

Programme for Agro-Business Induced Growth
in the Amhara National Regional State
Second Phase
(AgroBIG II)

Ministry of Finance and Economic Cooperation, Ethiopia

Ministry for Foreign Affairs, Finland

Bureau of Finance and Economic Cooperation
Amhara National Regional State, Ethiopia

AgroBIG II

Programme Document

July 2017 – December 2021

Original Programme Document dated 10 April 2017;
Updated by PSU on March 14, 2018 (approved by SVB #9)
Updated by AgroBIG PSU in July 2018; amendments discussed and approved
by SVB #10 on 30.8.2018, pending approval by MFA of the budget breakdown by years;
The revised budget breakdown approved by MFA on Oct 1, 2018.

Table of Contents

| | |
|---|-----------|
| Table of Contents | 2 |
| Abbreviations, acronyms and exchange rates | 4 |
| Maps | 8 |
| Map of Ethiopia..... | 8 |
| Amhara Region, its zones and woredas..... | 9 |
| Project Fact Sheet..... | 11 |
| Summary | 12 |
| 1. Background..... | 16 |
| 1.1. Country context | 16 |
| 1.2. Policy framework | 18 |
| 1.3. Development challenges to be addressed by the Programme..... | 20 |
| 1.4. Rationale vis-à-vis Finnish policies..... | 21 |
| 1.5. Programme’s previous phase and its formulation process | 21 |
| 2. Context and stakeholder analysis..... | 24 |
| 2.1. Agriculture sector in Amhara | 24 |
| 2.2. Overview of Gender and Human Rights Issues in the Sector | 24 |
| 2.3. Beneficiary and stakeholders analysis..... | 26 |
| 3. Programme description..... | 29 |
| 3.1. Overview of the Programme | 29 |
| 3.1.1. Rationale for Launching the Programme..... | 29 |
| 3.1.2. Description of internal programme logic..... | 29 |
| 3.1.3. Scope of the Programme..... | 31 |
| 3.1.3.1. Programme commodity scope | 31 |
| 3.1.3.2. Geographical scope | 31 |
| 3.1.3.3. Selection of value chains for AgroBIG II..... | 32 |
| 3.2. Programme results and key strategies | 33 |
| 3.2.1. Description of results..... | 33 |
| 3.2.1.1. Expected impact | 33 |
| 3.2.1.2. Expected outcome..... | 33 |
| 3.2.1.3. Expected Outputs..... | 33 |
| 3.2.1.4. Cross-cutting objectives relevant for achieving the results | 34 |
| 3.2.2. Main strategies to achieve the Programme results..... | 35 |
| 3.2.3. Strategy to achieve output 1..... | 35 |
| 3.2.4. Strategy to achieve output 2..... | 39 |
| 3.2.5. Strategies on how to ensure equality in project implementation | 40 |
| 3.2.6. Assumptions and preconditions for the start-up of the Programme..... | 41 |
| 3.2.7. Risk Assessment and Risk Response..... | 42 |
| 4. Implementation Arrangements | 45 |
| 4.1. Implementing Agencies and Arrangements | 45 |
| 4.2. Programme Management and Decision Making | 45 |
| 4.3. Financial management..... | 46 |
| 4.3.1. Flow of funds..... | 46 |
| 4.3.2. Procurement..... | 48 |
| 4.3.3. Budgeting, accounting, financial reporting..... | 48 |

| | |
|--|-----------|
| 5. Work Plan | 50 |
| 5.1. Defined outputs and main activities for the Inception Phase | 50 |
| 6. Resources..... | 52 |
| 6.1. Human and material resources | 52 |
| 6.2. Partnerships | 53 |
| 6.3. Roles and contributions of the financing partners | 54 |
| 6.4. Budget summary..... | 54 |
| 7. Monitoring and Reporting..... | 56 |
| 7.1. Work planning cycle and responsibilities..... | 56 |
| 7.2. Monitoring and reporting arrangements | 56 |
| 7.3. Grant and loan client monitoring and reporting | 57 |
| 7.4. Dissemination of results, experiences, programme regulations and learning | 58 |
| 7.5. Ownership, rights, interests, opportunities, and participation | 58 |
| 8. Sustainability..... | 60 |
| 8.1. Sustaining the intervention..... | 60 |
| 8.2. Coherence and coordination..... | 61 |
| 8.3. Exit strategy..... | 62 |
| 9. Evaluations and audit..... | 63 |
| 9.1. Mid-term evaluation and final evaluation | 63 |
| 9.2. Audits | 63 |

Annexes

| | |
|--|-----|
| 1. Glossary of terms | 64 |
| 2. Results framework..... | 69 |
| 3. Programme budget | 70 |
| 4. Fact sheets for the funds | 71 |
| 5. Indicative work plan for the Programme | 79 |
| 6. Work Plan for the Inception Phase | 79 |
| 7. Stakeholder Matrix | 84 |
| 8. Terms of Reference (SVB, PSU, PMT, TCs HOC) | 87 |
| 9. Reporting formats | 94 |
| 10. Job Descriptions for Long Term Experts | 96 |
| 11. Relevant interventions in the programme area | 114 |
| 12. Assessment of social inclusion and responsibility | 120 |
| 13. Social vulnerability and gender analysis | 123 |
| 14. Assessments on environmental impact and climate sustainability | 127 |
| 15. References | 133 |

Abbreviations, acronyms and exchange rates

| | |
|---------|--|
| AAAA | Addis Ababa Action Agenda |
| AE | Aid Effectiveness |
| ACCSA | Amhara Chamber of Commerce and Sector Association |
| ACSI | Amhara Credit and Saving Institution |
| ADPLAC | Agricultural development partners linkages advisory council |
| AGP | Agriculture Growth Programme |
| AgroBIG | Programme for Agro-Business Induced Growth in Amhara Region |
| ANRS | Amhara National Regional State |
| ARARI | Amhara Regional Agriculture Research Institute |
| ATA | Agricultural Transformation Agency |
| AWEA | Amhara Women Entrepreneurs' Association |
| BDSP | Business Development Service Providers |
| BDU | Bahir Dar University |
| BNF | Biological nitrogen fixation |
| BoA | Bureau of Agriculture ¹ |
| BoEPLAU | Bureau of Environment and Climate Change (see EFWPDA) |
| BoFEC | Bureau of Finance and Economic Cooperation ¹ |
| BoLSA | Bureau of Labour and Social Affairs ¹ |
| BoT | Bureau of Trade (previously BoTIMD, Bureau of Trade, Industry and Market Development) ¹ |
| BoTVED | Bureau of Technical and Vocational Enterprise Development ¹ |
| BoWCA | Bureau of Women and Children Affairs ¹ |
| BoYS | Bureau of Youth and Sports ¹ |
| CAP | Common African Position |
| CBO | Community Based Organisation |
| CC | Climate Change |
| CCO | Cross-Cutting Objective |
| CFS | Committee on Food Security |
| CIG | Common Interest Groups |
| COSACU | Cooperatives' Savings and Credit Union |
| CPA | Cooperative Promotion Agency |
| CSA | Central Statistical Agency |
| CSC | Cluster Steering Committee |
| CTA | Chief Technical Adviser |
| DA | Development Agent |
| DAG | Development Assistance Group |
| DP | Development Partner |
| DOT | Digital Opportunity Trust |
| EDC | Entrepreneurship Development Center |

¹ Unless otherwise specified, all the Bureaus in this document refer to the respective government offices in Amhara National Regional State.

| | |
|--------|---|
| EFWPDA | Environment, Forest and Wildlife Protection and Development Authority |
| EIA | Environmental Impact Assessment |
| EOF | Embassy of Finland |
| ETB | Ethiopian Birr |
| EUR | Euro |
| FA | Financial Advisor |
| FAO | Food and Agricultural Organisation (of the United Nations) |
| FTC | Farmer Training Center |
| FFD | Finnish Agri-agency for Food and Forest Development |
| FHH | Female Headed Household |
| FI | Financial Institution(s) |
| FSA | Farming Systems Approach |
| FY | Fiscal Year |
| GAPs | Good Agricultural Practices |
| GDP | Gross Domestic Product |
| GNP | Gross National Product |
| GoE | Government of Ethiopia |
| GoF | Government of Finland |
| GSE | Geological Survey of Ethiopia |
| GTK | Geological Survey of Finland |
| GTP | Growth and Transformation Programme |
| ha. | hectare |
| HDI | Human Development Index |
| HH | Household |
| HR | Human Rights |
| HRBA | Human Rights Based Approach |
| IC | Investment Commission |
| ICI | Institutional Cooperation Instrument |
| IDRF | Innovation, Development and Research Fund |
| IPM | Integrated Pest Management |
| IQQO | Oromia Agricultural Research Institute |
| LIFT | Land Investment for Transformation programme (funded by DFID) |
| LRDPA | Livestock Resource Development Promotion Agency (of Amhara) |
| Luke | Natural Resources Institute Finland |
| M/F | Male / Female |
| M&E | Monitoring and evaluation |
| MEDA | Mennonite Economic Development Associates |
| m€ | EURO millions |
| MFA | Ministry for Foreign Affairs (of Finland) |
| MFI | Microfinance Institution(s) |
| MGF | Matching Grant Fund |
| MIS | Market Information Systems |
| MoFEC | Ministry of Finance and Economic Cooperation |
| MoU | Memorandum of Understanding |
| MSME | Micro, Small and Medium-Scale Enterprises |
| MTE | Mid-Term Evaluation |

