.

- To what extent have stakeholders been involved in formulating the proposal?

The documents available do not indicate active and direct particiaption from primary and secondary stakeholders in the design fase of the program. However, since citizens and other righholders are participating more actively in formal engagements with (local) governments. The design of the E-FSRP has been a governmental led approach, and thus we can consider that the needs from stakeholders has been considered indirectly.
The program follows a bottom- up planning process, through a Community Level Participatory planning (CLPP) that ensure efficient and transparent use of public resources towards the delivery of high-quality public services and sub-projects and also create a productive dialogue with service providers.

- Is the intervention aimed at a specific geographical location, and if so, why?

The proposed program would focus on high agricultural potential areas where (i) the program can accelerate food systems transformation and development and improve outcomes from agriculture production could be materialized; (ii) the program can rapidly shift from subsistence-oriented staple food production towards more specialized market-oriented production, facilitated by increased farmer specialization, increased use of inputs and increased use of agricultural technologies to increase labor productivity and marketable surpluses. Based on this the program will be implemented in 181 high potential woredas selected from 9 National Regional

States and two City Administrations (Dire Dawa and Addis Ababa) for promoting urban agriculture.
The rationale for the selection of the woredas is to concentrate resources in clusters of woredas to maximize impacts on the ground. 181 woredas (including 4 woredas in AA city administration for Urban Agriculture) will be targeted and the following criteria will be used to guide selection of the program beneficiary woredas:

- Physical proximity to major market outlets;
- Located to near good transport infrastructure network or could easily be linked to this network;
- High agricultural potential for the production of selected VC or are highly productive and require only incremental investments in agricultural production and marketing infrastructure
- Potential to build synergies with existing or planned agricultural projects;
- Sufficient absorptive capacity; i.e., woredas with technical and administrative capacity to implement the program activities; and
- Priority to non-PSNP woredas or Graduated from PSNP
- Significant potential for clusters of commercializing smallholder farmers that are oriented to markets to minimize transaction costs in the delivery of services

The previous AGP-2 supported woredas will continue and some AGP I woredas that can serve as a model will be selected.

	Name of region	No. AGP woreda	No. new woreda	Total no. of Woredas
1	Oromiya	44	28	72
2	Amhara	34	12	46
3	SNNPR	15	2	17
4	South West	14	1	15
5	Tigray	9	3	12
6	Benishangul-Gumuz	0	3	3
7	Gambella	1	1	2
8	Sidama	7	1	8
9	Harari	1	0	1
10	Dire Dawa Admin. Council	1	0	1
11	Addis Ababa City admin.	0	4	4
	Total			***181***

Added value

- What is the added value of the Dutch government being involved in relation to other donors, the EU, NGOs and local authorities?

The added value of the Netherlands contribution to E-FSRP is the possibility to bring the innovations from NGO projects to scale via MoA and E-FSRP. This require active participation of embassy staff and staff from NL funded NGO projects.

- Are the recipients making an own contribution or co-participating in the activity, and if so, to what extent?

There is a 25 million USD contribution from communities forseen.

Lessons learned

- What lessons learned (from previous or comparable activities, published evaluations, relevant publications) will be addressed by the activity?

The program design builds on the lessons from the previous Agricultural Growth Programs and the key principles followed in the program design are:

