

Ethiopian ATI
Agricultural Transformation Institute
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2015
2022/23

AGRICULTURAL TRANSFORMATION INSTITUTE

ANNUAL REPORT

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MESSAGE FROM THE CEO

Over the last year, the Ethiopian Agricultural Institute (ATI) has continued to expand and enhance its efforts to catalyze the transformation of agriculture in Ethiopia. This is the first report since the ATI has transitioned from an agency to an institute, placing greater emphasis on studies that aim to provide policy and system options to catalyze the transformation of agriculture. We have been analyzing and studying policy and system options to address systemic bottlenecks and promoting technologies and innovations to foster system-level transformative changes that will have a significant, positive, and sustainable impact on the lives and livelihoods of actors along the value chains for the ATI priority commodities. In addition to the implementation of our plan, we also mobilized significant resources in the 2015 Ethiopian Fiscal Year (EFY) and will keep soliciting additional funds in the years to come.

The ATI has reached over 3.6 million smallholder farmers through the Agricultural Commercialization Cluster (ACC), the Farmer's Production Cluster (FPC), and the associated projects. We have linked 134 Micro, Small and Medium Enterprises (MSMEs) with financial institutions and secured 1.2 billion Ethiopian Birr (ETB) loans from different banks, which were established with the support of the ATI. We facilitated the investment requests of private sectors such as 54-Capital and African Improved Foods which are investing multi-billion ETB to work with our Farmer Production Cluster (FPC) farmers on soybeans for extracting edible oil.

Our initiatives are designed and implemented to bring sustainability and inclusiveness along the agricultural transformation path by addressing climate change and providing employment opportunities to women and youth. We have promoted Climate Smart Agriculture (CSA) practices and facilitated a series of trainings and capacity-building events on the same towards greening the commercialization initiative. In addition, rehabilitation measures were implemented in the conflict-affected areas of Amhara and Tigray regional states (interventions are also identified for the Afar Region) by supplying improved seeds of different crops to conflict-affected smallholder farmers.

The ATI has also launched the Digital Agriculture Extension and Advisory Services (DAEAS) roadmap to promote enhanced access to digital agricultural solutions and systems, thereby contributing towards digitally enabled pathways for Ethiopia. Similarly, the ATI played a significant role in the development of Ethiopian Food Systems (EFS) as a curator and facilitated a high-level roundtable discussion and background paper, followed by three sequential national dialogues that led to the design and launch of the EFS roadmap.

Our achievements over the last year and beyond could not have been possible without the commitment of the amazing ATI staff, the Ministry of Agriculture (MoA), Regional Bureaus of Agricuture (RBoA), research institutes, and a wide range of implementing partners. Institutions from the public and private sectors, NGOs, and universities work hand in hand with the ATI to change the lives and livelihoods of farmers and other actors along the value chains, with special emphasis on women and youth. Our development partners provided the ATI with indispensable technical and financial support. The ATI Team is moving forward to capitalize on the achievements in crop commercialization clusters and a renewed commitment to digital agriculture, livestock commercialization, greening the crop commercialization clusters, focusing on soil health, entrepreneurship, and employment in agriculture, and expanding into new regions. The Ethiopian Food System Transformation and the Agricultural and Rural Development (ARD) policy revision will continue to be focus areas.

Thank you for your support!

Mandefro Nigussie (PhD)
Chief Executive Officer

ABOUT THE ATI

The Ethiopian Agricultural Transformation Institute (ATI), formerly known as the Agricultural Transformation Agency (ATA), is a strategy and delivery-oriented government institute created to help accelerate the growth and transformation of Ethiopia's agriculture sector, which is a key contributor to the country's GDP, exports, and workforce. The ATI's work is centered on improving the livelihoods of smallholder farmers (SHFs) across the country for improved income, inclusiveness, resilience, and sustainability.

The ATI works to transform the agriculture sector in Ethiopia by conducting policy and analytical studies, providing technical implementation support and capacity building, coordinating platforms to better integrate partners and projects, and designing and directly leading several innovative/pilot interventions.

The Institute joins forces with various stakeholders, including policymakers, researchers, farmers, and development partners, to support the implementation of agricultural development programs and initiatives. In addition, the ATI collaborates with national and international partners to facilitate knowledge exchange and learning opportunities. The Institute plays a crucial role in generating and disseminating information to support evidence-based decision-making in Ethiopia's agricultural sector.

VISION

Contribute to a transformed Ethiopian Agriculture by 2030

MISSION

To catalyze sustainable development of agricultural value chains and markets, through promoting effective practices and approaches to address systemic constraints, and coordinating execution and integration of high-impact interventions on the ground.

MANDATE

The ATI has four mandate areas:

1. To identify systemic constraints of agricultural development, through conducting studies, and recommend solutions in order to ensure sustainability and structural transformation;
2. To support the establishment of strong linkages among agricultural and related institutions and projects in order to ensure the effectiveness of agricultural development activities;
3. To identify capacity gaps, design and provide capacity building programs through training, consultancy, and technical support services to develop enhanced institutional capacity; and
4. To manage and lead innovative projects of specific deliverables within the sector that catalyze and drive agricultural transformation.

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VALUES

- **Innovative:** We search for and generate transformational ideas and technologies that catalyze change.
- **Evidence-Based:** Our decisions and actions are driven by data, analysis, evaluation and learning.
- **Focused:** We work on a limited set of priorities that best use resources, reduce complexity, and maximize impact.
- **Collaborative:** We closely engage diverse colleagues and partners to decide, act and learn together.
- **Impact-driven and continuous learning:** We strive to transform the lives of smallholder farmers by understanding and addressing their evolving priorities, and continually learning from our actions.



OUR JOURNEY

The ATA, which was created after a conversation between Melinda Gates, Co-Chair of the Bill & Melinda Gates Foundation (BMGF), and the late Prime Minister Meles Zenawi in January 2009, gave rise to the ATI. During their talk, Meles requested the foundation's support in identifying an innovative way to catalyze not only the growth but also the transformation of Ethiopia's agriculture sector.

The BMGF then facilitated a diagnostic study led by the Ministry of Agriculture (MoA) that produced a series of recommendations to transform Ethiopia's agriculture sector. The study identified a narrow approach to sectoral change and a lack of implementation capacity as key challenges that slowed down the growth of the Ethiopian agriculture sector.

The establishment of an agricultural acceleration unit was proposed to address these systemic issues in the sector. In December 2010, the Council of Ministers in Ethiopia passed Regulation 198/2010, which established the ATA as the Secretariat of an Agricultural Transformation Council chaired by the Prime Minister.

In December 2021, the ATA transitioned from an agency to an institute, placing greater emphasis on studies that aim to provide policy and system options to catalyze the transformation of Ethiopia's agriculture. With the transition, the ATI is no longer a time-bounded organization, which was initially designed for a 20-year lifespan. The Institute was officially launched as a successor to ATA in June 2022.

In its 13-year journey so far, the ATI has achieved significant results through identifying systemic bottlenecks, conducting studies, designing, piloting, and scaling up innovative projects, building the institutional capacities of the agriculture sector, and creating linkages within the agricultural sector and other sectors of the economy.



In the past 13 years

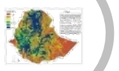
ATI, in its evolving role, has successfully implemented a variety of innovative & large-scale programs & projects.

2009

In the first 18 months, the ATI (formerly ATA) focused on operations, turning its mandate into specific sets of actions, and providing diagnostics support to identify the key bottlenecks that constrained the sector.

Inception
ATI was Think tank & focused on **solving complex problems** or developing **innovative ideas**

2011



EthioSIS

An innovative project that **collected soil samples nationwide** covering **748 woredas, creating 22 property maps** and generated tailored fertilizer recommendations.

2013



IVS

An Input Voucher System that helped to address credit challenges for smallholder farmers; the project reached **7.5 Mn farmers** across **600 woredas.**

2015



TIRR

The Teff Improvement Rows & Reduced Seed Rate project aimed to **increase yield** through **improved varieties, modern planting methods**, and **regularly updated seed rates**.

Implementation Catalyst
ATI Focused on **catalyzing significant** actions to spur ag. transformation

2017



ISGWID

The Integrated Shallow Ground Water Irrigation Development project expanded ATI's shallow ground water mapping nationally for sustainable irrigation and covered **~200 woredas**; focusing on **promoting business groups**, **high-value crops** & **energy-efficient water technology**.

2019



ACC

Agricultural Commercialization Clusters (ACC), a program that **featured defined clusters** focused on **key commodities that excel on production and productivity** covering **300 woredas across four regions** and reaching **3.9 Mn farmers**.

2020

System Integrator
ATI Focused on **bringing together component subsystems** & stakeholders to **work together**

2021

Following a proclamation in 2021, t**he ATA transitioned to an Institute to better meet the sector's need**

2022



DAEAS

A **nationwide study and roadmap** that aims to **digitalize the Ethiopian Ag. Extension & Advisory System** through the **dev't of digital innovations, infrastructure** and by **creating an enabling environment.**

OUR APPROACH

We use an innovative approach to accelerate the transformation of the agriculture sector in Ethiopia. Our approach emanates from our vision and values, which are shaped by the lessons learned along our journey.



PERFORMANCE REPORT

THE ATI PERFORMANCE HIGHLIGHTS

- **Analytics and studies:** 45 studies were conducted: 38% project design, 34% agricultural sector systems and strategies, 19% internal process improvement, and 9% leaning-related.
- **Systems design:** The Ethiopian Food Systems (EFS) Transformation and the Ethiopian Digital Agriculture Extension and Advisory Service (DAEAS) roadmaps were developed and approved.
- **Policy operationalization:** The ATI supported the development and submission of the draft Agricultural and Rural Development (ARD) policy to the council of ministers. It facilitated the approval of two policy instruments: the Agricultural Production Contract and the Seed Proclamation. It also supported the development of a proclamation to provide pluralistic agricultural extension services.
- **Innovations:** 17 innovative interventions were implemented.
- **Implementation support and linkages:** Through the Delivery Unit (DU) at the MoA, 41 seconded senior professionals provided support to the Ministry in planning, technical support, capacity building, monitoring, and reporting in the strategic periods. Two high-level events (Shaping Agriculture Conference and Agriculture & Science Exhibition), which offered great opportunities for fostering cross-sectoral linkages and system integration, were co-organized.

45 Studies conducted

17 Innovative interventions implemented



Digital agriculture for accelerating agricultural transformation.

The ATI's three Years (2013-2015 EFY) implementation status of innovative interventions: piloted, on-going, and handed over

New piloted innovative projects

- Distributed Renewable Energy-Agriculture Modalities (DREAM)
- Institutional Support for Seed Systems in Ethiopia (ISSSE)
- Soil Health and Fertility Management
- Food Security and Agriculture Rehabilitation Measures in Conflict-Affected Regions of Ethiopia (FARM)

Ongoing projects

- Farmer Production Clusters – Grain
- Farmer Production Clusters- Horticulture
- Agricultural One Stop Shop (AOSS)
- Cooperative Based Seed Production (CBSP)
- Intgrated Shallow Ground Water Irrigation Development (ISGWID)
- AgriHub
- Mechanization Service Center (MSC)
- Livestock and Fishier Sector Development (L&FSD)
- Agriculture Trade and Investment Promotion (ATIP)
- 8028 Framer's Hotline
- National Market Information System (NMIS)
- Input Voucher System (IVS)
- Rural Savings and Credit Cooperatives Capacity Building (RuSACO)

Handed over interventions (to sector institutions)

- Direct Seed Marketing
- Ethiopian Soil Information System
- Agricultural Investment Mapping
- Crop Right Proclamation
- Integrated Apiculture Value Chain
- Cropin (digitizing FPC)
- Business Training at Farmer training Centers

POLICY AND STUDIES

The ATI delivers action-oriented studies that identify systemic bottlenecks in Ethiopia's agricultural sector, and it proposes and designs systems and policy solutions for these bottlenecks. In addition, it pilots and/or implements system and policy options.

ANALYTICS

The ATI has a clear delivery model for studies via its strategic unit, the Analytics Team. The Analytics Team is modelled after an international strategy and management consulting firm, where all studies serve an internal or external 'client', with a Steering Committee guiding the work and analysis informed by technical experts from the client team as well as other external partners and primary research.

In the 2015 EFY, the ATI conducted 45 studies in the areas of policy, strategy, system, business case and market analysis, project design, planning and implementation, and internal operations. Examples of major studies undertaken include:

Ethiopian investment holdings business case development

Ethiopian Investment Holdings (EHI) is a strategic investment arm of the Government of Ethiopia that aims to contribute to the transformation of the country's resources into assets that generate wealth for current and future generations[1]. As part of its mission, EHI sought to invest in financially attractive, socio-economically impactful agriculture opportunities across crop and livestock commodities and systems. Based on the request of EIH, the ATI initiated a study that identified four priority opportunities with detailed business cases and financial models for EIH and international partners to invest in.

1Ethiopian Investment Holdings Website: https://eih.et/about-us





Oromia Seed Enterprise (OSE) strategic plan

The ATI revised the 10-year strategic plan of the Oromia Seed Enterprise (OSE). A comprehensive assessment of the external landscape and the OSE business identified that the Early Generation Seed (EGS) supply had been stagnant in recent years. There was also a huge unsupplied demand gap in EGS, both nationally and in Oromia. The marketing of seeds is a relatively viable and efficient distribution channel through Direct Seed Marketing (DSM), where the Oromia region has a better DSM penetration rate with room for the DSM to grow and expand in the region. The OSE dominates the production of seeds for major crops and covers 45% of the national market. The study assessed 10 business ventures in terms of market growth, competition, feasibility, and forex requirement and prioritized three additional business ventures: agrochemicals import, feed processing and coffee export, for the OSE to increase its revenue streams. The Institute also developed an implementation phasing and a strategic plan for a 10-year timeline.

National livestock and fisheries extension strategy

The livestock and fisheries sectors have low productivity compared to the national potential, in part due to the low adoption of improved technologies and approaches. Providing extension services is one way of addressing the issue, but the existing National Extension Strategy had minimal focus on the livestock sector. To bridge the gap, the ATI, the MoA, and the Livestock & Fisheries Sector Development (LFSDP) project were tasked with designing a livestock and fisheries-specific extension strategy. Following the completion of a diagnosis of the current existing system, a review of local and international best practices, and a consultation with key stakeholders, the National Livestock Extension Strategy was developed. The strategy has four strategic pillars: establishing policy and governance, fostering human capacity, customizing extension content, and integrating innovative delivery modes. The strategic pillars are complemented with ten targeted interventions to address the challenges in the current system. These interventions were then phased in to create a ten-year roadmap. The strategy was validated by key stakeholders.







Sorghum national plan

Sorghum is an important food and feed crop in Ethiopia, yet its productivity in the country has been low. At the request of the Ethiopian Institute of Agricultural Research (EIAR), the ATI, in collaboration with the Sorghum and Millet Innovation Lab (SMIL) at Kansas State University and EIAR, conducted a study on the sorghum value chain to identify challenges and developed a five-year program that targets increasing the production and productivity of sorghum on the one hand and the demand on the other. The study recommended clustering to address the challenges across the value chain and create a market for sorghum in Ethiopia. Over the next five years, the program plans to produce 10 million quintals of sorghum through 17,000 Farmer Production Clusters (FPCs) in zones with high potential for sorghum production. Key interventions are identified to ensure that the production targets are met, and the commodity is commercialized rather than labeled as 'poor man's food'.

10 million quintals



sorghum to be produced over the next five years

National irrigation scheme management design

Despite Ethiopia's untapped potential for irrigated agriculture, the practice of modern irrigation has regrettably been slow. In addition, the existing modern irrigation schemes suffer severely from poor infrastructural conditions and inefficient scheme management and operation. At the request of the newly formed Ministry of Irrigation and Lowlands (MILLs), the ATI conducted a study that will translate into a National Scheme Management Design to be implemented across 29 government-owned irrigation schemes. The study identified limited financial resources as systemic challenges that hinder effective maintenance and operation services of the schemes. One of the key recommendations of this study is to introduce a fee collection from end-users, eventually leading to self-financing schemes. Depending on the scheme growth level, area, crop, and volumetric-based pricing methods are recommended. The funds collected will be used to replenish the National Irrigation Fund.

