Ethiopians Driving Growth
Entrepreneurship and Trade
(EDGET)

POST-PROJECT IMPACT ASSESSMENT
SUMMARY REPORT
Table of Contents

Background ............................................................................................................. 3
Key Findings ........................................................................................................ 4
Learnings for future projects: ............................................................................. 4

Findings .................................................................................................................. 5
Sustained Impact .................................................................................................. 5
Income and Assets ............................................................................................... 5

Contribution of Key Project Activities to Impact ............................................. 6
Market Linkages .................................................................................................. 6
Training ................................................................................................................ 7
Price Discounts and Matching Grants .............................................................. 8
Input Supply ......................................................................................................... 11
Financial Services ............................................................................................... 11

Cross-cutting Result .......................................................................................... 12
Gender Equality .................................................................................................. 12
Environmental Sustainability .......................................................................... 13

Unintended Results ............................................................................................ 14

Efficiency Ratios ................................................................................................. 14

Learnings and Recommendations ..................................................................... 15
Background

MEDA conducts post-project Impact Assessments for some of its larger projects following project close, in order to determine the sustainability of key project results. These assessments inform MEDA project design generally, as well as current and future projects in the country in which the assessment took place. This assessment was conducted for Ethiopians Driving Growth Entrepreneurship and Trade (EDGET).

EDGET was a six-year project beginning in 2010 and ending in 2015. The overall project goal was to enable Ethiopian individuals, organizations, and public and private sector stakeholders to sustainably support and promote two sectors: rice and hand-woven textiles by increasing producer incomes. The EDGET project was funded by Global Affairs Canada (then CIDA) with approximately $9.6 million dollars and an additional contribution of $1.5 million from MEDA supporters. EDGET supported 10,894 men and women small producers (40% women) to increase their incomes by improving production and moving them higher in their respective value chains. With an average household size of five people, EDGET was designed to bring positive change to 50,000 people residing in selected areas within Amhara Region and Southern Nations, Nationalities and Peoples’ Region (SNNPR).

The purpose of this assessment was to determine the lasting impact that EDGET had for its primary clients (rice and textiles producers) as well as secondary clients (commercial players). The following research questions guided the assessment:

**Sustained impact**: Has clients’ economic situation (income/assets) improved/stayed the same/deteriorated since the close of the project? What are the sustained results for the project’s high-level (ultimate and intermediate) outcomes? How do producers’ Poverty Probability Index (PPI) compare now to project close?

**Contribution**: To what extent do project clients attribute improvement (or deterioration) in their economic situation to the project? What are the successful (and constraining) factors that contributed to clients’ improved economic situation?

**Cross-cutting results**: Are there any sustained results from project activities relating to Gender Equality and Environment/Climate Change?

**Unintended results**: Are there any unintended sustainable results that the project produced for clients?

**Efficiency**: To what extent was the project efficient (measured by Benefit-Cost Ratio and cost per client) in producing desired results?

The impact assessment applied a mixed-methods approach by collecting both quantitative and qualitative data from various types of respondents. A producer survey was used to collect quantitative data from a statistically-significant sample of clients (n=387), while producer Focus Group Discussions (4) and Key Informant Interviews (19) with government informants, commercial players, EDGET staff, and Key Facilitating Partners (KFPs) were used to collect qualitative data.
Key Findings

• Producer nominal income increased from project close by 34% and assets by 129%.
• Post-project (4 yr) Benefit Cost Ratio was 5:1, a positive result given industry standards.
• Training on Good Agricultural Practices was noted among rice farmers as having the most significant positive lasting impact on yield.
• Weavers are still benefiting from the improved looms, ergonomics, and workshops put in place through EDGET.
• While weavers continue to benefit from improved market access through their relationship with traders, most of these relationships are no longer service-based (e.g. inputs, training).
• The textiles contract put in place with Ethiopian Airlines during EDGET is still being serviced by Chencha-based MEDA past clients.
• Women reported better respect from their husbands because of Gender Equality training, as well as their business activities.
• While the project worked to build awareness and demand for parboiled rice, demand is still low and therefore EDGET producers are not yet able to sell it at premium. MEDA is continuing to stimulate the market for parboiled rice through its follow-on project EMERTA.
• The project's overall success was recognized by the donor, evident in the granting of EMERTA, which allows MEDA to continue to build its experience and network in Ethiopia.

