



## Annex A – Programme Document

<b>Country</b>	ETHIOPIA
<b>Title of the Initiative</b>	Inclusive and Sustainable Value Chains Development in Oromia(ISVCDO)
<b>Financial Channel</b>	2
<b>Financing Institution</b>	Ministry of Foreign Affairs and International Cooperation of the Government of Italy – Directorate General for Development Cooperation
<b>Financing Modality</b>	Grant
<b>Total Budget</b>	Euro <b>1.400.000,00</b> to the Government of the Federal Democratic Republic of Ethiopia (channel 2)
<b>Executing Agency</b>	Oromia Bureau of Finance and Economic Development (BoFED)
<b>Duration</b>	16months
<b>Summary</b>	The “ <i>Inclusive and Sustainable Value Chains Development in Oromia</i> ” programme, building on the results achieved and the lessons learnt in the framework of two other interventions financed in recent years in Ethiopia by the MAECI-DGCS, the Project “ <i>AVCPO -Agricultural Value Chains Project in Oromia</i> ” and the project “ <i>SupHort</i> ”, aims to a) improve and reinforce the phases of production and post-harvest of some value chains (horticulture, durum wheat and processing tomato) through capacity and institutional building and introduction of improved agricultural practices, b) contribute to create lasting economic relations between producers and industries, in order to ensure an outlet for the products marketed by local Cooperatives; c) reinforce and qualify the role of women in agricultural value chains and d) improve nutrition and dietary diversity of sensitive target population, namely women and children.

# Index

<b>Acronyms .....</b>	<b>3</b>
<b>1. Introduction.....</b>	<b>1</b>
1.1 Summary of the initiative .....	1
1.2 Logical framework matrix.....	2
<b>2 Background and rationale .....</b>	<b>7</b>
2.1 Origins of the initiative .....	7
2.2 National context.....	8
2.3 Regional context .....	9
2.4 Beneficiaries, implementing institutions and actors .....	10
2.4.1 Target group.....	10
<b>3. Strategy of the initiative.....</b>	<b>11</b>
3.1 Strategic approach .....	11
3.2 General objective.....	13
3.3 Specific objective, expected results and activities.....	13
<i>Specific objective</i> .....	13
<i>Expected results</i> .....	13
<i>Activities and actors</i> .....	14
<b>4. External conditions .....</b>	<b>15</b>
4.1 Conditions and risks linked to the value chain approach.....	15
4.1.1 Risks related to agro-ecologic aspects .....	15
4.1.2 Risks related to commercial aspects .....	16
4.1.3 Risks related to technical/technological aspects .....	16
4.2 Conditions and risks linked to gender approach and nutrition .....	16
<b>5. Implementation of the initiative .....</b>	<b>17</b>
5.1 Institutional setting and responsibilities of the implementing partners.....	17
5.1.1 Ethiopian IPs.....	17
5.1.2 Italian IPs .....	17
5.2 Methodology of intervention .....	18
5.3 Resources and cost estimations .....	18
5.4 Timeline.....	19
<b>6. Sustainability .....</b>	<b>21</b>
6.1 Institutional and environmental sustainability.....	21
6.2 Social, economic and gender sustainability.....	21
<b>7. Monitoring and evaluation.....</b>	<b>22</b>

## Acronyms

ABRDP	<i>Arsi-Bale Rural Development Project</i>
AfDB	<i>African Development Bank</i>
AGP	<i>Agricultural Growth Project</i>
AICS	<i>Italian Agency for Development Cooperation</i>
AVCPO	<i>Agricultural Value Chains Project in Oromia</i>
BoA	<i>Bureau of Agriculture</i>
BoFED	<i>Bureau of Finance and Economic Development</i>
CIDA	<i>Canadian International Development Agency</i>
CIMMYT	<i>International Maize and Wheat Improvement Center</i>
CPO	<i>Cooperative Promotion Office</i>
DA	<i>Development Agent</i>
DAES	<i>Directorate of Agricultural Extension Services of the Ministry of Agriculture and Natural Resources of Ethiopia (MoANR)</i>
DGCS	<i>Directorate-General for Development Cooperation of the Italian Ministry of Foreign Affairs and International Cooperation</i>
DZARC	<i>DebreZeit Agriculture Research Center</i>
EU	<i>European Union</i>
GTP	<i>Growth and Transformation Plan</i>
HEWs	<i>Health Extensionists Workers</i>
IAIPs	<i>Integrated Agro-Industrial Parks</i>
ICARDA	<i>International Center for Agricultural Research in the Dry Areas</i>
IAMB	<i>Agronomic Institute for the Mediterranean, Bari</i>
IAO	<i>Agronomic Institute for the Overseas</i>
IFC	<i>International Finance Corporation</i>
IPs	<i>Implementing Partners</i>
MARC	<i>Melkassa Agriculture Research Center</i>
MAECI	<i>Italian Ministry of Foreign Affairs and International Cooperation</i>
MoA	<i>Ministry of Agriculture</i>
MoANR	<i>Ministry of Agriculture and Natural Resources of Ethiopia</i>
MPC	<i>Multipurpose Primary Cooperatives</i>
MDG	<i>Millennium Development Goal</i>
MoFED	<i>Ministry of Finance and Economic Development</i>
MoFEC	<i>Ministry of Finance and Economic Cooperation</i>
NAS	<i>Nutritional Advisory Service</i>
OCPA	<i>Oromia Cooperative Promotion Agency</i>
OIDA	<i>Oromiya Irrigation Development Authority</i>
OTMDB	<i>Oromia Trade and Marketing Development Bureau</i>
PID	<i>Project Implementation Document</i>
PASDEP	<i>Plan for Accelerated Sustainable Development to End Poverty</i>
SARC	<i>Sinana Agricultural Research Centre</i>
SupHort	<i>Capacity building of agricultural services for Supporting Horticultural sector development in selected Woreda</i>
USAID	<i>United States Agency for International Development</i>
UTL	<i>Italian Development Cooperation office in Addis Ababa</i>
UNDP	<i>United Nations Development Programme</i>
WASH	<i>Water, Sanitation and Hygiene</i>
WB	<i>World Bank</i>
WoARD	<i>Woreda office of Agriculture and Rural Development</i>
WoFED	<i>Woreda office of Finance and Economic Development</i>
WHO	<i>Woreda Health Office</i>
ZCPO	<i>Zonal Cooperative Promotion Office</i>

# **1. Introduction**

## **1.1 Summary of the initiative**

The “Inclusive and Sustainable Value Chain Development in Oromia (ISVCDO)” programme, envisaged within the 2013-2015 Ethio-Italian Country Framework, represents a continuation of two previous projects of the Italian Development Cooperation: the “Agricultural Value Chain Project in Oromia”, executed by the OromiaBoFED with the technical assistance of IAO, and the “Capacity building of agricultural services for Supporting Horticultural sector development in selected Woreda (SupHort) project, implemented by IAMB in partnership with the Ministry of Agriculture. Both initiatives took place between 2011 and 2015.

ISVCDO represents a second phase aimed at consolidate and expand the results obtained by the two pervious projects, especially regarding the structuring of agricultural value chains. The initiative seeks to improve the inclusivity of value chains while at the same time increasing women’s participation; it promotes a more sustainable development model, by paying due attention to gender and nutritional aspects as well as increasing producers’ income.

The programme aims to: a) improve and strengthen the production and post-harvest phases of 3 key value chains in the Oromia region (horticulture, durum wheat and processing tomato) through capacity and institutional building activities, and the introduction of improved agricultural techniques; b) structure durable economic relationships between producers and members of the agro-processing industry, in order to guarantee marketing opportunities for the local cooperatives; c) strengthen and value the role of women in the 3 value chains; d) improve nutrition and diet diversification of the more vulnerable segments of the society, namely women and children.