29 government-owned irrigation schemes



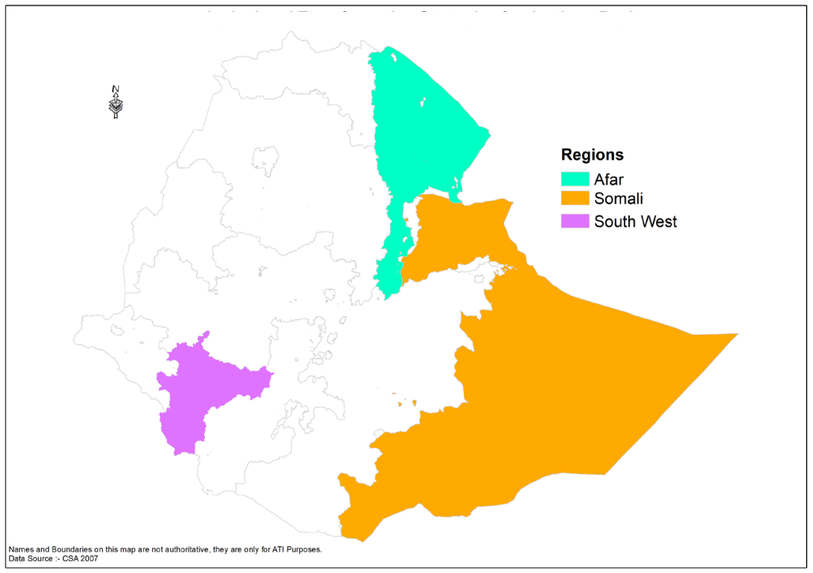
to benefit from the ATI study

Agricultural transformation strategies for three regions

In 2015 EFY, the ATI developed and revised agricultural transformation strategies for three emerging regions: the Somali, Afar, and Southwest, in collaboration with the regional agricultural bureaus. The holistic agricultural strategy is aimed at assessing the crop, livestock, and natural resource potential of the emerging regions to identify key enhancement areas and develop a comprehensive strategy to unlock regional potential.

The work conducted focuses on key thematic areas across the crop, livestock, and natural resources sub-sectors while also incorporating cross-cutting initiatives such as climate change and rural finance. Overall, more than 45 challenges across the 13 thematic areas were identified through regional workshops and expert interviews per region. Some of the identified challenges include the limited capacity of research centers, limited availability and untimely supply of inputs (improved seed, fertilizer, and agrochemicals), limited irrigation development efforts, high prevalence of disease and post-harvest loss, non-functional farmer training centers, limited number and capacity of extension agents, limited market linkage, etc.

Best practice survey and expert interviews were conducted to identify recommendations that can improve the existing gaps in the agriculture sector.



3 Regions

13 Key thematic areas

45 Challenges

SYSTEM DESIGN

In this report, two examples are presented to showcase the contribution of the ATI to system design.

Ethiopian food systems transformation roadmap

The Government of Ethiopia (GoE) launched the EFS process in November 2020 with the objective of defining Ethiopia's vision and pathway for national food systems transformation, which was presented at the UN Food Systems Summit in September 2021. The EFS is convened by the Minister of Agriculture and the Minister of Health. The ATI played a significant role in the development of the EFS as a curator. It facilitated a high-level roundtable discussion and background paper, followed by three sequential national dialogues, which led to the design and launch of the EFS roadmap.

The EFS was nationally launched on July 15, 2021, and Ethiopia participated at the Rome Presummit conference, where Ethiopia's Food Systems Synthesis report was presented. The EFS roadmap has identified 22 game-changing solutions clustered into six that are actionable, scaleable, impactful, and sustainable.



In this reporting year, a three-pillar governance structure is endorsed by the Prime Minister: (a) at the federal level, an Inter-Ministerial Steering Committee (IMSC) for food systems and nutrition consisting of 15 ministries; (b) at the regional level, an inter-bureau steering committee; and (c) at the partnership level, GoE and Development Partners' coordination platform that promotes coordination of multiple ministries, regional government bureaus, and DPs. The ATI is the secretariat of the IMSC.







Digital agriculture extension and advisor services (DAEAS) roadmap

The GoE has made a renowned commitment to leveraging the digital space and technology to build a more prosperous society where agriculture is identified as one of the most relevant digitally enabled pathways for Ethiopia. Digital Agriculture Extension and Advisory Services (DAEAS) is key to enhanced access to digital agricultural solutions and, thereby, to digitalizing agriculture.

The ATI took the initiative to develop the DAEAS roadmap, which charts the course for the digitization of agricultural extension and advisory services in Ethiopia by the year 2030. The roadmap development was led by the MoA with the active participation and ownership of a diverse set of ecosystem players, including government organizations, NGOs, donor organizations, research institutes, mobile network operators, and private players, using a constructive and iterative approach.





The roadmap has a set of 30 initiatives, structured under three main strategic pillars: (1) solution pipeline that focuses on fostering the development of digital innovations for priority farmer use cases by supporting agri start-ups and market entry of international DAEAS solutions; (2) digital stack that aims to develop reliable and inclusive hardware and connectivity infrastructure and make key data assets accessible and interoperable in real-time to enable analytics; and (3) enabling environment that aims to improve DAEAS governance, policy environment, and human capacity to enable a thriving digital ecosystem.



SYSTEM IMPLEMENTATION

The ATI is further engaged in the implementation of systems. In this report, the development of the seed system is presented to demonstrate the Institute's role in system implementation.

Seed system development

Poor quality and limited availability of seed have been critical areas of concern in the agriculture sector in Ethiopia. There is always a demand-supply mismatch related to the volume of production, variety, and quality of breeders and pre-basic seed, i.e., Early Generation Seed (EGS). In addition, seed Quality Assurance (QA) is considered highly fragmented and fully controlled by the public sector. On top of this, the regulatory framework lacks the necessary legislation (proclamations, standards, rules, and directives), technical guidance, and policy to govern the seed system. The ATI, through the Institutional Support for Seed System in Ethiopia (ISSSE) project, has engaged in addressing these critical problems, focusing on the development of three systems: the EGS production and supply system, the seed QA system, and the regulatory system.

- The ISSSE project developed a quality management system to improve the quality of EGS produced by the EIAR. A quality management guideline along with four varieties of maintenance procedures was prepared and published to support the system. In addition, a directive that aimed to facilitate the establishment of semi-commercial seed units within research institutes was developed and submitted for approval by the MoA. An EGS platform was also put in place to strengthen contractual EGS production and enhance the involvement of private seed companies. Support was given to EAIR to decentralize the multiplication of EGS into regional public research centers so that regional research institutes can supply local EGS demands. A working modality was put in place to establish and administer the revolving funds from sales of EGS at EAIR and to re-invest 50% to 75% of their revenues in EGS production.

Systemic interventions were implemented to address the issue of seed quality, including the establishment of an autonomous Ethiopian Agricultural Authority (EAA) at the federal level. Also, a national seed quality control platform was established with the technical and financial support of the ISSSE project. Support was provided to upgrade the functionality of the federal seed quality and phytosanitary lab to meet International Seed Testing Association (ISTA[2]) standards and to secure ISTA membership for four years. ISTA membership is a prerequisite for obtaining the association's accreditation. ISTA accreditation aims to confirm that a laboratory can carry out standardized seed testing procedures. In certain countries, the import of seed is only authorized if the seed lot is accompanied by an ISTA certificate. Thus, getting accreditation by ISTA enables seeds produced in Ethiopia to enter the global market.

As part of strengthening the regulatory framework, support was provided to draft regulations such as COMESA[3] seed regulation and the certification service fee regulation to enable the implementation of the New Seed Proclamation, which was endorsed by the Parliament in the reporting year. Support was provided to revise the PBR regulation, which was endorsed by the MoA and submitted to the council of ministers for ratification. In addition, the Ethiopian Plant Quarantine Proclamation No. 36/1971 and Plant Quarantine Regulations No. 4/1992 were revised and harmonized with COMESA seed rules to strengthen the Sanitary and Phytosanitary framework and risk assessment capacity. Harmonization



2 ISTA is an international organization that works on developing standard seed testing methods, facilitates the trade of quality seeds and makes a valuable contribution to food security. https://www.seedtest.org/en/informations-footer/about-us.html

3 COMESA: The Common Market for Eastern and Southern Africa comprises 21 African Member States that came together with the aim of promoting regional market integration.

with COMESA regulations facilitates seed trade among member states, offering seeds produced in Ethiopia wider market opportunities as well as enabling farmers to gain easier access to seeds produced in other member countries.

As a result of these interventions, the EIAR was able to produce an additional 2390 quintals of breeder and pre-basic seeds from different crops in 2015. With this, the EGS production capacity of the EIAR increased by 10% in 2015. With relation to enhancing the Seed Quality Assurance System, it was enabled to determine role clarity between the federal and regional mandates while empowering regions in QA autonomy, to enhance certification service provision capacity starting from EGS across the seed value-chain components, to create a strong institutional capacity of the public regulatory system, to create a functional platform for a two-way dialogue between regulators and seed-producing companies, and to align the QA functions to international standards. Also, the endorsement of the new seed proclamation and the implementing regulations and directives will create an enabling environment for the private sector to be more integrated into Ethiopia's seed system and allow farmers to access outstanding varieties.

POLICY

The GoE, as part of the Home-Grown Economic Reform, initiated policy reforms to address institutional and market failures and promote greater private sector investment to enhance performance in the agricultural sector. The MoA has initiated the revision of the ARD policy, which has governed the sector for the last two decades. The ATI has been delegated by the MoA to coordinate the policy revision and strategically lead the operationalization of the policy reform, and a policy unit was institutionalized to deliver this function

Finalization of the ARD policy

The draft ARD policy has reached its final stage of submission to the Council of Ministers (CoMs) for approval. ATI played a significant role in the policy concept note development, drafting, and validation at various levels. In the reporting year, the draft policy was refined, in accordance with the Ministry of Planning and Development (MoPD) framework, to align it with other national policies and identify the necessary legal framework required for the implementation of the ARD policy. The refined draft policy was further reviewed by MoA leadership and endorsed for submission by the CoMs. The draft policy has been submitted to the CoMs and is now waiting for approval.

Operationalization of the ARD policy

Operationalizing the ARD policy requires the development of several policy instruments. The development of the policy instrument is expected to be informed by evidence, and a series of studies will be conducted. To influence the approval of the instrument, a set of dialogue and validation platforms will be organized. Some of the policy instruments will be piloted before being implemented nationally. This year, ATI coordinated the approval of the Agricultural Contract and Seed Proclamations, the development of the Pluralistic Extension and Advisory Services Proclamation, and the initiation of the Farmer Production Company legal framework, a total of four policy instruments.

- The ATI played a critical role in the development and ratification of the Agricultural Contract Proclamation Number 1289/2023. Following the ratification of this proclamation, two multi-national seed companies were recently granted trade licenses that permit them to produce under agricultural contracts and sell their seed nationwide.

- The ATI has also effectively supported the design process of the Seed Proclamation Number 1288/2023 from inception to ratification. The proclamation provides policy options to encourage private sector engagement, where it allows the import of varieties registered abroad and their direct production in Ethiopia; the operationalization of global and regional trade agreements to which Ethiopia is a signatory; and the availability of self-seed certification options, among others.

- The ATI, in collaboration with the MoA and other stakeholders, successfully developed a proclamation on pluralistic extension services. In the development process, evidence and experiences were gathered through studies, dialogues, and study visits to India and Brazil. The Proclamation provides the enabling environment for the participation of non-state actors in the provision of the agriculture extension system in Ethiopia, which has been dominated by public service with 70,000 development agents and is considered less efficient to meet the current development extension demands of the country. The draft has been presented at a validation workshop attended by participants representing the government, non-government, private, civil society, and farmers' union sectors. The proclamation is under review by the MoA for submission to the CoMs for endorsement and then ratification by the Parliament.

- The private sector has limited engagement in agriculture in Ethiopia. In response, ATI conducted a study to identify key policy constraints that limit the full participation of the private sector in Ethiopian agriculture. The study identified that smallholder farmers and pastoralists are not considered private actors (business entities) under the Ethiopian Commercial Law. ATI initiated the development of a legal framework to help facilitate emerging commercial smallholder farmers and pastoralists to transition to investment, including supporting the Farmers Production Cluster transition to a farmer production company level.



CLUSTERING POSSIBILTY

PILOTING, INCUBATION AND SCALING UP OF INNOVATIONS

Beyond identifying systemic bottlenecks in the agriculture sector, the ATI incubates, pilots, and scales up innovations to address the identified challenges. We understand innovation as the application of new ideas, methods, or technologies in production, management, marketing, or maintenance routines, involving both radical changes and minor improvements. Innovation, unlike invention, is a process that entails extracting economic and social value from knowledge. Technologies cannot be considered innovations until they are adopted and applied productively for social and economic purposes.

In this report, two innovations of the ATI are highlighted: smallholder farmers' commercialization (crops and livestock) and Digital Agriculture.

CROP COMMERCIALIZATION

The ATI initiated the Agricultural Commercialization Clusters (ACC) program that seeks to promote the commercialization innovation where smallholder farmers are organized in geographically clustered high-potential areas through market-driven and integrated value chain development of selected commodities. It allows better design and coordination of the interventions across public, private, and development sector actors along the agricultural value chain. The program follows an inclusive and environmentally sustainable approach, improving incomes for the rural population while increasing youth employment and women's empowerment.

The ACC program designed six outcomes that drive agricultural transformation, improving incomes for farmers while increasing youth employment and women's empowerment.

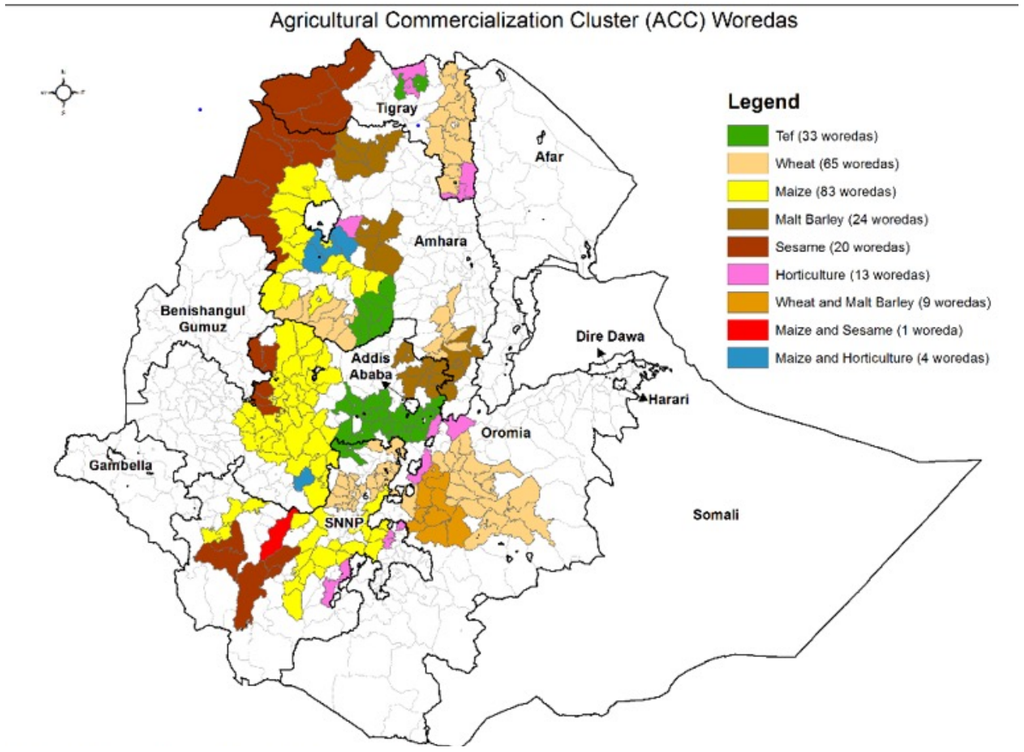
The ACC program is currently implemented in six regions - Amhara, Tigray, Oromia, South Ethiopia, Sidama and Southwest Ethiopia People's regions across 300 selected districts, which are grouped into 31 crop clusters and 11 priority commodities: maize, tef, wheat, malt barley, sesame, soybean, tomato, onion, mango, avocado and banana. Legume crops such as faba bean, field pea, chickpea and common bean are used as rotational commodities.