- **Integrated approach**: FSRP will promote greater agricultural productivity, more intensified production and reduced pre- and post-harvest/production losses among targeted farmers through its integrated approach of linking all the components of the program :- (a) strengthening and commercialization of agricultural research and therefore the generation of new technologies demanded by the market and the development of recommendations on improved agricultural practices;, (b) dissemination of the technologies to smallholder farmers through strengthened advisory and related technical services (c) strengthened agricultural input and output markets and greater engagement of smallholder farmers with the markets (d) strengthening plant protection and animal health services, and (e) support the sustainable expansion of irrigated agriculture. The project will also work on the enabling environment for agricultural transformation by supporting policy change. This does not have direct outputs but complements interventions of components I to III and the achievement of the intended results under these components.
- **Comprehensive and responding to strategic goals**: The Food System Resilience Program is a broad-based program that attempts to improve a large range of activities focusing on three main pillars i) rural job creation; ii) improving competitiveness of agri-food system; and iii) Enhanced protection and risk management to ensure food system resilience.
- **Demand driven and decentralized (participatory):** similar to the previous program the program design follows a holistic and demand driven approach. A demand driven method in promoting technological change and improved agricultural practices among farmers as well as in prioritizing public investments will be followed, taking into account the different constraints male and female farmers face.
- **Focused on selected areas***:* The proposed program would focus on high agricultural potential areas where (i) the program can rapidly create and strengthen production capacity and hence rapid agriculture productivity and production growth could be materialized; (ii) the program can rapidly create and strengthen input-output marketing linkages to farmers and rapidly create and strengthen commercialization capacity.
- **Value chain approach:** Will be used for the implementation of the program through properly (a) analyzing selected value chains and addressing critical constraints, (b) organizing value chain alliances which include producers, assemblers/traders, processors, distributors, retailers, exporters, financers and finally consumers, to bring together a wide range of value chain actors, to work around a common goal.
- **Incorporating strategic cross cutting goals**: The FSRP will seek to address gender and climate issues in agriculture and food systems and will work to improve nutrition outcomes and rural employment opportunities in its area of operation. Thus, cross cutting issues of Gender, Nutrition, Climate Smart Agriculture and Job creation will be mainstreamed with in all components of the program.
- **Mainstream cross cutting Goals:** - interventions that will promote Gender, Nutrition and Climate smart Agriculture activities will be mainstreamed in all program components to practically address the issues and enhance adoption of the interventions by smallholder farmers.

Durability

- How will the results of the activity be sustained after its end date? What is the exit-strategy?

The program will follow and implement all possible steps from the very beginning of implantation to ensure its sustainability. For a project to be sustainable it requires availability of resources, technical expertise, logistical means, and time to produce desirable result. Thus the project will utilize the resource acquired and perform the following steps: a) undertake the human

capacity building through Capacity need assessment and develop plan to fulfill the gaps identified and ensure the technical expertise and right staff the project requires, b) will communicate and create awareness to develop broad-based community relationships that create a spirit of collaboration and responsibility among all current and future stakeholders c) ensure the ownership sentiment beyond the life of the program through evolving the implementing institutions and the community in planning and implementation. Moreover, to ensure the sustainability the program activities will be implemented through the public institutions at all level of program implementation in collaboration with all concerned private sectors and unity based organizations.

Gender

Also refer to section “7 Dimensions” below.

- Does the proposal include a gender analysis? If yes, what are the main outcomes? If no, why not?

The proposal does not contain a gender analysis as such. Reason for this being that the E-FSRP builds on experiences from AGP phases I and II. This has resulted in an integration of gender aspects in all components of the program.

- Does the proposal justify the target group's gender-specific interests and needs (and why)? Please explain.

The proposal mentions that, in order to enhance women participation in this intervention, FSRP will support by: (a) Enhancing their skills in MHI systems irrigated farming through providing targeted capacity development support; (b) Targeting specific activities/technologies for women such as hand-dug wells, lift pump schemes, drip irrigation units (which are found to be friendly); (c) Encouraging women to involve in decision making bodies such as Irrigation Water Users’ Associations and providing specific skill training (leadership, negotiation, etc.) to women members; (d) Ensuring the integration of facilities for domestic water as part of the subproject in order to reduce the time and labour women spends collecting water; and (e) Invest in capacity building activities of the women to ensure a good use of the technologies made available to them.

Furthermore, this component will promote nutrient-dense crops and incorporate home-gardening in the design and construction of Small Scale Irrigation infrastructure projects. As a result of increased water availability for crop production and other uses, the four food security dimensions: food availability, access, utilization, and stability are likely to change.