Learnings for future projects:

• While EDGET's market linkages and training activities provided lasting impact, the textiles sub-sector in particular was hindered by factors beyond the project’s control, particularly relating to input supply. MEDA should consider ways to address such barriers in future projects, which may require working more closely with governments, commerce agencies and trade boards.
• Political and economic instability in many of the countries where MEDA works can lead to inflation rates that erode real gains in client income. The anticipation of this phenomenon should be factored into project design so strategies can be developed to help clients become more resilient to such shocks.
• The lack of industrial zones in towns proved to be a significant barrier to rice processors being able to run their EDGET co-funded equipment. Future project design should sufficiently analyze and address enabling environment constraints such as these, which may require working more closely with local government authorities.
• To the extent feasible, MEDA projects should include components from all four of MEDA's core technical areas: Market Systems, Gender Equality and Social Inclusion, Financial Services, and Investment. This creates a strong enabling environment for project clients and builds in sustainability.
Findings

The findings from the assessment are categorized by key impact areas (income and assets), as well as impact attributable to EDGET’s core project interventions including market linkages, training, price discounts/matching grants, input supply, and financial services. In addition, findings on lasting impact in terms of MEDA’s cross-cutting themes, gender equality and environmental sustainability, are presented.

Sustained Impact

Income and Assets

Overall, producers’ nominal net income increased by **34%** (35% for rice producers[^1] and 29% for textile producers) from EDGET project close (2015[^2]) to the date of the study (2019) – actual figures are shown in Figure 1. Ethiopia suffered from extremely high rates of inflation ranging from 9% to 33% between 2010 and 2019, with an average of 19% per year, making it impossible for them to see a real increase over time. From 2010 to 2014 (the last year client data was collected during the project), the cumulative inflation rate was 92%. From 2010 to 2019, the cumulative rate rose to 172%, meaning that farmers would have had to realize a 172% increase in net income during this period simply to break even. However, rural farmers and weavers are less likely to be affected by the Consumer Price Index which factors in items such as fuel increases, transport and real estate costs.

MEDA triangulates income with proxy indicators such as perception on income change, assets, and client testimonials (see, for example, Bosena’s story on page 8). The study found that 58% of clients felt their income had increased from end of project (53% among rice producers and 78% among textiles producers). Asset scores were calculated following the approach used in EDGET, by summing the most common producer household and productive assets. **Producer asset scores increased from the end of the project by 129%** overall, implying that producers likely observed real increase in income in order to be able to purchase more assets. This increase is most evident with female rice producers (+224%) followed by male weavers (+165%), while average increases were observed by women and men in both sub-sectors.

[^1]: Note, the survey included 75% rice producers and 25% textiles producers, matching EDGET’s client mix.
[^2]: Although data was last collected during 2014.
[^3]: Assets are those included during EDGET project, including most common productive and non-productive assets.
Contribution of Key Project Activities to Impact

Market Linkages

EDGET’s work on creating and strengthening market linkages between producers and commercial players was the component of the project highlighted by all types of respondents as among those that created the strongest and most sustainable impact for producers and both sectors broadly. EDGET tackled a number of market linkage issues simultaneously, although some respondents believed too late in the project life cycle (the first half of the project focused on producer training). The market linkage activities that were believed to be the most successful included the building of rice storage facilities in rice-growing communities through existing cooperatives; outfitting cooperatives with milling machines to make them easily accessible to producers; branding; international visits for rice processors to observe best practice in rice processing; working with processors to provide services to producers, such as storage, packaging in bags, credit services, and price premiums for quality.

All rice processor respondents noted they continue to provide the same services for producers that they had during EDGET. They noted it is simply good business, and they have recognized the benefit through stable customer relationships, improved quality, increased quantity, and even more customers through referrals. As MEDA continues to work with some of the same rice producers through its EMERTA project, it is interesting to note (as shown in Figure 2) that in the past year both those as well as those who were connected to MEDA only through EDGET were highly likely to have received a service from a rice processor (87% for EMERTA clients and 77% for EDGET-only clients). This indicates that EDGET’s efforts to build a serviced relationship between processors and producers remain fruitful.