The initiative contributes to the more general objective of reducing poverty and improving living conditions, with a special focus on gender and nutritional aspects, of rural communities in the Oromia region.

The initiative will be implemented in the Zones of Bale, Arsi, West Arsi, East and West Shewa of the Oromia Region, over a period of 16 months. It consists in 5 components, 3 of which dedicated each to a specific value chain, and 2 cross-cutting ones on gender empowerment and nutrition which will regard all areas and value chains of intervention.

The programme will target about 15.800 members of 44 cooperatives and their households, and will be implemented either directly by local institutions, or in strict collaboration with them.

## 1.2 Logical framework matrix

	<i>Description</i>	<i>Indicators<sup>1</sup></i>	<i>Means of verification</i>	<i>External conditions</i>
<b>General Objective</b>	Contributing to poverty reduction, rural development and the improvement of the nutritional status of the population of the Oromia Region.			
<b>Specific Objective</b>	Improving yields and quality of selected value chains (horticulture, durum wheat and processing tomato), women's participation to value chain governance, and dietary diversification in the woredas of implementation of the Oromia Region.	<ul style="list-style-type: none"> <li>- % yield improvement;</li> <li>- % of local production compliant with agreed quality standards;</li> <li>- % income improvement for farmers;</li> <li>- % increase in the participation of women to cooperatives, in terms of membership and management;</li> <li>- % of women and children who have improved their dietary diversification, and % improvement in dietary diversification (with regards to food categories);</li> <li>- Participation of public figures to events related to the initiative.</li> </ul>	<ul style="list-style-type: none"> <li>- Survey on crop yields and quality, and farmers' incomes;</li> <li>- Technical reports prepared by the Italian Development Cooperation;</li> <li>- Nutrition baseline and follow up surveys;</li> <li>- Reports produced by local IPs (research and extension services);</li> <li>- Official statistics at federal, regional and woreda level;</li> <li>- Mid-term, final and ex-post evaluations.</li> </ul>	<ul style="list-style-type: none"> <li>- Stability of agricultural and commercial policies;</li> <li>- Stability of agricultural development, agro-industry, gender and nutrition strategies;</li> <li>- Active participation of research and extension services to programme activities;</li> <li>- Lack of erratic climatic events;</li> <li>- Private sector participation to the programme.</li> </ul>
<b>EXPECTED RESULTS</b>	<u>Component 1 – Horticulture</u> 1. Producers cooperatives (in the Ejere and Ilu Gelan woredas of the West Shewa zone) are strengthened through specific capacity building and technical assistance, and linked to better local market opportunities.	<ul style="list-style-type: none"> <li>- Quality improvement of research and extension services provided to farmers and their cooperatives in the selected woredas/Zone;</li> <li>- Increase in the irrigated surface by about 30 ha, thanks to the construction of new canals;</li> <li>- Increase in the storing capacity thanks to the construction of 20 storehouses with a capacity of 30 tonnes;</li> <li>- Cooperative members show improvements in their technical knowledge;</li> <li>- Increase in market opportunities for the 4 beneficiary cooperatives.</li> </ul>	<ul style="list-style-type: none"> <li>- Technical reports prepared by the Italian Development Cooperation;</li> <li>- Reports produced by local IPs (research and extension services);</li> <li>- Official statistics at federal, regional and woreda level;</li> <li>- Mid-term, final and ex-post evaluations.</li> </ul>	<ul style="list-style-type: none"> <li>- Participation of the research centres to the initiative, through availing staff and technical support;</li> <li>- Growing interest in the value chain approach by the selected cooperatives;</li> <li>- Willingness of the Cooperative and Union members to participate in the programme activities;</li> <li>- Willingness of the private sector to collaborate to the attainment of the</li> </ul>
	<u>Component 2–Durum wheat</u> 2. Research and extension services in the selected woredas in Arsi, West Arsi and East Shewa are strengthened through technical and technological support; 3. Producers cooperatives (in Arsi, West Arsi and East Shewa) are strengthened and linked to better local market opportunities; 4. Improved governance of the durum wheat value chain (better availability of seeds, better linkages between agricultural cooperatives and agroindustry, better access to credit).	<ul style="list-style-type: none"> <li>- Quality improvement of research and extension services provided to farmers and their cooperatives in the selected woredas/Zone;</li> <li>- The 30 selected cooperatives grow durum wheat to better technical standards;</li> <li>- Number of market linkages created between producers and agroindustries.</li> </ul>	<ul style="list-style-type: none"> <li>- Technical reports prepared by the Italian Development Cooperation;</li> <li>- Reports produced by local IPs (research and extension services);</li> <li>- Official statistics at federal, regional and woreda level;</li> <li>- Mid-term, final and ex-post evaluations.</li> </ul>	
	<u>Component 3–Processing tomato</u> 5. Research and extension services in the selected woredas in East	<ul style="list-style-type: none"> <li>- Quality improvement of research and extension services provided to farmers and their</li> </ul>	<ul style="list-style-type: none"> <li>- Technical reports prepared by the Italian Development Cooperation;</li> </ul>	

<sup>1</sup> Gli indicatori saranno aggiornati entro 120 gg dall'inizio della fase operativa del progetto.

	<p>Shewa are strengthened through technical and technological support;</p> <p>6. Producers cooperatives in East Shewa are strengthened and linked to local market opportunities;</p>	<p>cooperatives in the selected woredas;</p> <ul style="list-style-type: none"> <li>- The 10 selected cooperatives grow processing tomato to better technical standards;</li> <li>- Number of market linkages created between producers and agroindustries.</li> </ul>	<ul style="list-style-type: none"> <li>- Reports produced by local IPs (research and extension services);</li> <li>- Official statistics at federal, regional and woreda level;</li> <li>- Mid-term, final and ex-post evaluations.</li> </ul>	<p>expected results.</p>
	<p><u>Component 4 (cross-cutting) – Gender</u></p> <p>7. Improved role of women within the activities of the agricultural cooperatives throughout the 3 value chains (horticulture, durum wheat and processing tomato).</p>	<ul style="list-style-type: none"> <li>- % participation of women to cooperatives at membership level;</li> <li>- % participation of women to cooperatives at leadership level;</li> <li>- % increase of women members of cooperatives' incomes;</li> <li>- % of women members of cooperatives that participate in technical training courses organised by governmental offices at woreda level;</li> <li>- Inclusion of the gender perspective in training programmes.</li> </ul>	<ul style="list-style-type: none"> <li>- Initial and final survey on women's participation to cooperatives;</li> <li>- Programme technical reports;</li> <li>- Survey on crop yields and quality, and farmers' incomes;</li> <li>- Training reports;</li> <li>- Mid-term, final and ex-post evaluations.</li> </ul>	<ul style="list-style-type: none"> <li>- Active participation of research and extension services to programme activities;</li> <li>- Active participation of the communities to programme activities.</li> </ul>
	<p><u>Component 5 (cross-cutting) – Nutrition</u></p> <p>8. Diversified diet for the targeted community, with special focus on women and children.</p>	<ul style="list-style-type: none"> <li>- % of women and children who have improved their dietary diversification;</li> <li>- % improvement in the diversification of diets (with regards to food categories)</li> <li>- Number of home gardens managed by women</li> </ul>	<ul style="list-style-type: none"> <li>- Initial and final nutrition surveys;</li> <li>- Programme technical reports;</li> <li>- Mid-term, final and ex-post evaluations.</li> </ul>	
<b>Activities</b>	<b>Description</b>	<b>Resources and means</b>	<b>Costs (Euro)</b>	
	<p><b><u>Component 1 – Horticulture</u></b></p> <p><b><i>Expected Result 1</i></b></p> <ul style="list-style-type: none"> <li>- Selection of personnel</li> <li>- Technical assistance and extension for strengthening the horticultural value chain</li> <li>- Expansion of irrigation plots and improvement of cooperatives and producers' equipment;</li> <li>- Strengthening of cooperatives and producers groups;</li> <li>- Pilot exchange actions between cooperatives;</li> <li>- Trainings on improving the efficiency, organisation and competitiveness of the value chain.</li> </ul> <p>IPs: IAMB, in strict collaboration with BoA, ZonalBoA, OARI, WoARDs, OIDA (<i>Oromiya Irrigation Development Authority</i>), OCPA (<i>Oromia Cooperative Promotion Agency</i>)</p>	<p>Additional grant resources availed to IAMB.</p>		