| | |
|-------------|---|
| NHDR | National Human Development Report |
| NPC | National Planning Commission |
| NRRTC | (Fogera) National Rice Research and Training Center |
| ODA | Official Development Assistance |
| OECD | Organisation for Economic Development and Cooperation |
| PASDEP | Plan for Accelerated and Sustained Development to End Poverty |
| PC | Primary Cooperative |
| PD | Programme Director |
| PMT | Programme Management Team |
| ProDoc | Programme Document (for AgroBIG II of 31.10. 2016) |
| PSNP | Productive Safety Net Programme |
| PSU | Programme Support Unit |
| PWD | Persons with disabilities |
| RAI | Responsible Agricultural Investment |
| RBM | Results Based Management |
| RC | Results Chain |
| RTC | (AgroBIG) Regional Technical Committee |
| RED/FS | Rural Economic Development and Food Security (platform for aid coordination) |
| REILA | Responsible and Innovative Land Administration Project in Ethiopia |
| RF | Results Framework |
| RJOCFSS | Rural Job Opportunity Creation and Food Security Sector |
| SACCO | Savings and Credit Cooperative |
| SDG | Sustainable Development Goals |
| SME | Small and Medium-Scale Enterprises |
| SNV | Stichting Nederlandse Vrijwilligers. Netherlands Development Organisation |
| SVB | Supervisory Board |
| TA | Technical Assistance |
| TC | Technical Committee |
| TF | Task Force |
| TL | Team Leader |
| ToT | Training of trainers |
| TVED | Technical and Vocational Enterprise Development Bureau |
| UBD | University of Bahir Dar |
| UNDP | United Nations Development Programme |
| USAID | United States Agency for International Development |
| USD | United States Dollar |
| VA | Village Agent |
| WB | World Bank |
| VC | Value Chain |
| VCA | Value Chain Approach |
| VC Facility | Value Chain Facility |
| VCF | Value Chain Fund |
| WM | Working Month |
| VGGT | Voluntary Guidelines on the responsible Governance of Tenure of land, fisheries and forests |
| WSC | Woreda Steering Committee |
| VSLA | Village Savings and Loan Associations |

| | |
|------|----------------------------|
| WTC | Woreda Technical Committee |
| WYLF | Women and Youth Loan Fund |

1 Euro = 30 ETB (ref. AgroBIG SVB #8 resolutions)

1 ETB = 0,033 Euro

1 quintal = 100 kg

The currency exchange rates above are only indicative. The exchange rates applied for the accounting purposes of the Programme may vary.

The fiscal year in Ethiopia runs from July 8 to July 7. There is a seven to eight years difference between Ethiopian and Gregorian calendars. Unless otherwise specified, the years in this report refer to the Gregorian calendar.

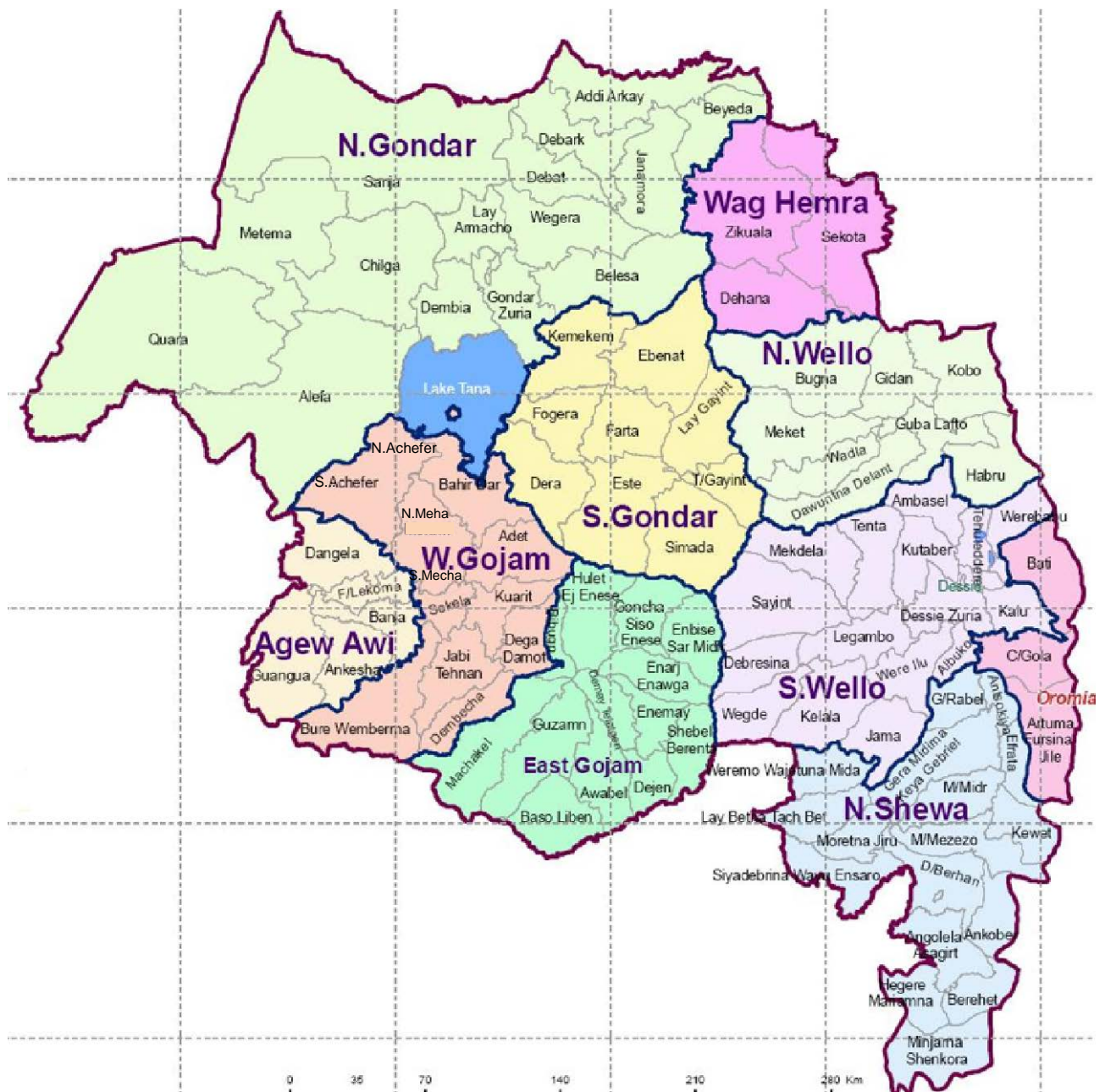
Maps

Map of Ethiopia



Amhara Region, its zones and woredas

N.B. (2018) N.Gondar in the map consists currently of three zones: West Gondar, North Gondar and Central Gondar.



Map of Amhara Region and the AgroBIG II area



The programme area includes both AgroBIG I woredas and the ones proposed for AgroBIG II. See the section 3.1.3.2.

Project Fact Sheet

| | |
|---|---|
| Programme title: | AgroBIG II – Programme for Agro-Business Induced Growth in the Amhara National Regional State |
| Sub-sectors: | Agriculture |
| Geographical coverage: | Gilgel Abay and Ribb-Gumara river plains around Lake Tana basin in the Amhara National Regional State in Ethiopia encompassing the following woredas: North Achefer, South Achefer, Mecha North, Mecha South, Bahir Dar Zuria, Dera, Fogera and Libokemkem, |
| Duration: | 4.5 years. July 2017– December 2021 |
| Programme financing: | Government of Finland: EURO 9.4 million Government of Ethiopia: EURO 0.94 million Total: EURO 10.34 million |
| Competent authorities: | Ministry for Foreign Affairs of Finland (MFA Finland) Ministry of Finance and Economic Cooperation of Ethiopia (MoFEC) |
| Lead implementing agency: | Bureau of Finance and Economic Cooperation (BoFEC), Amhara, Ethiopia |
| Overall goal (Impact): | Agriculture provides decent and sustainable livelihood to people in rural Amhara regional state. |
| Objectives of the Programme (Outcome): | Value is added at various levels of selected agricultural value chains to increase incomes and create jobs for farming households and other VC actors, with a particular emphasis on women and youth. |



Summary

Government of Finland (GoF) decided to undertake with the Government of Ethiopia (GoE) a project that would help to **add value to farmers and other actors of agricultural value chains**. AgroBIG I started in 2013 and ended on June 30, 2017. The programme was located in Amhara in the proximity of Lake Tana, where the primary production potential is high, thanks to favourable agro-ecological conditions. The rationale of the programme was to promote value adding in a food surplus area where the context and the actors' resources enable sustainable entrepreneurial development.