Strategic Objectives of ACC

- Improved livelihoods
- Enhanced food quality and affordability
- Import substitution
- Increased export and agro-processing
- On- and off-farm job opportunities

ACC Outcomes

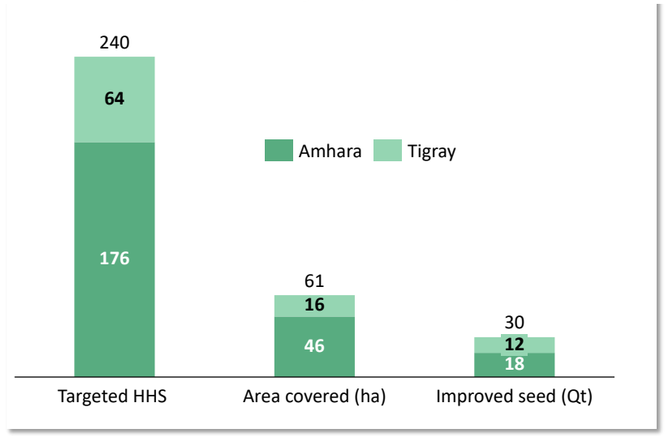
1. Increased production, productivity, and income
2. Improved access to markets
3. Improved environmentally sustainable farm practices
4. Improved engagement of women and youth
5. Enhanced institutional capacity & enabling environment for ag. commercialization
6. Enhanced value for money approach



The performance of the ACC program in Tigray region was slowed down due to the conflict in northern Ethiopia. The ATI implemented the Food Security and Agriculture Rehabilitation Measures in Conflict Affected Regions of Ethiopia (FARM) project to rehabilitate the war-affected smallholder farmers and agricultural infrastructure in three regions: Amhara, Tigray and Afar. The main intervention of the FARM project in the 2015 EFY focused on purchasing and delivering improved seed for conflict affected farmers in two regions: Amhara and Tigray. A total of 30,033 quintals of improved seed of wheat, teff, malt barley, soyabean and sorghum were purchased and distributed to 239,536 of the targeted beneficiaries on 47 woredas.

30,033 quintals improved seeds purchased and distributed to conflict-affected regions

FARM project support to conflict-affected regions (thousand)



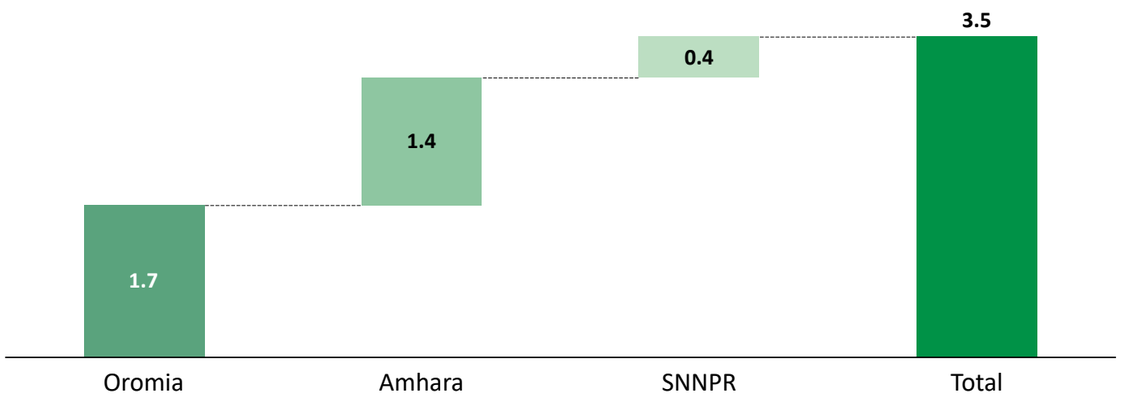
In the reporting year, the ACC program encompassed 12 projects across 11 priority commodities. Some of these projects focused on improving the agricultural input system and mechanization service.

Input system

The ATI piloted and scaled up the Agricultural One Stop Shop (AOSS) and Cooperative Based Seed Production (CBSP) interventions to improve access to agricultural input supply to smallholder farmers. In 2015, the ATI supported the establishment of 95 AOSSs networks, which enhanced easier access to packages of agricultural inputs to smallholder farmers. In a similar vein, the CBSP project supported 27 seed producers (12 CBSP unions, 12 local micro private seed producers and 3 local small seed producers) to produce improved seeds.

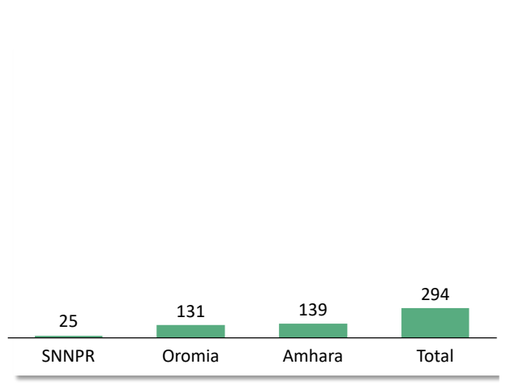
The established AOSSs sold agricultural inputs worth ETB 3.5 billion for about 2.5 million smallholder farmers (23% women).

Farmers accessed input services through the AOSSs

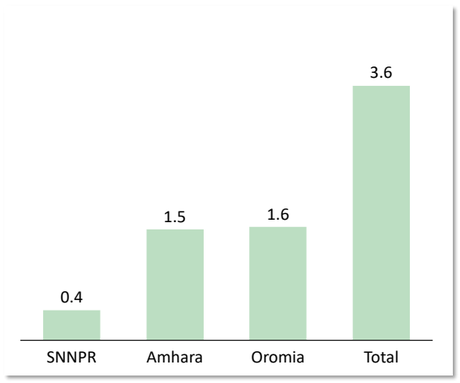


During the project's four-year scale-up period, the ATI-supported AOSSs registered total sales worth ETB 7.2 billion, benefiting over 9.6 million smallholder farmers in the Oromia, Amhara, and the former SNNP regions.

Livestock input sales (million)

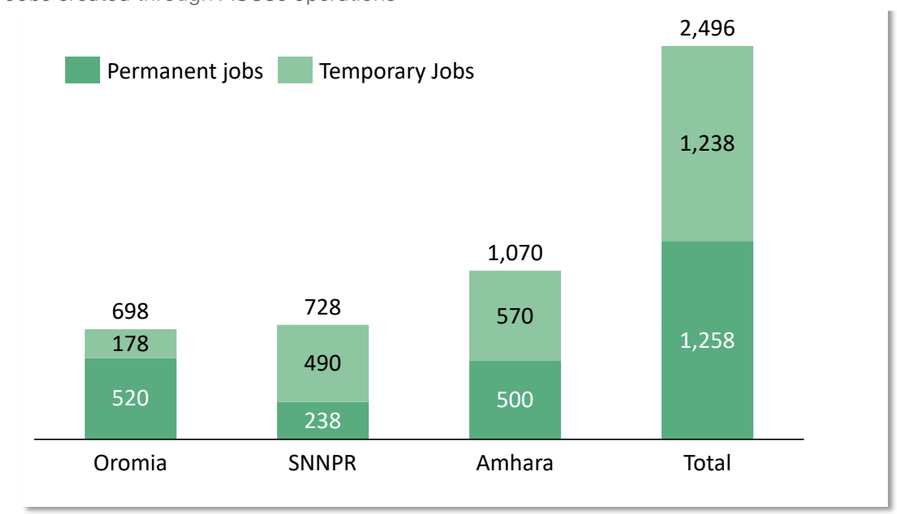


All input sales (billion)



In addition,1258 permanent job opportunities (27% for women) were created through the AOSSs.

Jobs created through AOSSs operations





The AOSS project provided additional support to strengthen market linkages and the financial capacity of AOSSs. The project:

- Organized successful Business to Business (B2B) market linkage workshops to improve the sourcing of traceable agricultural inputs. This helped AOSSs and regional share companies find new and alternative suppliers, which boosted the penetration of the input market system.
- Completed the establishment process of 37 grant-based AOSSs that were affected by a sudden budget cut in 2014 EFY. In the reporting period, about ETB 45 million in sub-grant funds were disbursed.
- Recruited nine technical staff members for three regional AOSS share companies (agro-dealers' networks). The share companies participated in business-to-business linkages, creating opportunities with greater accessibility of the required inputs.
- Transitioned from a grant-based AOSS establishment to a self-financing AOSS model, ensuring institutional sustainability.

CBSP

The CBSP supported 12 CBSP unions to produce 98,484 quintals of improved seed and to market 88,484 quintals of improved seed. About 752,967 farmers (16.5% women) accessed these improved seeds. The intervention also enabled the engagement of 16,010 farmers (13% women) in the seed business and thereby increased their income. To strengthen local private seed producers' capacity, 12 local microprivate seed producers (5 from Oromia, 4 from Amhara, and 3 from SNNP) and three local small private seed producers (one from each three regions) were supported.

Supplemental training workshops were conducted for private seed producers and CBSP unions, aiming to improve their technical capacity and business management skills. In addition, linkage creation was also facilitated for the CBSP unions to improve their access to EGS and enhance seed marketing performance. Accordingly, 15 selected private seed producers (12 micro and 3 small) were linked with potential market outlets.

The project further supported 12 CBSP unions to improve their performance by providing training on technical capacity and creating linkages with EGS, finance, and the output market. For instance, training was organized for 1033 participants (10% women) comprised of seed producer farmers, DAs, agronomists from unions, and agronomists from RBoA to enhance their technical capacity for quality seed production. On top of this, market linkages were created for the 12 CBSP unions with research centers and public seed enterprises through a contractual agreement for demand-based EGS production and supply. To improve CBSP unions' access to finance for seed aggregation, linkage was facilitated with financial institutions and regional BOAs. As a result, three unions from the Oromia region and three from the Amhara region were able to access about ETB 212 million from CBE, CBO, Abay Bank, and the Amhara RBoA.

Mechanization Service Center

The ATI launched the Mechanization Service Center (MSC) project at the pilot stage across four regions: Oromia, Amhara, SNNP, and Tigray. The main objective of the project is to establish 10 well-equipped MSCs across Oromia (4), Amhara (3), SNNP (2), and Tigray (1). These MSCs sought to create easier access to modern machinery for smallholder farmers. Other services include providing access to training in farm machinery operation, management, and maintenance;managing maintenance and repair services; and supplying of genuine spare parts for available machines.

Currently, the construction of nine MSCs is in good progress (80%). While still under construction, the MSCs began providing certain services, such as tillage, spraying, harvesting, threshing, and transporting, to a total of 39574 farmers (8% women) using the available machinery fleet. Technical training was offered to a total of 114 tractor and combine harvester operators, mechanical thresher operators, and machinery maintenance and repair service providers across the three regions: Amhara, Oromia, and SNNP. Also, 60 machinery owners and managers from the Oromia and SNNP regions were trained in business management skills.

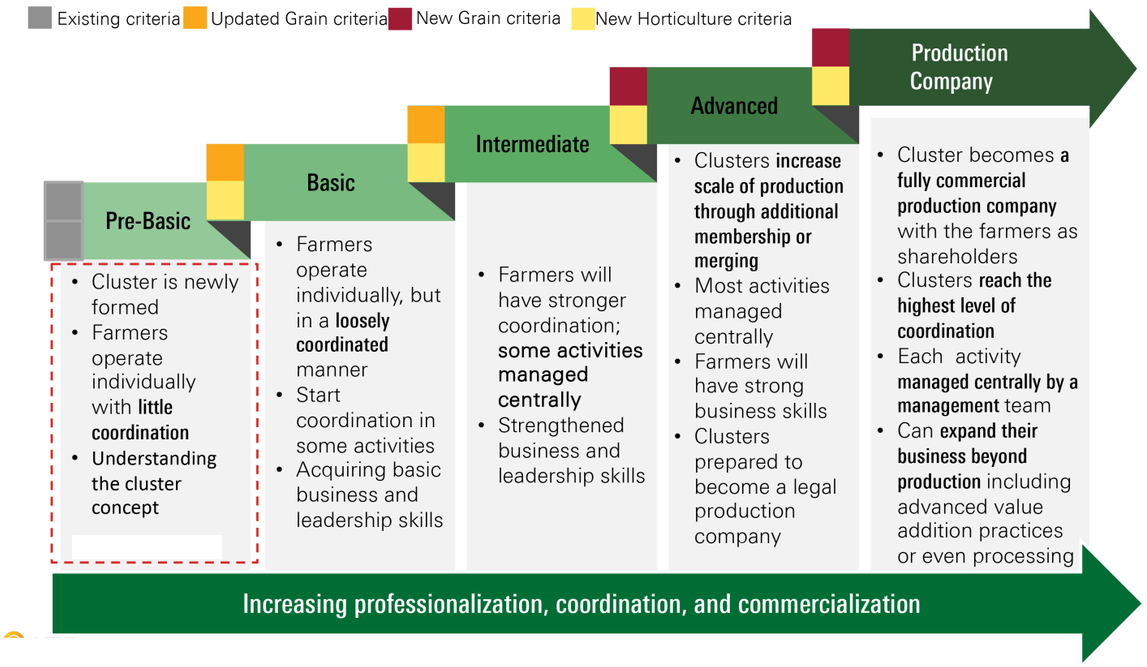
NUMBERS

- **4** Regions targeted by the MSC project
- **8%** Women using the available machinery fleet
- **60** Machinery owners and managers received training
- **114** Machinery owners received technical training

Farmer production cluster

Farmer Production Cluster (FPC) is one of the approaches implemented to promote the ACC program, aiming to enhance farmers' adoption of full-package agricultural inputs and technology. It clusters farmers together for faster diffusion of research recommendations, which improve farming practices and facilitate access to input finance by leveraging scale as well as increasing marketable surplus. It also makes modern technology, including machinery, more affordable, fosters bargaining power, and enables stronger market linkages, improving profitability through enhanced commercialization. The ultimate goal of FPC is to establish farmer-owned enterprises. The FPC intervention covers selected grain and horticulture commodities.

The five phases of the FPC







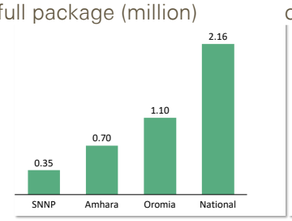



Grain FPC

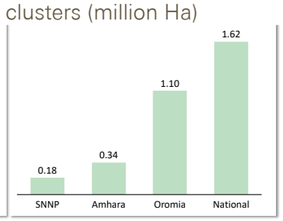
The grain FPC supports six commodities: wheat, maize, malt barley, sesame, tef and soybean. In 2015, the grain FPC rolled out full-package technology targeting over 2.16 million smallholder farmers (15% women), organized under 85,900 clusters, of which 83% were found in Oromia region ACC woredas and the rest were in Amhara and SNNP/Sidama regions.

The cluster farmer's access to agricultural inputs has been promising, in which 1.9 million farmers (83% FPC farmers – 18% women) used 1 million quintals of quality seeds, and 2.1 million of the farmers accessed about 4 million quintals of inorganic fertilizers, covering 1.6 million hectares of land. Farmers' access to inputs was enhanced through the direct and indirect support of other ACC's projects, such as CBSP, AOSS, and ISSSE.

Farmers practiced full package (million)

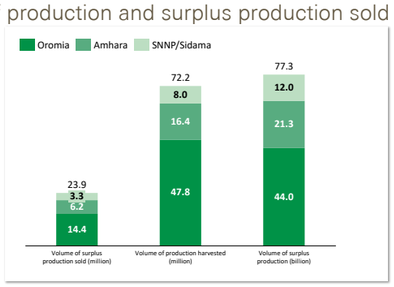


Area of land planted under clusters (million Ha)



The grain FPC farmers cultivated on 1.62 million hectares of clustered land, producing 72.2 million quintals of the targeted commodities, of which 23.9 million quintals were sold through various marketing channels, with a value of nearly ETB 77.3 billion.