---

Figure 2. Rice farmers who still receive services from commercial players, EMERTA and non-EMERTA comparison
One of EDGET’s key successes in the textiles sector was linking weavers, particularly those based in Chencha, a remote Southern part of the country, with retailers and intermediaries who provided them with better designs, higher quality inputs (often on credit), and a stable and fair market for their products. However, following project completion much of this reverted to pre-project ‘business as usual’, whereby weavers have no choice but to purchase local input supplies which often lack quality and are overpriced, and sell on the roadside or to local shops for lower prices. The exception to this is the contract some weavers have with Ejig Textiles, the Addis-based retailer who supplies Ethiopian Airlines with dresses worn by their stewardesses. EDGET was responsible for arranging the initial contract, then held by a different retailer (Paradise Fashion), and it is encouraging that this incredible opportunity continues to benefit 30 Chencha-based weavers. Ejig’s director observed that “without EDGET, we would not be working with Chencha weavers.” This is a huge sustainable win for the project, as Chencha weavers are remote and have little access to high value markets.

Working with spinners was a way for the project to reach women, as men dominated weaving activities and this cultural practice proved too difficult to influence for the duration of the project. EDGET therefore focused on organizing women spinners into groups, introducing them to improved spinning machines, accessing more profitable markets, and provided training on improving the quality of the yarn. Despite all of this, a group of spinners in Chencha noted, unfortunately, that they are no longer spinning due to the high price of cotton.

Training

Rice and textiles producers were provided with a variety of trainings through the project, including Good Agricultural Practices (GAP) (rice), weaving techniques and designs (textiles), health and safety, marketing, gender equality, and environmental sustainability. Both rice and textiles respondents noted strong positive impact still being had on their businesses and their lives today because of training received through EDGET, as shown in the table below.

<table>
<thead>
<tr>
<th></th>
<th>Received training through EDGET</th>
<th>Positive impact still being seen today because of the training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice producers</td>
<td>90%</td>
<td>95% (of 90%)</td>
</tr>
<tr>
<td>Textiles producers</td>
<td>81%</td>
<td>99% (of 81%)</td>
</tr>
</tbody>
</table>
When asked which training activity impacted their lives the most, rice farmers participating in a focus group discussion all agreed **GAP training was the most impactful** on increasing yields (noting in particular row planting has been highly effective). For weavers, **training on new designs, how to use improved looms, and health and safety was noted by weavers as helping them to access new markets and improve the quality of their garments.** EDGET’s influence on the design of traditional garments can also be seen today, noted the Director of WISE, the project’s primary textiles Key Facilitating Partner, as younger consumers are seeking out traditional Ethiopian clothing but with modern designs such as those provided through EDGET training. Weavers trained by EDGET remain key suppliers of these kinds of garments.

**Price Discounts and Matching Grants**

EDGET used price discounts and matching grants to provide access to small-scale technology for producers and larger equipment for rice processors and textiles commercial players. Nearly all producers interviewed had received some type of technology through EDGET’s discount program. **Sixty-nine percent (69%) of rice farmers and 100% of weavers noted the equipment is still creating positive impact on their business by improving efficiency and quality.** For rice, respondents noted that rotary weeders, in particular, are still being used in the fields, however they suggested too few of them were made available and few producers have purchased the equipment on their own following the project. Air-tight plastic storage bags to keep insects and moisture out were also noted as still being used by farmers. Parboiling equipment had potential because this practice increases the quality and nutritional value of the rice. However, parboiling has not become common for a number of reasons. For one, producers complained that it can take up to 4-6 hours to parboil one bag of rice, and then 4-5 days for the rice to dry. **They also noted that local demand for parboiled rice is low and therefore they have a harder time selling it, and often do not receive a higher price for it.** MEDA’s follow-on project, EMERTA, is working to build up the market for parboiled rice.

