

The empowered out-grower scheme in sericulture in the Amhara, Oromia, and SNNP regions

Loza Har Sericulture Development PLC

1. Company profile

Loza Har is a newly established private company located at Bole Bulbula, Addis Ababa, Ethiopia email senaitenu@gmail.com phone; 0911061796. The objective of the company is to contribute its part to lifting up the Ethiopian traditional clothing to the next level and produce beautifully designed handmade silk textiles. In addition to scarves and shawls, we manufacture table linens, cushions, and towels. The company aims to build a facility that can take good number of young women empowering in skill development activities to produce over 100 meters of hand-woven fabric per day.

Loza Har is a brand that manufactures and supplies Eri Silk fabrics and yarn including raw silk, finished silk materials such as hand-woven shawls, scarves, hand knitted/ crochet and so on. Our product offerings include knitting, crochet, and weaving yarns. Our fabrics and yarns are completely naturally dyed in a variety of colors using plant and mineral ingredients. We also offer non-natural (Azo free) dyed products. We believe in producing high-quality products that fulfil the needs of our customers. Eri silk yarn has several distinct qualities, which is why it is referred to as an all-weather fiber. The Isothermal properties of Eri silk keeps it cool in the summer and warm in the winter. Because of its natural properties, it is soft on the skin, causing no irritation or discomfort. Eri silk is hydrophilic, making it the most absorbent for natural dyes.

2. Objectives of the partnership

The main objectives of this partnership are:

- To accelerate private sector's active participation in the sericulture development through partnership to hasten input supply, output marketing and capacity building and to create

sustainable partnership linkage with *icipe*-MOYESH Programme targeting unemployed youth partners through this contract farming scheme.

- To create national and international market linkages by 2025.

3. Out-grower scheme experience and target youth number

The Ethiopia Federal Job Creation Commission's (JCC's) data diagnostic research revealed that a higher percentage of the youth population has a low level of education and lacks many of the skills required for establishing their career path toward a productive working life. It has also been reported that there is a mismatch between education, training, and the labor market that is a widely prevalent constraint. Besides, training mostly focuses on hard skills, whereas soft or cognitive value-focused skill development training is very scarce.

Furthermore, the key barrier restricting job creation outcomes is a lack of adequate technical and soft skills to meet the needs of the private-owned small business sectors. As a result, in comparison to other low-middle-income nations, Ethiopia's current skills bases a constraint to the ability for businesses to achieve transformative economic growth, limits local and foreign investors' and discourages new enterprises from flourishing. To this end, a large proportion of the working-age population ends up with minimum daily wages across multiple sectors. Despite the economic growth, a large number of people particularly young women are falling behind. Women are expected to stay at home and raise their children and take care of family and social responsibilities. Even if they find work, finding affordable and accessible childcare facilities is another challenge.

According to the World Bank and World Health Organization, World Report on Disability, Washington, D.C., 2011, Ethiopia has an estimated 15 million disabled children, adults, and elderly people accounting for 17.6 per cent of the population. A vast majority of people with disabilities live in rural areas with inadequate access to basic services. It is estimated that 95% of all disabled individuals live in poverty (Ministry of Labor and Social Affairs (MOLSA) 2010). Many rely on family support and begging for their livelihoods. Women and men with disabilities can and wish to contribute to society and to the country at large. To promote inclusive societies

and employment opportunities for people with disabilities, improved access to basic education, vocational training relevant to labor market needs, and jobs suited to their skills is required.

Therefore, it is crucial to develop and design capacity building and mentorship programs that are responsive to the changing needs of the private sector in order to ensure human capital development, enhance employee productivity and competitiveness, broaden and create inclusive job opportunities.

To that end, the empowered out-grower scheme in the sericulture sector has developed a complete package of market-oriented capacity building activities, field-level mentorship, and market linkage. Through innovative project interventions that directly include underprivileged youth and young jobless women and men, this will increase economic possibilities and inclusion necessary to support human capital development to meet the changing needs of the private sector. The proposed project will be implemented out in Addis Abeba city, the Amhara, Oromia, and SNNP regions. The target area was selected based up on agreed criteria with key stakeholders and the magnitude of the Sericulture's out-grower scheme.

The "Empowered Out-grower Scheme in Sericulture Project", will benefit 3000 direct beneficiaries (70 % women, 10% disadvantaged youths) and 150,000 indirect beneficiaries during the two years of MOYESH implementation. Upon the establishment of an out-grower scheme based on MOYESH Programme's guidelines, the company (Loza Har Sericulture Development PLC) will provide a reliable market outlet for cocoons and yarn produced by partnering youth. The private sector agreed to purchase the programme target youth's cocoon and silk yarn products as per the predetermined quality and quantity at an agreed up on price. Also assist the youth partners get access to cocoons as aggregators or value added product (yarn) by providing them with start-up starting money. The company has already begun providing some financial support to the women groups in M/Abaya so they can purchase more cocoons and increase their capacity to supply yarn for Loza Har.

4. Training and extension service

The project intends to provide mentorship and trainings for 1500 private sector out-growers on mulberry and non-mulberry silk production, rearing houses management; maintaining

environmental conditions required for rearing and entrepreneurship; and financial literacy skills. The trainees will be divided into two cohorts with the training and mentorship program taking place over two sessions.