- Have women and young people been included in the stakeholder analysis? Please explain.

Women and young people are considered throughout the document. As mentioned before under the section on "gender analysis" the document does not provide a comprehensive overview of an analysis of women and young people. Building on the results of AGP I and II the needs, requirements and limitations of these two groups are sufficiently considered.

Climate change

Also refer to section “7 Dimensions” below.

- Does the proposal include an analysis of the possible effects of climate change on the activity or its results?

Climate change assessment and adaptation has been woven throughout the proposal. All components of the program are having climate adaptation activities integrated.

- Does the proposal include any interventions to combat these effects (adaptation/mitigation)?

Through promotion of sustainable agricultural practices and technologies that help farmers adapt to changing weather patterns by providing access to climate resistant crop varieties, early maturing and disease resistant crop/fodder varieties and seeds will be expanded, at the same time access to agro-met advisory services in to the existing extension system at Farmer Training

Centers and in the future the Farmer Field Schools and on smallholder farmers' fields be supported.

Cooperation, harmonisation and alignment

- Does the activity involve cooperation with Dutch organisations, the EU or other donors (including delegated cooperation), local organisations or other parties?

Due to the set-up of the program (GoE-DP-Multilaterial financial contributions, and their mutual involvement in the participatory design phase) there has been an involvement of the Netherlands embassy, and other EU memeber states. Involvement os Dutch NGO's has not been directly. The Dutch funded Hort-LIFE II project (SNV lead) has resulted in the acceptance of their approach (Farmer Field Schools) by the MoA as a prefered practice, this step will eventually result in the integration of the FFSs being implemented in the E-FSRP.

- How does the activity contribute to harmonisation and/or multi-donor financing?

The joint platforms that are existing in the program such as Donor Working Groups, and 6-monthly Joint Oversight Mission are facilitating harmonization of interventions wihin the scope of the E-FSRP.

- What is the degree of (policy and financial) alignment?

The policy and financial alignment is high. Due to engagement of GoE and DPs in the design phase alignment of National policies of Ehtiopia and that of DPs has been guaranteed in a natural manner. Please also refer to previous two points on Cooperation and Harmonization.

Digitalisation

- Have proposed digital technologies been developed or chosen in collaboration with end-users?

No

- Does the proposal include an analysis of the local digital ecosystem?
- Is data security guaranteed?
- Are digital solutions locally sustainable/relevant?
- Is duplication avoided?

NA

7 Dimensions

1) ***Gender equality / FFP*** *:Substantiation of gender equality*

The FSRP will seek to address gender and climate issues in agriculture and food systems and will work to improve nutrition outcomes and rural employment opportunities in its area of operation. Thus, cross cutting issues of Gender, Nutrition, Climate Smart Agriculture and Job creation will be mainstreamed with in all components of the program including Based on this among others the program will support a) Gender issues through incorporating gender equity considerations in promoting technological advancement and irrigation development to narrow the gender productivity gap, b) Nutrition smart agriculture approach, which supports interventions that achieve a double objective: improving farmer productivity and income, while also contributing to improved nutritional status of women and children c) Climate Smart Agriculture, including support to the implementation of the Government's Climate Resilient Green Economy strategy d) rural job creation through supporting the development of micro and Small Enterprises (MSEs), for sustainable employment and income generation in rural areas to reduce rate of unemployment in program areas, reducing the dependence on agriculture income alone by increase non-farm activities and strengthening the rural-urban linkage and expand market opportunities.

2) ***Conflict sensitivity****:*

Conflict sensitivity has been addressed via the engagement with communities, this can be seen in the light of 'do not harm'.

The WB as intermediary for NL funds to MoA has a good track record on conflict sensitivity and is having ample policies to mitigate any conflict related issues.

3) ***Localisation;***

The design phase of the EFSRP has been led by the GoE, mainly by the MoA. The implementation of EFSRP is fully led and managed by the MoA at different administrative levels; from federal to woreda level.

