AGRA Ethiopia Operational Plan
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<tr>
<td>ACC</td>
<td>Agriculture Crop Clusters</td>
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<td>AfDB</td>
<td>Africa Development Bank</td>
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<td>AgSWG</td>
<td>Agriculture sector working group</td>
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<td>AgDP</td>
<td>Agriculture development partners</td>
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<td>AU</td>
<td>Africa union</td>
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<td>ATA</td>
<td>Agricultural Transformation Agency</td>
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<td>ASIF</td>
<td>Africa Seed Investment Fund</td>
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<td>CAADP</td>
<td>Comprehensive Africa Agriculture Development Program</td>
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<td>CRS</td>
<td>Catholic Relief Services</td>
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<td>DFID</td>
<td>Department for International Development</td>
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<td>FAO</td>
<td>Food and Agriculture Organization</td>
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<td>FTC</td>
<td>Farmer Training Center</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GTP</td>
<td>Growth Transformation Plan</td>
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<td>IFPRI</td>
<td>International Food Policy research institute</td>
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<td>MT</td>
<td>metric Ton</td>
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<td>NAIP</td>
<td>National Agricultural Investment Plan</td>
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<td>SME</td>
<td>Small and medium enterprise</td>
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<td>SNNPR</td>
<td>Southern Nations and Nationalities peoples Region</td>
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<td>SSTP</td>
<td>Scaling Seed and other Technologies Partnership</td>
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<td>UNDP</td>
<td>United Nations Development Program</td>
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<td>RED&amp;FS</td>
<td>Rural Economic Development and Food Security</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>USTA</td>
<td>Uganda seed traders association</td>
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Executive Summary

Over the past decade, Ethiopia has experienced high rates of economic growth which has led to poverty reduction. The annual GDP growth is 10% with the agriculture sector contributing 45% and employing 73% of the population. The Government of Ethiopia (GoE) has consistently devoted a significant portion of its budget to pro-poor programs and investments and one of these investments is the 2nd Growth and Transformation Plan (GTP II) which focuses on shifting agriculture from food security and productivity to commercialization of the sector and increasing the role of private sector.

In order to effectively implement the sector vision and the GTP, GoE established the Agricultural Transformation Agency (ATA) in 2010 as a delivery bureau to address systemic bottlenecks in the ag. sector by supporting and enhancing the capability of the Ministry of Agriculture (MOA) and other public, private and non-governmental implementing partners. GoE’s deliberate efforts to enhance the agricultural sector, the availability of 35M HA of agricultural land, and increasing private sector interest in agriculture places Ethiopia on a path toward agricultural transformation.

The sector however, still faces constraints that prevent it from becoming competitive and fostering inclusive economic growth which include: [i] seed shortage particularly Early Generation Seed (EGS); [ii] inefficiencies in input distribution; [iii] limited access to major grain markets and high post harvest losses; and; [iv] sub-optimal environment for private sector to thrive.

To address these challenges, AGRA will build on past successes and learnings in Ethiopia where AGRA invested US$ 18M with the bulk of these investments in Input Systems Development and Policy & Advocacy but with a renewed emphasis on country support and policy engagement. Additional investments will include enhancing systems and farmer levels development. The strategy lays emphasis on driving a gender inclusive transformation through gender integrated approaches and equitable implementation of its interventions. It targets four regions: Amhara, Oromia, SNNP & Tigray and will cost ~ 15M for five years. Specific interventions will include:

• **Country support and policy engagement** which entails support to GoE [i] to implement the GTP II; [ii] provide advisory services to the Ministry of Agriculture; and [iii] collaborate with the ATA in implementation of the Agriculture Commercialization Cluster (ACC) Strategy; and [iv] facilitate the creation an enabling environment that attracts increased private sector investments.

• **Scaling up system and farmer level initiatives** in the four target regions;
  - Strengthening input supply systems and linkages to output markets in order to facilitate the uptake of yield-enhancing agricultural technologies
  - Enhancing input distribution and accessibility through electronic voucher systems
  - Expanded market access through value addition, structured trade, quality enhancement and aggregation

GoE and the private sector will be AGRA’s scale and sustainability partners in Ethiopia.
Ethiopia Context
There is strong growth and economic contributions from agriculture which AGRA can leverage to attain and sustain an agricultural transformation in Ethiopia.

- Ethiopia has experienced high rate of economic growth ~ 10% with the sector employing ~79% of the population.
- Poverty levels have been declining, from ~43% in 2003 to ~27% in 2014.
- Agriculture is the second largest sector in the economy with a GDP contribution of ~39% after services whose contribution is ~46% and industry ~15%.
- Agricultural value added grew by an average of 6.6% during GTP I implementation phase.
- Women play a major role (70% of household food production), despite facing gender-based constraints such as access to productive assets: 22% of farmland owned by women while only 1% maintain bank account.
- Despite this progress however, the average yield for cereals is far below the global average of less than 2 t/ha.