	<p><b><u>Component 2 – Durum wheat</u></b></p> <p><i>Expected results 2 and 3</i></p> <ul style="list-style-type: none"> <li>- Selection of personnel</li> <li>- Identification and selection of woredas of implementation and producers cooperatives in the Zones of Arsi, West Arsi and East Shewa</li> <li>- Identification of appropriate durum wheat varieties, seeds production and multiplication centres and supply channels.</li> <li>- Trainings (ToT, traditional trainings and “Farm Field Schooling”) on agronomic practices, conducted by research and extension services;</li> <li>- Trainings (ToT, traditional trainings and “Farm Field Schooling”) on seeds classification, marketing and establishment of supply contracts;</li> <li>- Field supervision (fertilizers management, roughing of seed production and combined harvesting)</li> <li>- Construction of storehouses for the cooperatives, and of seed cleaning facilities for the Unions;</li> <li>- Provision of laboratory and field equipment to research centres (SARC and DZARC);</li> <li>- Study trips to industrial sites in Ethiopia and Italy.</li> </ul> <p><i>Expected result 4</i></p> <ul style="list-style-type: none"> <li>- Strengthening of the seed value chain and provision of field equipment to the research centres;</li> <li>- Creating awareness on the possible marketing opportunities of products on both international and local markets;</li> <li>- Strengthening the business management capacities within the Cooperatives and Unions, through ad hoc trainings on administrative aspects;</li> <li>- Improving access to credit;</li> <li>- Strengthening the corporate governance of private processors, through ad hoc trainings on administrative aspects;</li> <li>- Organisation of meetings and media coverage for creating awareness and presenting the project’s on-going results.</li> </ul> <p>IPs: BoA, SARC, DZARC, OCPA, Zonal BoA, WoARDs, WoFEDs.</p> <p><b><u>Component 3 – Processing tomato</u></b></p> <p><i>Expected results 5 and 6</i></p> <ul style="list-style-type: none"> <li>- Selection of personnel;</li> <li>- Study on the processing tomato value chain;</li> <li>- Identification and selection of woredas of implementation and producers cooperatives in East Shewa;</li> <li>- Identification of appropriate tomato varieties, seeds production and multiplication centres and supply channels.</li> <li>- Trainings (ToT, traditional trainings and “Farm Field Schooling”) on agronomic practices, conducted by local and international consultants and by research and extension services;</li> </ul>	<p>Strengthening of extension (Zonal Agriculture Offices, WoARDs) and research services (SARC, DZARC, MARC) in the selected Zones through technical and technological support;</p> <p>Support to the Oromia Trade and Marketing Development Bureau, and the Oromia Cooperative Promotion Agency</p> <p>Capacity building of Cooperatives and Unions member through “training of trainers” (ToT) conducted by international and local consultants, and traditional trainings;</p> <p>Construction of infrastructures, provision on agricultural inputs and transformation technologies to Cooperatives and Unions;</p> <p>Creation of market linkages through innovative supply contracts and linking activities.</p> <p><b><i>Total budget</i></b></p> <p>Additional grant resources directly managed by the Italian Development Cooperation for the provision of technical assistance.</p>	<p>€ 450.000</p> <p>€ 10.000</p> <p>€ 120.000</p> <p>€ 740.000</p> <p>€ 80.000</p> <p><b>€ 1.400.000</b></p>	
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	<ul style="list-style-type: none"> <li>- Provision of field equipment to the Melkassa Agricultural Research Centre and to the selected producers' cooperatives;</li> <li>- Construction of storehouses for the cooperatives, and introduction of transformation technologies (e.g. dehydrators);</li> <li>- Awareness raising and facilitation of market linkages;</li> <li>- Strengthening of business management capacities within the Cooperatives and Unions, through ad hoc training on administrative aspects;</li> <li>- Strengthening of the governance of private processors, through ad hoc training on administrative aspects;</li> <li>- Improving access to credit;</li> <li>- Study trips to industrial sites in Ethiopia and Italy;</li> <li>- Workshops on the achieved results (in Ethiopia and in Italy)</li> </ul> <p>IPs: BoA, MARC, OIDA, OCPA, Zonal BoA, WoARDS, WoFEDs</p>			
	<p><b><u>Component 4 – Gender</u></b></p> <p><i>Expected result 7</i></p> <ul style="list-style-type: none"> <li>- Selection of personnel;</li> <li>- Survey on women's participation to cooperatives;</li> <li>- Ensuring capacity building to women members of cooperatives aimed at improve their skills and competences for being proactive and assuming leadership roles;</li> <li>- Creating and/or supporting small women's groups in acquiring confidence with basic skills to join a cooperative;</li> <li>- Creating and supporting women's cooperatives specialised in the processing and marketing of horticultural products;</li> <li>- Training cooperative leaders on the gender perspective and on the social and economic impacts of women's participation;</li> <li>- Providing capacity building to the staff of Cooperative offices and other public bureaus at regional, zonal, woreda and kebele level, on gender mainstreaming and on the benefits deriving from women's participation to cooperatives;</li> <li>- Final survey to verify women's participation in the beneficiary cooperatives.</li> </ul> <p>IPs: BoA, BoWCA, OCPA, Zonal BoA, Zonal and Woreda Offices of Women and Children Affairs, WoARDS</p> <p><b><u>Component 5 - Nutrition</u></b></p> <p><i>Expected result 8</i></p> <ul style="list-style-type: none"> <li>- Selection of personnel</li> <li>- Baseline survey on the nutritional statusof target beneficiaries in the selected communities;</li> <li>- Strenghtening of the specific capacities of DAs and creation of linkages among the various involved institutions (DAs and HEWs);</li> <li>- Sensitisation campaigns on the linkages between agriculture, nutrition and health, targeting the entire community (women and men);</li> </ul>	<p>Additional grant resources availed to IAMB.</p>		



	<ul style="list-style-type: none"> <li>- Demonstration plots for technology transfer and production of horticultural crops necessary to diversify the diets;</li> <li>- Training targeting women, on conservation and processing of horticultural products for domestic use, utilisation of horticultural products and culinary demonstrations;</li> <li>- Final survey the nutritional status of target beneficiaries in the selected communities.</li> </ul> <p>IPs: BoA, NAS, OIDA, OCPA, Zonal BoA, WoARDs, WHO (Woreda Health Office)</p>			
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## **2Background and rationale**

### **2.1 Origins of the initiative**

The Italian Development Cooperation and the Ethiopian Ministry of Finance and Economic Cooperation agreed upon the allocation of Italian financial resources for the period 2013-2015 through the Ethio-Italian Cooperation Framework 2013-2015, signed in Addis Ababa in May 2013, for the implementation of development interventions in two main sectors: agriculture and rural development, and basic services (health, WASH and education). Through this programme approach the Italian Development Cooperation aims to improve the living conditions and promote human development and sustainable economic growth in Ethiopia, with a particular focus on women empowerment and gender equality.

The Italian Development Cooperation's strategic objectives are in line with the EU+ Joint cooperation Strategy, and among the sectors chosen for a joint European action is nutrition, and in particular nutrition sensitive agriculture.