**Bosena: Entrepreneur and Education Advocate**

**Bosena** is a rice farmer who resides in the Libokemkem woreda of Ethiopia. She has four children whom she raised alone as a widowed mother. Early in the project, Bosena was selected to participate in EDGET’s rotary weeder pilot group. She embraced her learnings with ease and quickly became a lead farmer in her community, disseminating the valuable information she learned to other farmers. By the end of the project, Bosena’s income had increased enough for her to purchase 110 iron sheets for a new roof for her house and her son’s house. Since project close, Bosena has been able to send her grandchildren to a private school and covers all of their expenses. This is very important to her, as she herself was not able to attend school and remains illiterate. She is thrilled to provide her family the opportunities she never had and attributes much of her success to EDGET.
EDGET made equipment available to rice processors and producers through a matching grant, whereby up to two-thirds of the cost of the equipment was subsidized by the project. The aim of this activity was to improve the quality of rice by minimizing breakage, leading to higher prices and access to more valuable markets such as Addis Ababa. At the same time, the new machines increased the capacity of processors, meaning they were able to purchase more paddy from producers. Technologies distributed through the matching grant were rice harvesters, graders, combined rice processors, and packaging machines.

The machine that seemed to provide the most potential for the sub-sector, according to interviewed commercial players and government respondents, was the combined machine. While there were variations of these, the machines were generally able to conduct multiple operations in one including cleaning, husking, polishing, grading according to grain size, and (with some machines) even parboiling. The processors found that the machines produced higher quality rice more efficiently and could handle larger quantities. Few, however, are still using the machines due to challenges related to availability of stable electricity and complaints about the loud noise produced by the machines. While it was not within the scope of the project to set up industrial zones in town centres, processors noted this would remain an ideal activity, allowing them to begin using the machines again.

Warehouses/workshops that were built for weavers through EDGET matching grants are still standing and in active use by local weavers and traders/retailers. Jano Handicrafts, a textiles commercial player, said that being able to set up this warehouse helped him to expand his retailing and upstream supply chain, and he continues to offer better services to weavers.
Jano Handicrafts: EDGET Entrepreneur Receives African Young Leaders Award

Firew Konjo, founder of Jano Handicrafts, started his own social enterprise in handicrafts and textiles shortly before EDGET started. When MEDA approached him with the idea of building a warehouse to store raw materials for weavers through the project’s matching grant, he saw this as an opportunity to help the producers and expand his business at the same time. Through the fund, he was able to buy thread in bulk in Addis Ababa at a lower price and store it in Chencha, making high-quality inputs readily available for the weavers at a cost they could afford. The warehouse also provides a clean, bright space for weavers to set up their looms and work.

Before EDGET Firew only had one shop, but now he has opened three more and is about to open a fourth. Since EDGET’s close, Jano Handicrafts has been able to tap into the higher-end tourist market, selling mainly within resorts as well as exporting to France, Germany, the USA, and Canada. When Firew was asked how he was able to begin exporting, he said, “When people come to visit Ethiopia and they visit my shop, they like the products, the social enterprise, and they want to do business with me.” As demand has increased, the business has connected with more weavers to keep up, while continuing to operate the service-driven model learned from MEDA. “The business is set up to make a profit,” says Firew, “while at the same time supporting the weaving industry in the south of the country.”

Firew was recently selected to participate in the Mandela Washington Fellowship Program – a Young African Leaders Initiative where he and 39 other young leaders from Ethiopia were sent to the United States to attend a leadership development program.

“When people come to visit Ethiopia and they visit my shop, they like the products, the social enterprise, and they want to do business with me.”

~Firew Konjo
**Input Supply**

*Most respondents had accessed inputs during EDGET, and of those nearly all are still seeing positive impact today because of this activity*, as shown in table 2.

<table>
<thead>
<tr>
<th>Received inputs</th>
<th>Positive impact still being seen today because of inputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice producers</td>
<td>61%</td>
</tr>
<tr>
<td></td>
<td>93% (of 61%)</td>
</tr>
<tr>
<td>Textiles producers</td>
<td>77%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

EDGET introduced two new rice varieties: one for lowland rice and one for upland rice. The project had seen high adoption rates on the new varieties and key informants believed this was one factor that contributed to significantly increased incomes for rice farmers by the end of the project. They also noted that *both varieties continue to see good yields and are still being used by farmers*, although government actors suggested it is time for new research to be supported, as pests learn to adapt to new varieties over time. (This is an activity that EMERTA is engaged in.)

