

PROJECT TRANSITION REPORT

Cooperative-Based Seed Production (CBSP) (Project Period: 2016 to 2025)



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Acronyms

- ACC- Agricultural Commercialization Cluster
- ATI- Agricultural Transformation Institute
- BoA-Bureau of Agriculture
- RBoA-Regional Bureau of Agriculture
- CBSP- Cooperative Based Seed Production
- CCP- Crop Commercialization program
- EGS- Early Generation Seed
- NGO-Non-Governmental Organization
- SHFs- Smallholder Farmers

1. Executive Summary

The Cooperative Based Seed Production (CBSP) project was initiated by the Ethiopian Agricultural Transformation Institute (ATI) in collaboration with partner organizations as an alternative strategy to narrow the seed demand and supply gap in Ethiopia. The project aimed to support the transformation of Ethiopia's intermediate seed sector to significantly increasing the quality and volume of improved seeds produced and marketed through unions and local private seed producers, thereby enhancing crop yields and income of farmers. For this effect, the project targeted support for 11 unions and their affiliated 55 primary cooperatives, involving 12,000 Smallholder Farmers (SHFs). Through effective implementation and intensive technical and institutional support, the project supported 19 unions, encompassing 276 primary cooperatives with 18,191 farmer members (including 3,171 women) and contributed 123,000 quintals of seed to the national supply. Among these supported unions 14 unions have been successfully transitioned from out-growers to licensed seed producers by strengthening their physical, technical, and institutional capacities. In addition, the project supported 15 local private seed producers. Among the private seed producers, three received both physical and technical capacity building support, while the remaining 12 received technical capacity building support only.

To strengthen physical capacity of CBSP unions and local private seed producers, the project provided eight office buildings, 13 seed processing plants, 37 seed storages, 20 mini seed laboratories, three diffused light stores, 1 potato lath house, nine training centres, seven tractors, seven field vehicles, five truckers and 17 motor bikes through a cost-sharing arrangement (70% financed by ATI and 30% by the unions). In addition, substantial efforts were made to enhance technical capacity. A total of 18,191 farmers including 3,171 women and 734 experts and leaders including 97 women, from union and government offices received capacity building support through training, experience sharing visits, and technical backstopping. The interventions focused on seed production, business management, leadership and governance, operation of seed cleaning machinery, and seed laboratory management.

To strengthen linkage with finance, input supply, and output market as well as to enhance coordination among stakeholders in seed value chain, the project facilitated various workshop discussion forums and stakeholder engagement platforms at both national and regional level throughout the implementation period. As the result, 11 CBSP unions access to finance for seed aggregation through regional credit guarantee schemes and loans from commercial banks. In addition, 14 CBSP unions secured market access through direct seed marketing systems and regional area allocation mechanisms for seed distribution. Furthermore, 14 unions improved their access to Early Generation Seed (EGS) through either self-production or contractual based EGS production arrangements.

The project also supported the development of a directive developed for special purpose cooperative, providing a suitable legal framework for the establishment and operation of seed producer cooperative. In addition, two studies- "Greening' Cooperative based seed/seedling production" and "Gender mainstreaming in cooperative seed business" were conducted, validated, and disseminated to relevant stakeholders. Furthermore, both midterm and final project evaluations were undertaken to assess performance and generate lessons for future interventions

2. Introduction

Seed is one of the most critical agricultural inputs for improving productivity, enhancing food security, and economic growth. The use of farm-saved grain instead of improved and quality seed can result in yield reductions of at least 30 percent. Despite its importance, limited access to demand-driven quality seed has remained a persistent challenge in Ethiopia (Abebe and Alemu, 2017).

The Ethiopian seed sector comprises three major seed systems: formal, intermediate, and informal. The formal seed system primarily focuses on hybrid varieties and commercially attractive crops. The intermediate seed system has traditionally faced institutional and technical limitations in meeting regulatory standards, while the informal seed system is characterized using uncertified seed with inconsistent quality. Consequently, a significant gap has existed between the demand for and supply of quality seed in the country (Kaske et al., 2021).

At the beginning of the Second Growth and Transformation Plan (GTP II), only one cooperative union across the four target regions had the capacity to independently produce, process, and market seed. Most of the remaining seed producer organizations operated as primary cooperatives with limited financial resources, weak institutional capacity, and inadequate business management skills. They often functioned as out-growers for other seed producers and had little influence over production decisions, which were largely determined by external partners. As a result, their ability to operate sustainable and independent seed businesses was severely constrained.

To address these challenges, the Cooperative-Based Seed Production (CBSP) Project was initiated with the objective of transforming Ethiopia's intermediate seed sector. The project aimed to significantly increase the quantity and quality of improved seed produced and marketed by cooperative unions and local private seed producers, thereby contributing to increased agricultural productivity, higher farm incomes, and improved livelihoods.