Moreover, in 2012 the Italian Government decided to join the "New Alliance for Food Security and Nutrition", launched during the G8 summit in the same year, which has the principles of value chain development and private sector participation in agriculture and agroindustry as main pillars.

In order to pursue the commitments taken with the Government of Ethiopia in the Ethio-Italian Cooperation Framework 2013-2015, and in alignment with the EU+ Joint Programming and the "New Alliance for Food Security and Nutrition", the Italian Development Cooperation has formulated the initiative "Inclusive and Sustainable Value Chain Development in Oromia".

This initiative builds on the experience of two previous successful projects implemented in the Oromia region: the "Agricultural Value Chains Project in Oromia" and the "Capacity building of agricultural services for Supporting Horticultural sector development in selected Woreda" project, both implemented between 2011 and 2015.

The former, implemented in 6 woredas of the Bale zone by the OromiaBoFED and BoA, the Oromia Agricultural Research Centre and the Sinana Agricultural Research Centre, and relevant offices at zone and woreda level, sustained the strengthening of two key value chains for the area: durum wheat and coffee. The project, realised with the technical assistance of the Agronomic Institute for the Overseas of Florence (IAO), worked to reinforce the governance of the two value chains and to support the agricultural Cooperatives and Unions and their members in adopting new and improved agricultural practices so to increase the quality of production. Regarding durum wheat, the project achieved extraordinary results both in terms of quality and quantity of the production (500 tonnes in 2011/12; 2.000 tonnes in 2012/13; 5.000 tonnes in 2013/14 and 15.000 tonnes in 2014/15, with an expected harvest of about 50.000 tonnes for the season 2015/16). As the project progressed, more and more farmers decided to increase the land surface dedicated to durum wheat, and mostly because of the introduction of innovative supply contracts which directly linked producers Unions and local pasta factories; the contracts set the price of durum wheat on the basis of its quality, measured through the wheat's protein content, which caused a 15-20%.increase in the farmers' revenues. The value chain approach followed during the implementation of AVCPO will be applied to ISVCDO, with due modifications in the case of processing tomato.

As for the latter project, this worked more specifically on the development of horticulture as a profitable income diversification activity for smallholder farmers in 2 woredas of Oromia and 2 of Amhara. The initiative was implemented by CIHEAM-Bari in strict partnership with the Ministry of Agriculture and the regional Bureaus of Agriculture, and was designed along components dealing with, respectively, capacity building of institutional staff, adaptation and diffusion of horticultural production technologies, strengthening of irrigation schemes, market access improvement, and development of GIS products for horticulture. The initiative produced significant

changes in terms of income growth and improvement of living conditions for the over 1000 smallholder farmers participating to the activities and their families.

## 2.2 National context

Agriculture is the main productive sector in the Ethiopian economy, as it employs 78% of the total labour force, it accounts for 48% of the GDP and 90% of total exports, and is considered as a key sector for national development. The sector is dominated by smallholder farmers, who make up 95% of the domestic production. According to the Government of Ethiopia's Growth and Transformation Plan I (2011/2015) and II (2016/2020), agricultural development is not only important to improve the incomes and living conditions of rural communities, but also as a basis for the development of those industries that use agricultural raw materials, such as dairy, textiles, drinks, leather etc.

Over the last four years, the sector has experienced an average growth rate of 6,6%, and is projected to grow at an average of 8% over the GTP II implementation period. Among the top export agricultural commodities are coffee, sesame, flowers, pulses, leather and livestock products. The top agricultural imports are wheat, sugar and palm oil. Despite the impressive growth of the last few years, the agricultural sector is still hampered by a series of factors, among which difficult access to credit, limited availability and use of technologies and improved agricultural inputs, low capacities of the extension services, large post-harvest losses, and poor direct linkages between producers and processors.

The Ethiopian Constitution (1995) formally establishes gender equality in the economic, social and political sphere. The current legislation prohibits gender discriminations and dictates egalitarian practices in the workplace. The Ministry of Women and Children Affairs (MoWCA) was specifically established and some policies aimed at promoting gender equality were formulated (*National Action Plan for Gender Equality (NAP-GE) 2006-2010, National Strategy and Action Plan on Harmful Traditional Practices (HTPs) against Women and Children in Ethiopia*). Additionally, Ethiopia has ratified the *Convention on the Political Rights of Women (CPRW)*, has endorsed the *Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)*, and has adhered to the principles of the *1995 Beijing Platform for Action*.

Women are, however, in a disadvantaged position when it comes to agriculture: limited access to key resources (land, credit, extension services) and the time-consuming activities within the households (children's care, food preparation) and the society as a whole reduce the influence and amount of time that women can dedicate to productive activities. In particular, women's participation to the governance of value chains, e.g. in terms of management positions assumed within agricultural cooperatives, is very limited.

Although being part of a cooperative is highly convenient for smaller farmers, who are encouraged to improve their productivity through developing individual and collective skills, women struggle in participating and fully benefitting from their services. According to official national statistics, women only make up 20% of agricultural cooperatives membership and only a few of them cover management positions, although half of the agricultural labour force is composed of female labourers.

Moreover, notwithstanding the exceptional increases in agricultural outputs of the last few years, malnutrition is still widespread in Ethiopia and in particular in the rural areas of the country, in terms of insufficient intake of both calories and micronutrients (iron, vitamin A, zinc, iodine, etc.). The prevalence of stunting among children under 5 is particularly high (in 2014/15 over 40% of children under 5 were affected by chronic malnutrition). A lack of iron causes anaemia, which affects 50% of children and a significant proportion of women in reproductive age. Stunting and anaemia cause in turn a reduction in the cognitive development of children, as well as increases in

morbidity and mortality. According to the Ethiopian Demographic and Health Survey (2011), malnutrition comes at a considerable cost for the country. Such cost derives from the increase in public health spending for diagnosis and care, increase in spending for the education of malnourished children, and the reduction of labour force due to child malnutrition. The total annual cost is estimate to be equivalent to 16.5% of the GDP.

The causes of malnutrition are several and varied: inadequate diet (due to low levels in production and low incomes, lack of specific knowledge, and scarce dietary diversification), inadequate children care (due to insufficient time, poor hygienic conditions and awareness, and lack of basic health facilities), an unfavourable context (insufficient access to drinking water, sanitation and health services).

## **2.3 Regional context**

The Oromia region is the largest and most populous of Ethiopia. Due to the particular geomorphology of the territory and the different altitudes all over its territory, the region is characterised by several different climatic types, the most common being: dry, humid tropical, and humid temperate. The highland areas of the region experience lower than average temperatures and heavier rains when compared to the lowland areas (under 1.500 m).

Agriculture represents the main economic sector of the region, as it employs most of the regional population. The Oromia region is characterised by fertile soils and a good share of easily irrigable land; moreover, the different agro-ecological areas and climatic types favour the cultivation and development of several agricultural crops. Most Zones are cultivated with varied crops, such as grains, pulses, oilseeds, vegetables, tubers, fruits, coffee, sugar cane and cotton. Notwithstanding the exceptional potential, the sector is characterised by low productivity and high fragmentation.

Specific issues and bottlenecks characterise each value chain selected for this programme.

### ***Horticulture***

Wherever possible, especially considering access to water, horticulture constitutes a key activity for smallholder farming. Horticultural crops represent an important element to complete or integrate families' diets, and also have comparative advantages in terms of income generation and employment as compared to other crops.

The main issues observed in the selected area of intervention are the following:

- Weak technical and organisational capacities to direct and assist Cooperatives members in growing horticultural crops;
- Poor managerial capacities within the farmers' organisation, particularly regarding marketing and financial sustainability;
- Low propension of farmers to interact with other market actors or service providers for the supply of inputs, access to finance, and marketing;
- Insufficient asset endowment, especially regarding office and storage facilities;
- Insufficient access to water sources to intensify production.