EDGET subsidized high-quality inputs sourced from Addis Ababa and worked with traders to ensure weavers received the inputs at a fair price. It seems, however, that *nearly all traders have discontinued supporting weavers with inputs* and have gone back to pre-project non-serviced business relationships. Focus group discussions revealed that while weavers have difficulty accessing high-quality inputs, they benefit from knowing which inputs the market is interested in, and they can send people to Addis to purchase them if they can afford them. Even Egig (Ethiopian Airlines contractor), however, noted that the lack of readily available, high-quality inputs at a fair price was their most significant challenge currently. Women spinners, too, noted challenges accessing cotton supply, suggesting that if there was a trader who could connect them to nearby ginners they could obtain cotton at a lower price. As it is, traders come from Addis to sell cotton that is dirty and it takes them a lot of time to clean it before they can spin it. The price of cotton seems to be subject to significant price fluctuation in the country, a problem which would require political intervention.

**Financial Services**

*Seventy-three percent (73%) of respondents noted they were members of savings groups during EDGET, and of these, all noted the savings groups are still having a positive impact on their businesses and lives today.* They related benefits such as being able to pay for school fees and medical costs because they continue to save. One rice government actor in a rice-growing area noted that the savings culture has improved for farmers because of EDGET, particularly for women as for the first time they learned skills on household financial management.

> We don’t need to go to ‘rich people’ anymore to ask to borrow money. We can take care of ourselves.”

~Women spinner, savings group member
EDGET also provided a loan guarantee program to share risk and to help introduce Ethiopia-based Bunna bank to an SME sector they had not previously accessed. The loans were used for working capital, e.g. to purchase more rice at high season when the cost is lower and then sell for a higher price when rice is not in season. MEDA provided capacity building for Bunna and walked them through the first two loans. Of the 22 loans issued, only one SME defaulted. Bunna has maintained the program and has now offered second loans to many of the same SMEs as well as sourcing new SMEs for the loan without being offered a loan guarantee. In addition, through EDGET, MEDA supported Bunna to open branches in two additional locations to better serve SME clients. These branches are still in operation, and Bunna has since expanded to other locations as well.

Cross-cutting Result

Gender Equality

Women farmers and weavers had been difficult to engage during the first part of the project for cultural reasons. EDGET provided an opportunity for MEDA to learn and develop a new model for targeting women rice farmers by registering husbands and wives together rather than only household heads, a model which is used successfully by the EMERTA project. 

EDGET’s Gender Equality training, which was attended by 82% of the respondents, made a lasting positive impact on their lives and businesses (according to 99% of both men and women who attended the training). As Figure 3 below shows, women in both sub-sectors note that their ability to make decisions together with their spouse (a core component of the training) has continued to improve even post-project.

![Figure 3. Continued impact on decision making roles for women](image)

---

“Our husbands now accept us and treat us like human beings.”

-Women spinner group member
Notably, in Chencha women did not spin yarn prior to EDGET’s interventions. By introducing this income-generating activity for women, as well as organizing groups where they could save and borrow money, they noted they are now more valued by their husbands.

“The Gender Equality training I received through EDGET taught me that my daughters should be told they can do anything and succeed. I have two daughters and I have taught them they can live fruitful, productive lives and share in supporting their families. And I have taught my five sons to be strong and not to be a burden on their families because of alcohol.”

~Woman Rice Processor

Environmental Sustainability

Eighty-three percent (83%) of respondents recalled having attended an EDGET training that included a focus on Environmental Sustainability or Health and Safety. Of these, 99% are still realizing positive impact on their lives/businesses thanks to the training. Figure 4 below shows the number of rice respondents who received various types of environmental training. For textiles, proper disposal of dyes was the most common type of training received, followed by health and safety measures while weaving.

