**Results Report 2009-2010 (bilateral aid program)**

Embassy (for delegated aid): Addis Ababa

Thematic Department (for non-delegated aid):

Country: Ethiopia

Strategic Goal: food security and agricultural growth

Sub-goal/ programme selected for this form (where relevant): environment, PSD

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**1. CONTEXT**

**a. Country or regional context and b. Sector (or thematic) context**

The context, the Horn of Africa,  in which Ethiopia is situated is characterized by various types of insecurity with different causes. Food insecurity in Ethiopia has been persistent and of a large scale over many decades. During the last decade the Government of Ethiopia (GoE) developed a consistent policy for alleviating poverty and eliminating food insufficiency and stimulating economic growth in the private sector. In the new Growth and Transformation Plan (2010-2015) very high ambitions have been included, both in term of food security and in ‘agriculture as an engine for economic growth’. Ethiopia now has three major multi-donor programmes in place: the Productive Safety Net Programme (SLMP), Sustainable Land Management Programme (SLMP) and the Agriculture Growth Programme (AGP). The first focusses on vulnerable food insecure areas, the second on restoring and improving natural resource management, and the third works on boosting surplus production and marketing in high potential areas.

**c. Description of the problem**

Food insecurity has caused a vicious circle in development efforts for many years, including the over-emphasis on emergency-related activities. This led to a (general) dependency attitude and a relative neglect of investments in agricultural growth and Private Sector Development. With the change in policy, most significantly since 2005, and a new ambitious GTP, the challenge is to reverse the deficiencies and threats into sustainable production and growth. Output of agriculture is increased and new export commodities like flowers, fruits and vegetables and oilseeds have shown sharp increases.

**d. Intervention logic**

In the agricultural sector EKN works along three lines: (i) Support to joint donor-donor government programmes where possible; (ii) Innovative and institutional strengthening programmes where necessary (including activities in the field of sustainable land management); and (iii) Public Private Partnerships between the Netherlands and Ethiopia where a special relationship exists (horticulture, dairy, oilseeds and the seed sector).

EKN has been in the lead in 2006 setting up the RED FS Sector Working group. This has turned out to be a well functioning government-donor policy dialogue and implementation structure. The Sector Working Group has been instrumental in the development of the Agricultural Growth Programme and its Investment Framework. Besides, EKN started in 2006 with the fielding of an Agricultural Counsellor to develop a comprehensive support programme, focussing on PPP’s. In 2006 the Ethiopia-Netherlands Horticulture Partnership started and in 2008 the Public pPrivate Partnership on Oilseeds. In 2009 the Integrated Seed Sector Development Programme commenced and in 2010 a dairy development programme has been prepared which will start in 2011. The NICHE programme on agri-business and value-chain development has started at four universities and two Agricultural Colleges (TVETs) are following in 2011. Finally, a comprehensive knowledge and extension programme on upscaling of AGP-related evidence-based practices has been initiated by EKN.

EKN invests approximately 25%  of its yearly budget in the Productive Safety Net Programme (PNSP), a multi-donor programme with the ultimate goal of eliminating food dependency for around 7 million people. EKN intends to contribute considerably to the AGP, benefitting from its experiences in the PPP’s and other projects, like SNV’s BOAM (Business Organisations and Access to Markets) programme.

The rationale for this shift is the successful agricultural agenda initiated by EKN since 2006. In addition, the AGP has created a window of opportunity that can be well complemented by intensification in the field of dairy development and support to evidence based best practices. The Netherlands agri(business) sector has proven to have a comparative advantage for business and  public private partnerships in Ethiopia. This strongly contributes to increased institutional capacity, agricultural production and economic growth.

As a crosscutting issue the sustainable land management activities contribute to better land use planning and management of natural resources in specifically important areas of Ethiopia (Central Rift Valley, Gambella, Bale Mountains). These areas are crucial for the long term, sustainable use of land and water resources.