### ***Durum wheat***

Ethiopia is the largest wheat producer in Sub-Saharan Africa. The total surface dedicated to wheat production is estimated to amount to over 1,6 million hectares, with an average productivity of 2,3 ton/ha and a total annual production of 3,4 million tonnes. Currently 60% of total wheat producing areas is growing soft ("bread") wheat while the remaining 40% is growing durum wheat.

Local pasta producing factories are mainly dependend on imports of durum wheat from abroad, which consume large amounts of foreign currency (160 million USD in 2013) to which are added the imports of pasta for about 26 million USD.

The main issues affecting the crop in the implementation Zones are:

- Low availability of improved varieties of seeds and of efficient farming techniques;
- Poor technical and technological capacities of local research and extension services;
- Insufficient extension services' assistance to producers for the right application of farming techniques;
- Poor producers' capacities to organise into associations able to produce at the requested quality standards, and to deal directly with industries;
- Lack of infrastructures for post-harvest storing and processing.

### ***Processing tomato***

Tomato is a widespread crop in Ethiopia, however it is mostly grown and marketed for fresh consumption rather than industrial processing. Canned tomatoes and tomato paste are widely imported, while at the same time the local industry has an unmet demand for quality raw material.

The main issues to be tackled for this crop are as follows:

- Poor post-harvest management and lack of improved seeds;
- Farmers' poor technical skills for the production of horticultural crops, and insufficient support from local research and extension services;
- Poor linkages with the market and widespread use of traditional irrigation methods;
- Lack of knowledge on the importance of horticultural products for the diet;
- Low aggregate commercialisation of products.

## **2.4 Beneficiaries, implementing institutions and actors**

### **2.4.1 Target group**

During the programme start-up phase, a number of Cooperatives will be selected in the 5 implementation Zones (Arsi, Bale, East Shewa, West Shewa and West Arsi). The members of those Cooperatives and their households will be the direct beneficiaries of programme activities, for an estimated total of 15.800 members of 44 Cooperatives and their households.

#### Component 1 – Horticulture

***Direct beneficiaries:*** 300 members of 4 Cooperatives (2 in Ejere and 2 in Ilu Gelan) and their households. These Cooperatives were involved in the implementation of the SupHort project.

#### Component 2 – Durum wheat

***Direct beneficiaries:*** 14.900 members of 30 Cooperatives and their households. These Cooperatives will be selected among existing ones in Bale (22 Cooperatives and about 11.500 members/households); Arsi (12 Cooperatives and about 11.500 members/households); West Arsi (73 Cooperatives and about 30.000 members/households) and East Shewa (9 Cooperatives and about 4.600 members/households).

#### Component 3 – Processing tomato

***Direct beneficiaries:*** 600 members of 10 Cooperatives and their households. These cooperatives will be selected among existing ones in East Shewa (140 Cooperatives and about 8.200 members/households).

#### Component 4 (Gender) and component 5 (Nutrition)

**Direct beneficiaries:** all 15.800 households involved in programme activities

Officers and experts of regional research and extension institutions will be involved in training and technical upgrading activities, and managers of agro-processing companies will receive training on proper business management.

### 3. Strategy of the initiative

#### 3.1 Strategic approach

The programme “Inclusive and Sustainable Value Chain Development in Oromia”, building on the experience of the two previous initiatives AVCPO and SupHort, aims to contribute to improving the living conditions of rural populations through strengthening 3 key value chains (horticulture, durum wheat and processing tomato), improve women’s role in the value chains governance, and promoting diet diversification among the involved communities.

Regarding component 1 (Horticulture), activities will concentrate in the areas where SupHort was implemented, namely the woredas of Ejere and Ilu Gelan in West Shewa zone. The intervention will be implemented through involving public extension (WoARDs), marketing (CPO) and training (FTCs) services. The beneficiaries will be the members of 4 horticultural cooperatives, which will receive technical assistance for the adoption of innovative methods and agronomic practices aimed at crop diversification.

Cooperatives will benefit from the extension by about 30 hectar of the irrigable land through the construction of new canals, and will improve their storing capacity thanks to the construction of 2 new storehouses with a capacity of 30 tonnes. The participation of women to producers’ cooperatives will be strongly encouraged. Moreover, the setup of female cooperatives for the processing, storing and commercialisation of horticultural products will be promoted. Finally a pilot action promoting the exchange of products among the various programme areas will be realised, in order to increase market opportunities and impact on the local diet.

As for the implementation of components 2 (Durum wheat) and 3 (Processing tomato), the involvement of all stakeholders in the programme’s operational phase will be essential: members of the 40 Cooperatives, experts of the Research Centres (SARC and DZARC for durum wheat, MARC for processing tomato), extensionists, representatives of the industrial sector, and financial institutions (such as the Cooperative Bank of Oromiya).

The selection of areas and woredas where durum wheat and processing tomato will be promoted has followed the criteria of agro-ecologic characteristics and land suitability, the accessibility and potential to create productive clusters, and the existence of cooperatives interested in the two crops.

Following discussions with BoFED, OCPA, OARI and EIAR, 30 potential woredas have been pre-identified in the 4 zones of Bale, Arsi, West Arsi and East Shewa:

Component 2 – Durum wheat

- ✓ **Location:** Bale, Arsi, West Arsi and East Shewa
- ✓ **Potential Woredas:** Bale (Agarfa, Goro, Ginir, Gololcha, Sinana, Gassera, Dinsho and Goba); Arsi (Arsi Robe, Hetosa and Limu Bilbilo); West Arsi (Dodola, Gedeb, Adaba, Kofele, Arsi Negele and Shashemene) and East Shewa (Lume and Ade’a).

Component 3 – Processing tomato

- ✓ **Location:** East Shewa
- ✓ **Potential Woredas:** Dugda, Bora, A/T/Jiddo Komboleh, Adama, Boset and Fentale.

A value chain approach will be followed, by intervening on all actors involved in the agro-industrial development process (agricultural producers' cooperatives, research institutes, local administrations, private sector, etc).

The beneficiary cooperatives will give their labour contribution to the realisation of infrastructures (storehouses, centres for products selection, agroprocessing technologies, etc), which will partly be funded through the Programme, and partly through local banks.

Extension agents at woreda level will support the producers in adopting appropriate technologies.

Special attention will be given to technical and technological divulgation by research institutes (SARC, DZARC and MARC). Their duty will be to support farmers and extension agents through training, selection and provision of agricultural inputs and productive infrastructures to farmers, research on key programme themes, and conduction of qualitative analyses on the agricultural produce before they are put on the market. The programme will also, as far as possible, involve the international research centres ICARDA and CIMMYT, which are strongly active in Ethiopia.

Dialogue among local banks, producers' cooperatives and agro-food companies will be promoted, in order to improve mutual trust and develop adequate financial products.

The Italian Development Cooperation will provide technical assistance to producers' cooperatives, local authorities, research centres and financial institutions throughout programme implementation.

Regarding component 4 (Gender), the initiative will focus on strengthening women's role in producers' cooperatives in the 3 value chains. A vast literature on women empowerment within cooperatives proves that when women are given the opportunity to: a) be provided long-term capacity building aimed at growing their functional literacy, their self-confidence, and their financial, business and technical skills; and b) access key inputs, technologies and services; they are more willing to assume business risks and take on responsibility roles in collective and formal organisations. Moreover, whenever cooperatives are already led by women acting as role models, such feminine presence tends to increase and encourage other women, as well as making those cooperatives more attentive on the gender perspective.

It is also proven that those cooperatives that provide regular training to their managers are then more likely to increase the participation of women.