Specifically, the project sought to establish institutionally and financially sustainable seed unions and private seed enterprises capable of playing a significant role in the national seed sector. The intervention focused on addressing key constraints, including weak institutional capacity, poor governance and leadership, knowledge and skills gaps, inadequate physical infrastructure, limited access to Early Generation Seed (EGS), and insufficient financing for seed production and marketing.

The achievements of the project in addressing these challenges have been documented in Seed Info Issues No. 53 and No. 54, as well as in the project's mid-term and final evaluation reports.

3. Project Profile

Table 1. Summary descriptions of project profile of CBSP project

Dates	Planned start date:	2016	Actual start date:	2016
	Planned end date:	2024	Actual end date:	2025
Project name	Cooperative Based Seed Production (CBSP)			
Project number				
Project goal	The goal of the project is to significantly increase the volume of quality seed produced and marketed through building 11 model seed unions that can produce, process, and sell quality seed by themselves			
Project outcomes	Outcome 1 - Model seed unions that are financially and institutionally sustainable, that engage women and can produce, process and sell quality seed that adapts to climate change are created. Outcome 2 - Improved knowledge and skill of SHF on modern seed production and post-harvest handling. Outcome 3 -CBSP equipped with modern and functional seed facilities Outcome 4 - Responsive and capable leadership of CBSPs created. Outcome 5 - Improved internal quality control capacity. Outcome 6 - Directive developed and endorsed for special purpose cooperatives.			
Project location(s)	Oromia, Amhara, Tigray, Sidama, Central Ethiopia, and South Ethiopia			
Project direct beneficiaries	Men 15,020	Women 3,171	Youth 928	Total 19,119
Donor/s	DANIDA, RNE, EU, UNDP, Bill Gate & Melinda Gate Foundation			
Project budget	Planned budget	9,759,251	Actual expenditure:	TBD
Project person, contact phone and email	Dagnachew Lule (PhD)- ACC Vertical SD Prof Weyessa Garedew – CCP Director Dr. Mizan Tesfay- Inclusive Seed Business Development Senior Project Officer			

4. Project Progress

4.1 Contribution to ATI mandate areas

The project contributed to the mandate areas of ATI through the implementation of innovative interventions that enhanced the availability and access for quality seed of preferred varieties and the implementation of studies on “Gender Mainstreaming in Cooperative Seed Business” and “Greening Cooperative-Based Seed and Seedling Production.” In addition, the project played a significant role in strengthening coordination and linkages among actors in the seed value chain by facilitating various forums and stakeholder platforms focused on improving access to finance, production inputs, and seed markets.

4.2 Progress towards project goal

Initially, the project aimed to strengthen the institutional and technical capacities of 11 Cooperative-Based Seed Production (CBSP) unions, comprising 55 affiliated primary cooperatives and 12,000 smallholder farmers (SHFs) across five regions: Oromia, Amhara, Central Ethiopia, South Ethiopia, and Tigray. The ultimate objective was to improve the availability and accessibility of quality seed for farmers.

However, due to the successful implementation of project activities, recommendations from the project performance evaluation advocating for scaling up, and the need to align the project period with the Agricultural Commercialization Cluster (ACC) Program, the project expanded its scope. As a result, it successfully capacitated and transformed 14 CBSP unions and initiated support for an additional five CBSP unions and 15 local private seed producers. Among the private seed producers, three received both physical and technical capacity-building support, while the remaining 12 received technical support.

The project also significantly exceeded its original outreach targets. While it initially planned to reach 55 primary cooperatives and 12,000 member farmers, it ultimately reached 276 primary cooperatives and 18,191 member farmers, including 3,171 women. Similarly, although the project originally targeted improving access to finance, inputs, and markets for 11 CBSP unions, its interventions facilitated linkages and coordination among seed sector actors that benefited 19 CBSP unions, including the five newly added unions, as well as 15 local private seed producers.

Overall, the project successfully achieved its intended goal and met, and in several cases exceeded, the targets and expectations outlined in the original project design and implementation plan.



4.3 Progress towards project Outcomes

Outcome 1: Model seed unions that are financially and institutionally sustainable, inclusive of women and capable of producing, processing and marketing quality seed adapted to climate changes are established

At the inception of the project, only one cooperative union in the five target regions (Oromia, Amhara, Central Ethiopia, South Ethiopia, and Tigray) had the capacity to independently produce, process, and market seed. The remaining organizations operated as primary cooperatives with limited financial resources, weak institutional structures, and inadequate technical capacity to manage seed businesses effectively. Most functioned as out-growers for other seed producers and were largely dependent on the production plans and business interests of their partners.

To address these challenges, the project set out to establish 11 model CBSP unions capable of independently producing, processing, and marketing quality seed. Through effective implementation of project interventions, 14 CBSP unions were successfully established, strengthened, and transformed into registered and licensed seed producers. These unions encompass 196 affiliated primary cooperatives and engage 17,733 smallholder farmers, including 2,658 women. The transformation enabled these unions to evolve from out-grower arrangements into autonomous seed enterprises with improved institutional, technical, and business capacities.