Industrialization is the main agenda for the GTP II:
- The policy direction points to deepening private-sector-led industrial growth as a way of transforming the economy.
- Key investments in transport and logistics, power generation and building of industrial and agro-food parks.
- The priority is on creating jobs through labor-intensive manufacturing such as textile and apparel, which also uses local inputs such as cotton and pharmaceutical industry, etc.
- Domestic tax revenue collection efficiency stands at 14% of GDP ~ below SSA average. GoE plans to increase to 19% by the end of 2020/21.
- Ethiopia also spends 65% of government budget on capital investments as opposed to recurrent expenditures.

GoE recognizes the agriculture sector as the main source of economic growth and poverty reduction and demonstrates commitment through several investments/actions:
- GTP II focuses on commercialization of smallholder agriculture through clusters and expansion of agro-processing.
- Consistent allocation of 5-17% of the budget to the sector.
- Investments in Technical and Vocation Education and Training (TVET) schools to train and deploy more than 60,000 extension agents, establishing Farmer Training Schools (FTC).
- Major investments in soil mapping and fertilizer blending.
- The establishment of ATA to spearhead an agricultural transformation.

- GOE has laid a solid foundation for an ag transformation through catalytic investments that would lead to job creation especially for the youth.
- There is effective donor coordination in the agricultural sector.
- The Rural Economic Development and Food Security working group (RED&FS) is the government donor coordination platform for agriculture, natural resource management and food security, co-chaired by the Ministry and World Bank/USAID.
- Agricultural Growth Program (AGP) 1 program funded by multi-donor trust fund.
- Key donors for AGP are World Bank and bilateral DPs.
- USAID supports implementation of AGP by hiring contractors directly.

Source: ReSAKKS; World Bank
In its strategy, Ethiopia seeks to bring transformation to the sector and the economy as a whole

Ethiopia’s agriculture strategy (GTP II) strives to (1) ensure fast and sustainable growth and bring transformation within the sector and to the economy as a whole; (2) enhance the participation of women, youth and other actors and ensure they benefit to the level of their contribution; and (3) build production capacity and contribute to macro-economic stabilization.

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<td>The GTP II will reach all the 13 million farm house holds plus pastoral communities;</td>
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<td>To achieve agricultural productivity growth of at least 8% and overall GDP growth of 10%;</td>
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<td>Reduce poverty headcount from 29.6% to 16.7%;</td>
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<td>Double cereal yields - 1.96 tons/ha to 3.9 tons/ha</td>
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### Priority investment areas

- Amhara: Teff, wheat, maize and rice
- Tigray: maize, sorghum, teff, sesame
- Oromia: maize, Wheat, teff, barley, fruits and cut flowers, sesame
- SNNP: maize, wheat, teff, haricot bean

### Major investments & results

- National soil mapping, the whole country done (cost $4M)
- Establishment of 5 fertilizer blends some already in production and use (cost $4M)
- Agricultural Commercialization Cluster (ACC) coordinated by the ATA – planned $150 million investment
- USAID value chain program funded by the Feed the Future -$60-65 million
- Expansion of the extension system by the gov’t with thousands of DAs and FTCs
- Past investments in GTP I and other programs have increased crop productivity and food production, reduced poverty and increased economic growth

### Government Resourcing

- 17% of annual budget allocation to ag sector ~ exceeds CAADP commitment
- The investment framework for GTP II is still under development, it will go beyond GTP II to GTP III
- The government allocated ~ US$ 1.7 B 34 Billion to the Ag Sector (2011-2013)
- The AGP II investment by World Bank and other donors is ~$500 million
- $665 million is being invested on 4 agro-industrial parks under construction by the Ministry of Industry

SOURCE: Source: ReSSAKS
Sector governance is within the purview of the Ministry of Agriculture (MOA) with implementation run under ATA

National agriculture agenda

1. **Prime Minister**
   - Overall in charge of setting country strategic direction and priorities

2. **Ministry of Agriculture**
   - Overall in charge of agriculture related activities and policies
   - Ministry regards GTP II as the master plan of agricultural transformation in the country

3. **Ministry of Finance and Planning**
   - Authority over agriculture budgets and spending
   - Checks/balances with Ministry of agriculture

4. **Agricultural Transformation Agency**
   - Delivery Unit for the ministry of agriculture development programs

5. **Donors**
   - AGRA is a member of ASWG (REDF&S) currently co-chaired by USAID & WB.
   - Other members include among others: DPP-MALF, FAO, EU, AfDB, DFID, Norwegian Embassy, UNDP, IFAD, DANIDA, SIDA, CIDA
   - Includes private sector and non-state actors

6. **Sector Coordination**
   - AGRA is a member of ASWG (REDF&S) currently co-chaired by USAID & WB.
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Coordination bodies and responsibilities

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   - Includes private sector and non-state actors
A number of mechanisms exist to ensure inter-ministerial and sector coordination