Volume of production and surplus production sold



Farmers accessed quality seed



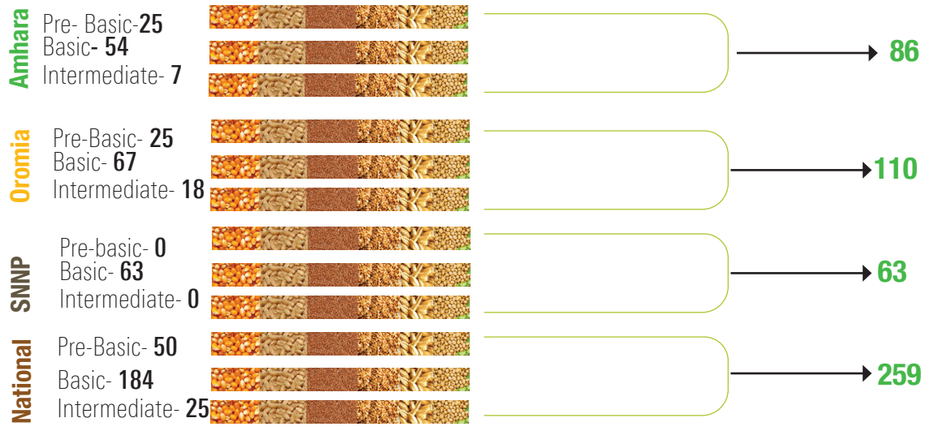
Amhara-700,000
Oromia- 900,000
SNNP-300,000

Farmers accessed fertlizers



Amhara-700,000
Oromia- 1,100,000
SNNP-350,000

Model FPC



Training workshops were organized on different topics, including contract farming, climate-smart agriculture, adoption of the "full package" vermicompost production skills and usage, soil acidity, and vertisol management options. Accordingly, training of trainers (TOT) was provided to 16,600 development agents and woreda experts (28% women) who cascaded the training to about 2.2 million farmers. Also, demonstration trials with full agronomic packages and large-scale demonstrations for five commodities were conducted in three regions (Amhara, Oromia, and SNNP). In line with this, over 1600 Broad Bed and Furrow Makers (BBM) worth ETB 3 million were procured and distributed to FPC farmers in the three regions for demonstration and promotion purposes.

In addition, extension services were made accessible to 2.1 million FPC farmers (50% in Oromia, 33% in Amhara, and 17% in SNNP/Sidama) through DAs and the 8028 Farmer's Hotline platform.

444 thousand Farmers adopted on-farm storage practices

~35 billion Birr Transactions via IVS

730 thousand FPC farmers used various mechanization services







Improving their adoption of technology, around 730 thousand FPC farmers used various mechanization services, and 444,000 farmers adopted on-farm storage practices. Through the nine MCs supported by the ATI, about 40,000 FPC farmers (10% women) received mechanization services such as plowing, spraying, harvesting, threshing, and transport across three regions.

As gaining access to finance and markets has been a persistent challenge for farmers, the ATI facilitated access to credit services through the RuSACCO and IVS interventions. 78 RuSACCO unions mobilized ETB 4.1 billion in savings and provided credit services to 895,716 farmers (43% women) with the amount of ETB 8.5 billion, mainly in ACC woredas. Notably, about 7.5 million farmers, including those in non-ACC Woredas, used IVS to buy over 12.1 million quintals of agricultural inputs such as fertilizers, improved seeds, and chemicals, worth over ETB 35.01 billion. To receive timely and accurate market information, over 264,985 newly registered users accessed the NMIS, which collects and disseminates validated market information from 311 marketplaces on 19 commodities.

To coordinate the efforts of actors across the entire value chains a total of 12 regional value chain alliance meetings were conducted in the target regions for primary grain commodities.

In addition, employment opportunities were created for over 67,514 thousand youths (20% of young women) in various production value chains, such as vermicompost production and marketing, harvesting, and construction.

264,985 Newly registered users accessed the NMIS

40,000 FPC farmers (10% women) received mechanization services

35.01 Billion ETB Transactions made through IVS to buy agricultural inputs





WHEAT INITIATIVES

The ATI provided logistics and human resource support to the national irrigated wheat initiative that was launched to expand wheat irrigation in the lowlands of Ethiopia.



2015 Performance

The ATI HQ

Number of vehicles used	Duration
6	6 Months

Amhara Region Metrics

Number of human resources participated	Number of vehicles used	Areas covered	Number of participant farmers	Budget (ETB)
9 cluster coordinators, the regional senior director and ACC director participated	9	180,892 Ha	522,305 (46,680 Female)	26,728,550

Field days conducted- 9

Oromia Region Metrics

Number of human resources participated	Number of vehicles used	Areas covered	Number of participant farmers	Budget (ETB)
2 senior leaders and 8 drivers participated	8	526,696.75 Ha	682,331	6,790,498

Field days conducted- 1

SNNP Metrics

Number of human resources participated	Number of vehicles used	Areas covered	Number of participant farmers	Budget (ETB)
3 (ATI) + 76 (RBoA & supporting offices)	4	12,340 Ha	20,343 male and 215 female	14.3 million ETB

Field days conducted -2





IMPACT STORY

CLUSTERING POSSIBILITY

Alemu usually **harvests** an average yield of **50** quintals per hectare **after joining the FPC.**

Alemu Gelmecha, 64, is a farmer who lives in Gernbotalole Kebele, Munesa woreda, in the Oromia region. For a long period of time, Alemu had grown bread wheat with his wife, cultivating 18 hectares of land the old-fashioned way with oxen. Despite the large size of the land, productivity was low, bearing less than 25 quintals of yield per hectare.

This situation changed when Alemu joined the FPC program that clusters farmers for faster diffusion of technology and research recommendations, which improve farming practices through adopting full agronomic packages and facilitate access to input finance by leveraging scale, which increases marketable surplus. With the support of the ATI, Alemu and 60 other farmers of Gernbota Lole Kebele organized themselves under the name Monera FPC to grow bread wheat on 30 hectares of land. Out of the 30 hectares of land in the Monera cluster, 12 hectares belong to Alemu, who started to produce 60 to 70 quintals per hectare. Alemu usually harvests an averaged yield of 50 quintals per hectare after participating in the FPC.

Alemu and other members of the cluster group were offered training on the uses of quality seeds and the combined uses of recommended agronomic and pest (insect and disease) management, pre- and post-harvest management, as well as marketing information and linkages. Alemu believed that the training had helped him improve his farming techniques.

Accessing agricultural inputs has also become easier for him since he has become a regular customer of the AOSS. He buys improved seed, fertilizer, and agrochemicals from the shop. When he is in doubt, Alemu calls the 8028 Farmer's Hotline, the ATI's toll-free line that provides farmers with information on a wide range of agricultural activities on all major cereal, pulse, and high-value crops. He also calls 6077, which is a toll-free line that provides validated market information. 6077 is part of the National Market Information System (NMIS) project that currently provides timely, accurate, and relevant market information on 19 commodities, including bread wheat, from 311 marketplaces across five regions of Amhara, Oromia, SNNP, Sidama, and Tigray. On top of this, Alemu consults DAs, who keenly respond to his inquiries.

"Since I joined the cluster, I have seen a remarkable increase in my productivity as well as in my income," Alemu claims. For the first time, he bought a row planting machine for ETB 60,000 in 2012, a year after enrolling in FPC. With that, he was able to produce a better yield and make a profit. The change didn't stop there. He then bought a tractor, which he used and rented out to other farmers, earning him ETB 120,000 per day during the farming season. He then purchased two more tractors, enabling him to create job opportunities for tractor operators and their assistants. He pays ETB 20,000 to the operator and 10,000 to the assistant per month. "There is no doubt that ploughing and planting with machines is more effective, but the rising cost of oil and spare parts is making it hard for me," he says.

All nine of Alemu's children went to school and got employed. His third child, Mitiku Alemu, earned a master's degree in agronomy. He left his career at a government office to work with his father. Mitiku attested, "Even though there was ample land, my father used to work in a traditional way and made no significant change. However, his life has undergone a substantial transformation since he has been benefiting from ATI's support and interventions across the value chain of the commodity, from input access to market linkage." Now, he is happy to work for his father, as his life is also changing in many ways.

Alemu opened a hotel named 'Farmer's Hotel' in the village. He has also built several warehouses. He is now preparing to construct a building on the 1000-square-meter land that was awarded to him for being a model farmer in Asela City. Alemu expressed his deepest gratitude to the ATI for changing his and his family's lives.

"

Since **I joined** the **cluster**, I have seen a remarkable increase in my **productivity** as well as in my **income.**

"

Horticulture FPC

The horticulture FPC targets five horticultural priority crops: avocado, banana, mango, tomato, and onion. In the reporting year, a total of 72,700 smallholder farmers, organized into 1224 clusters, covered 14,500 hectares of land with a total of 1.5 million fruit seedlings.

	SEEDLINGS PLANTED	HECTARE OF LAND COVERED BY PRIORITY COMMODITIES	FARMER PRODUCTION CLUSTERS	NUMBER OF FARMERS REGISTERED
AMHARA	1.4 Million	4100	116	14800
OROMIA	0	2000	200	10500
SNNP	0.1 Million	8400	908	47400
TOTAL	1.5 Million	14500	1224	72700

The clustered farmers produced 6.7 million quintals of market surplus and sold around 5.8 million quintals, with a value of ETB 10.7 billion. Notably, about 382 quintals of avocado have also been exported.

~6700 Qt
MARKETABLE SURPLUS PRODUCED

- AMHARA-2700
- OROMIA - 156.1
- SNNP- 3800

~5800 Qt
MARKETABLE SURPLUS SOLD

- AMHARA-1800
- OROMIA - 537.7
- SNNP- 3400

~12300 Qt
VALUE OF SURPLUS SOLD

- AMHARA-6600
- OROMIA - 815.3
- SNNP- 4900



Complementary training workshops were organized to enhance the technical capacity and management skills of the targeted farmers as well as experts. As such, 272 farmers and 302 experts from zonal, woreda, and kebele levels received training on horticulture FPC establishment, commodity full packaging, HFPC management, and contract farming. In addition, about 70 Common Interest Groups (CIG) were offered training on avocado grafting by the Oromia Agricultural Transformation Center (OATC), enabling them to produce about 182,000 improved grafted seedlings. Also, 24 demonstrations on full package agronomic practices (improved variety of quality seeds, recommended fertilizer application, and best pest management options) were further conducted at 10 implementing woredas across the three regions (Amhara, Oromia, and SNNP). A High-Value Crops (HVCs) selection tool and localized cropping calendar training were provided to 182 experts (19% women) who cascaded down the exercise to 87,438 farmers, enabling them to cover 43,719 hectares of land with selected HVCs. On top of these, three horticultural crops (mango, tomato, and onion) protection manuals were prepared and distributed to the smallholder farmers.

Over 46,558 farmers practiced value addition practices such as sorting, cleaning, and grading at the farm gate.

Amhara	15108
Oromia	16310
South	15140

46,558+
farmers practiced value addition practices

43,719Ha
land covered with selected HVCs

272 Farmers and
302 Experts
→ Received training on **horticulture** FPC establishment, commodity full packaging, HFPC management, and contract farming

70 Common Interest Groups
→ Received training on **avocado grafting**

24 Demonstrations on full package agronomic practices
→ Conducted at **10** implemneting woredas



To enhance farmers' irrigation skills, technical training was organized for 133 experts (13.5% women) on irrigation water management, irrigation agronomy, and HVC crop protection. The training was cascaded down by the subject matter specialists and DAs and benefited more than 200,000 farmers (20% women). Also, 198 farmers (14% women) received training on irrigation water user association technical guidelines.

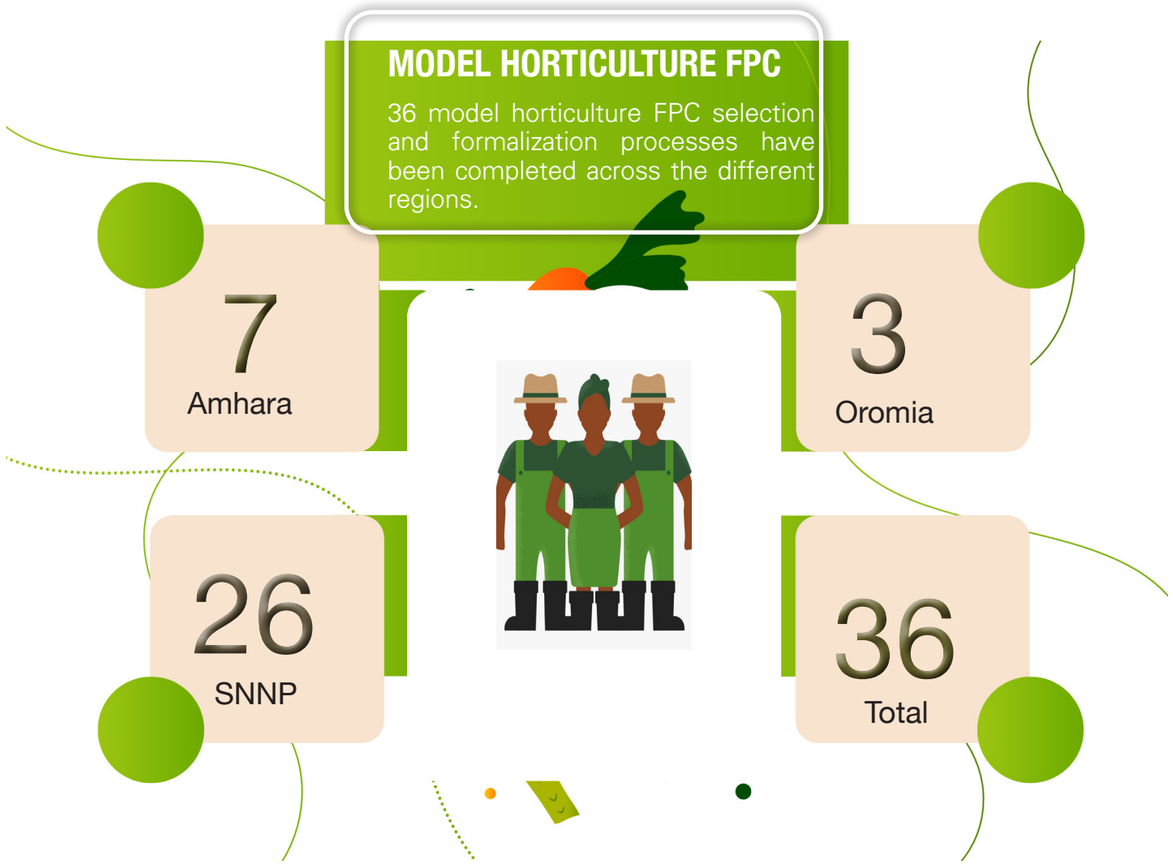
Twelve value chain alliance meetings were conducted across regions, taking into consideration horticulture priority commodities in each region. Three farmers' field days and two experience-sharing events were organized based on the best practices of model FPCs.

To further strengthen the horticulture FPC intervention, six vermicompost-producing youth and women groups were established in five woredas by the South Agricultural Transformation Center (SATC). Banana sucker multiplication was carried out at the OATC to increase the accessibility of improved banana seedlings by farmers in Kersa district, Jima zone, resulting in the preparation and distribution of around 100,000 banana seedlings. Also, 87,400 avocado scions and 16,950 avocado rootstocks were procured and distributed to farmers at the Amhara Agricultural Transformation Center (AATC).

Construction of greenhouses, nurseries, and other infrastructure was undertaken across regions.