The successful establishment of these 14 independent CBSP unions was made possible through several strategic interventions. The project facilitated access to Early Generation Seed (EGS) through both self-production initiatives and contractual EGS production arrangements. It also strengthened financial access by organizing stakeholder forums and workshops and supporting unions in securing financing for seed production and marketing through regional credit guarantee schemes and commercial bank loans.

Of the 11 CBSP unions targeted to access financing through regional credit guarantee systems, nine successfully secured loans using this mechanism. Furthermore, while 11 unions were expected to independently access commercial financing, five unions successfully obtained loans directly from commercial banks based on their own financial credibility and business performance.



Figure 1. Successful establishment and launching of CBSP unions

As part of its scaling-up strategy, the project has also initiated support for five additional CBSP unions and 15 local private seed producers. Among these private seed producers, three are receiving both physical and technical capacity-building support, while 12 are receiving technical assistance. Overall, the project has reached 19 CBSP unions, 15 local private seed producers, 276 primary cooperative members, and 18,191 member farmers, including 3,171 women.



Outcome 2: Improved knowledge and skill of seed experts and small holder farmers (SHFs) on modern seed production and post-harvest handling.

Limited technical knowledge and skills among seed experts and SHFs in quality seed production and post-harvest management were identified as major constraints affecting the performance of the cooperative-based seed sector. To address these challenges, the project aimed to strengthen the technical capacity of 12,000 SHFs and 169 experts from CBSP unions and government institutions.

Through the successful implementation of planned interventions, the project exceeded its targets by providing technical capacity-building support to 18,191 smallholder farmers, including 3,171 women, and 350 experts, including 49 women, from CBSP unions and government offices. The training focused on modern seed production practices, quality assurance, and post-harvest handling techniques to enhance the quality and quantity of seed produced by beneficiary organizations.

Recognizing that the sustainability of capacity-building efforts depends largely on the availability of high-quality training materials, the project also invested in the development of farmer-friendly training resources. Particular attention was given to preparing materials that are accessible and relevant to adult learners and smallholder farmers. Accordingly, ATI developed and published comprehensive farmer training modules for seven major crops—maize, wheat, barley, teff, potato, faba bean, and haricot bean—in three local languages: Amharic, Afan Oromo, and Tigrigna.

To support widespread utilization of these resources, a total of 4,000 copies of the training modules were printed and distributed to the 14 participating CBSP unions, thereby enhancing the sustainability and effectiveness of future training and extension activities.



Figure 2. Pictures of practical training for farmers on seed production (A) and training materials (B)

Outcome 3: CBSP equipped with modern and functional seed facilities.

Access to adequate physical infrastructure is essential for the successful production, processing, storage, and marketing of quality seed. Key facilities required for a sustainable seed business include seed storage structures, farm machinery, seed processing equipment, mini seed laboratories, transportation services, and office infrastructure. At the outset of the project, limited access to such facilities was identified as one of the major constraints preventing CBSP unions from independently producing and marketing quality seed.

To address these challenges, the project invested significantly in strengthening the physical capacity of CBSP unions. During the implementation period, the project successfully equipped 14 CBSP unions, exceeding the original target, with essential seed production and business infrastructure. In addition, as part of the scaling-up phase, support was given for five additional CBSP unions, and 15 local private seed producers. Among the private seed producers, three received both physical and technical capacity-building support, while the remaining 12 received technical support.

To facilitate efficient seed production, aggregation, processing, storage, and marketing, each participating CBSP union received support for the construction of standard seed facilities and the provision of key logistical assets. Major achievements include the construction and completion of eight office buildings, 13 seed processing plants, 37 seed storage facilities, 12 mini seed laboratories, three diffused light stores, one potato lath house, and nine training centers.

In addition to the construction of physical infrastructure, the project supplied seven tractors, seven field vehicles, five trucks, and 17 motorcycles through a cost-sharing arrangement. Under this model, ATI provided 70 percent of the investment as a subgrant, while the respective CBSP unions and private seed producers contributed the remaining 30 percent as matching funds.

The benefits of these investments extend beyond improving seed production and marketing operations. The infrastructure assets have also strengthened the financial standing of the seed unions by serving as collateral for accessing formal credit from commercial banks. This has enhanced their ability to secure financing for business expansion and seasonal seed operations, thereby contributing to their long-term sustainability and growth.



Figure 3 Pictures of the physical infrastructures provided to the project target unions (pictures A and E) Office and mini-seed laboratory of Andinet Raya union (Tigray); B= Seed

cleaning facility of Erer union (Oromia); C= Seed storage and Track Galema union; D = Tractor Ediget union in Central Ethiopia)



Outcome 4: Responsive and capable leadership of CBSPs created.

Responsive and capable leadership is essential for the effective management, growth, and sustainability of cooperative seed businesses. Recognizing this, the project aimed to strengthen the leadership and governance capacities of 276 leaders drawn from 11 CBSP unions and 55 affiliated primary seed producer cooperatives.