**National agriculture agenda**

- **PM** to **ATA**
- **Ministry of Agriculture** to **Ministry of Planning**
- **Other agriculture-related Ministries (see below)**

**Coordination bodies and responsibilities**

1. **Coordination with, and buy-in from national leadership**
   - ATA reports to the Transformation Council (TC) chaired by the Prime Minister and also to Ministry of Agriculture (MOANR)
   - Other members of the TC include: Ministries of Trade, Industry, Finance, Water and Irrigation; Federal Cooperative Agency; Ethiopian Institute of Agricultural Research

2. **Support inter-ministerial coordination**
   - Transformation Council

3. **Government/donor coordination**
   - Co-chaired by MoANR and USAID/WB.
   - Other members UNDP, EU, AfDB, DFID, Norwegian Embassy, IFAD and other bilateral donors
   - Includes private sector and non-state actors

4. **Support inter-donor coordination**
   - co-chaired by USAID & WB.

5. **Coordination with regional bodies on CAADP**
   - Country CAADP Focal Point person – usually donor funded position within Ministry of Agriculture

While coordination mechanisms exist AGRA will, through country consultation, seek to understand their effectiveness, understand gaps if any and define a support package to boost sector coordination
Despite being a vibrant sector & clear governance structures, there exist opportunities to accelerate an agricultural transformation

### Macro-economic and Agriculture context

#### Strengths
- 6.6% sector growth over the last 4 years;
- Increased public spending in agriculture - well above the Maputo target
- Renewed interest by the private sector in agriculture
- Increased investment in the development of fertilizer blends specific to different agro-ecologies

#### Opportunities
- Low yields compared to global benchmarks: 30-65%
- Increased resources do not always translate to transformation
- Weak market linkages and high post harvest losses (~30%)

#### Sector strategy, governance and coordination

#### Strengths
- Strong execution backed by a specialized delivery body – the ATA
- Clear sector governance, national and inter-ministerial coordination structures as defined by the ATA

#### Opportunities
- Co-creation of the Agriculture Commercialization Cluster (ACC) strategy
- Facilitation of the creation of an enabling environment
Lessons AGRA has learned from its investments in Ethiopia
Over the last decade, AGRA has invested over ~$18 million in Ethiopia and contributed to sector development...


- **Research capacity building**
  - 14 PHDs in Plant Breeding
  - 3 PHDs in agronomy
  - 37 MSCs in Crop Science
  - 12 MSCs in Soil Science

- **Research and Development**
  - 18 varieties released
  - 8 varieties commercialized
  - 3.5 million farmers using improved seed

- **Input production and distribution**
  - 9 seed companies supported
  - 138 MT seed produced
  - 1,250 agro dealers
  - 14,200 MT organize fertilizer sold by agro-dealers

- **Awareness creation on agriculture transformation**
  - 2,460 Lead Farmers trained in Integrated Soil Fertility Management (ISFM)
  - 1,900 Extension Agents trained in ISFM
  - 6 lab technicians trained in plan and soil analysis
  - 85,000 SHFs with knowledge on ISFM

- **Adoption**
  - 54,000 SHFs using ISFM technologies
  - 25,000 HA cropped with ISFM technologies
AGRA has learned a number of lessons on developing agriculture systems that have an implication driving future programming and investments in Ethiopia.

**Coordination and Enablers**

- **Coordination** – the ATA plays a critical role and it is important to ensure AGRA’s interventions are closely aligned to ATAs.

- **Importance of coordination and leverage**: AGRA’s investment represents 0.2% of the total agricultural investments. Increased engagement with government, private sector players and institutional partners at the country-level can increase investment in the sector, influence prioritization of funds flow and can also create market-enhancing mechanisms for sustaining agricultural growth.

- **Importance of private sector as a driver of growth**: Ethiopia’s agriculture transformation is being unlocked by the involvement of the private sector hence there is need to ensure they are adequately incentivized to play the key role of scale and sustainability.

- **Importance of political commitment to drive inclusive growth**: The agricultural sector has grown by 6.6% and public expenditure to agriculture has been consistently well above the CAADP target.

**Systems Development**

- **Reliable and low cost access to improved crop varieties can only be achieved if the flow of new and improved varieties is maintained in the seed system.**

- **On technology adoption**: Development of technology must be accompanied by a robust commercialization plan and strong systems. In Ethiopia most new varieties developed by research system have not been commercialized. The average age of the dominant crop varieties ranges between 14 to 35 years, e.g., Faba bean 25 years and chick pea more than 35 years.

- **On the integrating technology adoption and market development**:
  - Access to financing and markets for farmers is the most effective way to scale the uptake of inputs by farmers once farmers adopt technologies.
  - Stand-alone interventions are less effective in reducing PHL and in market access.
These lessons culminate in a critical recognition that AGRA’s funds are insufficient to drive transformation in Ethiopia. AGRA recognizes that with US$ 15M, its investments are <1% need to drive an inclusive agriculture transformation in Ethiopia.