AgroBIG II will pay attention to addressing the **challenges as identified** during the first phase and the formulation process. These issues are related to the overall development of agriculture and agribusiness around Lake Tana basin and, to large extent, they remain the same as those during the time when AgroBIG was initially conceptualized:

- Farmers lack knowledge and skills for good agronomic practice; particularly for climate-smart agriculture (CSA) technologies.
- Farmers' access to improved seeds and appropriate fertilizers, pesticides and herbicides is limited.
- Farmers' access to appropriate technologies, as well as to working capital and investment finance is inadequate. As a result, the use of even basic mechanization or water pumps is often out of the reach of an average farmer around Lake Tana basin.
- Post-harvest handling, primary-processing and storage is generally of poor quality, and losses are generally in the order of 15-20% of the crop and sometimes up to 30-50%.
- Agricultural markets are generally weakly developed and linkages between farmers and other value chain actors remain informal. The primary cooperatives and cooperative societies, through which farmers predominantly market their produce, have inadequate capacity to properly manage their role and are also under-capitalised.
- Women are particularly disadvantaged in these areas, facing limitations in accessing extension services and credit facilities and influencing decision-making at household, community and cooperative levels.
- In Ethiopia, there have been significant increases in educational attainment. However, there has not been as much job creation to provide employment opportunities to the newly educated job seekers. Therefore, employment remains one of the main challenges for young people, both for female and male.

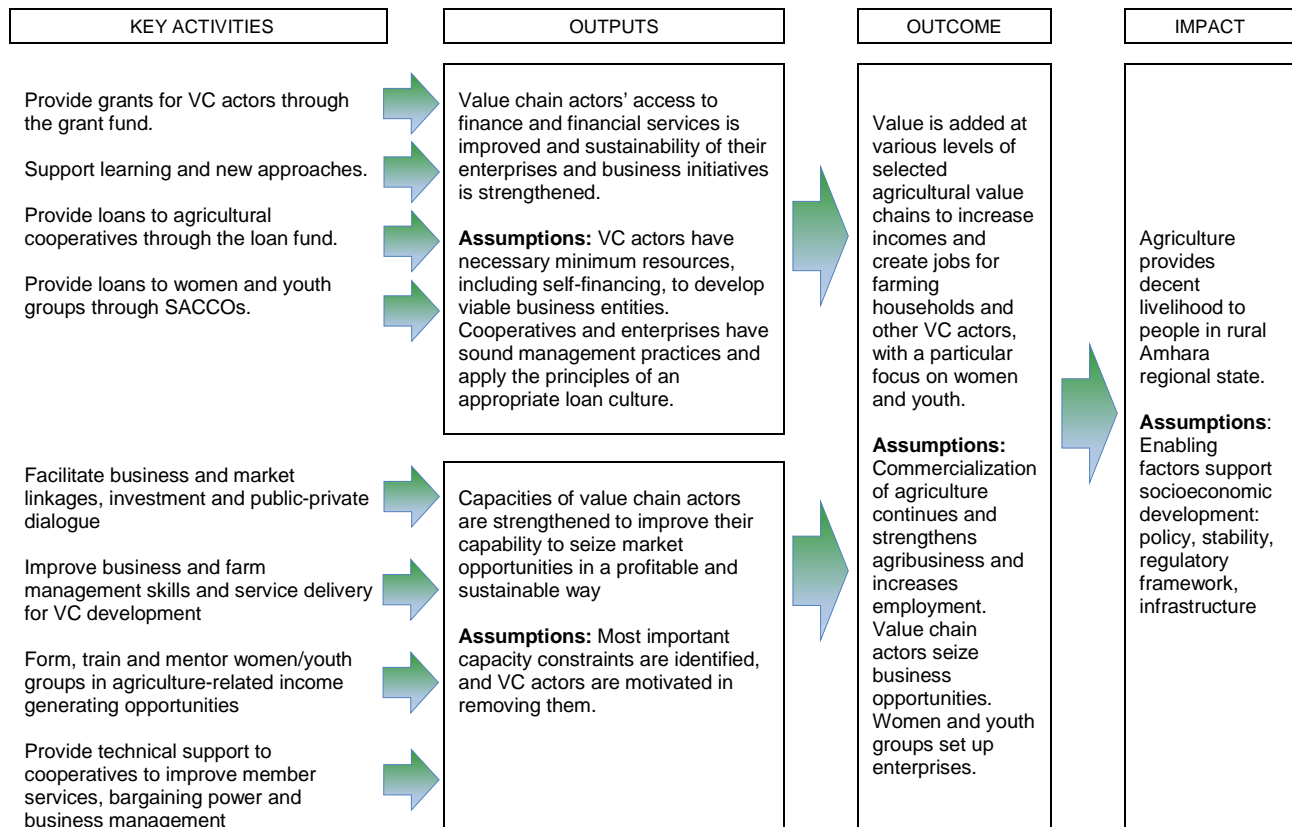
The total number of AgroBIG II **direct beneficiaries is approximately 300,000** people. The Programme addresses direct beneficiaries that can be classified into three main groups:

1. **Individual farmers and farming household members** within the geographical programme area with particular attention to women; landless women; and youth including young women and men.
2. **Agricultural cooperatives and associations**. Cooperatives may be primary or secondary (unions) and while they are Programme beneficiaries, they are also providers of inputs and financial services
3. **Private sector value chain actors** include commercial intermediaries and operators in value chains whose ownership is by individuals as sole-traders or corporate entities. They include input suppliers (seed, agro-chemicals, fertiliser, tools and equipment, transporters), traders, processors, packaging and storage, wholesalers and retailers, and, commercial financial institutions.

Vulnerable groups include persons with disabilities (PWDs), the elderly, weak and bedridden household heads and children (under 15) employed in exploitive labour work. AgroBIG II needs to be aware of the existence of such groups along with due care of avoiding activities that may affect them negatively.

AgroBIG II has also **intermediate beneficiaries** that include government bureaus and agencies, research and educational institutions, financing institutions, private and public sector organisations, civil society organisations, and development partners.

The figure below illustrates the **Results Chain of AgroBIG II**, showing how planned activities should lead to the expected outputs, and how the outputs contribute to the expected outcome and impact. (Updated 4/2018).



AgroBIG II will be oriented around **geographically delineated clusters** within which a range of commodity chains will be supported, in Gilgel Abay catchment around Mecha and Achefer, and Gumara-Ribb catchment around Fogera, Dera and Libokemkem. Programme area is a so-called food surplus area. The Programme will support adding value to its high productive potential.

The **theory of change** of the Programme is the following:

Food production in high potential agricultural areas enables diversified production abounding both in quantity and quality. This creates possibilities to add value at all stages of agricultural value chains and strengthen food security.

Targeted support in stages where the value adding potential is biggest will enhance the profitability and viability of respective actors. This will help the production to meet the market and increase the income levels of value chain actors. It will strengthen the availability, accessibility, and affordability of food to the consumers.

Economically viable and profitable enterprises in value chains will be able to create job opportunities. By supporting and setting targets for vulnerable women and youth, both men and women, these groups can seize job opportunities and through them, improve their livelihoods and status in a sustainable manner. Their food security will be improved.

The **selection of value chains** will be determined by the following criteria:

- Proximity and access to main markets with effective unmet demand.
- High potential demand for scaling up of farm interventions and outreach.
- Agricultural production potential: soil quality, topography, available arable acreage, availability of or potential for irrigation, crop feasibility, mechanization, farm commercialization, socio-economic status favourable for agricultural production.
- Attractiveness of the area for service providers and commodity buyers and farmer readiness for (semi)-commercialization.
- Opportunities the area can provide for women and young people to participate in and benefit from the value chain activities.
- Potential to create jobs and enhance social inclusion.
- Local government buy-in and the presence of proactive leadership in the extension service.

Three **cross-cutting objectives** defined in Finland's development policy are relevant for achieving the results of the Programme. AgroBIG II is a human rights sensitive programme.

The **overall strategy of AgroBIG II** can be recapitulated in the following key points.

- The Programme will focus on strengthening agricultural value chains that are selected as a result of respective studies. The Programme needs to focus on identifying new markets (local, regional and national markets) and create linkages to these markets. Continuous market assessments should be carried out to identify emerging opportunities (such as industrial parks) and other regional and national market events and link VC actors. Possibilities to enter Fair Trade market should be studied and, if prospects are promising, respective marketing efforts could be piloted.
- The focus will be in the downstream parts (Figure 1.1.) of the value chains and the support to them will be carried out mainly through financial and advisory services.
- Promoting agribusinesses is the pivotal area of action of AgroBIG II. Strengthening agribusiness enterprises will create job and income opportunities to resource-poor groups.
- Capacity strengthening activities will be carried out for VC actors including cooperatives and unions to help them understand the benefits of linkages to the existing (e.g. market terminal) and new market opportunities (e.g. industrial parks).
- There will be concrete support mechanisms for women and youth. Coordination with partners and stakeholders in this area is important.
- In comparison to AgroBIG I, the Programme will undertake less physical constructions and put more emphasis in value adding mechanisms and systems. AgroBIG II should focus more on creating linkage between the existing actors of the value chains and promote effective and efficient utilization of the facilities and infrastructures constructed in Phase I.
- The Programme will promote alignment with the GoE, and harmonisation and coordination with other development partners.
- Guidelines of the Committee for Food Security (CFS) for Responsible Agriculture Investments (RAI) and Voluntary Guidelines on the responsible Governance of Tenure of land, fisheries and forests (VGGT) will be followed.