The first phase of the program will provide participants with production and silk farming training and mentorship. Participants will receive three days' training on the aforementioned technical contents. The training will be activity-based, with participants receiving assignments that will be reviewed by the mentors at the end of each session. The entrepreneurial and financial literacy training will also focus on enhancing the technical understanding of market segmentation, soft skills, business canvas, and value-added skills, while the mentorship session will concentrate on identifying challenges and opportunities. The training will equip participants with how to acquire modern business models in a creative way. The second round of training will commence after the mentorship program is completed. The second phase will be partnership and market linkage, which the participants will plan and implement over a four-month period with the support of the *icipe*'s MOYESH Programme and LozaHar.

5. Inputs supply

Having a solid partnership with *icipe*-MOYESH Programme and targeted beneficiary out-growers. We will reach the target groups through local government structures to provide the required supports like the followings: -

- Ensure that programmed allocated inputs and starter kits are received by targeted recipients (70% young women and 10% disadvantaged people).
- Ensure that all necessary documentation required by *icipe*-MoYESH programme for the receipt of the starter kits is completed and submitted timely.
- Ensure that effective monitoring-evaluations are in place in a timely way.
- Study the security situation and the urgency of need.
- Study partner requirements and restrictions.
- Ensure resources available.
- Each distribution must be supervised and monitored by our distribution team. The more frequent the distributions, the more supervision and monitoring staff will be deployed.

6. Market linkage

Targeted youth partners under the out-growers scheme are expected to produce cocoon and yarn in accordance with the technical training provided offered, and will do so in a way that maximizes silk quality and adds value. All of the products of youth partners that meets the specified quality criteria will be delivered to Loza Har. The grades are denoted by the letters A, B, and C. The top grade, A, has long, naturally white strands that have a noticeable gloss. And price should also be taken into consideration. One of the most important metrics is momme count, which reflects the weight of the silk. The higher the number, the softer the silk will likely be.

7. Sustainability

Three-thousand (3000) youth, at least 70% unemployed young women and 10% disadvantaged people will be trained in soft, technical, entrepreneurship, and financial literacy skills. Targeted youth partners will be grouped to establish business enterprises, to open saving accounts for them to mobilize their savings to access loan/credit services to run their business. Input suppliers and enterprises that will produce and deliver starter kits to the youth partners such as feeding trays, mounting, spinning wheels, and Reeling will be identified and trained to manufacture the same.

The private sector will guarantee a market for the goods produced by the young partners and will establish solid and positive commercial ties that are essential to the sustainability of the scheme's.

We will establish efficient project coordination, collaborations, and communication strategies for the successful management and implementation of the project in order to scale up the business. We will also host networking events, sell lead protocols, and generate partnerships using digital marketing technologies.

Support from the programme The following basic supports are required (expected) from the programme.

- i. Capacity development: Training programme for extension personnel and youth partners practicing sericulture .
- ii. Supply of starter kits: necessary starter kits for the youth partners are expected to be supplied by the programme

- iii. Assist on partnership establishment with government and other private individuals for project scale up.
- iv. Support on national and international market linkages.
- v. Assist on advocacy and promotion of this sub-sector.

8. Action plan for two years (2023 and 2024)

The project will begin on October, 2023, during which period the project will grow about 10,000 mulberry plants and 5,000 Castor plants on 3 hectare of land. The Mulberry plant will be used as important feed source for Mulberry Silkworm whereas the Castor plant will be the feed source of Eri silkworm. To rear the silkworm, shed will be constructed on the side of cultivated plant. At the same time, our project will establish market linkage with local and international buyers.

During the second year of implementation, the project will expand and improvement will be made on production standard. During this stage, the project will continue in planting mulberry and Castor to another land. The manager of the project will coordinate the activities and communicate between each section and staff of the project. All the employee of the project will have meetings periodically to discuss the problems that they have in silkworm farming, marketing and find solutions.

Table 1: The two years implementation schedule of LozaHar Sericulture Development PLC

No	Activities	Time of the activity /year with quarterly/							
		2023				2024			
		1 st Q	2 nd Q	3 rd Q	4 th Q	1 st Q	2 nd Q	3 rd Q	4 th Q
1	Office arrangement and shed construction	X							
2	Staff Recruitment and organization management		X						
3	Materials procurement		X						
4	Technical staff training		X						
5	Site clearing and Land preparation			X					
6	Mulberry and Castor plant cultivation			X					
7	Silkworm rearing				X				
8	Silk processing					X			
9	Weaving & cloth making					X	X	X	X
10	Marketing						X	X	X

NB: the beginning of 1st quarter of 2023 is considered to be October

Table 2: Operating expense of the two years

Operating expense estimation		
Items	Years	
	2023	2024
Labour	60000	60000
Organic fertilizer	200	200
Chemical (caustic soda)	3000	3000
Cotton yarn cost (purchasing)	105000	105000
Salary	2724000	2726000
Transport and per diem	4000	4000
Stationery	1000	1000
Repair and maintenance	89359	89359
Machinery and equipment purchasing	7495900	0
Building and construction	720,000	0
Total	11,203,009	2,989,109

9. Specific Districts of the implementation

The totals of five districts from three regions are selected as indicated the table 3 below. Arba Minch, Mirab Abaya and Meskan will be selected from SNNP region, Adami Tulu and Ejerie (Adisalem) from Oromia region and Bahir Dar Zuria from Amhara region will be selected to operate our activities.

Technical personnel supporting the operating activities will be the MOYESH Programme Technical Assistants and Focal Persons