4) ***Climate adaptation and mitigation***

Climate smart activities are integrated in all components of the EFSRP. Sub Component 4.4 is present in the project in order to build the capacity of at all levels of the MoA to Mainstreaming Cross Cutting Issues.

Also refer to 1. Gender equality

5) ***Private sector:*** *is there any involvement of the private sector ?*

At the request of the Netherlands there is a strong private sector engagement/ linking in all components. Private sector are mainly integrated in the public sector activities, value chain activities. This will be one of the dimensions that we will specially focus on during the implementation of the program.

6) ***Innovation:*** *does the proposal has any innovation approaches ?*

Innovations are mainly focussed on Climate Smart Agriculture practices.

Also Refer to 1. Gender equality.

7) ***Youth:*** *in how far youth is involved in the project ?*

Mainly in market development and enterprise development. Youth is mentioned in a limited number sub-components, it is however sufficiently addressed within these sub-components.

Also refer to 1. Gender equality.

Results

Food and Nutrition Security

1. Ending hunger and malnutrition

Our 2030 target is to lift 32 million people out of undernourishment, especially women and children.

Indicators

Description how the activity contributes to the result area Ending hunger and malnutrition?
Measurements: The program targets 4 million households by improving the enabling environment for food system resilience, develops the food market, ensures that small-scale irrigation development and management is resilient, and promotes transformative agriculture

Monitoring and evaluation

Monitoring

- Specify what reporting information is required for this activity, based on the activity analysis decision tree (see Help).

Include the following elements:

- Planning versus realisation: tracking progress against predetermined objectives as laid out in the project proposal.
- Performance and quality: checking relevance and appropriateness of the implementing organisation's performance based on key assumptions in the proposal and the outcomes of the risk analysis.
- Pay attention to the method and frequency of monitoring and describe the roles and responsibilities. For further information, see Help.

EKN does not have as much capacity as some other donors (amongst which the World Bank) have for steering and advising the program. EKN can rely on the assessments and steering of other donors with dedicated capacity for E-FSRP.
Every 6 months a Joint Review and Implementation Support mission will be organized and an Aide Memoire is submitted stating the results over the previous 6 months, and action points for the upcoming 6 months. These reports will form the narrative report. The World Bank will also provide annual financial reports (which can be accessed via the Development Partner Center) as well as an annual single audit report.
Monitoring, Evaluation and learning (MEL) is a continuous function that uses systematic collection of data, analysis and sharing. FSRP will have a robust monitoring, evaluation, and learning approach that will used to provide useful information based on fact finding through relevant data analyses. FSRP's M&E activities will mainly include: (a) generating information on processes, progress and performance; (b) analyzing and aggregating data generated at national, regional and local levels; and (c) documenting and disseminating key lessons learned to users.
FSRP's performance monitoring will include use of selected performance indicators. Program implementation progress report will be prepared on quarterly bases by MoA. In addition to content of quarterly reports semi-annual and annual reports will also include intermediate result indicators and analysis. Data collection on indicators, analysis and reporting depends on result framework. In addition to in-house reports three independent survey (baseline which will be conducted by policy study institute, midline and end line) will be conducted .The midline and end line survey will complement by ICR and focused survey that will be conducted to assess performance of thematic areas to be determined. Information-sharing, knowledge management, and experience sharing will be continuously emphasized as part of MEL.
To simplify data collection, analysis and reporting and manage data quality the project will have Management Information System (MIS) that will be linked to the broader MOA's data base system. In addition the project will use Kobo tool to have information that will complement to information collected by any other data collection tools. In presence of all the development partners the World Bank in collaboration with the national program coordination unit will facilitate two Joint Review Implementation Support Mission (JRISM) biannually.
IATI: A waiver is not applicable as the WB uses IATI. As it would be very complicated for the WB to comply with specific standards set by individual donors, the WB only reports according to a general format. As a result the WB's results are not visible in the Ministry's METIS application.