Proposed expenditure and investments

- AGRA’s strategic vision in Ethiopia can only be achieved through strong partnerships with other players in Ethiopia.
- AGRA will prioritize interventions that catalyze and complement funding committed by the Government and donors.
- As such, AGRA is committed to:
  - Alignment with Government priorities and programs
  - Boosting government capacity for strategic planning and implementation
  - Participating in and supporting government coordinating mechanisms
  - Catalytic system investments to scale known models and technologies

1. Figure not drawn to scale
2. Proposed country investments for country strategy 2017 – 2021
3. FAOSTAT 2014 data flat-lined for 5 years
4. Official Development Assistance (ODA) flows, Other Official Flows (OOFs) and Private Grant/Flows reported by donor countries, multinational organizations and private entities to OECD DAC Directorate for all purposes related to agriculture except forestry and general environment protection
5. Exact estimates for private sector investment are unknown and therefore conceptual

SOURCE: FAOSTAT; ReSAKKS; AGRA analysis
AGRA’s Strategic Choices and Operational Plan
Agra’s strategy and vision in Ethiopia

Having worked in Ethiopia over the last 10 years, AGRA and partners have built an asset base in technologies, partnerships and models that if scaled can have significant impact on the status of inclusive agriculture in Ethiopia. AGRA’s new strategy seeks to bring all of these elements together with the following vision for Ethiopia:

**Ethiopia’s Vision for Agriculture Development**
Ethiopia’s GTP aims to bring about systemic changes in input delivery systems, structured market systems, access to finance and improving the enabling environment to effect sustainable productivity gains on major staple food crops working through Agricultural Commercialization Clusters (ACCs).

**AGRA’s strategy for Ethiopia**
To catalyze and sustain inclusive agriculture transformation in Ethiopia by contributing to:

- increasing incomes and improving food security for 4.7 million smallholder households in Ethiopia and to support Ethiopia on a pathway to attain and sustain an agriculture transformation.

- By focusing on inclusive Agriculture Transformation in Ethiopia, AGRA is seeking to contribute to increased commercialization and incomes of small holders and support investments leading to more modern agriculture systems.

**AMHARA:**
AGRA: Teff, wheat, maize

GOE: All above + rice

**OROMIA:**
AGRA: maize, wheat, teff

GOE: all above + barley, fruits and cut flowers, sesame

**TIGRAY**
maize, sorghum, teff,

GoE: all above + sesame

**SNNP**
maize, wheat, teff, haricot beans
AGRA’s approach in Ethiopia will focus on support to the ATA, policy engagement and support to value chains and market systems development

AGRA believes that in Ethiopia there is room to drive scale through: a) Strategic support to the ATA, b) tailored support to the Ministry of Agriculture and Regional bureaus to support delivery capacity, c) investments to support development of an enabling environment and d) working with private sector to build systems that improve access and drive sustainability. AGRA’s country support model recognizes the critical role played by ATA in sector planning, coordination and accountability and thus will not replicate but support this. The support package will be tailored over time to respond to emerging needs.

1) Support to the ATA and Policy Engagement

- **Country support to the ATA and policy engagement** through:
  - Strategic support to the ATA and
  - Provision of advisory support to the Ministry of Agriculture and Regional Bureau in order to boost delivery capacity

- **Collaborate with the MOA and ATA to:**
  - Facilitate implementation of the Agriculture Commercialization Cluster (ACC) Strategy; and
  - Facilitate the creation an enabling environment that attracts increased private sector investments.

2) Input and Market Systems development

- Scaling up system and farmer level initiatives in four selected priority regions; Amhara, Oromia, SNNR and Tigray:
  - Strengthen input supply systems and linkages to output markets to facilitate the uptake of yield-enhancing agricultural technologies;
  - Enhance input distribution and accessibility through electronic voucher systems; and
  - Expand market access through value addition, structured trade, quality enhancement and aggregation.
AGRA has advanced discussions with the Ministry of Agriculture and ATA to define an initial package of support

AGRA's country support in Ethiopia will be lighter touch as compared to other AGRA countries as ATA has been an ideal model for the rest of the continent on establishing a delivery agency that strengthens sector planning, coordination and accountability. The initial proposed support package is based on in-country consultation and will be tailored to respond to specific Ministry and Regional bureau capacity needs to support delivery.

1. Government Engagement
   - AGRA has a country team based in Ethiopia which has been engaging with the Ministry and ATA
   - ATA CEO, Khalid Bomba, visited AGRA in January 2017 to discuss various areas of support to Ethiopia

2. Assessment of gaps, challenges
   - Discussions with various actors in Ethiopia indicate that the areas of support include enhancement of an enabling environment, the need to strengthen the capacity of the Minister’s office as well as capacity in regional Bureaus.

3. Development of Support Package
   - Not completed
     - The support package will consist of a mix of capacity strengthening of the Ministry of Agriculture (as requested) and policy engagement - creating enabling environment for private sector

4. Validation and Political Commitment
   - Not done
     - AGRA’s support will only be limited to those areas where there are gaps.
     - The package will be validated with the Ministry of Agriculture, ATA and development partners.