To ensure **equality in implementation**, the Programme will apply dual strategies: (i) mainstreaming participation throughout the Programme; and, (ii) through specific, targeted undertakings, that will highlight and demonstrate what can be possible if some of the structural constraints and changes to traditional attitudes and mind-sets in rural Ethiopia and its institutions come about.

In the table 3.1. are highlighted the major contextual, programmatic and institutional **risks**, as well as their likelihood and related mitigation measures. The Risk Matrix is to be reviewed by the PSU periodically, and any issues requiring Supervisory Board (SVB) action must be included in SVB meeting agendas. It is eventually the SVB that approves Programme risk assessment and mitigation plan.

The total **budget for the Programme** is 10,340,000 euros. 9,400,000 euros comes from the GoF contribution. The GoE contributes 10% or 940,000 euros, which consists of both cash and in-kind contributions.

The breakdown of the total MFA financial contribution of EUR 9.4 million. (Update Sept 24, 2018).

| PROGRAMME BUDGET | Y1 | Y2 | Y3 | Y4 | Y5 | TOTAL | % of total |
|---------------------------------------|-----------|-----------|-----------|-----------|---------|-----------|------------|
| Implementation budget (BoFEC channel) | 624,500 | 1,772,000 | 1,595,000 | 1,351,000 | 57,420 | 5,399,920 | 57.4% |
| TA fees & reimbursable costs | 523,600 | 734,500 | 790,000 | 687,000 | 314,300 | 3,049,400 | 32.4% |
| PSU operational costs (via TA cons) | 103,600 | 154,500 | 215,000 | 144,400 | 139,730 | 757,230 | 8.1% |
| Contingency | | | | | 193,000 | 193,000 | 2.1% |
| GRAND TOTAL of MFA contribution | 1,251,700 | 2,661,000 | 2,600,000 | 2,182,400 | 704,450 | 9,399,550 | 42.6% |
| % of the total | 13.3% | 28.3% | 27.7% | 23.2% | 7.5% | 100.0% | |

The Programme submits annual outcome-based progress **reports** and bi-annual output based progress reports.

The **sustainability** of AgroBIG II relies on following principles:

- Alignment with GoE organisations and institutions.
- Building the capacities of various actors of the value-chains that constitute the market in its broadest sense: producers, traders, lower-tiered financial institutions, cooperatives and processors. This should help the autonomy of the stakeholders, post-project support.
- Emphasis on the business case as a guide to farmer, private sector and public investment. AgroBIG does respond to a number of public-good and social development agendas, but recognises that the sustainability of those rests on economic activity.
- Making small loans available to women and youth farmers and MSME members of SACCOs will provide them with the capital they need to be able to adopt modern farming practices, or to build their small enterprises. Importantly, it will also build the capacity of the SACCOs and their membership, developing a savings and credit culture in the villages.
- Focussing on building critical mass in the cluster areas, so that there is a density of production and farming activity to attract agribusinesses and other market support functions.
- Emphasizing the need for agricultural and agribusiness results; that all costs need to be related to those and that capacity and institutional development for their own sake.

AgroBIG is **coherent with other MFA funded projects** in Ethiopia and with some of them there is complementarity. The latter include the land administration project REILA and the ICI project on soil improvement.

1. Background

1.1. Country context

Population. Ethiopia has an estimated population of over 100 million and it is the most populous landlocked country in the African continent. Most Ethiopians, around 80%, live in rural areas. Amhara National Regional State (ANRS) is the second most populous with more than 20.8 million people²; 54% of whom are between the ages of 15 and 60, and 40% below the age of 14—implying a young labour force. Around 83% of Amhara’s population is rural. Population density is highest in West Gojam zone and lowest in North Gondar. The most prominent cities and towns are Bahir Dar, Gonder, Debre Tabor, Dessie, Kombolcha, Debre Birhan and Debre Markos, each with populations above 50,000.

Growth. National real GDP growth during 2002/03–2014/15 averaged 10.8% per annum; more than double the Sub-Saharan African average for the same period. As a result, annual average income per capita is reported by Government to have increased from 377 USD in 2009/2010 to 691 USD in 2014/15. In the latter years of the first Growth and Transformation Programme (GTP), agriculture GDP growth averaged 6.36% per annum. Export earnings are still dominated by agricultural commodities, which include coffee (25.8%), oilseeds (16.9%), chat (9%), pulses (7.3%), leather and leather products (4.4%). Manufactured exports were only 8.1% in 2014. Expanding product types and destinations is one of the focus areas in GTP II that includes expanding horticultural crops. Since 2016, Ethiopia has experienced several civil unrest incidents that will most likely affect the economic growth of the country.

Poverty and Human Development. Over the 15 years since the country’s last National Human Development Report (NHDR) was published, Ethiopia has undergone significant economic change. That said; Ethiopia’s Human Development Index (HDI) and its relative rankings have not moved appreciably—it still ranks 174th out of 188 countries in the latest UNDP Human Development Report (2016). The proportion of the population living below the national poverty line fell from 39% in 2003/4 to 23% in 2014/15, yet the country is still amongst the world’s ten-poorest nations. About 75% of the population are dependent on subsistence agriculture and are vulnerable to food insecurity. Approximately 10.2 million people were in need of emergency food assistance in 2016, in addition to 7.9 million chronically food insecure beneficiaries who are supported through the Productive Safety Net Programme (PSNP). In its 2015 poverty assessment, the World Bank reported: “Ethiopia is one of the most equal countries in the world as a result of a very equal consumption distribution in rural areas”. In comparison to other African countries, Ethiopia has the lowest inequality as measured by the Gini coefficient.³

Social vulnerability and gender equality. Vulnerability and poverty in rural Ethiopia are strongly linked to household characteristics, asset holdings, off-farm income generating opportunities and access to public services such as credit and agricultural extension. Households with female heads and chronically ill members as well as elderly headed households looking after orphans, are most vulnerable to shocks and have limited coping strategies. The asset holding-status of households also correlates strongly with their resilience to shocks and their ability to cope with those, for example, their land holding, quality of land, food stock and labour availability, as well as financial income from agricultural and non-agricultural activities.

Major barriers exist for women to benefit from development equally. Generally speaking, women continue to be more vulnerable due to lack of education, prevalent gender bias, social and cultural norms, as well as their reproductive and productive roles. This causes lower decision-making power and mobility, and lack of

² ANRS Plan Commission, 2015/2016 Budget Year Annual Statistical Bulletin

³ This programme document makes an intensive use of a key terminology. Definitions of the most important terms are explained in the glossary, in Annex 1. In the body text, the terms defined in the glossary are underlined. In most cases, the definitions stem from acknowledged sources, such as MFA guidelines and OECD/DAC documents. While they may be available from many places, it is useful to include them to this document and ensure that readers can share one unambiguous definition for each term.

access to inputs, assets, market information, technologies and profits. Vulnerability is further exacerbated in case of external shocks such as the recent drought, which has increased health problems due to water scarcity as well as women's workload due to distance in collecting water and firewood; caused malnutrition and loss of food, livestock, reduced wage employment and cash available for services; increased male out-migration and divorce rates due to men migrating for wage labour; as well as higher drop-out rates from schools.

Gender roles in agriculture are evident in the AgroBIG I woredas of Mecha and Fogera, and there is strong evidence of inequality in the division of labour, access to and control over property and on decision-making in household and community affairs.

Environmental and climate aspects. Most of Amhara is on the highland plateau and is characterized by rugged mountains, hills, plateaus, valleys and gorges. About 60% of the total area is used for cultivation and grazing (30% each), 17% is under forests, woodlands and shrub lands, 4% is covered by water bodies, 3% is occupied by settlements and 16% is a wasteland. The proposed Programme target areas and clusters are located in the vicinity of Lake Tana, the largest national freshwater body, and source of the Blue Nile River. The lake basin is an environmentally sensitive area, whose surroundings are wetlands and seasonal floodplains.

Rainfall variability imposes crop production risks, especially on rain-fed subsistence systems. Inter-annual and seasonal variability of rainfall (fluctuation of onset dates and end dates) is a major cause of fluctuations in production of cereals in Amhara region. *Meher* season (June-September) is the main rainy season when water bodies can capture the highest volumes of water. During this time, there is a probability of climate-related hazards such as floods, flash floods and landslides. The possibility of water resources reduction is also major threat in the area. The effect of climate change has the potential to cause agricultural drought unless there is ample water available for irrigation. Of the 140 woredas at present reported in Amhara, 48 are considered to be drought-prone and chronically food-insecure. Furthermore, variation in monthly and inter-annual minimum and maximum temperature patterns has been noted although maximum temperatures show significant warming trends.