Through a combination of intensive training, experience-sharing visits, coaching, and continuous technical backstopping, the project successfully built the capacities of 384 leaders, including 48 women, from 19 CBSP unions (including five newly added unions) and 276 primary cooperatives. The interventions focused on enhancing leadership skills, cooperative governance, strategic management, and accountability systems necessary for sustainable seed business operations.

To strengthen both leadership and managerial competencies, the project provided training to 241 leaders and staff members, including 32 women. Participants comprised 204 leaders from primary cooperatives (25 women) and 37 leaders from CBSP unions (7 women). The training covered key areas such as seed business management, cooperative governance, leadership development, financial management, and logistics management.

The project also facilitated learning visits for 143 union managers and cooperative leaders, including 16 women, enabling them to gain practical experience from successful model unions and cooperatives. These visits focused on best practices in quality seed production and marketing, cooperative governance, leadership, and organizational management.

To ensure effective management during the establishment phase of newly formed unions, the project supported the recruitment of three key staff members—a manager, an accountant, and an agronomist—for each of the nine newly established CBSP unions. Furthermore, support was provided to restructure seed units and departments within the unions to strengthen internal quality assurance systems and improve overall seed business performance.

Continuous technical and administrative backstopping was also provided to all 14 CBSP unions, enabling them to effectively apply the knowledge and skills acquired through training and experience-sharing initiatives.

As a result of these interventions, all 14 CBSP unions supported by the project have successfully established sustainable seed businesses. They are currently producing and marketing quality seed, contributing significantly to regional and national seed supply, generating profits for their organizations, and enhancing the productivity and incomes of smallholder farmers.



Outcome 5: Improved internal quality control capacity.

Limited internal seed quality control capacity was identified as one of the major challenges preventing CBSP unions and primary cooperatives from consistently meeting national agricultural input regulatory standards. To address this constraint, the project implemented a comprehensive package of interventions aimed at strengthening organizational structures, improving technical capacity, and establishing functional internal quality control systems.

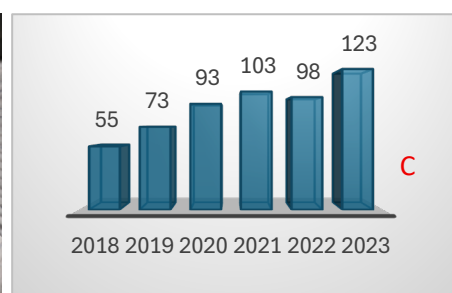
As a result, 19 CBSP unions (including five newly added unions), 276 primary cooperatives, and three local private seed producers enhanced their capacity to produce and market quality seed that complies with national regulatory requirements.

To institutionalize internal quality assurance mechanisms, the project facilitated the establishment of Internal Seed Quality Control Committees within all 276 primary seed producer cooperatives. In addition, qualified seed experts were recruited and assigned to all 19 CBSP unions to oversee quality assurance activities and strengthen technical oversight.

Comprehensive technical training on field inspection, seed quality assurance, and post-harvest quality control was provided to committee members and seed experts. These capacity-building efforts significantly improved the ability of seed producers to monitor and maintain seed quality throughout the production and marketing process.

To further strengthen internal quality control systems, the project supported the construction and operationalization of 20 mini seed laboratories for CBSP unions and private seed producers. These laboratories were equipped with essential seed testing equipment and quality control materials, enabling seed producers to conduct routine quality assessments and comply with regulatory standards.

The project also supported organizational restructuring and strengthened quality management systems within participating unions, creating a stronger foundation for sustainable quality assurance practices.



Annual seed production trend (,000qtl)

Figure 4 Pictures of field day (A) seed lots at a Union (B) and total produced seed by the unions during the project implementation period (C)

As a result of these interventions, all 14 CBSP unions supported during the initial phase of the project are now capable of producing and marketing quality seed that meets national agricultural input regulatory standards. The annual seed production and supply volume of CBSP unions and private seed producers supported by the project has reached 122,974 quintals, contributing approximately 17 percent of the national seed supply, according to the 2016 annual report. These achievements demonstrate the significant role of the project in strengthening Ethiopia's intermediate seed sector and improving the availability of quality seed for farmers.



Outcome 6: Directive developed and endorsed for special purpose

The existing directive for establishing and licencing cooperative was applicable for seed producer cooperatives. For example, internal seed quality control committee is mandatory for seed producer cooperative which was not addressed by existing directive. Therefore, one directive was developed and endorsed for special purpose cooperatives which could address the seed producer cooperative establishment.