5. Execution and Performance Measurement
   - Not done
Leveraging on AGRA’s and its alliance of partners’ comparative advantage in supporting governments create an enabling environment for sector growth, AGRA’s Country Support and Policy Engagement initiatives will seek to strengthen MoA’s institutional capacity to improve planning, implementation and coordination while supporting government and partners’ efforts to put in place policies that incentivize private sector investment.

<table>
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<th>Strategic choices</th>
<th>Intervention description &amp; AGRA’s role</th>
<th>Potential partners</th>
<th>Link to Results framework</th>
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</table>
| Support MOA through: | • Provision of advisory services to MOA  
• Provision of advisory services to the Regional Bureaus | AU, ATA, MOA Regional Bureaus | IO 8.1 |
| Collaborate with MOA and ATA in: | • Implementation of the Agricultural Commercialization Cluster (ACC) Strategy  
• Facilitate the creation of an enabling environment through provision of evidence based policy reform such as: ✓ Contract farming  
✓ Input taxation  
✓ Cereal export restriction and  
✓ Seed Policy  
✓ others | ATA & Min of agric | IO 1.1, 2.1, 7.1 8.1 |
| | | | IO 7.1 & 8.1 |
To deliver system and farmer level interventions, AGRA prioritized regions with high potential for impact.

Scores for regions

Scoring criteria (equally weighted)
- Impact potential - Number of farmers; Expected future demand (High/ Medium/ Low)
- Ease of delivery - Focus from the government, donors and private sector (High/ Medium/ Low); AGRA capabilities and past investments (High/ Medium/ Low)

Source: AGRA & FAOStat
Within these regions, AGRA will focus on four primary crops

Maize: 9 million Ethiopian farmers grow maize (the highest number for any crop cultivated in the country). Ethiopia has the ability to produce 7.2 million MT of maize per annum by 8.7 million households on 2 million ha

Teff: 6.3 million households grow teff on 3.0 million hectares. 1.6 MT/ha against yield potential of 5 MT/ha

Wheat is Ethiopia’s third largest crop. 4.6 million wheat-growing households produce more than 4 million MT

Beans are usually grown in rotation or intercropped with cereals such as maize and wheat. Ethiopia produces 513,721 MT of beans on 1.6 million hectares. It is estimated that the total volume of pulses produced in Ethiopia is 2.6 million MT

Scoring criteria *(equally weighted)*

- Impact potential - Number of farmers; Yield gap (%); Expected future demand (High/ Medium/ Low)
- Ease of delivery - Focus from the government, donors and private sector (High/ Medium/ Low); AGRA capabilities and past investments (High/ Medium/ Low)
A number of major donors and private sector companies focused on the 4 regions

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<th>Seed supply &amp; research</th>
<th>Fertilizer supply &amp; research</th>
<th>Other ag. inputs</th>
<th>Infrastructure</th>
<th>Farmer Access (agro dealerships)</th>
<th>Farmer awareness (extension)</th>
<th>Farmer organization</th>
<th>Market linkages</th>
<th>Post-harvest management, quality and standards</th>
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Enabling environment

| BMGf                  | giz                         | BMGf             | IFAD           | IFAD                            | IFAD                          | BMGf                | BMGf           | BMGf                           |
|------------------------|-----------------------------|------------------|----------------|                                 |                               |                      |                |                                |

Agricultural finance

| BMGf                  | IFAD                        | IFAD             | IFAD           | IFAD                            | IFAD                          | IFAD                | IFAD           | IFAD                           |
|------------------------|-----------------------------|------------------|----------------|                                 |                               |                      |                |                                |

Human & institutional capacity

| BMGf                  | IFAD                        | IFAD             | IFAD           | IFAD                            | IFAD                          | IFAD                | IFAD           | IFAD                           |
|------------------------|-----------------------------|------------------|----------------|                                 |                               |                      |                |                                |

Private Sector

Diageo,
Specific areas of agricultural systems and staple food chains have significant need and are currently under-resourced.

<table>
<thead>
<tr>
<th>Seed supply &amp; research</th>
<th>Fertilizer supply &amp; research</th>
<th>Other ag. inputs</th>
<th>Infrastructure</th>
<th>Extension</th>
<th>Farmer organization</th>
<th>Access to inputs</th>
<th>Market linkages</th>
<th>Post-harvest management, quality and standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Oromia**
- **Amhara**
- **Tigray**
- **SNNP**

Not a challenge; or, outside AGRA’s core focus areas
Challenge area; effective partners already present or intend to intervene in alignment with AGRA’s Theory of Change
Challenge area; partners already present or considering entering; AGRA’s expertise/influence could guide more effective or scaled interventions
Challenge area; partners not present/have minimal interventions
To deliver on input and market systems development, AGRA will prioritize high potential value chains: maize, wheat, teff, beans and sorghum in four regions.