Doing business in Ethiopia is relatively difficult, with the country ranking 161/190 in the World Bank Group's "Doing Business" survey of 2017. Most relevant to the agribusiness environment are the following rankings: Getting Credit 173/190; Trading Across Borders 167/190; Starting a Business 174/190; Registering Property 139/190; Getting Electricity 127/190; and, Protecting Minority Investors 176/190. The Programme needs to be aware of these constraints and address those of that it can.

Agriculture accounts for about 39% of Ethiopia's GDP, 76% of exports, and 75% of the labour force. Many economic activities depend on agriculture, including marketing, processing, and export of agricultural products. Production is overwhelmingly of subsistence nature, and a large part of commodity exports are provided by the small agricultural cash-crop sector. Principal crops include coffee, pulses, oilseeds, cereals, potatoes, sugarcane, and vegetables. Exports are almost entirely agricultural commodities, with coffee as the largest foreign exchange earner, and its flower industry becoming a new source of revenue. Ethiopia is Africa's second biggest maize producer. In 2000, Ethiopia's livestock contributed to 19% of the total GDP.

The vast majority of farmers in Ethiopia are not integrated into commercial value chains. While agriculture plays a central role in the Ethiopian economy, agro-industries accounted for only 5 per cent of GDP in 2012 (UNIDO). In terms of contribution to the manufacturing sector, agro-industries—food and beverages—account for about 50 per cent, the largest share of manufactured goods. Ethiopia's agro-exports are currently almost entirely limited to primary and unprocessed products. The share of processed products in total agro-industry exports constitute only 1.3 per cent (2013) and import dependency remains strong. At the same time the export of processed food products is growing at approximately 10 per cent annually, suggesting that market conditions for exports of processed food are favourable.

Ethiopia possesses competitive advantages in several crops such as oil seeds and cotton, and horticultural crops such as fruits and vegetables, but this advantage is often lost due to poor linkages within agricultural value chains. Wastage between the farm gate and the final consumer is often 40 per cent in fresh products and up to 20 per cent in cereal crops, contributing to unnecessarily high prices. A long supply chain also

means that each level of the supply chain is unaware of the requirements of the next level. Limited communication between farmers and processors means that farmers have little incentives to produce high quality products, employ best handling practice, invest in high quality inputs or adopt best agronomic practices.

According to the government figures, about 85% of the people in Amhara are engaged in agriculture. The State is one of the major teff (staple food) producing areas in the country. Barley, wheat, oil seeds, sorghum, maize, oats, beans and peas are major crops produced in large quantities. Cash crops such as cotton, sesame, sunflower, and sugarcane grow in the vast and virgin tract of the region's lowlands. The water resources from Lake Tana and all the rivers in the region provide immense potential for irrigation. According to Bureau of Agriculture (BoA), 5.5 million hectares of arable land is irrigable and suitable, especially, for horticultural development. The mean annual rainfall of the region varies from 300 mm to 2000 mm, while annual mean temperature lies between 15-21°C.

Administrative system. The country's federal system has a four-tiered government structure comprising Federal, Regional, Woreda and Kebele levels. Amhara is one of the nine regional states of Ethiopia. The federal structure of the country confers advanced legislative, executive, and judicial powers to the regions. The area of Amhara region is 205,000 km² and the population is estimated at 20.8 million. Amhara is divided into 12 zones, 140 woredas (districts), and 3429 kebeles (wards) that are the smallest administrative units.

Amhara Regional Administration Council, chaired by the Regional President of Amhara Regional State, has 22 cabinet members. 12 of them are new, appointed in November 2016. The cabinet members run regional sectoral bureaus and equivalent agencies. According to a study in 2015, there were approximately 240,000 public civil servants in Amhara Region, that is, one to every 81 citizens.

1.2. Policy framework

Country policies and programmes of Ethiopia are fine-tuned to achieve the ambitious goal of becoming a lower middle-income country by 2025. The following section discusses highlights of the main national policies and lessons that guide AgroBIG II Programme.⁴

Policy and Investment Framework (PIF). For the agriculture sector, the Policy and Investment Framework (PIF) drives Ethiopia's agricultural growth and development. In the PIF the development objective is stated as "to sustainably increase rural incomes and national food security". This is expressed in terms of four Strategic Objectives: 1) to achieve a sustainable increase in agricultural productivity and production; 2) to accelerate agricultural commercialization and agro-industrial development; 3) to reduce natural resource degradation and improve its productivity; and 4) to achieve universal food security and protect vulnerable households from natural disasters.

Growth and Transformation Plan II. In the GTP II document, the post-2015 Sustainable Development Goals (SDG), the Common African Position (CAP) on Post-2015 Development Agenda, Agenda 2063 of Africa, and the Addis Ababa Action Agenda (AAAA) have been embraced and their integration into the national plans, policies and strategies is well underway. This presents a unique opportunity for integrating and mainstreaming the principles of sustainable development goals and the tenets of Agenda 2063 of Africa into policies and programmes to articulate the national priorities, opportunities and challenges in the pursuit of economic structural transformation.

The overarching objective of GTP II is to sustain accelerated growth and establish a springboard for economic structural transformation thereby realizing the national vision of becoming a lower middle-income country by 2025.

⁴ Hereinafter the document refers to AgroBIG II as the 'Programme'. Its preceding phase is called AgroBIG I, or the first phase.

GTP II has set out the following specific objectives⁵:

- Achieve an annual average real GDP growth rate of 11% within a stable macroeconomic environment, while pursuing comprehensive measures towards narrowing the saving-investment gap and bridging the widening trade deficit.
- Develop domestic engineering and fabrication capacity and **improve productivity, quality, and competitiveness of the domestic productive sectors** (agriculture and manufacturing industries) to speed up structural transformation.
- Further solidify on-going public mobilization and organised participation to ensure the public become both owners and beneficiaries of development outcomes.

To achieve the objectives of GTP II set out above, the following pillar strategies will be pursued:

- Sustain the rapid, broad based and equitable economic growth and development witnessed during the last decade.
- **Increase the productive capacity and efficiency to reach the economy's production possibility frontier through concurrently improving quality, productivity and competitiveness of productive sectors (agriculture and manufacturing industries).**
- Speed up and catalyse transformation of the domestic private sector and render them a capable development force.
- Build the capacity of the domestic construction industry, bridge critical infrastructure gaps with particular focus on ensuring the quality of infrastructure services through strengthening the implementation capacity of the construction sector.
- Properly manage and administer on-going rapid urbanization to unlock its potential for sustaining growth and structural transformation of the economy.
- **Accelerate human development and technological capacity building and ensure its sustainability.**
- Establish democratic and developmental good governance through enhancing implementation capacity of the public sector and mobilization of public participation.
- **Promote women and youth empowerment, ensure their participation in the development process and enable them to equitably benefit from the outcomes of development.**
- **Build a climate resilient green economy.**

Growth and Transformation Programme is also adapted by Amhara Region with the following strategic priorities:

- **Increase production capacity and efficiency to reach the economy's production possibility frontier through rapidly improving quality, productivity and competitiveness of productive sectors i.e. agriculture and manufacturing.**
- **Enhance the transformation of private sectors to enable them to become a capable development force.**
- **Promote women and youth empowerment, ensure their effective participation in the development and democratization process and enable them equally benefit from the outcomes of development.**

One of the strategic pillars of GTP II is to increase production capacity and efficiency to reach the economy's productive possibility frontier through rapidly improving quality productivity and

⁵ Objectives in bold are particularly important for AgroBIG II.

competitiveness of productive sectors, agriculture and manufacturing. AgroBIG's contribution has therefore direct links to the country's and the region's priority in which value chain approach (VCA) for selected clusters are developed to provide increased income for farmers, cooperatives, processors, traders and private service providers.

National Employment Policy and Strategy of Ethiopia is the main leading policy document for the national employment policy direction that was prepared in November 2009. The main policy action areas were (i) accelerating private sector development for employment creation; ii) ensuring effective and efficient public sector employment; (iii) improving and raising labour productivity; and (iv) improving labour administration and strengthening labour market institutions.

National Micro and Small Enterprises (MSE) Strategy. To enhance job creation for youth and women, the government issued the National MSE strategy in 1997 that was revised in 2011. The development of MSEs has been the strategic focus of the industrial development initiative as reflected in its medium-term development plans. Job creation has been articulated as one of the important pillar strategies of the Plan for Accelerated and Sustained Development to End Poverty (PASDEP) and subsequent development plans (GTP I and GTP II). Private sector development has been recognized as having a critical role in employment creation, especially through the development of SMEs and labour-intensive manufacturing industries. To make MSEs more successful; access to training, social networking and loans have been identified as variables negatively affecting growth rate.