- One modern tomato greenhouse with a capacity of producing 24 million seedlings annually in the Oromia region
- Three modern tomato and other vegetable greenhouses with a capacity of producing 600,000 seedlings annually in the Amhara region
- A three-model avocado nursery with the capacity to produce 50,000 improved avocado seedlings in the Oromia region
- Five model avocado nurseries with the capacity of producing 100,000 improved avocado seedlings in the Amhara region
- Installation of a solar-powered water supply system for five model nursery sites and one regional clonal garden in the SNNP/Sidama region
- Four roadside market sheds in Oromia and SNNP/Sidama regions, and one wholesale market shed in South/Sidama
- Two roadside market sheds in the Amhara region
- Twelve model household white polyhouses with 11 solar power water lifting technologies in the Amhara region
- Eight model white polyhouses and the installation of seven solar panels for model polyhouses in the Amhara region
- Installation of a solar-powered water supply system for five model nursery sites in the Amhara region
- Eight Zero Energy Cooling Chambers (ZECC) for eight households for temporary storage of horticultural products in the Amhara region
- Installation of integrated package facilities for five nurseries consisting of 20,000-liter water reservoirs, shallow water wells, net shade, training room, office, guard house, toilet, compost shade, apiary shade, and green houses with solar-powered water lifting technology for sustainable water supply in the Amhara region
- A solar-powered water supply system to drip irrigate 17 ha of land was constructed with integrated package facilities consisting of 60,000 litres of water reservoirs, net shade, and a tomato production greenhouse in the Amhara region.









IMPACT STORY

HARVESTING HOPE

In the reporting year, Ayantu and other members of the Ugumane **cluster farmers** sold more than **20,000 kg** of avocados to Yirgalem Integrated Agro-Industrial Park.

In Dagiya Kebele, Dale Woreda, located in the Sidama region, avocado farmer Ayantu Germamo, a mother of seven children, led a monotonous life filled with traditional gender roles that kept her interactions solely with her family. She also had limited agricultural knowledge and simply planted fruit and vegetables without adopting any technologies or advisory services. Her life took a different turn when she decided to join the FPC program, which introduced her to decision-making roles and advanced agricultural practices. Ayantu is a member and supervisor at the Ugumane avocado FPC, which has 56 farmers. To support her cluster members, she actively engages with farmers, DAs, and the FPC coordinators.

When Ayantu joined the FPC, she, along with other members of the FPC, was provided with training on avocado planting methods, improved grafted seedlings, agronomic management, weed and pest control management options, pre- and post-harvest handling and management, value addition such as sorting and grading processing, and input-output marketing opportunities. She was also provided with six varieties of avocados.

Ayantu supervises the practical application of the knowledge learned from the ATI. If she needs professional help, she consults DAs nearby. She also calls the 8028 toll-free Farmer's Hotline to get agricultural information. In a country where women's community participation is severely undermined, Ayantu's decision-making role in the FPC is a huge step forward to empower women and girls in rural areas.

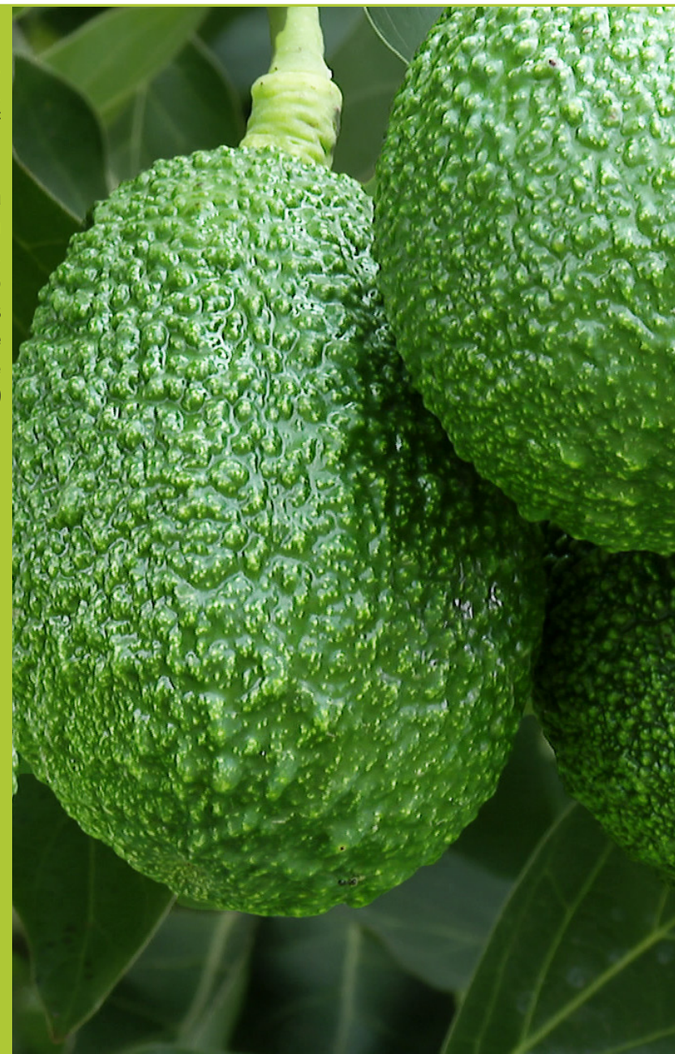
Before clustering, Ayantu had older avocado trees that gave her lower productivity. Making use of the skills and advisory services she has gained from the FPC, she replaced the old trees with new varieties, which were provided by the ATI, on her one and a half hectare of land in the Ugumane avocado FPC. Three years later, she harvested 45 quintals of avocado from 150 young fruit-bearing trees. Considering the early stage of the trees, experts consider this high productivity, with greater potential to bear over 450 quintals of avocado after four to five years.

Ayantu has encountered no difficulty in selling her produce. A market linkage has been established with Yirgalem Integrated Agro-Industrial Park. Sunvado and YBM avocado oil processing companies buy the cluster farmers' products at a fair price. In the reporting year, Ayantu and other members of the Ugumane cluster farmers sold more than 20,000 kg of avocados to Yirgalem Integrated Agro-Industrial Park. They are now in the process of producing 30,000 kg of avocado to enter the Chinese market.

Ayantu recalls how naïve she used to be about improving her way of life. For instance, she knew little about nutrition. "We were eating the same kind of food all year," says Ayantu. She now puts a variety of food on the table, thanking the ATI for improving her way of thinking and decision-making powers.

Today, Ayantu considers the shift in her life a "miracle" and hopes her future will be even brighter. She expresses gratitude and claims, "My story has inspired other women to become more active and bolder''. She aspires to become a product supplier in the future through an established FPC and to operate her own avocado processing plant within 5-10 years.

They are now in the process of producing **30,000** kg of avocado to enter the **Chinese** market.



Promotion of climate smart agricultural practices

Climate Smart Agriculture (CSA) practices, including maintaining soil fertility and health, are promoted to sustainably increase agricultural productivity and greening farmers' production clusters in the Ethiopian agriculture landscape. In 2015, technical training was conducted for:

- 82 model farmers (29 from Amhara, 23 from Oromia, and 30 from SNNP/Sidama) in vermi-worm culture and vermicomposting technologies as a business.
- 449 local stakeholders in ACC's zones and woredas of Oromia, SNNP/Sidama and Southwest Ethiopia People (SWE) regions in soil health and CSA.

Also, 1606 broad bed furrow makers were delivered to 27 Oromia and 11 Amhara vertisol-prone woredas for vertisol management. Agro-lime inputs, valued at ETB 8 million, were purchased and distributed to acidity-prone regions (Amhara, Oromia, and SNNP/Sidama) for soil acidity management.

Access to irrigated water

The ATI designed and implemented innovative solutions to improve farmers' access to irrigation water through the Integrated Shallow Ground Water Irrigation Development Project (ISGWID) and Distirbuted Renewable Energy Agriculture Modalities (DREAM).

The ISGWID project implemented groundwater-based irrigation technology to improve smallholder access to water for vegetable, field crop, and feed production and productivity and thereby enhance smallholder farmers' resilience to changing climate by reducing their reliance on erratic rainfall. In the reporting year, the ISGWID project enabled the irrigation of 43,719 hectares of land at the household level with the use of efficient irrigation technologies, mainly solar-powered pumps.

The project contributed to minimizing post-harvest loss by deploying low-cost cold storage options, such as the Zero Energy Cool Chamber (ZECC) technology. Eleven ZECCs (7 in Amhara, 2 in Oromia, and 2 in SNNP/Sidama regions) were constructed on model farmers' farm plots. This technology can reduce temperatures by 10–15 ^{0}C while maintaining high humidity levels of up to 95%, increasing shelf life, and protecting the quality of horticultural goods.

Capacity-building training was conducted for 198 members of the Water User Association (WAU) (14% women), drawn from Amhara (42), Oromia (75), and SNNP/Sidama (81) regions, on sustainable use of shallow groundwater resources within the controlled watershed and micro catchments. 276 farmers and experts (23% women) drawn from Amhara (102), Oromia (102), and SNNP/Sidama regions (72) participated in awareness-raising training and experience-sharing events to develop and expand solar irrigation water pumps and drip technology. To increase farmers' access to shallow groundwater and create job opportunities for youths, 10 MSMEs comprising 38 members (5% women) from Amhara (12), Oromia (11), and SNNP (15) were provided with 30 days of intensive theoretical and practical training and certificates of recognition. These MSMEs were able to create indirect jobs for 208 people in Amhara (196) and Oromia (22). They also offered 630 well drilling services to 570 smallholder farmers in Amhara (86) and Oromia (544).

The DREAM intervention is piloted to promote solar mini-grid-based irrigation systems for improved small irrigation in nine rural agricultural sites across four regions (Oromia, Amhara, SNNPR, and Sidama). The pilot also provides dependable renewable energy for residential, commercial, and agricultural use, as well as drinking water. The project aims to attain increased agricultural productivity through improved irrigation water management and the use of the ATI ACC package while reducing agricultural-related air pollution and improving the engagement of women in the project.

In the reporting year, the drilling of 14 wells was finalized at the Murche site, in the SNNP region. Also, field surveying work for the preliminary irrigation system design was carried out at three sites. Capacity-building work was conducted for extension agents as well as farmers in nine pilot areas. In addition, two irrigation water users' associations were established.









14
Wells drilled

4
Target regions

2
Irrigation water users' associations etablished

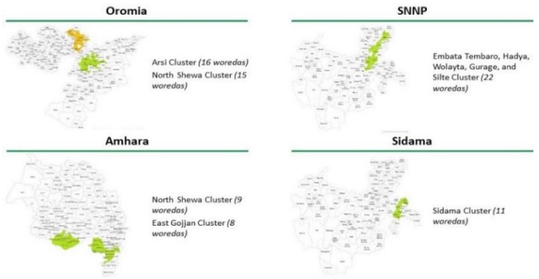
9
Pilot areas received capacity building

LIVESTOCK COMMERCIALIZATION

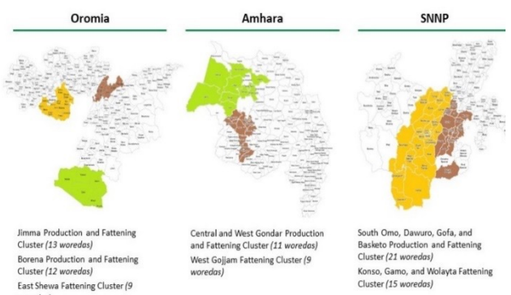
Livestock commercialization has received relatively little attention in previous years. In the reporting year, efforts have been made to implement commercialization clustering for selected livestock commodities. The ATI, in collaboration with the MoA, developed dairy and beef commercialization clusters in the Amhara, Oromia, and SNNPR/Sidama regions.

For piloting, 81 woredas were clustered for dairy and 90 woredas were clustered for beef across the Amhara, Oromia, SNNPR/Sidama regions.

Diary Clustering



Beef Clustering



Poor livestock extension systems and a lack of access to livestock advisory services are key bottlenecks impeding the adoption of improved livestock production practices and technologies by livestock producers. One way of addressing this bottleneck and improving access to advisory services is through the digitalization of the extension system. The content was translated into selected local languages, tested in the field, and recorded for dissemination. The 8028 Farmer's Hotline service was upgraded, extending its service to pastoral and agro-pastoral communities in the Somali region in Somali language.

The Livestock team, in collaboration with the Digital Agriculture team and partners, developed the livestock extension advisory service content. The experiences and lessons gained from the content development were published in the proceedings of the 29th Annual Conference of the Ethiopian Society of Animal Production (ESA).

To enhance the capacity of federal and regional extension staff and the Livestock and Fisheries Sector Development Project (LFSDP) implementing team, 1969 participants were trained and divided into three categories: basic sub-project governance designs, intermediate sub-project governance designs, and advanced sub-project governance designs. Also, 513 participants were trained in model business plans across the four commodities.

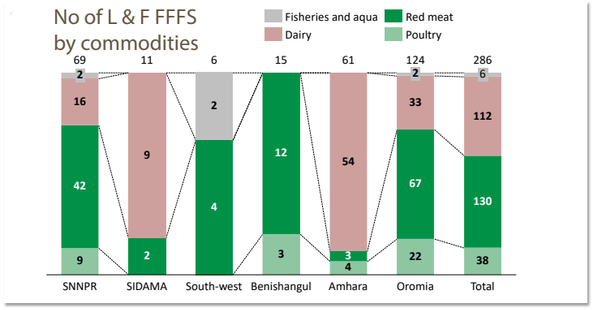
In addition, five manuals on Ethiopian Good Animal and Fisheries Husbandry Practices (ETH-GAFHP3) were developed for the implementation of advanced sub-projects, specialized cooperatives, and municipalities on prioritized livestock commodities. Training was also provided to 189 regional, zonal, and woreda-level experts drawn from various relevant institutions (43 from Amhara, 57 from SNNPR and Sidama, 57 from Oromia, 20 from Benishangul Gumuz, and 12 from Gambela) on the implementation of the ETH-GAFHP3 manual.

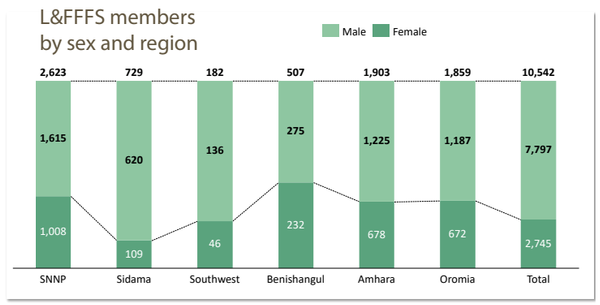


Livestock and fisheries farmers field school (L&FFFS)

The ATI designed and piloted the L&FFFS approach, which is an innovative, participatory, and interactive adult learning approach that emphasizes problem solving and discovery-based learning. The major commodities prioritized for this approach are dairy, poultry, red meat, and fisheries. 286 L&FFFS's were piloted across selected woredas in Oromia (124), Amhara (61), SNNPR (69), Sidama (11), Southwest (6), and Benishangul (15) regions.

Capacity-building work was intensively carried out to strengthen the performance of the L&FFFS. As such, training manuals and curricula for four prioritized commodities (dairy, poultry, red meat, and fisheries), as well as guidelines for master trainers and facilitators, were developed in Amharic and Afan Oromo languages. Also, 40 master trainers and 620 facilitators were trained on the implementation of the L&FFFS.











4
Manuals developed



4
Curricula developed

Agribusiness and markets

Agribusiness and market interventions are key to enabling commercialization by creating a sustainable market through direct market linkage and trade information. The ATI, through the AgriHub project, provided targeted support for agribusinesses, as they are catalysts to improve production, food security, and rural incomes. The targeted agribusinesses are enterprises in ACC woredas.

The AgriHub project provided capacity-building support to several SMEs to improve their business skills.