4.4 Explanation of variance:

4.4.1 Indicator Tracking Table and Finance Report

Table 2 project performance indicator through indicating project baseline, project target and achievements

Results level	Result/objective statements	KPIs	Unit	Baseline V.	Project Target	Achievement	%
Goal	The goal of the project is to significantly increase the volume of quality seed produced and marketed through building model seed unions that can produce, process, and sell seed by themselves	# of seed unions institutionally capacitated for seed production	#	-	11	19	173
		# of private seed producers institutionally capacitated for seed production	#	-	0	15	
Outcome1	Model seed unions that are financially and institutionally sustainable, that engage women and can produce, process, and sell quality seed that adapts to climate change are created	# of seed producer unions established/restructured	#	-	11	19	173
Output 1.1	Establish 8 seed unions established (2 in Tigray, 3 in Amhara and 3 in SNNPR) and 3 multipurpose unions restructured	# of new unions established	#	-	8	9	100
		# of existing unions restructured	#	-	3	10	333
Output 1.2	All targeted CBSPs become EGS self-sufficient	# of unions used contract based EGS production	#	-	11	19	173
		# of unions become basic seed self sufficient	#	-	11	10	90
Output 1.3	Targeted seed unions linked with financial institutions	# unions access credit guarantee	#	-	11	9	82
		# of seed unions financially self-sufficient & can access loan by their own.	#	-	11	5	45
Outcome 2	Improved knowledge and skill of seed experts and SHF on modern seed production and post-harvest handling.	# of SHF trained on seed production and post-harvest handling	#	-	12,000	18,191	152
		# of seed experts trained on seed production and post-harvest handling	#	-	169	350	200
Output 2.1	Seed producers SHF trained on seed production and post-harvest handling	# of SHF trained on seed production and post-harvest handling	#	-	12000	18191	152
Output 2.2	Seed experts from unions and bureau of agriculture trained on seed production and post-harvest handling	# of seed experts trained on seed production and post-harvest handling	#	-	169	350	200
Outcome 3	CBSP equipped with modern and functional seed facilities	# of seed unions owned seed infrastructural facilities	#	-	11	19	173
		# of private seed producers owned seed infrastructural facilities	#	-	0	3	

		# of seed unions owned seed storage	#	-	55	29	53
Output 3.1	Improved access to physical facilities of the 11 seed unions and 40 primary cooperatives	# unions owned seed storage	#	-	11	19	173
		# of private producers owned seed storage	#	-	0	3	
		# primary cooperatives owned seed storage	#	-	40	15	38
		# of unions owned with knowledge centres	#	-	11	12	100
		# of unions owned office	#	-	8	8	100
		# of unions owned DLSs	#	-	3	3	100
		# of unions owned lathe house	#	-	1	1	100
		# of unions owned seed cleaning machines	#	-	11	13	118
		# of unions owned tractors	#	-	11	7	64
		# of unions owned motor bikes	#	-	33	17	52
		# of unions owned office vehicle.	#	-	11	7	
		# of unions owned motor pump	#	-	11	2	
Outcome 4	Responsive and capable leadership of CBSPs created.	# of seed unions institutionally strengthen and with responsive leadership	#	-	276	384	139
Output 4.1	180 CBSPs leaders (147 from PCs & 33 from unions) and 33 union staff trained on seed business management, cooperative governance and leadership.	# of CBSP leaders and staff trained on seed business management and governance	#	-	103	204	200
Output 4.2	140 CBSP leaders and managers shared experience model CBSPs	# of CBSP leaders and staff shared experience	#	-	140	143	100
Output 4.3	33 union staff trained on financial management and logistics management	# of unions staff trained	#	-	33	37	100
Output 4.4	Provide administrative support to 11 unions	# of unions with responsive leadership	#	-	11	19	173
Outcome 5	Improved internal quality control capacity.	# of seed unions strengthen with internal seed quality control	#	-	11	18	164
		# of private seed producers strengthen with internal seed quality control	#	-	0	3	
		# of primary seed producer cooperatives strengthen with internal seed quality control	#	-	55	276	500
Output 5.1	147 (33 in SNNPR, 30 Tigray, 31 Amhara & 53 Oromia) field quality control committees organized	# of primary cooperative owned internal seed quality control	#	-	55	276	500
		# of unions accessed regulatory service	#	-	11	19	173

Output 5.2	Eleven internal quality control laboratories constructed and equipped	# of unions equipped with seed labs	#		11	18	164
		# of unions equipped with seed labs	#		0	3	
Outcome 6	Directive developed and endorsed for special purpose cooperatives.	# of directive document on special purpose cooperatives	#		1	1	100
Output 6.1	Draft directive developed	# of directive document on special purpose cooperative	#		1	1	100
Output 6.2	Directive endorsed	# of workshop organized to endorse directives on special purpose cooperatives	#		1	1	100

4.5 Community engagement and contribution to outputs and outcomes

Seed producer small holder farmers are among the direct beneficiaries of the project, and they fully engaged in implementation of the project through contributing cluster land for seed production and other required resources for the seed facility construction. Local community also supported smooth implementation of the project through maintaining isolation distance requirement by agricultural input regulatory and through allowing communal land for seed storage construction at primary cooperative level.