The project area was focused on communities surrounding Lake Tana, a particularly sensitive ecosystem of lowlands and marshes. Prior to rice farming, the area was seen by residents as non-farmable and was used mainly for livestock grazing. Rice farming potentially poses fewer environmental risks for the lake by lowering soil disruption. Still, a priority for the government has been to ensure the five kilometer no-chemical buffer surrounding the lake is observed by rice farmers. EDGET supported this by incorporating conservation agriculture principles into GAP training.
and project reports state that these were generally adopted by farmers. Government respondents noted composting is still being done in communities, as well as proper chemical application, including timing and quantity, which led to lower use of chemicals. In addition, research was conducted during the project on productive uses for rice husk and EMERTA has since been able to set in place linkages to manufacturers of briquettes made from rice husks. EMERTA processors are now able to gain a steady stream of income from the husks rather than discarding them.

Weavers were trained on cleanliness as well as the importance of a clean working environment. Textiles key informants noted that weavers have continued keeping their shops clean and free of lint and dust. The solar lights provided through EDGET’s voucher program are also still being used, although some weavers have reverted to kerosene lamps when their solar lights became damaged or stopped working. It was noted, however, that a few weavers have started purchasing their own new solar lights now, as they are readily available in the markets.

Unintended Results

The study revealed positive results that had not been foreseen within the project’s design, as well as some consequences of the project that were less than ideal, summarized here:

- Farmers are replacing teff production with rice (teff – a traditional Ethiopian staple is less profitable than rice. (positive)
- Weavers continue to benefit from their connection with KFP WISE, as they have access to other programs. (positive)
- Combined rice machines are too noisy to use in non-industrial parts of town. (negative)
- Muslims were unable to access Bunna Bank loans. (negative)
- Weavers and textiles traders/retailers were not prepared for high inflation and soaring input prices. (negative)

Efficiency Ratios

In terms of efficiency, Benefit Cost Ratio was 1:1 at project close, and 5:1 at the time of the assessment, which means every dollar spent by MEDA translated into one and five dollars respectively in increased income for clients. This accounts for CAD inflation rates, applying the Consumer Price Index with 2010 as the base year.

However, when factoring in Ethiopian Birr (ETB) inflation, BCR drops to negative figures both at project close and the time of the assessment. This is due to exorbitant rates of inflation from 2010 onwards, reaching a cumulative rate of 172% by the time of the post-project assessment. However, a case can be made for considering a more
modest rate of inflation, as rural farmers and weavers are less likely to be affected by the CPI which factors in items such as fuel increases, transport and real estate costs. It should also be noted income calculations are modest in that they do not include any income increases observed by commercial players (e.g. rice processors, textiles traders and retailers). The project did not routinely capture this data, as EDGET’s focus was on impact for producers, however Key Informant Interviews conducted with commercial players made it clear substantial income (and asset) increases were realized at this level as well. *Real CAD cost per client was 958, or 160 per year.*

Learnings and Recommendations

Given key learnings obtained through the study, recommendations relating to the design of future MEDA projects include:

- While EDGET’s market linkages and training activities provided lasting impact, the textiles sub-sector in particular was hindered by factors beyond the project’s control, particularly relating to input supply. MEDA should consider ways to address such barriers in future projects, which may require working more closely with governments, commerce agencies and trade boards.
- Political and economic instability in many of the countries where MEDA works can lead to inflation rates that erode real gains in client income. The anticipation of this phenomenon should be factored into project design so strategies can be developed to help clients become more resilient to such shocks.
- The lack of industrial zones in towns proved to be a significant barrier to rice processors being able to run their EDGET co-funded equipment. Future project design should sufficiently analyze and address enabling environment constraints such as these, which may require working more closely with local government authorities.
- To the extent feasible, MEDA projects should include components from all four of MEDA’s core technical areas: Market Systems, Gender Equality and Social Inclusion, Financial Services, and Investment. This creates a strong enabling environment for project clients and builds in sustainability.

As this is MEDA’s second post-project impact assessment, recommendations related to how these are conducted were compiled as well and include:

- Select a project where MEDA has ongoing activities in order to keep costs down and facilitate logistics
- Narrow the assessment scope to key measures of impact and learning, and consider a smaller (than statistically-significant) sample size to keep the study manageable
- Determine standard best practice for applying a reasonable inflation rate to income, BCR and cost per client calculations in the case where exorbitant rates are observed in the project country.
Offices in Canada, the United States and around the world. Visit our website for a complete list.

1-800-665-7026
www.meda.org
meda@meda.org