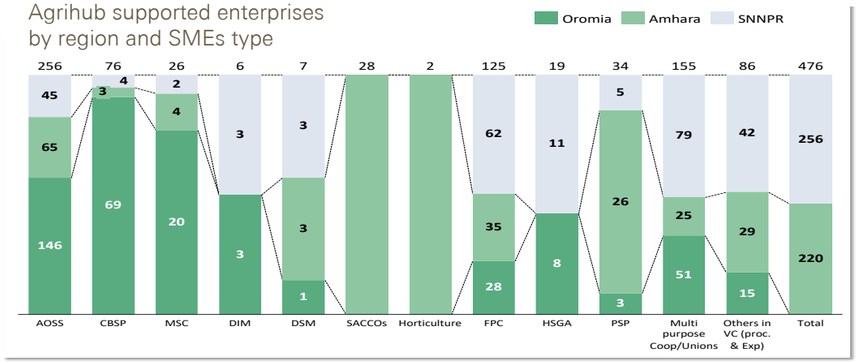
- Business development support was provided to 820 SMEs through its four tiers of services: Centre of Conception (323 SMEs), Centre of Excellence (164 SMEs), Capacity Booster (265 SMEs), and Accelerator (68 MSMEs).

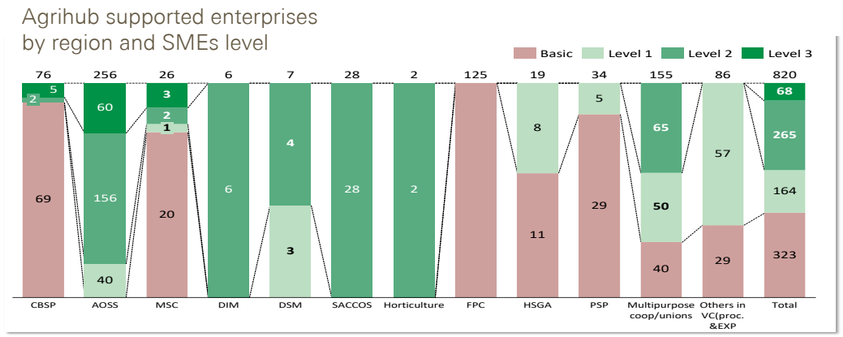
Oromia: 344 SMEs

Amhara: 220 SMEs

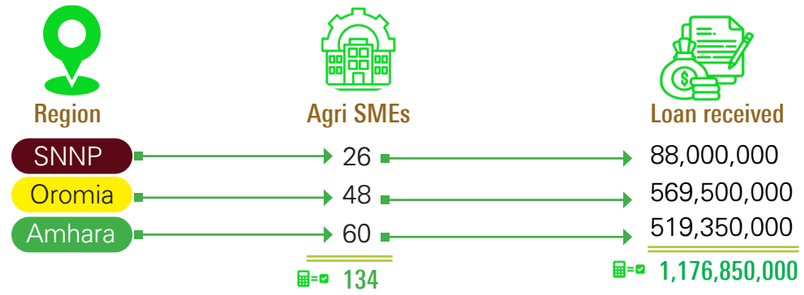
SNNPR: 256 SMEs

- Business Advisory services were conducted quarterly for capability booster enterprises and bimonthly for acceleration enterprises. Transfer of learnings via advisory service to enterprises in lower tiers (level 1) was also provided through group and individual sessions.
- Business skill development training was provided to 1676 owners and staff of 820 MSMEs (37% female and 85% youth).
- Six training sessions were organized on financial and inventory management and customer relationship management for around 181 SMEs across Oromia, Amhara, and SNNPR regions using Sage 50 software. In addition, SAGE 50 accounting software mentorship and coaching sections were offered to 32 MSMEs.





The project established partnerships with financial institutions to improve SMEs' access to finance. As such, a total of 134 SMEs received a loan of about ETB 1.2 billion from Abay Bank, Cooperative Bank of Oromia, Awash Bank, Commercial Bank of Ethiopia, Microfinance Institutions (MFIs), and capital lease financing institutes.



The AgriHub project organized several workshops to promote networking and experience sharing for AgriHub enterprises. Accordingly, during the reporting period, 21 workshops that were attended by 1888 owners and staff of 370 SMEs were conducted at the federal and regional levels, covering a wide range of topics including business planning, sourcing and distributing inputs, inventory management, sourcing and managing finance, auditing, staff management, customer handling, and interaction with stakeholders and business partners.

The project partnered with the Agribusiness Market Ecosystem Alliance (AMEA) of the World Bank to standardize the business development support needed and due diligence. Furthermore, the project collaborated with the Business Incubation Center (BIC) in Ethiopia and was recognized as a business incubator.

AgriHub also conducted a networking and consultation workshop with 29 business development service providers from Agri-SMEs.



The EAAP facilitated four core services to drive enterprise and honey industry-wide acceleration across the 3 program tracks

Expertise
- Industry experts and mentors
- Multi-disciplinary advisory boards
- Business planning and formalization support

Markets
- Introductions to customers
- Links to suppliers and input providers

Talent
- Assistance securing high quality entry level and middle-management talent
- Short-term strategy associates for discrete projects

Finance
- Connections to seed and growth equity investors
- Support for debt financing
- Grant financing (Incubation only)

…across the 3 program tracks:

1. **Incubation**: focused on **professionalizing smaller enterprises** using a **readily scalable approach,** including use of **workshops and online channels**
2. **Acceleration**: focused on **scaling** relatively **mature enterprises** using a **customized, high-touch approach,** including use of **industry mentors**
3. **Ecosystem**: focused on **supporting enterprises** such as **beekeeping input suppliers** and **quality testing laboratories**

EAAP was implemented from 2017 to 2021 which resulted in developing domestic honey brands and improving export

The project supported enterprises in incubation and acceleration track…

| Connecting the value chain
- 17 enterprises incubated and 1 accelerated
- 2 quality labs onboarded (Conformity Assessment Enterprise (ECAE) and Sekota lab capacity)
- Partnerships with Technoserve (contract farming), EDC (enterprise development) and with Banks (DBE, CBE)

| Professionalizing the enterprises
- 8 mentorship sessions held per enterprise and 4 workshops held
- 5 enterprises outfitted with a traceability system
- ~150 accounting mentorship sessions provided to ~6 enterprises, and books cleaned up

| Building capacity
- 50% increase in cumulative processing capacity across all enterprises
- 10,000 beekeepers received tailored apiculture related trainings
- 7,500 beekeepers linked to enterprises through contract farming
- 133 Honey Farm College clusters established, ~44 field experts hired

… which translated into positive results in export and branding

- $2M financing mobilized for enterprises based off $300K in EAAP grants
- $17.3M funding accessed through World Bank for quality labs accreditation based off of $400K in EAAP grants

- **Beza Mar's (BM) Sourcing mix** changed from 0% beekeepers (vs. traders) to 40%
- **BM's Business model** shift (wax addition in product mix) for revenue boost
- The project distributed over 4.7K transitional and 2.6K modern hives to 2K beekeepers (41% female) in 3 regions

- ~427 MT of quality honey and ~96 MT wax exported by EAAP supported enterprises resulting in ~2M USD export revenue
- ~ 87% avg. increase of production and income through transition to modern hives for beekeepers (in RuSACCO trial of 200), traded 201 MT of honey at 30M ETB domestically





IMPACT STORY

SWEET DREAMS

Currently, **Joni** is **exporting organic** honey and beeswax to **Europe.** In **2015 EFY**, he exported honey worth **200,000 USD**.

Joni Girma is an entrepreneur who has been working in the honey subsector for more than 15 years. He is one of the beneficiaries of the EAAP project, which contributed to the improvement of the apiculture sector through the introduction of competitive exporters penetrating the international market and the establishment of widely available domestic honey brands.

Through the EAAP project, Joni received capacity-building training on various topics, including business skill development and quality honey processing. Notably, Joni made use of the contract farming scheme, which was the EAAP project's platform designed and co-implemented with TechnoServe[4] to support enterprises in finding a sustainable source of quality honey. He established linkage with 50 young beekeepers at five kebeles in Gore town, Illubabor zone, Oromia region. These young beekeepers received a series of capacity-building training through the EAAP project, in which Joni participated as a trainer, on beekeeping, beehive preparation, the nature of organic honey, and constructing beehives from bamboo trees.

In 2011 EFY, with the hope of exporting the honey resources in Illubabor, Joni founded the Green Face Trading Company. He entered the export business for the first time in 2011 EFY, marketing 20,160 kg of honey under the brand 'Marden Honey' to Norway, earning a value of 69,000.00 USD.

The entrepreneur stressed the role of the EAAP's Incubation Competition in expanding his honey business. Joni, who participated as a trainer for the participants of the first round of the incubation competition, posed as a competitor in the second round and won 50,000 USD from the EAAP's Incubation Competition in 2013 EFY. With this money, he bought a honey processing machine. In addition to the money, the project provided him with 800 transitional bee hives that were distributed to the young beekeepers for producing quality organic honey.

Joni commended the EAAP project for inviting him to participate in the Dubai Gulf Food Expo 2020/2021, which offered him the opportunity to create market linkages with foreign investors. "Being invited by the ATI to participate in the Dubai Gulf Food Expo 2020/2021 and the Agri and Science Exhibition held in Addis Ababa gave me the opportunity to meet key stakeholders in the sector," says Joni.

Besides changing his and his family's lives, Joni has created job opportunities for 17 permanent employees. He supported 245 youths who were engaged in beekeeping in the Illubabor zone to become self-sufficient. Currently, he is exporting organic honey and beeswax to Europe. In 2015 EFY, he exported honey worth 200,000 USD. He dreams of building a high-tech honey factory with modern facilities, which can be one of the five leading honey factories in Africa within 5–10 years.

The EEAP project has been handed over to permanent project owners of the woreda agricultural bureaus.

He **supported 245 youths** who were engaged in **beekeeping** in the Illubabor zone to become **self-sufficient.**



4TechnoServe is a nonprofit organization that provides solutions for poverty by harnessing the power of the private sector. It operates in almost 30 countries around the world. https://www.technoserve.org/about-us/

Agriculture trade and investment promotion

The ATI implemented the Agriculture Trade and Investment Promotion (ATIP) to create sustainable market linkages and promote export trade, thereby improving the livelihoods of smallholder farmers in the ACC.

The project developed and operationalized a strategy document for attracting investments into Ethiopia's Food and Beverage Processing and Auxiliary Industries (FBPAI). The strategy has a value chain deep dive on five commodities with a rigorous selection mechanism from a range of potential commodities to reach into import substitution (wheat and edible oil), export (red meat and poultry), and both export and import substitution (fruit juice). A detailed market analysis, competitive factors, and intervention areas were identified and included in the strategy for implementation by stakeholders in the sector.

In the reporting year, the ATIP project facilitated the following platforms in collaboration with key partners. The project:

- Created market linkages between grain FPC farmers and the Addis Abeba Consumer Association for the supply of teff and wheat flour, as well as between the World Food Program and four cooperative unions in the Amhara and Oromia regions for the supply of maize, wheat, and beans. These connections resulted in sales contracts worth ETB 237 million.
- Conducted training on contract farming for federal and regional stakeholders.
- Developed investment case studies for three selected ACC value chains (avocado, maize, and soybean mix) to attract investment to the sector.
- Engaged an international brand development company to develop Ethiopia's unique brand for teff, sesame, and honey, which can be used as a promotional tool targeting both domestic and international markets. The brand "Go Ancestoral", which was complemented by an implementation strategy, was handed over to the Ministry of Trade and Industry (MOTI) for implementation.
- Facilitated certification for Good Agricultural Practice (GAP) for Hundaol Horticulture Producing and Marketing Cooperative (HHPMC), which enabled the cooperative to enter the international market. In a similar vein, collaboration was made with AATC to link Rich Land Biochemical Production PLC with the ACC smallholder farmers through contract farming for providing soybeans for edible oil processing plants, resulting in the sale of 300,000 tons of soybeans.
- Facilitated the participation of 16 ATI-supported agri-enterprises in the 8th International Hortiflora Expo, which was organized in collaboration with the MoA and Ethiopian Horticulture Producer Exporters Association (EHPEA).
- Conducted a national oilseed stakeholders workshop in collaboartion with MoA, Ministry of Industry and Ministry of Trade and Regional Integration (MoTRI) to create market linkage between smallholder farmers food processing industries.





DIGITAL AGRICULTURE

Digital agriculture is the other innovation that ATI intervenes in to harness the power of digital solutions and systems to catalyze agricultural transformation. The ATI designed and promoted three digital solutions: the 8028 Farmer's Hotline, the National Market Information System (NMIS), and the Electronic Input Voucher System (e-voucher).

8028 farmers' hotline project

The 8028 Farmer's Hotline is a digital advisory platform designed for disseminating agronomic practices and related information year-round to farmers. The platform is intended to improve the flow and delivery of agricultural information between partners implementing farmer-targeted interventions and the targeted farmers. The system works via both Interactive Voice Response (IVR) and Short Message Service (SMS) channels, which are easily accessible to farmers where the telecom network is available using any kind of phone. The platform has four modules: an automated hotline, a helpdesk system, a survey system, and an alert system.

- Automated hotline: In the reporting year, 3,400,415 calls were made to the hotline system for advisory inquiries on crops, livestock, digital financial services, and COVID-19 response, bringing the total number of calls made to the system from the project's debut in 2006 EFY to over 64 million. Around 550,000 new users were registered in the system, bringing the total number of registered users to over 6.3 million (33% women).
- Interactive Helpdesk support system: Through the 8028 helpdesks, a total of 5,505 responses were provided by the help desk experts. Since the launch of the project, farmers have asked a total of 24,228 questions, of which 95.6% were answered efficiently by the helpdesk staff.
- IVR/SMS-based survey system: To support the national crop and livestock disease and pest protection efforts, a survey on a range of topics, including wheat rust, desert locusts, and Fall Army Worms, generated 60 advisory messages. Disease occurrence surveillance was performed on wheat rust in Amhara, Oromia, and other regions. Overall, the survey conducted via the 8028 platform produced remarkable results in terms of the control and prevention of pests and diseases.
- IVR/SMS-based alert system: Over one million early warning messages were broadcast for smallholder farmers and DAs to deliver customized and localized early warning advisory and nutrition-sensitive messages. In addition, about 419,569 smallholder farmers and DAs have received advice on nutrition-sensitive agriculture in different languages (Amharic, Afan Oromo, Tigrigna, Sidamigna, Wolytigna, and Somali). Through this platform, issues like the occurrence of crop disease, pest infestation, malnutrition, and essential food nutrients have been addressed with a high response rate.

Over 600 extension agents were trained to collect data on Wheat Rust, Fusarium, and

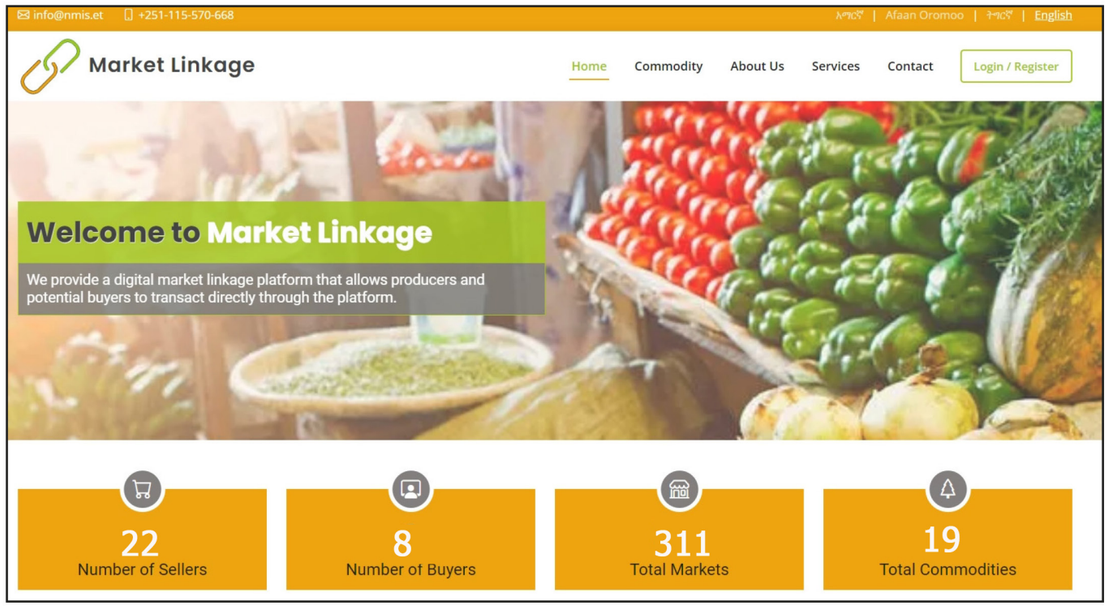
other pests/disease in the Amhara, Oromia, SNNP, Sidama, and Southwest regions. Also, 692 woreda helpdesk experts and 672 model farmers from the Oromia region were trained to upgrade their understanding and use of the system; these trainees are expected to cascade down the training to farmers in their localities.