4.6 Sustainability of project outcomes

Table 3. Major sustainable output growth drivers implemented during project implementation

Name of sustainability driver	Actions taken to strengthen sustainability
Local Ownership	▪ Awareness created to local community on the importance of the project's contribution to improve availability and access to improved seed to SHF ▪ Intensive technical capacity building provided to seed producer farmers on mind set, seed production, cooperative governance and ownership of the project ▪ Well established and licenced seed producer primary cooperative organised at local level ▪ The established seed producers' primary cooperatives organized into CBSP unions, and the unions institutional and technical capacity strengthen
Partnering	▪ Ministry of Agriculture, Federal Cooperative Commission, Regional Bureau of Agriculture, and Regional Cooperative Agency participated in implementation of the project. ▪ Capacity building training provided to experts from government office to provide support to target beneficiaries ▪ Different forum and workshop organised to enhance linkage and coordination among actors in seed value chain

4.7 Integration of cross-cutting Issues

Table 4 Successes and challenges in integration of gender, nutrition and environmental sustainability during project implementation

Cross-cutting issues	Successes	Challenges
Gender	• About 17% direct beneficiary of the project have been women • Women engaged in leadership through participating in primary cooperative committee. • One study conducted on gender mainstreaming and shared to unions and stakeholders	• Cultural norms favouring male-headed households result in greater participation of men in community organizations • Men primarily manage land, and women have limited roles in decision-making
Youth	• More than 90% of the 928 beneficiaries, including 242 women, were youth.	• Difficulty in accessing suitable land for seed production remains a major constraint
Environment	• One study conducted on “Greening” Cooperative Based Seed/Seedlings Production and shared to stakeholders • Legume crops seed production and crop rotation promoted and scaled	• Low returns from legume seed production
Nutrition	• Crop diversification and legume crops seed production promoted and implemented	• Low returns from legume seed production

5. Project Management

5.1 Project coordination, stakeholder engagement, and institutional arrangements

The ATI served as the lead facilitator of the CBSP Project, working in close collaboration with a wide range of stakeholders, including non-governmental organizations (NGOs), regional and federal agricultural and regulatory bureaus, agricultural research centers, federal and regional cooperative agencies, training institutions, and other key actors in the seed sector. Effective stakeholder integration and coordination were fundamental to the successful implementation of the project, creating strong synergy, harmonization, and collective ownership among partners to achieve the project's objectives.

To effectively coordinate project implementation, ATI established a dedicated CBSP Project Team comprising a Project Leader based at the ATI Head Office and Regional Technical Experts stationed in regional Agricultural Transformation Center (ATC) offices. In addition, multi-stakeholder technical working groups were established in the intervention regions of Tigray, Amhara, Oromia, and the Southern Nations, Nationalities, and Peoples' Region (SNNPR). These working groups included representatives from ATI, Regional Bureaus of Agriculture (RBoAs), agricultural research centers, and regional cooperative agencies, and were responsible for supporting and coordinating activities across the different project intervention areas.

Roles and Responsibilities: Successful implementation of the CBSP Project depended on the active participation and collaboration of all implementing partners. Each partner contributed its unique expertise, institutional capacity, and resources to support project implementation and achieve shared objectives. Clearly defined roles and responsibilities were therefore essential to ensure effective coordination and accountability.

Roles and Responsibilities of ATI (Lead Implementer)

As the lead implementing organization, ATI was responsible for:

- Mobilizing and availing the required financial, technical, and operational resources in a timely manner.
- Preparing and sharing quarterly and biannual progress reports with all project partners.
- Supporting the institutional and technical capacity development of implementing partners.
- Monitoring the progress of CBSP unions and project activities on a continuous basis.
- Identifying implementation challenges and elevating critical issues to ATI senior management for timely decision-making and corrective action.
- Coordinating project planning, implementation, monitoring, and reporting activities among stakeholders.

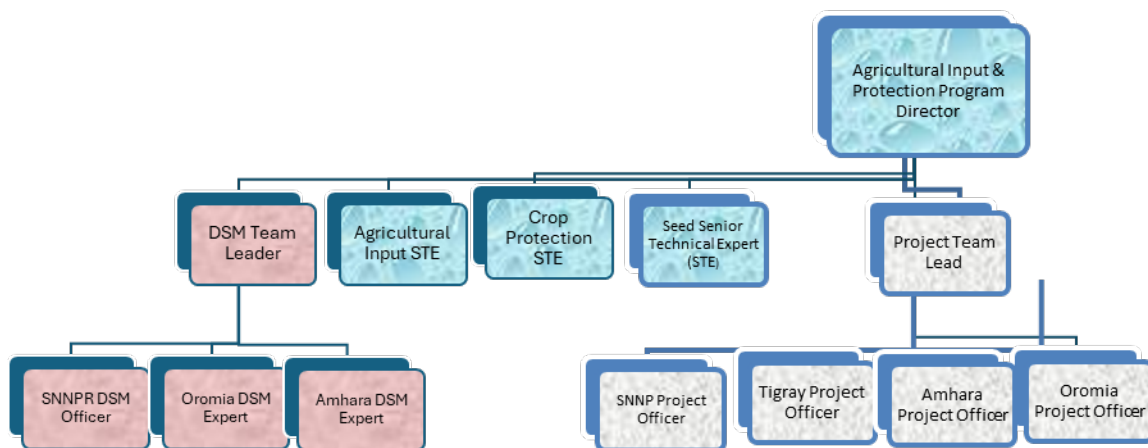
Roles and Responsibilities of Government Partners