A specific analysis will investigate the degree of participation of women in the beneficiary cooperatives, and will provide useful elements to understand the reasons to their limited participation, and to increase their involvement. Following such analysis, the programme will focus on: i) training of female cooperatives members aimed at improving their skills and competences that are directly linked to being proactive and assuming managerial roles; ii) creating and supporting small women's groups in order to help them acquire confidence with the basic elements (self-confidence, advantages of collective actions, modalities to access credit, etc) to join a cooperative; iii) creating and supporting women's cooperatives working on the processing and marketing of horticultural products, in synergy with the activities under component 1; iv) training cooperatives' leaders on the gender perspective and on the social and economic impact of women's participation; and v) providing capacity building to the personnel of Cooperative Offices and public offices at regional, zonal, woreda and kebele level on gender mainstreaming and the benefits of women's participation to cooperatives.

The activities will be implemented throughout the Programme areas by a gender expert and international consultants hired by CIHEAM Bari, in strict collaboration with public services responsible for women's economic and social promotion.

Regarding component 5 (Nutrition), the Programme will intervene in all selected areas in synergy with the institutional actors at regional and woreda level (WoARDS and Development Agents,

Health Extension Workers) in order to promote nutrition sensitive activities. DAs and HEWs will have a fundamental role in the execution.

Activities will focus on improving household diets through: i) nutritional education of local communities (men and women) in all intervention areas; ii) research of appropriate strategies to diversify the diet (by resorting to markets or diversifying the local production); iii) diversifying production through demonstration plots, and promotion and monitoring of home gardens; iv) promoting appropriate technologies to process food products; v) cooking demonstrations; vi) the promotion of fresh and processed food products among cooperatives; vii) strengthening the capacities of development agents at community level.

Women will play a fundamental role in their capacity of privileged household actor: they will receive specific training aimed at understanding nutritional habits and steer the households toward a diversified diet. Women will be supported by the technical assistance of CIHEAM Bari.

Regarding components 2 (Durum Wheat) and 3 (Processing tomato), activities will be implemented by local institutions and through the modalities detailed in the Technical Agreement.

Activities under components 1 (Horticulture), 4 (Gender) and 5 (Nutrition) will be executed by CIHEAM Bari, in strict collaboration with local institutions.

The Italian Development Cooperation will provide technical assistance to local institutions for the implementation of components 2 (Durum Wheat) and 3 (Processing tomato).

### **3.2 General objective**

The Programme's general objective is to contribute to poverty reduction, rural development and the improvement of the nutritional status of the population of the Oromia Region.

### **3.3 Specific objective, expected results and activities**

#### ***Specific objective***

The Programme's specific objective is to improve yields and quality of selected value chains (horticulture, durum wheat and processing tomato), women's participation to value chain governance, and dietary diversification in the woredas of implementation of the Oromia Region.

#### ***Expected results***

The Programme aims at reaching the following expected results:

##### **Component 1 – Horticulture**

1. *Producers cooperatives (in the Ejere and Ilu Gelan woredas of the West Shewa zone) are strengthened through specific capacity building and technical assistance, and linked to better local market opportunities.*

##### **Component 2 – Durum wheat**

2. *Research and extension services in the selected woredas in Arsi, West Arsi and East Shewa are strengthened through technical and technological support;*
3. *Producers cooperatives (in Arsi, West Arsi and East Shewa) are strengthened and linked to better local market opportunities;*
4. *Improved governance of the durum wheat value chain (better availability of seeds, better linkages between agricultural cooperatives and agroindustry, better access to credit).*



### Component 3 – Processing tomato

5. *Research and extension services in the selected woredas in East Shewa are strengthened through technical and technological support;*
6. *Producers cooperatives in East Shewa are strengthened and linked to local market opportunities;*

### Component 4 – Gender

7. *Improved role of women within the activities of the agricultural cooperatives throughout the 3 value chains (horticulture, durum wheat and processing tomato).*

### Component 5 – Nutrition

8. *Diversified diet for the targeted community, with special focus on women and children.*

### *Activities and actors*

Activities	IPs involved
<b>Expected result 1</b>	
Selection of personnel Technical assistance and extension for strengthening the horticultural value chain Expansion of irrigation plots and improvement of cooperatives and producers' equipment; Strengthening of cooperatives and producers groups; Pilot exchange actions between cooperatives; Trainings on improving the efficiency, organisation and competitiveness of the value chain.	BoA, ZonalBoA, OARI, OIDA, OCPA, WoARDs, CIHEAM.
<b>Expected results 2 and 3</b>	
Selection of personnel Identification and selection of woredas of implementation and producers cooperatives in the Zones of Arsi, West Arsi and East Shewa Identification of appropriate durum wheat varieties, seeds production and multiplication centres and supply channels. Trainings (ToT, traditional trainings and "Farm Field Schooling") on agronomic practices, conducted by research and extension services; Trainings (ToT, traditional trainings and "Farm Field Schooling") on seeds classification, marketing and establishment of supply contracts; Field supervision (fertilizers management, roughing of seed production and combined harvesting) Construction of storehouses for the cooperatives, and of seed cleaning facilities for the Unions; Provision of laboratory and field equipment to research centres (SARC and DZARC); Study trips to industrial sites in Ethiopia and Italy.	Administrative support: MoFEC, BoFED, WoFEDs  Technical/research support: Cooperazione italiana, BoA, SARC, DZARC, OCPA, Zonal BoA, WoARDs
<b>Expected result 4</b>	
Strengthening of the seed value chain and provision of field equipment to the research centres; Creating awareness on the possible marketing opportunities of products on both international and local markets; Strengthening the business management capacities within the Cooperatives and Unions, through ad hoc trainings on administrative aspects; Improving access to credit; Strengthening the corporate governance of private processors, through ad hoc trainings on administrative aspects; Organisation of meetings and media coverage for creating awareness and presenting the project's on-going results.	Administrative support: MoFEC, BoFED, WoFED  Technical/research support: Cooperazione italiana, SARC, DZARC, BoA, OCPA, Zonal BoA, WoARDs
<b>Expected results 5 and 6</b>	
Selection of personnel; Study on the processing tomato value chain; Identification and selection of woredas of implementation and producers cooperatives in East Shewa; Identification of appropriate tomato varieties, seeds production and multiplication centres and supply channels. Trainings (ToT, traditional trainings and "Farm Field Schooling") on agronomic practices, conducted by local and international consultants and by research and extension services; Provision of field equipment to the Melkassa Agricultural Research Centre and to the selected producers' cooperatives; Construction of storehouses for the cooperatives, and introduction of transformation technologies (e.g. dehydrators);	Administrative support: MoFEC, BoFED, WoFED  Technical/research support: Cooperazione italiana, BoA, MARC, OIDA, OCPA, Zonal BoA,

<p>Awareness raising and facilitation of market linkages;  Strengthening of business management capacities within the Cooperatives and Unions, through ad hoc training on administrative aspects;  Strengthening of the governance of private processors, through ad hoc training on administrative aspects;  Improving access to credit;  Study trips to industrial sites in Ethiopia and Italy;  Workshops on the achieved results (in Ethiopia and in Italy)</p>	<p>WoARDS</p>
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**Expected result 7**

<p>Selection of personnel;  Survey on women’s participation to cooperatives;  Ensuring capacity building to women members of cooperatives aimed at improve their skills and competences for being proactive and assuming leadership roles;  Creating and/or supporting small women’s groups in acquiring confidence with basic skills to join a cooperative;  Creating and supporting women’s cooperatives specialised in the processing and marketing of horticultural products;  Training cooperative leaders on the gender perspective and on the social and economic impacts of women’s participation;  Providing capacity building to the staff of Cooperative offices and other public bureaus at regional, zonal, woreda and kebele level, on gender mainstreaming and on the benefits deriving from women’s participation to cooperatives;  Final survey to verify women’s participation in the beneficiary cooperatives.</p>	<p>CIHEAM,BoA,  BoWCA, OCPA,  Zonal BoA, Zonal e  Woreda Offices of  Women and Children  Affairs, WoARDS</p>
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**Expected result 8**

<p>Selection of personnel  Baseline survey on the nutritional status of target beneficiaries in the selected communities;  Strengthening of the specific capacities of DAs and creation of linkages among the various involved institutions (DAs and HEWs) ;  Sensitisation campaigns on the linkages between agriculture, nutrition and health, targeting the entire community (women and men);  Demonstration plots for technology transfer and production of horticultural crops necessary to diversify the diets;  Training targeting women, on conservation and processing of horticultural products for domestic use, utilisation of horticultural products and culinary demonstrations;  Final survey the nutritional status of target beneficiaries in the selected communities.</p>	<p>CIHEAM,BoA, NAS,  OIDA,OCPA,  Zonal/BoA, WoARDS,  WHOs</p>
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## 4. External conditions

### 4.1 Conditions and risks linked to the value chain approach

The value chain approach to market needs adequate time to be absorbed and adopted by productive systems. This approach is particularly important in rural areas, in order to link different stakeholders and realities: it seeks to include all actors operating within a sector – from input providers to purchasers; from technical and commercial assistance to financial services for the industry. The quality of relations among all involved stakeholders is indeed crucial to the success of a productive value chain.