NMIS

The NMIS is designed and implemented to provide timely, accurate, and relevant market information to all value chain actors, including smallholder farmers, for informed marketing decisions. The system mainly uses the Open Data Kit (ODK)-based mobile application to timely collect and directly transfer collected market data from all markets to the system by automatically capturing the geo-tag of the marketplaces, whereas the hotline (6077 short-code) is mainly used for disseminating validated market information.

In this reporting year:

- The platform's upgrade was completed with the addition of 14 crops (3 cereals, 2 pulses, 5 vegetables, and 4 fruits) and 154 markets, giving users access to data on a total of 19 crops across 311 markets in the Amhara, Oromia, SNNP, Sidama, and Southwest regions.
- Data validation procedures were employed to ensure the quality and accuracy of the market data through software inspections, geo-referencing points, random market visits, and refresher training, where 80,500 pieces of information were validated and disseminated to all users via the 6077 short-code, the web (nmis.et) and email.
- 262,000 new users were registered in the system and accessed the validated market information. The total number of registered users has reached more than 1.3 million (32% women). Over 290 NMIS radio advertisements were broadcast on Ethiopian Broadcast Corporate (EBC), and 196,203 promotional materials (flyers and posters) were produced and disseminated on various occasions. On top of this, six NMIS promotional billboards were prepared and erected in five towns (Bahir Dar, Adama, Shashemene, Hawassa, and Wolaita Sodo) to boost the visibility of the system (6077).
- An evaluation study to investigate potential approaches to integrating NMIS with the Oromia regional market information system was conducted. Similar activity will be carried out in other regions.
- A digital market linkage platform was developed to link producers with buyers virtually. The platform can benefit all value chain actors by shortening the long chain of the marketing system and eliminating illicit brokers from the system. The portal's first beta version development was completed, and a stakeholder awareness creation workshop was held to gather stakeholders' feedback on the platform.



Electronic input voucher system

The Electronic Input Voucher System (eVoucher) system is an electronic version of the Input Voucher System (IVS), which is implemented to address smallholder farmers' limited access to finance. The eVoucher offers the following enhanced benefits:

- Reducing long-term system operating costs at scale
- Minimizing the risk of fraud and human error
- Increasing efficiency for users of the system
- Facilitating complex back-end reconciliation processes
- Allowing for real-time tracking of input data

Responding to concerns raised by government officials about the source code, the ATI conducted a detailed diagnostic analysis of the eVoucher 1.0 and updated the system to the eVoucher 2.0 system.

In 2015 EFY, more than 766,000 smallholder farmers made 853,000 transactions of more than 3.2 million quintals of fertilizers, seeds, and agrochemicals worth ETB 4.03 billion in cash and ETB 50 million in credit through the eVoucher 1.0 system. Training was provided to employees of financial institutions, RuSACCOs, multipurpose cooperatives, and experts at each relevant level of the government offices on the eVoucher mobile app and usage.

The manual IVS system, which is intended to be replaced by the eVoucher soon, is extensively used by smallholder farmers to access finance. During 2015,

- Over 7.5 million smallholder farmers (25% female-headed smallholder farmers) used the IVS system to purchase different types of agricultural inputs.
- Over 651,000 smallholder farmers (about 82% female-headed smallholder farmers) received input credit through the IVS system.

766,000+

smallholder farmers made 853,000 transactions of more than 3.2 million quintals of fertilizers, seeds, and agrochemicals worth ETB 4.03 billion through the eVoucher 2.0 syatem.

651,000+

smallholder farmers (about 82% female-headed smallholder farmers) received input credit through the IVS system.

7.5+ Million

smallholder farmers (25% female-headed smallholder farmers) used the IVS system

12+ Million

quintals of different types of agricultural inputs worth over ETB 35 billion were distributed through the IVS system.



IMPLEMENTATION SUPPORT

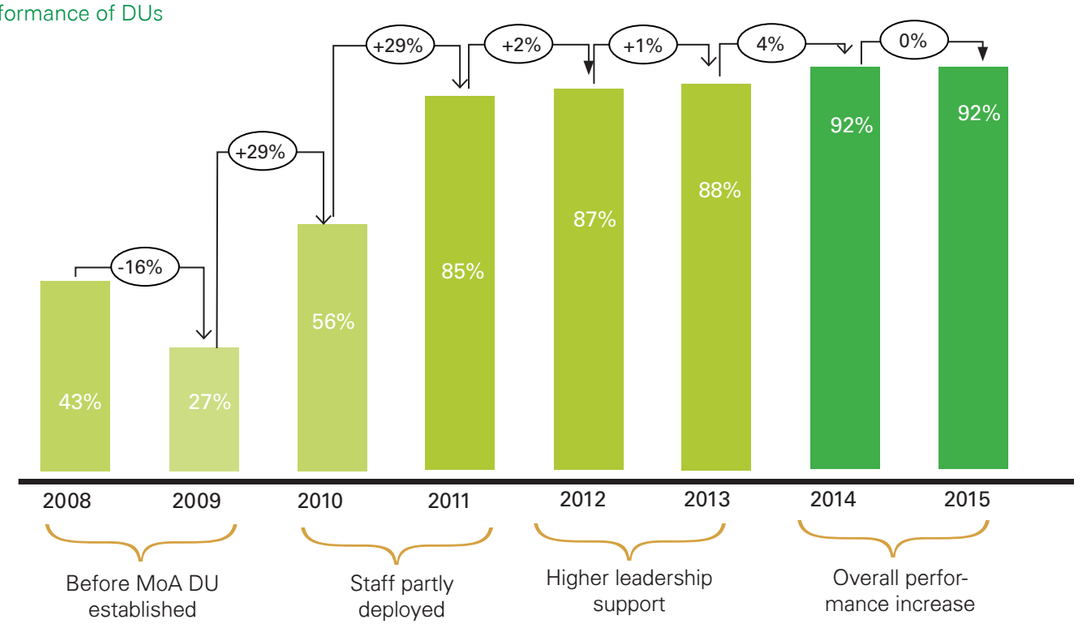
Enabling partners to successfully drive the agriculture sector's transformation is at the core of ATI's mission. The Institute established the Delivery Unit (DU), a team strategically placed at the federal and regional levels, to provide problem solving, technical support, capacity building, and performance management for accelerating the transformation of agriculture in Ethiopia.

FEDERAL DU

At the federal level, the DU provides implementation support to the MoA and its-affiliated organizations, including the Ethiopian Cooperative Commission (ECC), and Ethiopian Agricultural Authority (EAA), Ethiopian Institute of Agricultural Research (EIAR), assisting them with coordinating, planning, and tracking their strategic priorities.

After the deployment of the DU at the MoA, the Agricultural Transformation Agenda Deliverables (TADs) supported by the DU improved their performance from 27% in 2008/9 EFY to 92% in 2015 EFY.

Performance of DUs



The EAA received technical assistance from a seconded staff in the areas of revision of legislative documents, system development, and resource mobilization. As such, a revision of plant quartiane legislatives such as Decree 56/71, Plant Quarantine Regulation 4/92, and Pesticide Registration and Control Proclamation No. 674/2010 was undertaken. Also, EAA's service fee collection regulation was drafted. Efforts to develop EAA's system include the preparation of a strategic contingency plan for the management of banana wilt disease and conducting a survey of regulated pests. In addition, the technical assistance contributed to the enhancement of the market access system through the development of pest control approaches in flower exporting. The resource mobilization support focused on proposal grant development.

The DU at the ECC assisted the Commission in creating market linkages, mobilizing resources, developing regulatory frameworks, and conducting studies. The DU facilitated export market linkage between Blessed Coffee and Coffee Farmers' Cooperative Unions. It also developed a contract farming document for smallholder farmers and the School Meal Program. To enhance resource mobilization, support was provided to the IADP design team to produce a draft project plan on cooperative development (2022–2027). The DU further extended technical support to the development of several guidelines for cooperative organizations, contract farming between the School Meal Program and cooperatives, the establishment of a pastoral community development forum, and professional livestock cooperative development. Also, technical assistance was provided in conducting studies on the causes of the current price hike in Ethiopia: a value chain analysis coordinated by the Ministry of Plan and Development; and the effective and sustainable market linkage between producer cooperatives and consumer cooperatives.

REGIONAL DU

At the regional level, the DU, positioned in the Amhara and Oromia regions, provided implementation support to the regions' bureaus of agriculture and other key regional entities.

In the case of the Oromia regional DU, it supported the Oromia RBoA and other key regional entities, including the Oromia Seed Enterprise, Kegna Tractors, Finchaa Sugar Factory, and Shagar Sub City, through the

development of studies that contributed to accelerating the transformation of the Oromia region's agriculture sector. As such, in 2015, the Analytics team conducted nine studies that identified key challenges and recommended strategic interventions for enhancing the region's agricultural production and productivity. For instance, the Oro-Fresh Business Plan Development, which included challenges, opportunities, and risks; market linkage ideas; farm gate to urban consumer profit sharing analysis; and a five-year business plan, was developed. Also, the Shaggar City Urban Agriculture Development Plan was produced, identifying key innovation modules and the required resources for their implementation.

The Amhara regional DU supported the Amhara RBoA by providing technical assistance in four major focus areas: study, strategy development, resource mobilization, and partnership and policy influencing. The studies and strategic plans developed gave greater precedence to the post-war recovery. The DU made significant contributions to the development of several emergency, recovery, and rehabilitation plans to enhance resource mobilization procedures and provide input on response measures to conflict-affected areas. As part of digitizing the agricultural extension system, the unit developed a draft assessment report on the agricultural digitalization status and implications for transforming the regional agricultural sector in 2023. On top of this, the Amhara regional DU played a critical role in fostering partnerships and influencing policy. For instance, it led and facilitated the newly established regional Agricultural Learning and Policy dialogue platform.

LINKAGE AND COORDINATION

Catalyzing agricultural transformation involves several actors in the agricultural sector that require effective mechanisms to create linkages and coordination. The ATI creates linkages between stakeholders and coordinates activities among partner institutions, focusing on two specific aspects of the agriculture sector for which it has been given responsibility: the TADs and the ACC program.

For the TADs strategic program, the ATI serves as the Secretariat of the Agricultural Transformation Council, which is the main platform for strategic coordination of key stakeholders at the federal level. For operational linkages and coordination of TADs, the ATI leverages the MoA-DU, in which technical experts are responsible for ensuring interventions are coordinated across their sub-sector. For the ACC program, the ATI coordinates the Regional Transformation Councils to bring together key stakeholders at the operational level. The Value Chain Alliance meetings are designed for problem solving within a cluster and to create market opportunities and linkages with local and global companies.

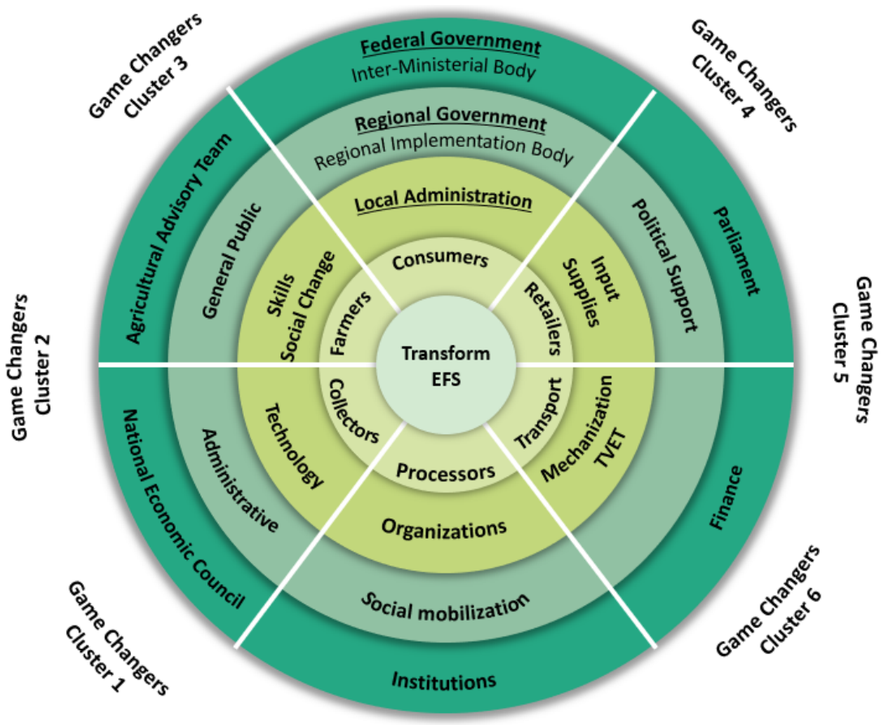
In 2015, the ATI coordinated the Ethiopian Food System, the DAEAS, Trade and Investment promotion, and the establishment of partnerships with financial institutions.



Ethiopian food system transformation coordination

Transforming the EFS requires mobilizing multiple actors at all levels. The Ethiopian Food Systems Transformation and Nutrition Inter-ministerial Steering Committee (IMSC) was established by the Prime Minister of Ethiopia, H.E. Dr. Abiy Ahmed, to coordinate and guide the EFS transformation, the food and nutrition platform, and the Seqota Declaration. It is also mandated to lead the EFS policy and legal initiatives, to interface with and support regional states, to monitor and evaluate the implementation of the EFS, to spearhead fundraising and government resource allocation, and to serve as a champion of the Ethiopian food systems transformation at all levels (locally, regionally, and globally). The Committee is comprised of 15 ministries co-chaired by the Ministry of Agriculture and the Ministry of Health and was officially inaugurated on June 21, 2023.

The ATI serves as the secretariat of the IMSC and provides support to the planning and coordination of efforts across EFS implementation, leads resource mobilization, partnership, and communications; provides logistical support to the Inter-Ministerial coordination body; prepares presentation and meeting minutes; prepares agenda for the inter-ministerial steering committee meetings; coordinates engagements between the Inter-Ministerial committee and working groups; ensures proper coordinated communication with global coalitions; and facilitates the preparation of decision-support tools, including technical synthesis.



