



Enabling poor rural people  
to overcome poverty

## PRESS RELEASE

### **US\$ 85 million IFAD loan to scale up pastoral community development in Ethiopia**

**Rome, 16 December 2013** – The International Fund for Agricultural Development (IFAD) will provide a loan of US\$85 million to the Federal Democratic Republic of Ethiopia to finance a third phase of the Pastoral Community Development Project. The Government of Ethiopia and the World Bank, will co-finance the \$218.2 million project.

Gessese Mulugeta Alemseged, Ambassador, Permanent Representative of the Federal Democratic Republic of Ethiopia to IFAD and Kanayo F. Nwanze, President of IFAD, signed the loan agreement today.

Pastoralism relates both to an economic livelihood system that is based primarily on extensive livestock production and to the unique characteristics of communities that live in the arid and semi-arid lowlands of Ethiopia.

The first phase of the Pastoral Community Development Project provided the basis for scaling up into a second phase, which is being further scaled up into the third phase of this project. This underscores the importance the Government of Ethiopia attaches to pastoral development as a way of reducing poverty among the most neglected and vulnerable rural households in the country. The increased demand for livestock, both domestically in Ethiopian markets and in neighbouring countries, such as Djibouti, Kenya, Somalia and the Sudan, has been driving changes in pastoralist livelihood systems. Many pastoral households have been able to improve their livestock-based livelihoods, an increasing number have been unable to maintain their traditional livelihoods. As a result, a growing segment of the traditionally pastoralist population is dropping out of pastoralism.

The project aims to improve access to community driven social and economic services for Ethiopia's pastoralists and agropastoralists. It is expected to improve their livelihoods by increasing and stabilizing their incomes, improving their nutrition, health and education status, and empowering them to be involved in decision-making on local development initiatives.

Implemented over a 15 year period by the Ministry of Federal Affairs, the project will cover more than 90% of pastoral and agropastoral woredas (districts) in the country. Improved access to

public services will enhance the quality of life and support the livelihoods of about 4.7 million pastoralists and agropastoralists. In addition, the project will introduce community driven models of service delivery that will benefit pastoral and agropastoral communities throughout the country.

With this new project, IFAD will have financed 16 programmes and projects in Ethiopia since 1980 and brings the total current for a total of IFAD portfolio investment in Ethiopia to of \$ 387.9 million.

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*The International Fund for Agricultural Development (IFAD) works with poor rural people to enable them to grow and sell more food, increase their incomes and determine the direction of their own lives. Since 1978, IFAD has invested over US\$15 billion in grants and low-interest loans to developing countries through projects empowering more than 410 million people to break out of poverty, thereby helping to create vibrant rural communities. IFAD is an international financial institution and a specialized UN agency based in Rome – the United Nations’ food and agriculture hub. It is a unique partnership of 172 members from the Organization of the Petroleum Exporting Countries (OPEC), other developing countries and the Organisation for Economic Co-operation and Development (OECD).*