Rural Job Opportunity Creation and Food Security Sector (RJOCFSS). Considering the political and economic consequences of the rural unemployment, the government has come up with a new structure since September 2015 to support the rural communities, called Rural Job Opportunity Creation and Food Security Sector. Taking best practices from past pilot projects, the sector is working to create job opportunities in rural areas for unemployed youth through youth-targeted employment-generating schemes and entrepreneurial trainings, relaxation of the restriction on land rental markets and provision of group land access for high-value crop cultivation and livestock production.

1.3. Development challenges to be addressed by the Programme

AgroBIG II will pay attention to addressing the challenges as identified during the first phase and the formulation process. These issues are related to the overall development of agriculture and agribusiness around Lake Tana basin and, to large extent, they remain the same as those during the time when AgroBIG was initially conceptualized. Many of the challenges faced by various actors are not bound to any particular commodity chain but systemic to agribusiness in general. Many of these issues take considerable time to resolve and the second Phase should be able to tackle these by building on the initiatives and progress made in the first Phase.

The various challenges can be summarised as follows:

- Farmers lack knowledge and skills for good agronomic practice; particularly for climate-smart agriculture (CSA) technologies.
- Farmers' access to improved seeds and appropriate fertilizers, pesticides and herbicides is limited.
- Farmers' access to appropriate technologies, as well as to working capital and investment finance is inadequate. As a result, the use of even basic mechanization or water pumps is often out of the reach of an average farmer around Lake Tana basin.
- Post-harvest handling, primary-processing and storage is generally of poor quality, and losses are generally in the order of 15-20% of the crop and sometimes up to 30-50%.
- Agricultural markets are generally weakly developed and linkages between farmers and other value chain actors remain informal. The primary cooperatives and cooperative societies, through which

farmers predominantly market their produce, have inadequate capacity to properly manage their role and are also under-capitalised.

- Women are particularly disadvantaged in these areas, facing limitations in accessing extension services and credit facilities and influencing decision-making at household, community and cooperative levels.
- In Ethiopia, there have been significant increases in educational attainment. However, there has not been as much job creation to provide employment opportunities to the newly educated job seekers. Therefore, employment remains one of the main challenges for young people, both for female and male.

1.4. Rationale vis-à-vis Finnish policies

AgroBIG II is highly relevant to GoF development policies. The Finnish Government Report to Parliament (2016) defines that development cooperation will have a special focus on the following priority areas:

1. Enhancing the rights and status of women and girls;
2. Improving the economies of developing countries to ensure more jobs, livelihood opportunities and well-being;
3. Democratic and better functioning societies;
4. Increased food security and better access to water and energy; and the sustainability of natural resources.

AgroBIG II addresses directly two of the objectives (2 and 4), and contributes to the other two.

MFA Country Strategy for Ethiopia 2016-2019 defines three impacts to which Finland will contribute by 2025. AgroBIG II will play a key role in promoting the first one of them:

- People in rural Ethiopia are empowered to enjoy sustainable growth and decent livelihoods.
- People are empowered in WASH practices, have access to clean water and enjoy improved health.
- Equitable access to quality general education is assured for all children.

Relevance of the Programme in relation to the cross-cutting objectives and human rights in the Finnish development policies is dealt with in the section 2. on stakeholder analysis.

1.5. Programme's previous phase and its formulation process

Government of Finland (GoF) decided to undertake with the Government of Ethiopia (GoE)⁶ a project that would help to add value to farmers and other actors of agricultural value chains. The programme was located in Amhara in the proximity of Lake Tana, where the primary production potential is high, thanks to favourable agro-ecological conditions. The rationale of the programme was to promote value adding in a food surplus area where the context and the actors' resources enable sustainable entrepreneurial development.

AgroBIG I started in 2013 to end on December 31, 2016. A non-cost extension period was awarded for the period January-June 2017. AgroBIG II was planned to start immediately thereafter in July 2017.

⁶ In this document, 'Government of Ethiopia' refers to the public authorities at all levels (federal, zonal, regional, woreda, kebele) of the Federal Democratic Republic of Ethiopia.

AgroBIG Programme has been supporting activities in agricultural value chains—first for onions and potato and later for rice and maize. In 2015 a Mid-Term Evaluation (MTE) was undertaken, and in 2016 KPMG company was commissioned to conduct a Performance Audit.

Approximately half (48%) of the AgroBIG I implementation budget was allocated to the matching grant funds. In total 142 activities were funded in 2013-2015 in Fogera and Mecha woredas, mostly through matching grant funding to farmer cooperatives or groups, and to public institutions from the Value Chain Fund (VCF) and the Matching Grant Fund (MGF), both of which were managed by the Amhara Credit and Savings Institution (ACSI). The Programme has also operated two other funds: the Innovation, Demonstration and Research Fund (IDRF), managed by the PSU, and the Loan Fund, managed by ACSI. These grants represent an AgroBIG investment of 22.2 million ETB (925,000 Euros). When including the own contribution of the applicants of 17.2 million ETB, a total of 39.4 million ETB (1,642,000 Euros) have been invested in the value chain business of the two woredas.

The loan fund managed by ACSI provided investment and working capital for the cooperative sector. Only seven loan agreements totalling 5.7 million ETB (240,000 Euros) have been concluded by the end of 2016.

The core activities supported by AgroBIG I included, among others:

- Support for 67 farmer cooperatives involved in production and marketing of onion, potato, maize and paddy rice; two cooperatives were established specializing in production of virus-free potato seed and four coops were supported to supply certified onion seeds.
- Capacity building of cooperative leaders and members in crop husbandry and business development, multiplication/certification and packaging of seeds, farmer cooperative/group formation etc.
- Market linkages to input suppliers, commodity buyers and other stakeholders. Support has also been extended to a number of youth groups offering service delivery within mechanized maize threshing, pest management and water provision (well digging and water pump maintenance).
- Construction of 22 low-cost cooperative crop collection centres in the two districts. In Mecha one small and two larger cooperative commodity warehouses have been co-financed. In addition, nine rice millers have been supported and a horticultural wholesale facility has been co-financed and is currently nearing completion.
- Construction activities at Bikolo Horticultural Institute and part-financing of a large terminal market in Bahir Dar, presently under construction (2 blocks out of 62 financed by AgroBIG).
- Distribution of a range of low-cost pilot farm equipment to the cooperatives.

The preparatory process of AgroBIG II was undertaken in 2016, resulting in the final draft programme document of 31 October 2016. An appraisal of that document was carried out in February-April 2017.

A key concept in the programme design is the agricultural value chain. To avoid diverging interpretations, the figure 1.1. presents a schema of a generic value chain. In particular, attention should be paid to the terms ‘downstream’ and ‘upstream’, which are repeatedly used in the report.

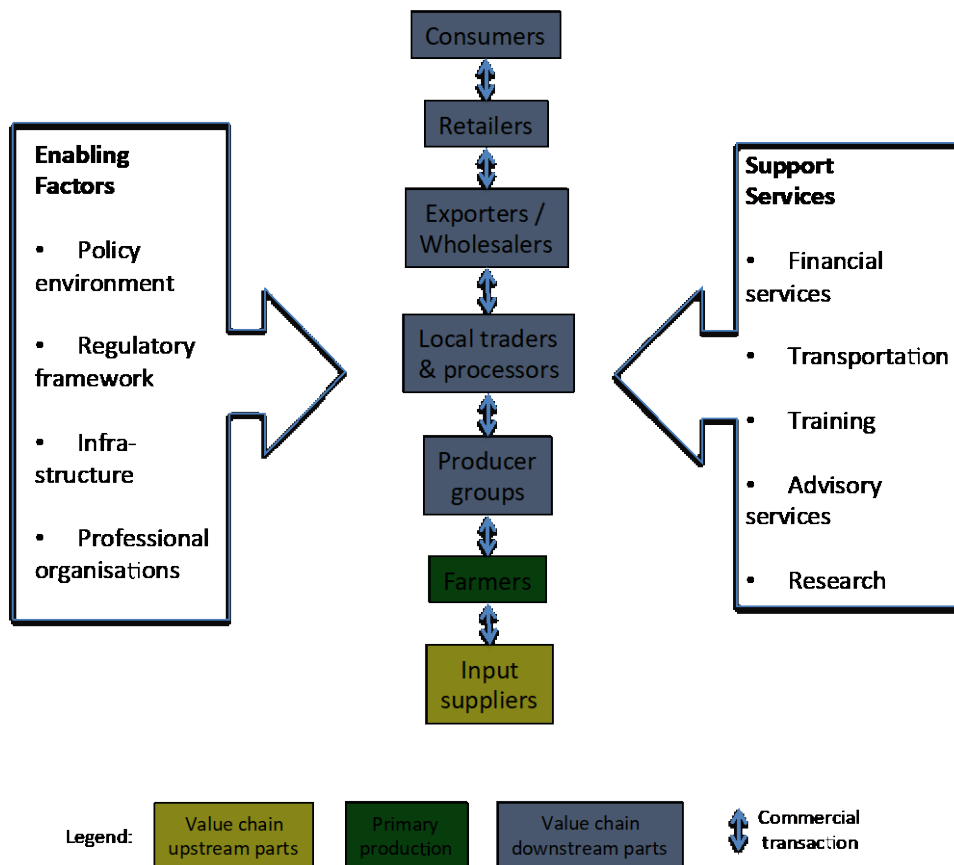


Figure 1.1. Agricultural value chain.