Government partners at federal and regional levels were responsible for:

- Actively participating in project implementation and coordination activities.
- Providing technical support and advisory services to CBSP unions and seed producer cooperatives.
- Mobilizing and allocating additional resources for physical infrastructure development and capacity-building interventions.
- Monitoring project implementation, tracking performance against targets, and periodically evaluating progress.
- Compiling and sharing implementation progress reports.
- Facilitating linkages between CBSP unions and financial institutions, input suppliers, and seed markets.
- Providing credit guarantees for eligible CBSP unions through regional credit guarantee schemes.
- Participating in the development and review of policy frameworks, directives, manuals, and other technical documents relevant to the seed sector.

5.2 CBSP project team structure

The project was implemented through a coordinated institutional structure led by ATI, supported by regional technical experts and multi-stakeholder working groups. This structure enabled effective planning, implementation, monitoring, and stakeholder coordination at both national and regional levels, contributing significantly to the successful achievement of project outcomes and the sustainable transformation of Ethiopia's intermediate seed sector.



Source: CBSP project document

5.3 Project evolution

At the inception of the project in 2016, there was only one licensed Cooperative-Based Seed Production (CBSP) union in Ethiopia with the capacity to independently produce, process, and market improved seed. Through the interventions implemented under the project, significant progress has been achieved in transforming the intermediate seed sector.

To date, the number of ATI-supported CBSP unions has increased to 19, including five newly established unions supported through the project's scaling-up phase. In addition, recognizing the important role of the private sector in seed production and marketing, the project expanded its scope to include support for 15 local private seed producers.

The growth in seed production capacity has been particularly remarkable. At the start of the project, annual seed production and supply by CBSP unions was less than 10,000 quintals. As a result of the project's interventions, the combined annual seed production and supply of ATI-supported CBSP unions and local private seed producers has increased to approximately 123,000 quintals. This represents, on average, about 17 percent of the national seed supply, demonstrating the growing contribution of the intermediate seed sector to Ethiopia's seed system.

The project has also strengthened grassroots participation in seed production. The number of affiliated primary seed producer cooperatives has grown to 276, involving more than 18,000 seed producer farmers, of whom approximately 17 percent are women. These achievements reflect the project's substantial contribution to strengthening institutional capacity, expanding seed production, and improving access to quality seed for Ethiopian farmers.

5.4 Project evaluation findings

A comprehensive mid-term evaluation of the project was conducted by an external consultant to assess implementation progress, effectiveness, and emerging results. The evaluation concluded that the project was on track to achieve its objectives and had exceeded expectations in several performance areas.

Subsequently, a final project evaluation was undertaken to assess the project's overall performance and impact. The evaluation findings indicated that the project was highly relevant to the needs of the Ethiopian seed sector and demonstrated strong sustainability and significant impact. The project was also rated as moderately effective and satisfactorily efficient in achieving its intended results.

The evaluation confirmed that the project had made a substantial contribution to strengthening Ethiopia's intermediate seed sector by improving the institutional, technical, and financial capacities of CBSP unions and seed producers. Furthermore, the findings highlighted the project's role in increasing the availability of quality seed, improving farmers' access to seed, and strengthening stakeholder coordination across the seed value chain.

Based on the positive results and demonstrated impact, the final evaluation recommended scaling up the project model and expanding support to local private seed producers in addition to CBSP unions. In response to these recommendations, the project initiated a scaling-up phase that incorporated support for additional CBSP unions and private seed producers.

Detailed findings and recommendations from both the mid-term and final evaluations are provided in the respective evaluation reports annexed to this document.

Table 5 Key Encountered Challenges and Mitigations being implemented/Proposed Mitigations Action

Key Encountered Challenges	Mitigations being Implemented/Proposed Mitigations Action/s
▪ Limited access to EGS ▪ Limited access to output financing ▪ Poor seed marketing system ▪ Unexpected budget freeze by donors	▪ Support practicing of contractual based EGS production and CBSP unions EGS self-production ▪ Convince regions to implement regional credit guarantee system, awareness creation to seed producer farmers to provide seed on credit to their respective cooperative, organized platforms with financial institution to create linkage. ▪ Promoted implementation of direct seed marketing system, approach regional BoA for fair and efficient area allocation for seed distribution ▪ Convince subgrantees to complete construction projects by their own budget until donors release the fund, provide continues backstopping and follow up by phone/email/telegram to support implementation of the project

5.5 Risk Management Status

The CBSP Project implemented a proactive risk management approach throughout its implementation period. The detailed below were risks that were continuously monitored and addressed through appropriate mitigating measures.