To prioritize interventions, regions were assessed based on:
- Possible impact
- Ease of delivery

### Amhara
- Central highlands, the agro-climatic zone with the highest potential for agricultural production
- **Population of ~17M**, 88% of whom reside in rural areas
- 2nd leading producer of maize and wheat (20% of the country’s maize)
- Several of AGRA’s core development partners, including ATA and USAID-AGP are in the Regio
- Challenges: Access to inputs, marketing

Amhara Core national strengths: extension system and capable coordinating partner (i.e., ATA)

### Tigray
- **Population of 4.3M**
- Area is composed of highlands, lowland plains and mountain peaks; with diverse of agro-ecologies
- >90% of the region is categorized as semi-arid
- Hardest hit by the famine of 1983-1984 and remains prone to regular drought
- Marketable surpluses in teff (21K MT) and bread wheat (88K MT)
- Key challenges: Access to inputs & low farmer awareness

### Oromia
- Population of ~27M – the largest and most populous region in Ethiopia
- Majority of Ethiopia’s wheat and maize production: 70% and 60%, respectively
- Highland bioclimatic characteristics make it highly suitable for agriculture
- Most farmers occupy <1 ha of land per household
- Marketable surpluses in maize (141K MT), teff (114K MT), and bread wheat (171K MT)
- Challenges: input distribution, market devt & PHL

### SNNP
- 3rd in overall agricultural production in Ethiopia
- Producer of maize, wheat, and beans
- ~15M residents, 79% of whom live in rural areas
- Marketable surpluses in bread wheat (177K), teff (18K), maize (71K), and haricot bean (51K)
- Challenges: Access to inputs, unstructured markets
- Implementation capacity

<table>
<thead>
<tr>
<th>Crop</th>
<th>Acreage, M ha</th>
<th>Farmers, M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize</td>
<td>2.0</td>
<td>8.7</td>
</tr>
<tr>
<td>Wheat</td>
<td>1.7</td>
<td>4.6</td>
</tr>
<tr>
<td>Teff</td>
<td>3.0</td>
<td>6.3</td>
</tr>
<tr>
<td>Beans</td>
<td>1.6</td>
<td>2.2</td>
</tr>
<tr>
<td>Sorghum</td>
<td>1.7</td>
<td>4.9</td>
</tr>
</tbody>
</table>
### Input Systems Development (1/2)

In the four regions, AGRA’s focus will be in inputs systems development

<table>
<thead>
<tr>
<th>Strategic choices</th>
<th>Intervention description &amp; AGRA’s role</th>
<th>Potential partners</th>
<th>Approach to scaling</th>
<th>Link to RF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhanced input distribution and accessibility through electronic voucher systems;</td>
<td>Support private seed companies to produce both Early Generation Seed (EGS) and certified seed</td>
<td>EIAR, National Seed Trade Assoc, MOA</td>
<td>Private sector partnership with the support of trade associations and government to facilitate sustainable, mutually beneficial relationships that unblock existing production bottlenecks</td>
<td>IO 1.1, 1.3</td>
</tr>
<tr>
<td></td>
<td>Support seed companies to transition from start-up stage to growth state e.g., by facilitating the adoption of improved seed business practices</td>
<td>MOA, Regional Bureaus, ATA</td>
<td>Low-cost, business development approach that can be scaled through partnership with the ATA; significant scale upside due to replicability of technical assistance up until growing demand of improved seed is met; platform will enable scaling through (1) peer-to-peer learning platform and (2) knowledge sharing between seed companies, research institutions, and MNC</td>
<td>IO 1.3, 2.1, 2.2</td>
</tr>
<tr>
<td></td>
<td>Strengthen regional seed regulatory agency</td>
<td>MOA, Regional Bureaus, ATA</td>
<td>Country support intervention to unlock the private sector by incentivizing further investment</td>
<td>IO 8.1</td>
</tr>
<tr>
<td></td>
<td>The use of an electronic system will allow for proper targeting of productive farmers and facilitate follow up on expected increase in yields. The scaling partner would be the private sector input providers who work in partnership with government to honor vouchers. The availability of data in terms of which SHFs are purchasing, the volumes, frequency would allow the companies to follow up with the same clients during marketing campaigns and address any emerging issues/challenges leading to repeat transactions</td>
<td>Coops, Regional Bureaus</td>
<td></td>
<td>IO 1.1, 1.3</td>
</tr>
</tbody>
</table>
In the Amhara, Tigray and SNNP regions, AGRA will have additional investments to facilitate access to fertilizers.