In this framework, the risks linked to the value chain approach in Ethiopia can be grouped under three main typologies, in relation to the production or post-harvest phases:

1. Risks related to agro-ecologic aspects;
2. Risks related to commercial aspects;
3. Risks related to technical/technological aspects.

#### 4.1.1 Risks related to agro-ecologic aspects

Agro-environmental conditions are fundamental in order to ensure a satisfactory yield and constant productive levels, especially regarding horticultural crops. These are very demanding from a nutritional and irrigation viewpoint, especially in comparison with durum wheat. Important aspects

to be considered, especially in the areas selection phase, regard the kind of soil (e.g. granulometry, salinity and pH) and phytopathologic aspects that can negatively impact on the productive level of the crops. Climatic events like *El Niño*, crop diseases (such as the rust which is affecting bread wheat in several areas of Ethiopia) or long drought periods may damage production, and therefore put food security at risk as well as impacting on the availability of raw materials for the industries in the sector.

During the Programme start-up phase, great importance will be given to the identification of the most appropriate areas to grow the selected varieties, by also taking into account climatic aspect and the availability of natural resources (water and soil).

#### **4.1.2 Risks related to commercial aspects**

The development of value chains requires the creation of proper technical and technological skills, but also of relations with public and private actors, in order to respond to changing external conditions in a timely manner, especially with regards to the commercialisation of agricultural products. The valorisation of agricultural products is based on the progressive shift of paradigm towards the commercialisation of processed products rather than raw materials. This makes the stability of agricultural and commercial policies of particular importance to ensure the proper structuring of value chains.

The Ethiopian agricultural sector is still partially linked to informal marketing methods where middlemen still play an important role; the value chain approach aims at improving the creation of direct linkages among the various stakeholders involved, and this implies several risks. Particularly for the processing tomato value chain, the risks linked to commercial aspects are many: farmers' poor interest in selling their products to the industry; lack of agroprocessing factories, or scarce interest to buy new produce; lack of aggregation points useful for the collection and distribution of products to the industry; low quality of raw materials (e.g. low sugar content); large distances between producers, and between the producers and the industry; prevalence of middlemen that reduce the amount of products reaching the industry, etc.

#### **4.1.3 Risks related to technical/technological aspects**

In order to increase agricultural production and achieve national food security, it is paramount to promote technological innovations on agriculture, both regarding cultivation techniques (e.g. soil treatment, fertilisation, irrigation, protection against crop diseases, storing and processing, etc) and genetics (genetic improvement of crops).

Great attention has to be paid to the valorisation of inputs providers (seeds, fertilisers, tools etc) as an entity able to produce and disseminate technological innovation in agriculture. In this regard, specific risks are linked to the often insufficient supply of improved seeds and technical / technological means by the local public and private companies. Another risk is related to the capacity of research institutes to operate efficiently, with specific regard to the frequent turnover of research staff.

## **4.2 Conditions and risks linked to gender approach and nutrition**

The Government of Ethiopia has adopted gender policies that aim to improve the woman's position in the society, as well as nutrition promotion policies with the objective of ensuring an appropriate diet for all and in particular for the most vulnerable segments of the population. The continuity of such policies is an important factor for the success of the Programme.

The involvement of extension services and the active participation of local communities from the very beginning of the Programme are critical factors to ensure a change in social and nutritional attitudes. In this regard, the partnership with actors who have already taken part in SupHort and AVCPO is a distinct advantage.

## **5. Implementation of the initiative**

### **5.1 Institutional setting and responsibilities of the implementing partners**

The Programme will follow a participatory approach in strict collaboration with the communities and the IPs involved. The progress of Programme activities will be constantly verified through technical and financial reports and an attentive monitoring. The IPs, as listed in the Technical Agreement, hold specific responsibilities which are detailed below.

#### **5.1.1 Ethiopian IPs**

- MoFEC: responsible for signing the Technical Agreement with the Italian Development Cooperation, will ensure that the Agreement is respected by all Ethiopian IPs;
- BoFED: responsible for the allocation, execution and reporting of the Programme budget. A Person in Charge will be appointed, and will be constantly in contact with the Italian Development Cooperation. BoFED will receive Programme funds from MoFED and will transfer them to the other IPs and woredas involved in Programme activities;
- OARI: responsible for the supervision of Programme activities under components 1, 2 and 3. It will also develop research, production and seed control activities, quality checks and training/assistance to technical staff of Woredas and Cooperatives, especially through SARC;
- EIAR: responsible for the management of part of the activities under components 1, 2 and 3 through MARC and DZARC; will provide technical and technological support to the selected Cooperatives, Unions and WoARDS;
- OTMDB: will act as facilitator and catalyst for supply links and agreements between agricultural producers and industries;
- OCPA: will support the activities of woreda-level offices (CPOs), Cooperatives and Unions through its zonal offices (ZCPOs);
- WoARD: responsible for providing technical assistance to production and realising infrastructural works (storehouses, seeds selection units, processing structures, etc), for women's participation to the various Programme phases, for support to the communities in the nutritional activities, and for the correct administrative and financial management of funds;
- BoWCA: will ensure that a gender approach is followed, and will provide specific assistance for the gender-related activities through its offices at zone and woreda level;
- Local universities and NGOs: part of the Programme activities may be developed through collaboration agreements with local universities and NGOs, e.g. training, monitoring and evaluation, etc.

#### **5.1.2 Italian IPs**

Gli IPs di riferimento saranno:

- MAECI/DGCS: funding entity of the initiative, and responsible for signing the Technical Agreement;
- Italian Development Cooperation / Local Technical Unit (IDC/UTL): representing MAECI/DGCS in Ethiopia, and responsible for the overall coordination of the Programme and for the provision of technical assistance to the Ethiopian IPs implementing components 2 and 3;
- CIHEAM Bari: responsible for the implementation of components 1, 4 and 5.

A central Programme coordination office will be established in Addis Ababa, within the premises of OARI, and two decentralised offices will be hosted by the local administration in West Shewa and East Shewa.

A Steering Committee composed of representatives of the Government of Ethiopia (MoFED, BoFED, BoA, BoWCA), of the Italian Development Cooperation, of research institutes (OARI and EIAR), of CIHEAM Bari, and of local administrations (WoARDS) will be established. Representatives from the Ministry of Agriculture and Natural Resources and of the Ministry of Women and Children Affairs will be invited as observers. The Steering Committee will meet at least once every six months.

The initiative will also be coordinated, from a strictly technical viewpoint, by a Technical Committee composed of the Italian Programme Coordinator and the local technical staff of IDC, CIHEAM Bari and the involved research centres.