Table 6 List of encountered risks and mitigating measures during project implementation

Identified Risks	Risk magnitude	Risk Response plan	Current Status
Inconsistence supply of EGS	High	Support potential CBSP unions for EGS self-production, support implementation of contract based EGS production	Good progress observed as all model CBSP unions engaged in EGS production for self-pollinated crops and the practice of contract based EGS production is scaling up
Limited access to loan for seed producers from commercial banks	High	Different forum and workshops organised to push implementation of agricultural financing policy	Still the agricultural financing policy is not enforced and limited access to finance is affecting unions and private sectors engaged in seed production and marketing

5.6 Key lessons and reflections from the project team

The implementation of the CBSP Project generated valuable lessons that can inform future interventions aimed at strengthening Ethiopia's seed sector.

- CBSP unions and local private seed producers supported by ATI currently contribute between 10 and 30 percent of regional seed supply, with an average contribution of approximately 17 percent to the national seed supply. This demonstrates that relatively modest investments in the intermediate seed sector can generate substantial impacts on seed availability and accessibility.
- The CBSP approach has proven to be an effective strategy for decentralizing seed production, processing, and marketing systems, thereby improving farmers' access to quality seed and strengthening local seed supply mechanisms.
- The project successfully introduced decentralized seed production, aggregation, processing, and marketing systems within its target areas. Expanding this model to additional geographic locations would bring seed production and distribution closer to smallholder farmers, reducing transaction costs and improving timely access to quality seed.
- The implementation of the CBSP model has fostered healthy competition among seed producers in project intervention areas. This contributes to the development of a more dynamic, efficient, and competitive seed sector, consistent with the objectives outlined in Ethiopia's National Seed Strategy.
- Access to adequate and timely financing for seed aggregation, processing, and marketing has emerged as a critical success factor for seed enterprises, particularly CBSP unions. Strengthening financial linkages and expanding access to credit remain essential for the sustainable growth of the sector.
- The active involvement of key decision-makers at all administrative levels—from kebele to federal institutions—throughout project implementation significantly contributed to project success. The experience demonstrated that continuous engagement of policymakers and decision-makers enhances ownership, facilitates timely decision-making, and helps maintain implementation momentum over the life of the project.

5.7 Conclusion and considerations for future Implementation or scale-up

The CBSP Project was successfully implemented during its first phase, achieving and, in several cases, surpassing its planned targets. Through its interventions, the project transformed 14 CBSP unions into independent and sustainable seed enterprises capable of producing, processing, and marketing quality seed. This achievement represents a significant milestone in strengthening Ethiopia's local seed system by establishing decentralized and self-sustaining seed enterprises that enhance the availability and accessibility of quality seed for farmers. The successful transformation of these unions has laid a strong foundation for the long-term development and resilience of the country's seed sector.

Despite the progress achieved, Ethiopia continues to face a persistent and significant gap between seed demand and supply. Current seed production levels remain insufficient to meet the rapidly growing demand for quality seed across the country. In this context, CBSP unions have emerged as important contributors to the national seed system, collectively supplying approximately 17 percent of the national seed demand, with regional contributions ranging from 10 to 30 percent.

One of the distinctive strengths of CBSP unions is their engagement in the production and marketing of self-pollinated crops and other crops that have traditionally received limited attention from public and private seed producers. This unique role has enabled them to

serve farmers in diverse agroecological zones and address seed needs that would otherwise remain unmet.

The majority of established CBSP unions have demonstrated strong growth potential. Approximately 60 percent of the existing unions are already utilizing more than 70 percent of their operational capacity and are well positioned to achieve full capacity utilization if key constraints: including access to Early Generation Seed (EGS), finance, governance improvements, and market opportunities are effectively addressed. Some unions have already exceeded their originally planned operational capacities; for example, Guna Union and Tegulet Union are operating at approximately 136 percent and 106 percent of their designed capacities, respectively.

Furthermore, many agroecological areas in Ethiopia remain underserved by both public and private seed producers. The CBSP model offers a practical and scalable solution for expanding quality seed production and distribution to these underserved areas. As the project transitions into its next phase, ownership of established investments and interventions will increasingly be transferred to the seed unions themselves, while ATI focuses on supporting newly established unions and local private seed producers in additional target geographies.

ATI's continued investment in the CBSP approach is justified by the project's demonstrated success in rapidly increasing seed production and supply, particularly for crops that are often neglected by the formal seed sector. The combination of "software" interventions such as capacity building, governance strengthening, and business development, with "hardware" investments in infrastructure, equipment, and financing has proven to be an effective pathway for transforming Ethiopia's intermediate seed sector.

The project provides strong evidence that farmer-based seed enterprises and local private seed producers can serve as viable and sustainable contributors to national seed supply systems. This experience offers an important lesson for policymakers, development practitioners, and development partners, highlighting the value of promoting and investing in decentralized seed enterprises as a complementary business model for the future growth and transformation of Ethiopia's seed sector.

6. References

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