2. Context and stakeholder analysis

2.1. Agriculture sector in Amhara

In Amhara region, agriculture, tourism and trade are the major economic endeavours. The agricultural sector is by far the dominant one accounting for about 53 % of GDP with annual growth rate of 7.6 %. The respective figures for industry in 2013/14 were 17% with 18.9% growth, and for services 30% with 14.5% annual growth⁷.

Cropping and livestock account for 67.6% and 21.5%, forestry 10.7% and fisheries 1.5% respectively within the sector. The major crops grown in the region are cereal grasses (teff), cereals (maize, especially in South and North Mecha, South and North Achefer as well as Dera woredas, and rice in Fogera woreda), oilseeds, pulses, vegetables and fruits. About 28% of the livestock in Ethiopia, 31% of the poultry and 19% of beehives are found in Amhara.

The mean annual rainfall of the region varies from 300 mm to 2000 mm while annual mean temperature lies between 15-21°C. Areas in the North-Western part of the region that border Sudan and the Eastern parts bordering Afar are mostly lowland, while the majority of the Central and South-Eastern part of the region is midland or highland. Ethiopia's largest inland body of water, Lake Tana, as well as the highest peak of the country, Mount Ras Dashan, are located in Amhara region. Abay (Blue Nile), Beles, Tekezie, Angereb, Athbara, Mili, Kessem, and Jama are major rivers. The region has, according to BoA data, 5.5 million ha of irrigable land and a total of 840.000 ha of irrigated land. A number of irrigation projects, such as Ribb, Megech and Seraba, are presently under implementation.

The horticulture sector in Ethiopia is growing rapidly. Annual fresh vegetable and fruit production is estimated to be 4 million metric tonnes and smallholder farmers are the principal growers, accounting for over 98% of the national production. Few use irrigation, and the recent and on-going development of irrigation schemes in the Amhara region will provide AgroBIG with a significant opportunity. For the three horticulture-potential corridors of Tana, Kobo, Shewa Robit/Debre Birhan; garlic, tomato, potato, onion, grapes, cabbage, peppers, beetroot, orange and tropical fruits are identified as bearing potential. Amhara is endowed with vast tracts of high-potential agricultural land. Most of this potential remains under-utilised, with subsistence methods prevailing. Major constraints are limited skills and knowledge, lack of technology and infrastructure, problems in input supply and access to finance.

The 7000 ha Koga Irrigation scheme in Mecha is 40 km from Bahir Dar and AgroBIG has been working with farmers in the command area of the scheme (see map on the page 10). The Ribb river Irrigation scheme will offer irrigation to large tracts of the Fogera -Libokemkem flood plain; an area whose high potential has been well studied. Ribb Scheme is under construction with estimated irrigable land of 14,000 ha. Farmers are also employing shallow tube wells for irrigation in areas where the ground water potential is high. The high-horticulture-potential Kobo corridor has a ground water reserve that spans from Kobo in the North to Girana in the South with an estimated irrigable potential of 96,000 ha, 5000 ha of which is presently irrigated and with plans expand this to 29,000 ha in the next ten years. The Shewa Robit corridor grows a mix of lowland and highland fruits and vegetables. Areas closer to Debre Birhan have potential for highland vegetables and fruits such as apple, beetroot and potato, while the Shewa Robit valley has similar agro-ecology to Tana and Kobo with total irrigable land of over 33,000 ha.

2.2. Overview of Gender and Human Rights Issues in the Sector

A Stakeholder Matrix has been prepared and is in Annex 7. Its purpose is to ensure that: (i) all key stakeholders are identified so they can be properly involved and informed about the intervention and that the Programme management and coordination arrangements promote stakeholder ownership and participation;

⁷ Regional Gross Domestic Product Estimates, 2015

(ii) resources are appropriately targeted; (iii) potential conflicts between stakeholders' interests are recognized and explicitly addressed in project design, and finally; (iv) that stakeholders' influence and importance are identified and assessed.

To ensure sustainability in the long-term, the various stakeholders need to understand and assume their responsibilities. Assessment on Social Inclusion and Responsibility, and Social Vulnerability and Gender Analysis for the sector are in Annexes 12 and 13, and give detailed information on the main issues related to gender equality and social inclusion. The key factors restricting women's engagement in economic opportunities are poor access to productive assets such as land, oxen, and labour, reproductive and productive tasks, lack of education (literacy), information, technology, credit, etc, and limited participation in decision making both at household and community levels, which in turn reduce their access to and control over resources.

To frame the stakeholder analysis using a HRBA, stakeholders are categorised as rights-holders, duty-bearers and other relevant parties.

- **Rights-Holders** are all individuals or groups, who are often also beneficiaries. For AgroBIG II they are individual farmers and farming households, including male-headed households, and female-headed households (FHH); youth (including the landless male and female); savings and credit groups; cooperatives and associations as well as private actors and service providers along value chains. For the rural community in Amhara, the power of these rights-holders is considered subordinate to the duty bearers.
- **Duty-Bearers** are state governments and authorities at different levels with the mandate and responsibility to respect, protect and fulfil rights. For AgroBIG II, the most prominent being BoFEC; the Bureau of Agriculture (BoA); the Cooperative Promotion Agency (CPA); BoT; Bureau of Women and Children Affairs (BoWCA) and Bureau of Technical and Vocational Enterprise Development (BoTVED). Central government ministries are responsible for planning, coordination and development of policies and standards, and the regional bureaus are directly responsible for the implementation of policies and programmes. The presence of the State government and its agencies in development is very strong, where this also includes a high degree of formal and informal influence on the economic activity of individuals and/or groups.
- **Other relevant parties** are civil society actors, donors, international organizations, service providers, the private sector, traditional or religious leaders, among others. A listing of the most relevant development agencies and undertakings, including donors, civil society organisations (CSO) and international organizations, is presented in Annex 11. Other responsible actors are research and educational institutions such as the Amhara Regional Agricultural Research Institute (ARARI) and Fogera National Rice Research and Training Center (NRRTC, Agricultural Transformation Agency (ATA), Technical and Vocational Education and Training (TVET) colleges at woreda level offering agricultural training, and the University of Bahir Dar (UBD), Debre Tabor University (DTU) and partnering financial institutions such as ACSI and Cooperative Savings and Credit Unions (COSACUs), Entrepreneurship Development Center (EDC), Digital Opportunity Trust (DOT), and ICT Agency.

A clear distinction between duty-bearers and rights-holders is not always obvious as some actors, such as cooperatives, Chamber of Commerce and sector associations rely on and have a right to expect government support, but at the same time also have a mandate to serve their members rights, including those related to participation, accountability and transparency. Private service providers are beneficiaries of the Programme as well as citizens, who enjoy the state's care and delivery of services. In this respect they are rights-holders, but once they start employing people they also become duty-bearers for fair pay, safe work place and equitable treatment.

2.3. Beneficiary and stakeholder analysis

AgroBIG II addresses direct beneficiaries that can be classified into three main groups:

1. **Individual farmers and farming household members** within the geographical programme area with particular attention to women; landless women; and youth including young women and men.
2. **Agricultural cooperatives and associations.** Cooperatives may be primary or secondary (unions) and while they are Programme beneficiaries; they are also providers of inputs and financial services
3. **Private sector value chain actors** include commercial intermediaries and operators in value chains whose ownership is by individuals as sole-traders or corporate entities. They include input suppliers (seed, agro-chemicals, fertiliser, tools and equipment, transporters), service providers, traders (wholesalers and retailers, including consumer cooperatives), processors, packaging and storage, and, commercial financial institutions.

AgroBIG II has also intermediate beneficiaries that include government bureaus and agencies, research and educational institutions, financing institutions, private and public sector organisations, civil society organisations, and development partners. These can be either implementation partners or service providers. The latter are organizations from which AgroBIG purchases outsourced services, which can include baseline studies, needs and impact assessments, feasibility studies, technical analysis, research and development, research, quality assurance and inspection, training and business development services.

Final beneficiaries of the AgroBIG II are those who benefit from the Programme in the long term at the level of the sector or sector at large as a result of the delivery of the outputs or accomplishment of the Programme outcomes. They include the direct beneficiaries mentioned above; as well as consumers (if production volumes increase; prices will drop) and the GoE (increased tax revenues).