## 5.2 Methodology of intervention

The methodology of intervention envisages a strong involvement of local authorities. Support to institutions and IPs will be ensured through direct capacity building actions and provision of means, but also through inter-institutional bridging, with the aim to improve the relations between the various stakeholders involved and increase the ownership of institutional actors in implementing Programme activities as well as improve their planning and management skills.

During the operational phase of the Programme, Ethiopian and Italian IPs will need to effectively cooperate in order to ensure a satisfactory achievement of Programme expected results and objectives. The Programme will start with the formulation of a Plan of Action (PoA) describing the actions to be carried out in detail. The PoA will be submitted to the Steering Committee and to the Italian Development Cooperation for approval.

## 5.3 Resources and cost estimations

The grant fund, amounting to Euro 1.400.000,00, will serve to cover costs related to the implementation of activities under components 2 “Durum Wheat” and 3 “Processing Tomato”. The grant will be disbursed to MoFEC in one single instalment, as described in article 6 of the Technical Agreement.

Expenses have been grouped under 5 macro-categories and total cost estimates have been made according to the AVCPO experience. The PoA will contain a more detailed estimation of unitary and total costs.

The total budget has been provisionally allocated as follows:

Description	Total	%
1 – Strengthening of extension (zonal agricultural bureaus, WoARDS) and research (SARC, DZARC, MARC) services in the selected Zones, through technical and technological support.	€450.000	32%
2 – Support to the Oromia Trade and Marketing Development Bureau, and the Oromia Cooperative Promotion Agency	€10.000	1%
3 - Capacity building of Cooperatives and Unions members through “training of trainers” (ToT) conducted by international and local consultants, and traditional trainings	€120.000	9%
4 - Construction of infrastructures, provision of agricultural inputs and transformation technologies to Cooperatives and Unions	€740.000	53%
5 - Creation of market linkages through innovative supply contracts and linking activities.	€80.000	6%
<b>TOTAL</b>	<b>€1.400.000</b>	<b>100%</b>

## 5.4 Timeline<sup>2</sup>

Months	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>Activities for Result 1</b>																
Selection of personnel																
Technical assistance and extension for strengthening the horticultural value chain																
Expansion of irrigation plots and improvement of cooperatives and producers' equipment																
Strengthening of cooperatives and producers groups																
Trainings on improving the efficiency, organisation and competitiveness of the value chain																
Pilot exchange actions between cooperatives																
<b>Activities for Results 2 and 3</b>																
Selection of personnel																
Identification and selection of woredas of implementation and producers cooperatives in the Zones of Arsi, West Arsi and East Shewa																
Identification of appropriate durum wheat varieties, seeds production and multiplication centres and supply channels																
Trainings (ToT, traditional trainings and "Farm Field Schooling") on agronomic practices, conducted by research and extension services																
Trainings (ToT, traditional trainings and "Farm Field Schooling") on seeds classification, marketing and establishment of supply contracts																
Field supervision (fertilizers management, roughing of seed production and combined harvesting)																
Construction of storehouses for the cooperatives, and of seed cleaning facilities for the Unions																
Provision of laboratory and field equipment to research centres (SARC and DZARC)																
Study trips to industrial sites in Ethiopia and Italy																
<b>Activities for Result 4</b>																
Strengthening of the seed value chain and provision of field equipment to the research centres																
Creating awareness on the possible marketing opportunities of products on both international and local markets																
Strengthening the business management capacities within the Cooperatives and Unions, through ad hoc trainings on administrative aspects																
Improving access to credit																
Strengthening the corporate governance of private processors, through ad hoc trainings on administrative aspects																
Organisation of meetings and media coverage for creating awareness and presenting the project's on-going results																
<b>Activities for Results 5 and 6</b>																
Selection of personnel																
Study on the processing tomato value chain																
Identification and selection of woredas of implementation and producers cooperatives in East Shewa																
Identification of appropriate tomato varieties, seeds production and multiplication centres and supply channels																
Trainings (ToT, traditional trainings and "Farm Field Schooling") on agronomic practices, conducted by local and international consultants and by research and extension services																
Provision of field equipment to the Melkassa Agricultural Research Centre and to the selected producers' cooperatives																
Construction of storehouses for the cooperatives, and introduction of transformation technologies (e.g. dehydrators)																
Awareness raising and facilitation of market linkages																
Strengthening of business management capacities within the Cooperatives and Unions, through ad hoc training on administrative aspects																
Improving access to credit																
Strengthening of the governance of private processors, through ad hoc training on administrative aspects																
Study trips to industrial sites in Ethiopia and Italy																
Workshops on the achieved results (in Ethiopia and in Italy)																
<b>Activities for Result 7</b>																

<sup>2</sup>The schedule of implementation will be better defined in the PoA.



## **6. Sustainability**

The Programme has been conceived following specific requests from the IPs involved in the two previous initiatives.

Regarding the horticultural component, the aim will be to build on what was achieved through the SupHort project, by strengthening the previously established cooperatives through institutional and capacity building activities, as well as providing them with support in identifying new market opportunities and in processing products.

As for durum wheat, the Programme will on the one hand build on the achievements of AVCPO, through a continuation of technical and technological support to the Cooperatives and Unions in Bale, and on the other hand will extend support to neighbouring Zones, by applying the same successful value chain approach.

Regarding the component on processing tomato, following a first phase of analysis, the objective will be to introduce improvements in the production and post-harvest phases of the products, like it was done for durum wheat in Bale, in order to facilitate interaction with the local industries and processing companies.

The cross-cutting components of gender and nutrition will pursue the aim of improving women's position in the value chains, and to sensitise communities (and women in particular) about introducing new food products in their households' diets.

### **6.1 Institutional and environmental sustainability**

The analysis conducted during the Programme's formulation phase, mostly based on consultations held with local authorities and research institutes, proves that the technical components of the initiative are well-aligned to national and international agricultural development and food security policies. This is particularly relevant as it will ensure a long-term institutional sustainability of the Programme.

Regarding environmental sustainability, this will be ensured by the selection of crops, which are locally sourced and already well known by the farmers living in the implementation areas. Programme monitoring (performed by the Ethiopian IPs with the collaboration of the Italian Development Cooperation) will also ensure the environmental sustainability of Programme activities during their implementation. By learning from the previous experiences, the Programme will not introduce technological innovations that may degrade the existing natural resources, but rather innovations that will contribute to the increase of production while respecting the environment.

### **6.2 Social, economic and gender sustainability**

Social, cultural, religious and economic factors that characterise the Ethiopian society have particular impacts on gender dynamics. Women are often excluded from decision-making, and at the same time from economic opportunities. As far as possible, the Programme will work to improve women's position in the agricultural sector at large, and in the leadership of cooperatives and unions. By promoting women's empowerment, it will be easier to improve households' and especially children's living conditions. Gender equality-oriented activities will be structured in such a way as to continually promoting women's participation and involving all stakeholders in the process.



## **7. Monitoring and evaluation**

Monitoring activities will be realised through regular visits to the implementation areas by Programme staff (Italian Development Cooperation and CIHEAM-Bari) and the Ethiopian IPs.

BoFED will be the main focal point for monitoring activities, as it will collect information from the research institutes and extension services responsible for implementation (EIAR, OARDI, WoFED and WoARD). Ethiopian IPs involved in the Programme will be able to carry out all monitoring and evaluation activities deemed necessary, but not foreseen by this document, at their own expenses.

The overall supervision of the Programme will be executed by the Italian Development Cooperation.

In order to make monitoring more effective, it will be necessary to create a “remote” monitoring system through online sharing of documents and reports created throughout Programme implementation. This will allow all implementing partners to access relevant documents (technical, financial, as well as multimedia) even when it will not be possible to reach Programme areas.

Three external evaluation missions (mid-term, final and ex-post) are foreseen and will be approved and organised by the Steering Committee.