<table>
<thead>
<tr>
<th>Strategic choices</th>
<th>Intervention description &amp; AGRA’s role</th>
<th>Potential partners</th>
<th>Approach to scaling</th>
<th>Link to Results framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input systems</td>
<td>Support fertilizer blending into viable businesses</td>
<td>Coops, Agric Bureau</td>
<td>Private sector partnership to create more economically viable business models for input providers</td>
<td>I O 1.2</td>
</tr>
<tr>
<td></td>
<td>Support development of blended fertilizer recommendations</td>
<td>ATA, Ethiosis</td>
<td>Knowledge initiative to improve economics for private sector players, with the support of ATA</td>
<td>I O 1.2</td>
</tr>
<tr>
<td></td>
<td>Partner with government to strengthen the operational capacity of individual NARs labs with particular emphasis on soil research</td>
<td>NARs, ISSD</td>
<td>Country support intervention with government as primary partner</td>
<td>I O 1.3</td>
</tr>
</tbody>
</table>
# Market System Development

In Oromia AGRA's intervention will be aimed at achieving expanded markets for small holder farmers

<table>
<thead>
<tr>
<th>Strategic choices</th>
<th>Intervention description &amp; AGRA’s role</th>
<th>Potential partners</th>
<th>Approach to scaling</th>
<th>Link to RF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market System Development</td>
<td>Develop integrated value chain system; including forward contracting, pricing, quantity projections, transportation</td>
<td>Blue Moon, Precise Consult, SNV</td>
<td>Platform capable of scaling at low incremental cost and focused on facilitating stronger relationships between smallholders and critical private sector actors</td>
<td>IO 5.1, 5.2, 6.1 and 6.2</td>
</tr>
<tr>
<td></td>
<td>Support initiatives to upgrade near farm aggregation centers by facilitating access to PHH training, basic commodity handling equipment, enhanced management and linkages to output off-takers and input dealers</td>
<td>SNV, Technoserve, Agri Perra, Sasakawa</td>
<td>Private sector partnership focused on linking financing to post-harvest actors to smallholders</td>
<td>IO 3.1 and 3.2</td>
</tr>
<tr>
<td></td>
<td>Enhance FOs linkage to structured markets</td>
<td>Coop, CRS,</td>
<td>Working with existing institutions to facilitate private sector partnerships between member farmers and markets</td>
<td>IO 5.1, 4.1 and 3.1</td>
</tr>
<tr>
<td></td>
<td>Support traders &amp; processors to increase trading and processing capacity through the provision of business development services (BDS)</td>
<td>ECA</td>
<td>Private sector support to expand post-harvest actors and enable greater access from smallholders</td>
<td>IO 4.1 and 4.3</td>
</tr>
</tbody>
</table>
Country results framework and budget
Ethiopia Results Framework

- AGRA’s overall goal in Ethiopia is to Catalyze and Sustain an Inclusive Agricultural Transformation to increase Incomes and improve Food Security of 4.7M smallholder farming households through strategic country support and government engagement coupled with a set of targeted catalytic downstream and systemic investments made through its alliance of partners.

- Agricultural transformation is defined as a process by which farmers shift from highly diversified, subsistence-oriented production towards more specialized production oriented towards the market or other systems of exchange, involving a greater reliance on input and output delivery systems and increased integration of agriculture with other sectors of the domestic and international economies.

- Ethiopia’s goal and objectives are directly contributing to the SDG two of ending hunger, achieving food security and improved nutrition and promoting sustainable agriculture. AGRA is equally committed to implementing interventions that are contributing to the AU Malabo declaration, aligning the Ethiopia Results Framework with the CAADP framework.

- To achieve its ambitious goal, AGRA seeks to contribute to four inter-related and inter-dependent objectives: 1) Increased staple crop productivity for smallholder farmers, 2) Strengthened and expanded access to output markets, 3) Increased capacity of smallholder farming households and agricultural systems to better prepare for and adapt to shocks and stresses, and 4) Strengthened continental, regional and government multi-sectoral coordination and mutual accountability in the agriculture sector. Interventions in Ethiopia will contribute directly to 6 of the 8 overall AGRA Primary Outcomes, all the five cross-cutting outcomes and directly contribute to most of the overall AGRA’s intermediate outcomes.
Goal: Catalyze and Sustain an Inclusive Agricultural Transformation in Africa to increase incomes and improve food security

Objective 1: Increased staple crop productivity for smallholder farmers
Outcome 1: Strengthened agricultural input systems, technology development and supply chain
1.1 Increased commercialization and availability of improved seed and other technologies
1.2 Increased production of appropriate fertilizer blends and other soil management technologies/practices
1.3 Increased operational capacity of local input market systems

Objective 2: Strengthened and expanded access to output markets
Outcome 2: Increased adoption of Agriculture productivity enhancing technologies
2.1 Increased access to focus agricultural value chain knowledge/information
2.2 Increased use of inputs and other improved technology innovations

Outcome 3: Reduced post-harvest losses
3.1 Increased access to improved crop storage infrastructure
3.2 Increased use of improved post-harvest technologies and practices by small holder farmers

Outcome 4: Increased agricultural employment and entrepreneurship
4.1 Increased sustainable improved technology producing enterprises
4.2 Improved operational efficiency of SME’s along the focus agricultural value chains