Evaluation

Describe whether a final evaluation and/or a mid-term review has been planned. If yes, state:

8. who will commission the final evaluation and/or mid-term review (for options, see Help);
9. whether the procedure and practical arrangements have been agreed on with the implementing organisation (for details, see Help).

Part of the program is a Mid-Term review and a final evaluation. It will be commisioned by the GoE. ToR for final evaluation will be shared with DPs for input in due time, specific questions can be proposed for inclusion via regular Donor Work Group meetings.

Finance

Budget breakdown

- Include an overview of the activity budget, including overhead costs.

Components/Subcomponents	IDA	Beneficiary	GoE	Donor Contribution/ Trust Fund	Total
1. Transforming Agricultural Services and Innovation Systems					
1.1. Promoting Efficiency, Efficacy, and Scale-Up of Key Agricultural Services	139.50	0.00	0.00	17.24	156.74
1.2. Agricultural Technology Research and Commercialization System	70.70	0.00	0.00	8.74	79.44
1.3. Digital Agricultural Services for Climate Adaptation and Mitigation	5.68	0.00	0.00	0.61	6.29
Subtotal	**215.88**	**0.00**	**0.00**	**26.59**	**242.47**
2. Resilient Small-Scale Irrigation Development and Management					
2.1. Small-Scale and Household-Level Irrigation Development	187.46	6.62	0.00	18.03	212.11
2.2. Water Management and Infrastructure Governance	4.63	0.00	0.00	0.51	5.15
Subtotal	**192.09**	**6.62**	**0.00**	**18.55**	**217.26**
3. Food Market Development					
3.1. Improved Market Services	42.89	0.00	0.00	4.77	47.66
3.2. Enterprise Development	33.90	6.96	0.00	3.13	43.98
3.3. Strengthening Smallholder Farmers' Market Linkages	12.78	0.00	0.00	1.42	14.20
3.4. Strengthening Regionally Strategic Value Chains	20.86	6.42	0.00	1.97	29.25
Subtotal	**110.43**	**13.38**	**0.00**	**11.28**	**135.09**
4. Improving the Enabling Environment for Food Systems Resilience and Project Management					
4.1. Support for National Agricultural and Rural Development Policy Reforms and Mainstreaming of cross cutting issues	26.14	0.00	0.00	2.91	29.05
4.2. Project Management, Monitoring, Evaluation, and Learning	55.46	0.00	0.00	6.16	61.63
Subtotal	**81.60**	**0.00**	**0.00**	**9.07**	**90.68**
Grand Total	**600.00**	**20.00**	**0.00**	**65.50**	**685.50**

- Is the budget arithmetically correct?
  - Yes
- Are the amounts/rates in the budget acceptable?
  - It is difficult to assess the approprioteness of the amounts.
- Briefly explain the structure of the budget.
  - The budget is structured around program components and sub-components.
- Are overheads proportional to outputs? What is included? What is recharged?
  - Overhead on the contributions to the Multi-Donor Trust Fund of the World Bank are in line with earlier agreements.
- Is implementation conditional on the budget being amended in an inception phase? (Specify the requirements that the budget must satisfy and the date by which the budget must be amended)
  - There is no inception phase foreseen.

- Is the budget suitable as a management tool (linking outputs to budget)?
    - The budget helps to link outcomes and sub-outcomes to budgets.

Earmarking

10. Is the Dutch contribution to the programme earmarked (i.e. reserved for a specific purpose)? If so, specify the reasons why.
    a. NL contribution is not earmarked.