**2. RESULTS AND LESSONS LEARNED**

**a. What was achieved and why? What made it happen?**

The interventions have resulted in an increase in employment (especially in horticulture, employing now more than 50.000 people), more economic growth, more foreign exchange income (from vegetables, flowers, oilseeds) and better equipped and able management staff in commercial enterprises. 80% of the floriculture farms have successfully passed the audit for the Code of Practice, which was developed at the request of the Government of Ethiopia and supported by EKN in the framework of Corporate Social Responsibility. In the Integrated Seed Sector Development Programme 34 seed cooperatives, involving more than 3000 farmers, have significantly improved their business model and the quality and quantity of seed produced. In the framework of institutional strengthening joint projects have been implemented aiming at improving the seed legislation (breeders rights), pesticide regulation and management and phytosanitary regulation. Improvement of regulation is often combined with capacity building. With the help of PSI a wide array of new agri-businesses have started and/or expanded, to mention a few: a plant tissue laboratory, a value chain of processing organic sesame based on smallholder production and a passion fruit production and processing company.

In the BOAM programme, SNV has been particularly successful in the honey value chain, linking smallholder producers through local processing plants (which also provide technical assistance and improved hives) with the export market. Exports have gone up from just 300 tons in 2008 to 3000 tons in 2010 to the Middle East and the EU. Export of sesame tripled.

The PSNP programme has significantly improved food security levels and strengthened the resilience of millions of livelihoods. Though graduation numbers are still below target a significant number of households have moved out of the programme to self-resiliency. The program also contributed to the improvement of degraded lands and infrastructure through public works. The impressive results can be ascribed to a number of facts, but most importantly is the political will of the Government of Ethiopia, resulting in an ongoing and consistent approach, and the broad-based donor support through effective joint donor government cooperation. The relatively favourable weather in 2010 also was a positive.

**b.  What went less well and why?**

In the PSNP the number (0,3 million) of ‘graduations’ (the level when households are declared self-sufficient) remained below expectations, even with favourable climatic conditions. This can partly be explained by unrealistic prognoses and over-ambitious objectives. The financial support for the program also remained 20% below expectations. The main reason for this is the financial crisis and to a lesser extent the political context, complicated by accusations of political abuse by the Government of Ethiopia of Aid (ref. the Human Rights Watch report). In the JRIS (Joint Review of Implementation Support) the delay and low quality of reporting  were perceived as the main constraints in the implementation. There is a serious lack of (administrative) capacity at regional as well as at the federal level.

The improvement in PSD environment is rather slow. The efforts to increase the tax revenue form below 10% to 14 % of GDP by 2015 are not prudently implemented, causing a lot of practical problems, such as very bureaucratic procedures around imports. Some issues have been resolved with the intervention of producers organisations while for a number of structural bottlenecks the Embassy facilitated solutions.

**c. What has been learned?**

The ongoing programmes are proving that considerable change and improvements towards food security and agricultural growth can be made within the present political and economic context. Donors have become more convinced that Ethiopia is a serious and consistent partner in eradicating poverty and achieving sustainable growth. (The GTP objective is to achieve middle income status by 2020.) However, donors, including EKN, have experienced frequently that Ethiopia is not always an easy partner to work with. Some perceive the strong ownership as a blessing, others as a ‘missed opportunity’. The challenge remains to leave the (strong) ownership of the government intact, while at the same time increase synergies and partnerships. The described 3-pronged approach aims at balancing these two.

**3. RESOURCES SPENT (ODA and FTEs)**

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| --- | --- |
| Dutch ODA disbursed during 2009-2010 as contribution to this strategic goal (approximately) | € 29 mln |
| Average amount of Embassy FTEs allocated during 2009 and 2010 to this goal (for delegated aid) | 3 fte |
| Amount of thematic dept FTEs allocated to this goal/ programme during 2009 and 2010 (for non-delegated aid)\ | 0 fte |
| Piramide numbers of relevant Activities | 18815 and 20775 (PSNP)  21042, 17201, 12409, |

**4. OVERALL TRAFFIC LIGHT SCORE**

The overall achievement of results is:

 (Please tick **√**)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Off-track | 1 |  |
|  | In danger to be off track | 2 |  |
|  | On track | 3 | v |