Outcome 5: Increased use of structured markets
5.1 Increased linkage to structured markets for small holder farmers
5.2 Increased quality of produce by small holder farmers
5.3 Increased operational capacity of local output market systems

Outcome 6: Strengthened and expanded business development, financial and risk management services in agriculture value chain
6.1 Increased access to business development and affordable financial services by SHFs and SMEs
6.2 Increased use of agricultural business development and financial services by small holder farmers and ag value chain SMEs

Outcome 7: Reduced impact of agricultural volatility
7.1 Increased use at scale of climate smart agricultural technologies and practices
7.2 Increased use of early warning systems and other absorptive technologies

Outcome 8: Strengthened national and regional level agriculture sector system functioning
8.1 Strengthened government and agricultural planning, coordination, performance and ag advocacy
8.2 Increased national annual budget allocation to agriculture sector
8.3 Harmonized system for tracking and measurement of ag transformation at national and continental levels

Intermediate outcomes

Cross-cutting outcomes

9. Strengthened regional and national agricultural enabling policy environment
10. Increased women empowerment and livelihoods in agriculture
11. Increased youth empowerment and livelihoods in agriculture
12. Strengthened capacity for farmers and other focus agricultural value chain actors
13. Strengthened Public and Private Partnerships in agriculture
Ethiopia - Key Country Indicators and Targets

AGRA is tracking 73 indicators across its strategy and at country level, but a version of the following dashboard will be tracked for ongoing management and summary reports.

<table>
<thead>
<tr>
<th>Goal Level Impact Indicators</th>
<th>Baseline 2017</th>
<th>2018 Target</th>
<th>2019 Target</th>
<th>2020 Target</th>
<th>2021 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of months of adequate household food provision</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Improved food security: Household dietary diversity index</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective Level Outcome Indicators</th>
<th>Baseline 2017</th>
<th>2018 Target</th>
<th>2019 Target</th>
<th>2020 Target</th>
<th>2021 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average yield (MT/ha) of Crop 1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Average yield (MT/ha) of Crop 2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Average yield (MT/ha) of Crop 3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary Level Outcomes Indicators</th>
<th>Baseline 2017</th>
<th>2018 Target</th>
<th>2019 Target</th>
<th>2020 Target</th>
<th>2021 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption rate of target improved productivity technologies or management practices at farmer level</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percent of crop losses (After harvest, threshing and storage levels)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Number of jobs created by SMEs receiving AGRA support along the focus value chains</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percent of total household produce sold through structured market facilities/arrangements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percent of loan/risk facilities directed to agricultural activities/SMEs in target financial/risk providers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Ethiopia - Key Country Indicators and Targets

<table>
<thead>
<tr>
<th>INTERMEDIATE OUTCOMES LEVEL INDICATORS</th>
<th>Baseline 2017</th>
<th>2018 Target</th>
<th>2019 Target</th>
<th>2020 Target</th>
<th>2021 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity (MT) of targeted improved seeds of focus crops produced by enterprises/entities supported by AGRA</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Quantity (MT) of fertilizer blends produced by local fertilizer producers supported by AGRA</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percent of households using target certified seed of improved varieties, fertilizer blends and other improved productivity technologies or management practices</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cubic meter of storage space developed or refurbished/rehabilitated</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Average fertilizer use (Kg/Ha)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percent of farming households using post-harvest technologies/facilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percent of target SMEs along focus value chains operating profitably</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percent of farmers using structured trading facilities/arrangements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Quantity (MT) of target crops sold through structured markets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percent target farmers using financial/risk management services of engaged institutions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Number of post-harvest technologies sold/distributed to farmers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
AGRA Projected program costs for ETHIOPIA¹

AGRA’s investment is overall 1.2% of investments needed to drive transformation in Ethiopia.
AGRA Projected program costs for ETHIOPIA

$M

Funding areas

Ethiopia year-by-year projected investments (excl program implementation cost)

<table>
<thead>
<tr>
<th>Year</th>
<th>Input systems devt</th>
<th>Market systems devt</th>
<th>Country support and policy engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>5.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>4.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>0.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ethiopia

- Input systems devt: 33%
- Market systems devt: 43%
- Country support and policy engagement: 24%
AGRA’s organizational capacity to deliver
Ethiopia’s country office will be the frontline for delivering AGRA’s interventions in country

- Geographic service teams (GSTs) will lead regional and country delivery
- POs and APOs will be responsible for managing an integrated portfolio of ongoing programs, as well as new initiatives reflecting the new organizational strategy
- New initiatives will be developed on the frontlines, but draw on the expertise and existing body of knowledge within the Nairobi teams (i.e., Program Development & Innovation, Business Development and Strategic Partnerships)

4 APOs – 1 covering each focus region
- APO, Amhara
- APO, SNNP
- APO, Tigray
- APO, Oromia

2 POs/APOs covering other topical areas:
- PO, Policy and micro-policy reform
- PO, SSTP

GST – Geographic Service Team
PO – program officer
APO – Associate Program Officer