Prepayments

- Based on the prepayment decision tree (see Help), do the payments need to be entered as prepayments and why? In the case of a lump sum, assess this against the applicable criteria and give the reasons for your choice.
    - Payments are lumpsum payments. Criteria for lumpsum payments must be answered in the affirmative:

1) do several donors contribute to the activity?
Yes, several donors contribute to the activity.
2) *Is the Dutch contribution a non-earmarked contribution and/or is the specific final destination for the funds still uncertain at the time the Netherlands makes its contribution? If the Netherlands contributes to a fund or programme as a whole, the contribution will be non-earmarked.*
Yes, the Dutch contribution is non-earmarked, it is not clear what the specific final destination will be.
3) *Is the request for/allocation and use of the funds regulated by an efficient governance structure?*
Yes, the World Bank has an effective governance structure regulating the allocation and use of the funds.

- What is the maximum percentage that can be paid as prepayment, and why?
    - 100% of the amount will be paid to the World Bank according to the disbursement schedule in the arrangement and upon receipt of a payment request from the World Bank as well as progress made during the implementation of the activity.
- Which are the reporting obligations on the basis of which prepayments can be closed?

N.A. as the payments are lumpsum. However:

-
    - Every 6 months a Joint Review and Implementation Support mission will be organized and an Aide Memoire is submitted stating the results over the previous 6 months, and action points for the upcoming 6 months.
      The financial assessment is done every year, based on the unaudited financial statements from WB portal (next to the JRIS).
      With respect to the payment schedule: Lump sum payments are made on the basis of the recipient's good past performance (and use of funds) and the expectation that this will be maintained in the coming period. There must be a demonstrable need for the payment. Previous year's performance will be reflected in the size of the current year's contribution. Contributions will depend on a previous year's performance. A progress memo will be drawn up each year (in lieu of completing the requisite assessment forms for reports) describing the progress made based on the documents described above.

According to art 2.5 Annex II standard provisions " The Bank shall invest and reinvest the funds deposited in the Trust Fund pending their disbursement in accordance with the Bank's applicable policies and procedures for the investment of trust funds administered by the Bank. 17[The Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.] [The Bank shall transfer all income from such investment to the Donor's applicable donor balance account with the Bank.]

Available resources

	Foreign currency	EUR
Implementing organisation's own contribution	20M USD	
Firm commitments by other donors (for each donor)	WB IDA: 600M USD KfW: 42,1MUSD	KfW: 40M EUR
Dutch contribution	30M USD	28,5M EUR
Total available resources	692,1M USD	
Budget needed	685.5M USD	
Still to be financed	0M USD	
Uncovered balance	None	

Funds that are overcommitted will be used to adress likely future funding gaps due to higher than foreseen inflation.

- Are there any non-financial contributions relevant to implementation of the activity, such as deployment of volunteers, availability of buildings, materials, etc.?

No

- If there is an uncovered balance, how will this affect implementation of the activity (e.g. proportional reduction in outputs, omission of regions) and how will this affect the decision whether to fund this activity?
    - There is an uncovered balance, however, KfW, USAID, and EUdel are considering contributions to E-FSRP.
    - 5% funding gap for a 6 year program is acceptable and can be mitigated during implementation if no additional funds are commited.

Grant with a repayment obligation, loans, equity investment or guarantee

- Does the Dutch contribution take the form of a grant with a repayment obligation, a loan, an equity investment or a guarantee (either in whole or in part)? If yes, briefly set out the consequences for accounting and how correct processing in the financial records will be ensured.
    - No repayment obligation, no loan, no equity investment nor a guarantee
- Are there revolving funds? If yes, please explain what will happen to any residual funds, how closure will take place and which agreements should be made.
    - No revolving funds.

Audit opinions

- Is an audit opinion required for the activity (see Help)? Briefly explain.
    - Although following the decision tree in the activity analysis guide results in: ‘Audit opinion on the beneficiary’s annual accounts; activity identifiably included’. The financial assessment is done in a different way every year. Assessment will be based on the unaudited financial statements from WB portal, JRIS and Aide Memoire
- Should the audit opinion be accompanied by an additional auditor's report (for example, on the risks set out above, or on monitoring that the organisation carries out on its prepayments to other organisations)?
    - N.A.