EFS Implementation Key principles – mobilizing and engaging the whole of society at all levels

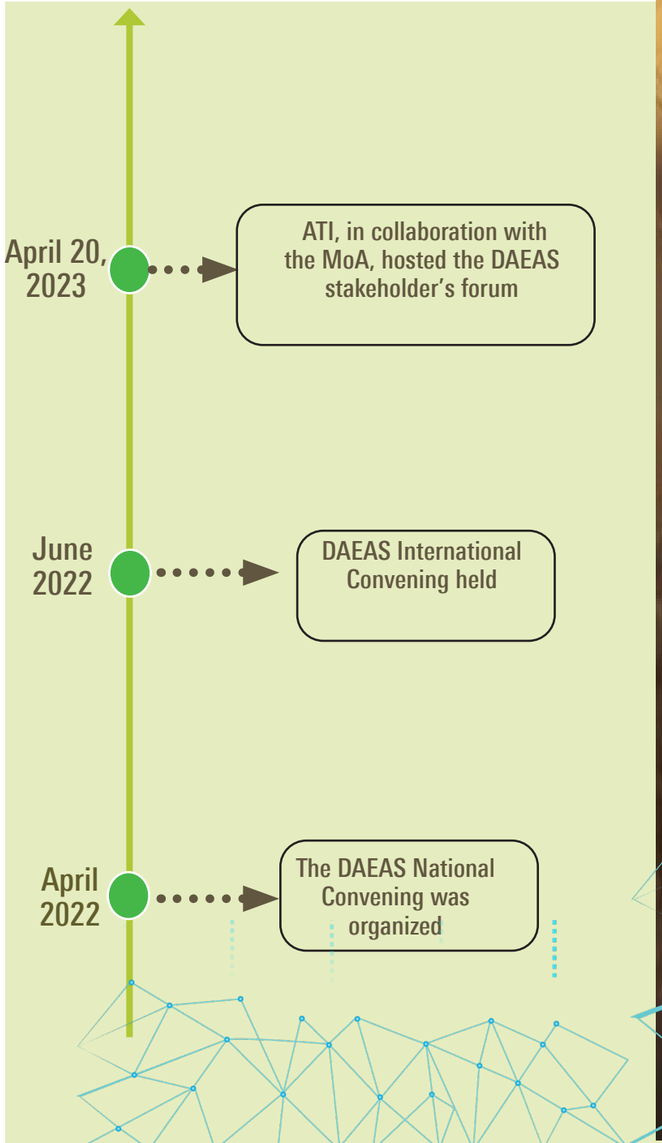
Digital agriculture extension advisory service roadmap coordination

The DAEAS roadmap was developed in collaboration with multiple stakeholders, including government organizations, NGOs, donor organizations, research institutes, mobile network operators, and private players, with a vision to create an efficient, inclusive, and sustainable agri-food system by delivering collaboratively customized digital services to all farmers in Ethiopia. Stakeholders were engaged via various steering committee sessions, working teams, workshops, virtual interviews, a national convening, and an international convening. The roadmap was developed using a constructive and iterative approach. An initial draft roadmap was created based on stakeholder workshops, expert interviews, and a literature review. The DAEAS National Convening was organized with national stakeholders in April 2022 to validate key challenges and define potential actions. These actions were then prioritized based on impact and ease of implementation. The resulting prioritized actions were detailed for The DAEAS International Convening held in June 2022 gathered 120+ stakeholders from 50+ organizations to refine the roadmap and initiate discussions on resource mobilization for implementation.

The ATI, in collaboration with the MoA, hosted the DAEAS stakeholder's forum on April 20, 2023, to formally launch the DAEAS roadmap's implementation phase. The forum brought together key stakeholders in the digital agriculture ecosystem to promote collaboration, coordination, and learning.

The DAEAS Project Management Office (PMO), which is secured on an interim basis by the ATI's Analytics Team, has made significant progress since its launch.

- Resource mobilization: continued one-on-one sessions with multiple donors, a strong lead pipeline, having secured funds, or being in advance discussions with several development partners, including the World Bank and BMGF.
- Detailed design and implementation partnerships: All key initiatives now have a detailed design/planning that will guide their implementation, and multiple funding proposals have been developed to secure additional funds and action items requiring co-implementation identified and prospective implementation partnerships initiated, as well as initial steps taken to kick off co-implementation with mobile network operators, private sector actors, and public institutions.
- PMO setup: all monthly Steering Committee and Core Team meetings conducted; multiple validation workshops conducted with key stakeholders; and budget secured for PMO team set-up, where recruitment of key positions has been launched, including potential secondments.





Trade and investment promotion

The ATI, through the ATIP project, created a coordination mechanism in the agribusiness sector to attract, engage, and convert strategic private sector investments in agribusiness value chains and promote trade. The project, in collaboration with the MoA, MoTRI, Ministry of Industry (MoI), the Ethiopian Investment Commission (EIC), Regional Investment Commissions, RoABs, Integrated Agro-Industry Parks (IAIPs), and Regional Trade and Industry Bureaus, organized local and international trade fairs to promote Ethiopian agricultural products.

The project coordinated key opportunities for investment attraction and promotion.

- A full conversion process of two large-scale international agro-processing investments with a capital worth ETB 3.6 billion was supported.
- An investment in African Improved Food (AIF) with a capital of ETB 1.6 billion in Kalinito Industry Park was facilitated. The AIF uses soybeans, maize, and beans for baby food production. A Memorandum of Understanding (MOU) was signed between the ATI and the AIF to identify and source the supply of maize and soyabean as raw materials by linking ACC farmers to the project.
- A tomato value chain development cooperation agreement was signed with Unilever, enabling the export of processed tomato paste from Horizon Plantation. The cooperation was further extended to the establishment of Meki-Batu Cooperative Union's tomato paste processing at Bulbula Integrated Agro Industrial Park (IAIP).
- 16 selected exhibitors, comprised of three HFPC representatives, four horticulture producers and marketing unions/PCs, three AOSS share companies, and four AOSS owners, participated in the 8th International Hortiflora Expo, held in Dubai.
- Two agro-processing investment forums were facilitated.
- A national consultative workshop on warehouse strategy was organized in collaboration with the MoA, the Ministry of Trade and Regional Integration (MoTRI), and the Ethiopian Cooperative Commission (EIC), in which more than 100 stakeholders participated to evaluate the available cold and hard warehouses in the country and develop strategies for prioritizing interventions to reduce post-harvest loss.
- For the past three years, ATIP has promoted investment opportunities in agriculture and agro-processing in the Africa Green Revolution Forum (AGRF), which is one of the biggest regional investment forums in Africa and where more than 193 participants attend each year.

The project coordinated the establishment of partnerships with financial institutions to facilitate access to finance for selected agri-hub projects. As such, a set of high-level meetings with eight selected banks (Development Bank of Ethiopia, Dashen Bank, United Bank, Abyssinia Bank, Oromia International Bank, Cooperative Bank of Oromia, Abay Bank, and Awash Bank) were facilitated to collaborate and create TA-based partnerships. The ATI signed a MoU with three banks: Cooperative Bank of Oromia, Abay Bank, and Awash Bank. In addition, partnership discussions are underway with the Development Bank of Ethiopia (DBE) for lease and wholesale financing.

A National Workshop on Access to Finance for Micro, Small, and Medium Agricultural Enterprises (MSMEs) was organized in collaboration with the MoA and the National Bank of Ethiopia (NBE) to discuss the challenges and interventions in accessing finance. The event was attended by over 60 Agrihub-supported SMEs, representatives from development partners, and other stakeholders.

Regional Agri MSMEs Access to Finance workshops were conducted at regional levels in Oromia, Amhara, and SNNP regions to raise awareness, share experiences, and facilitate linkage of SMEs with financial institutions for easier access to finance.

High-level visibility platform coordination

The ATI works to foster platforms that offer spaces for various stakeholders in the agriculture sector to share experiences and establish networks. In the reporting year, the Institute coordinated two high-level platforms: the National Agriculture Conference under the theme "Shaping Agriculture for Greater Impact", and the Agriculture and Science Exhibition.

The National Agriculture Conference was hosted in collaboration with the MoA and EIAR on December 6–7, 2022, at the United Nations Economic Commission for Africa (ECA), Addis Ababa, Ethiopia, to shed light on recent agricultural reforms and the path forward in the context of a renewed sense of commitment toward agriculture. The conference was a unique platform for gathering stakeholders committed to the transformation of the Ethiopian agriculture sector.

On the occasion, over 25 institutions ranging from governmental organizations to associations, farmer cooperatives, and the private sector displayed a portfolio of interesting projects, products, and services to the conference participants as well as the public.

The conference hosted speeches, presentations, and panel discussions that engaged national and international participants. It also featured the establishment of a first-of-its-kind think tank group to catalyze the transition of agriculture as a key contributor to the economy.

The first-ever Agriculture and Science exhibition that showcased the latest advancements in the fields of agriculture and science in Ethiopia was held for about a month from May 7-June 4, 2023, at the Science Museum, Addis Ababa, Ethiopia. The exhibition was co-hosted by the ATI, the MoA, Ethio Telecom, and the Prime Minister Office to promote awareness and understanding of the importance of agriculture in society and the role of science in improving crop yield, food production, livestock production, and environmental sustainability.

Around 70 exhibitors across four thematic areas: Production Technologies, Research and Innovation, Digital Agriculture, and Agriculture Finance, participated in the event. Over 85 thousand enthusiastic visitors including high-level federal and regional officials, development partners, religious leaders, staff of MoA-affiliated organizations, media managers and professionals, students, and other parts of society, flocked to the exhibition grounds, eagerly embracing the opportunity to explore the captivating displays and engage in enlightening discussions.

The ATI played a critical role in the success of the exhibition not only as a co-organizer but also as an exhibitor of four of its flagship projects: the AOSSs, 8028 Farmer's Hotline, the NMIS, and the e-voucher.

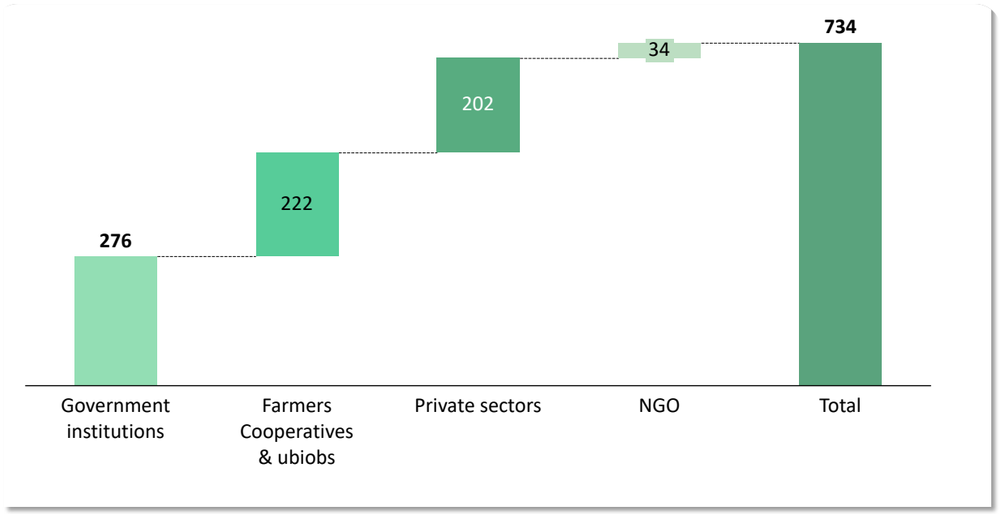


PARTNERS

The ATI forges partnerships with a wide range of organizations, including those in the public sector, the development community, funders, NGOs, civil society, and the private sector, in order to achieve its ambitious goals.

Also, it partners with implementing organizations by adopting subgrants through the provision of financial assistance to support the execution of the Institute's deliverables. During 2015, 254 subgrantees received financial backing from the Institute.

Subgrant in million ETB by subgrantee type



The ATI would like to convey its appreciation to all its partners for their ongoing commitment to transforming Ethiopia's agriculture. All the areas of development mentioned in this Annual Report are the outcome of effective partnerships and the dedication of numerous institutions across the sector.

Special thanks to

DENMARK

Royal Netherlands Embassy

AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT

BILL & MELINDA GATES foundation

NORWEGIAN EMBASSY

The ROCKEFELLER FOUNDATION

Federal Democratic Republic of Ethiopia

MINISTRY OF AGRICULTURE



AUDITED FINANCIAL REPORT OF 2014 EFY

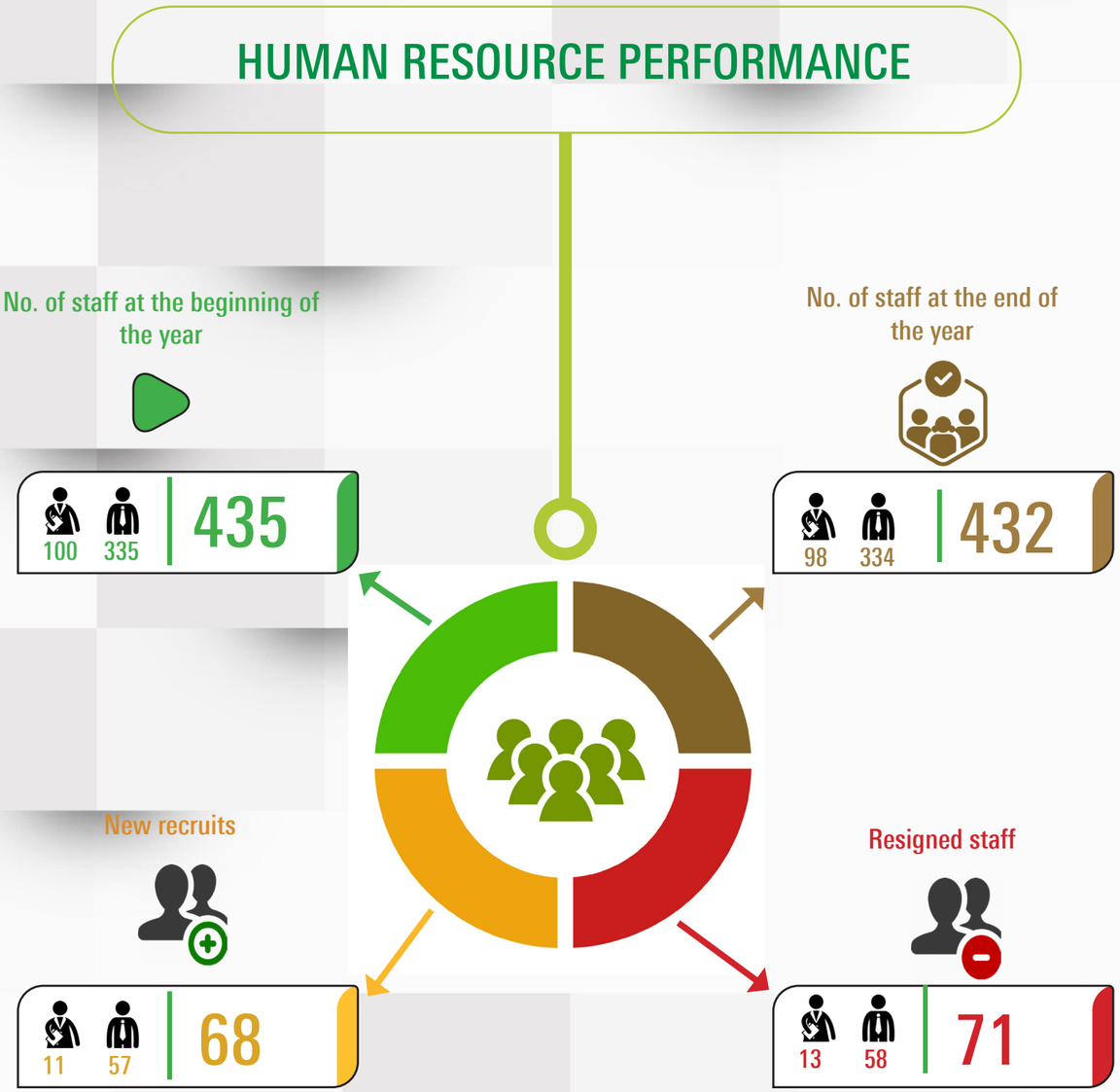
ETHIOPIAN AGRICULTURAL TRANSFORMATION INSTITUTE
STEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 7JULY 2022

	Notes	2022 Ethiopian Birr	2021 Ethiopian Birr
INCOME	3	954,624,748	1,165,930,706
EXPENDITURES			
Goods and services	4	201,652,673	426,100,702
Personnel expenses	5	255,296,895	220,201,405
Support to partners	6	202,081,543	230,285,700
Capital expenditures	7	154,941,199	169,933,268
Other expenses	8	1,640,015	1,923,234
		815,612,325	1,048,444,309
EXCESS OF INCOME OVER EXPENDITURE		**139,012,423**	**117,486,397**

ETHIOPIAN AGRICULTURAL TRANSFORMATION INSTITUTE
BALANCE SHEET
AS AT 7 JULY 2022

	Notes	2022 Ethiopian Birr	2021 Ethiopian Birr
ASSETS EMPLOYED			
CURRENT ASSETS			
Debtors	9	92,278,199	237,992,506
Cash and bank balances	10	928,527,719	659,689,060
		1,020,805,918	**897,681,566**
CURRENT LIABILITIES			
Creditors	11	54,562,242	44,875,866
NET CURRENT ASSETS		**966,243,676**	**852,805,700**
REPRESENTED BY			
FUND BALANCE	12 (a)	**966,243,676**	**852,805,700**

HUMAN RESOURCE PERFORMANCE







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