Table 2.1. Number of cooperatives and members in multipurpose cooperatives⁸ in the woredas addressed by AgroBIG II.

| Woreda | # kebeles | # primary coops total | # SACCOs *) | # MP coops**) | # members in MP coops | Saving & Credit Unions |
|-----------------|------------|-----------------------|-------------|---------------|-----------------------|------------------------|
| North Achefer | 20 | 51 | 26 | 12 | 22,029 | 1 Tana branch |
| South Achefer | 27 | 44 | 21 | 10 | 28,527 | |
| Mecha N&S | 44 | 79 | 35 | 12 | 42,190 | |
| Bahir Dar Zuria | 32 | 65 | 33 | 13 | 43,176 | 1 Tana branch |
| Dera | 31 | 61 | 33 | 17 | 32,554 | 1 Adera Densa b. |
| Fogera | 35 | 82 | 37 | 20 | 24,869 | 1 Rib branch |
| Libokemkem | 33 | 70 | 38 | 15 | 25,950 | 1 Rib branch |
| | 222 | 452 | 223 | 99 | 219,295 | |

*) 2016/17 data **) 2015/16 data

Farming households constitute the majority of the potential beneficiaries of the Programme. The total number of potential direct beneficiaries can be derived from the population data (Table 2.2), average household size (4.2) and share of population engaged in agriculture (80%). Based on these figures, the total number of farming households in the targeted eight woredas arrives at 320,000.

⁸ Source: CPA 2018

Table 2.2. Population of the eight woredas of AgroBIG II in 2014/15.

| No. | Woreda/District | Kebeles | Sex | | Total |
|-----|-------------------------|------------|----------------|----------------|------------------|
| | | | Male | Female | |
| 1 | Fogera | 31 | 126,016 | 121,878 | 247,894 |
| 2 | Dera | 32 | 138,432 | 140,266 | 278,698 |
| 3 | Libokemkem | 31 | 111,880 | 108,808 | 220,688 |
| 4 | Mecha (North and South) | 43 | 161,899 | 167,498 | 329,397 |
| 5 | Bahir Dar Zuria | 33 | 110,858 | 104,993 | 215,851 |
| 6 | North Achefer | 27 | 122,656 | 116,176 | 238,832 |
| 7 | South Achefer | 20 | 74,192 | 78,895 | 153,087 |
| | Total | 217 | 845,933 | 838,514 | 1,684,447 |

Source: 2014/15 Annual Statistical Abstract, Amhara Regional State Plan Commission.

Based on initial analysis of market demand, production and supply potential of individual kebeles for horticulture produce in particular, and coverage of other development initiatives currently on-going in the region, the PSU is proposing AgroBIG to focus on 89 kebeles in the targeted eight woredas (Table 2.3). Considering that not all households will be engaged in the value chains addressed by the Programme, and not all households can engage themselves in AgroBIG supported activities, it is further estimated that a total of around 65,000 farmer households can be reached in the targeted kebeles. When the supported entrepreneurs and groups are added on this and the household members are considered, the total number of direct beneficiaries makes around 300,000 people.

Table 2.3. Summary of male and female headed households in kebeles proposed as the geographical target area for AgroBIG II.

| | # kebeles | Number of households | | |
|-----------------|-----------|----------------------------------|---------------------------------|----------------|
| | | Male headed | Female headed | Total |
| North Achefer | 11 | 13,248 | 2,328 | 15,576 |
| South Achefer | 11 | 13,758 | 2,173 | 15,931 |
| Mecha North | 12 | 13,472 | 2,203 | 15,675 |
| Mecha South | 8 | 7,739 | 1,113 | 8,852 |
| Bahir Dar Zuria | 12 | 12,125 | 2,080 | 14,205 |
| Dera | 10 | 18,325 | 2,558 | 20,883 |
| Fogera | 13 | 16,193 | 2,942 | 19,135 |
| Libokemkem | 12 | 13,149 | 2,344 | 15,493 |
| | 89 | 108,009 (86% of total) | 17,741 (14% of total) | 125,750 |

The M&E unit of the Programme will monitor the magnitude of the beneficiary groups in various categories.

The potential number of final beneficiaries is 1.7 million (Table 2.2.), which is the population size in the programme area, with fairly equal number of males and females. From this total population, 39.1% are children below age 15⁹ (and female-headed households are many). Unemployment and landless population of the programme Woredas is unknown, because only households with land user right are statically counted. In 2017 there were 764,000 to 800,000 registered jobseekers in the region. The eight woredas targeted by the Programme had around 33,000 registered job seekers in 2017.

Precisions will be made to define various beneficiary groups. To the extent possible, they will be quantified.

⁹ CSA 2017. Ethiopia Socioeconomic Survey 2015/2016.

Vulnerable groups include persons with disabilities (PWDs), the elderly, weak and bedridden household heads and children (under 15) employed in exploitive labour work. AgroBIG II needs to be aware of the existence of such groups along with due care of avoiding activities that may affect them negatively. Attention should be given to possibilities of PWDs to obtain grants and loans, or to be members of groups that receive them. Accordingly, AgroBIG, should consult BoLSA, which is also in the process of opening branch offices at Woreda level, to minimize the consequences of its interventions on child labour and those vulnerable social groups mentioned above. For example, 115 household heads in Ribb irrigation catchment area are displaced and many hundred children in Dera and Fogera areas are engaged in harsh and exploitive labour works such as cutting ‘Chat’ leaves.

The role of women and youth will be strengthened. Some of the vulnerable people may not be able to benefit from AgroBIG II as its rational is based on commercial activities where certain assets are necessary. Before starting activities, the Programme must consider the possible harm that any intervention might do to the vulnerable people and readjust the activities accordingly.

In comparison to the first phase, AgroBIG II will focus more on other parts of VCs than the farm level production. That is, input supply, post-harvest handling, collection, processing, trading, and marketing. This calls for appropriate market-based mechanisms to effectively engage private sector actors.

Private actors’ participation in AgroBIG II should be stronger than it was in the first phase. The Programme needs to identify pioneer private actors and design a strategy to attract and engage them in strategic investments along the value chain. Regional and local level bazars, exhibitions, and trade fora can be used as a platform to introduce investment opportunities and demonstrate technologies to the PAs.

The Programme should work with private growers’ associations, processors’ associations, and equivalent organisations to enhance private actors’ participation in the implementation and decision making process along the value chains.

AgroBIG II should utilize BoWCA’s structured approach of its mobilization unit to reach and actively involve women in VC activities that are beneficial to them. The Programme should expose Unions, Cooperatives, private actors and other stakeholders to resources available in the financial market. These actors need to start to interact and negotiate with financial institutions using their existing resources as collateral/guarantee.

3. Programme description

3.1. Overview of the Programme

3.1.1. Rationale for Launching the Programme

The background for initiating an agribusiness support Programme around the Lake Tana basin is the considerable agricultural development potential provided by large investments on irrigation schemes by the Government of Ethiopia (GoE) and development partners (DP). Koga Dam in Mecha Woreda is providing 7,000 ha of irrigated land and when completed, the Ribb Dam in Libo Kemkem and Fogera woredas will have a capacity to irrigate another 14,000 ha (see map on the page 31). Prior to AgroBIG, interventions were already undertaken by communities, GoE and DPs to increase production and profitability of different crops in Mecha, Fogera and surrounding woredas. AgroBIG I was designed to support market linkages and marketing of these various commodities.

The Programme's initial rationale is to capitalize the high potential of primary production through adding value in pertinent steps of agricultural value chains. The second phase is an extension of the first phase of AgroBIG, which had a mission to identify, introduce and develop a value chain approach in Mecha and Fogera woredas. This work will continue with a further emphasis on ensuring that added agricultural value will continue to bring increased income and jobs, and through them, contribute to increased food security. Climate smart agricultural practises will be pursued.

The scope of the first phase will be extended in the second phase to encompass two agro-ecological clusters. These are areas defined by the homogeneity of their agro-ecological conditions and the suitability of those for specific commodities. The logic is that this will begin to build a critical mass of production and agricultural activity that is necessary for market development. With no indication that the Programme would continue beyond the second phase, the design of the second phase chooses not to make major structural changes in the approach initiated by the first phase.

3.1.2. Description of internal programme logic

The agribusiness activities will be focussed on commodity value chains within geographical agricultural clusters in the high-potential flood plain areas around the Ribb-Gumara and Koga-Gilgel Abay river systems, scaling up primary production by providing technical support and solutions, enterprise development support through access to grants and a Cooperative and Women and Youth loan facilities. Concentrating activities will provide the density of crop production necessary to attract buyers and agro-processors, as well as input and field services suppliers.

Megech cluster at the northern shore of Lake Tana has similar characteristics as Ribb and Gilgel Abay clusters. The mid-term evaluation will study possibilities to include the Megech cluster in the Programme. The decision thereof will be made by the Supervisory Board.

Creation of job opportunities within the agriculture sector especially for vulnerable people will receive attention in the second phase. Vulnerable people in AgroBIG II context are especially women and youth including both young women and men. Women and youth can work as service providers for the value chain actors, or they can be actors in the value chain. Concrete examples are presented in the section 3.2.6. By putting special emphasis to vulnerable people, AgroBIG II is improving their livelihoods and food security.

The Figure 3.1. illustrates the Results Chain of AgroBIG II, showing how planned activities should lead to the expected outputs, and how the outputs contribute to the expected outcome and impact.

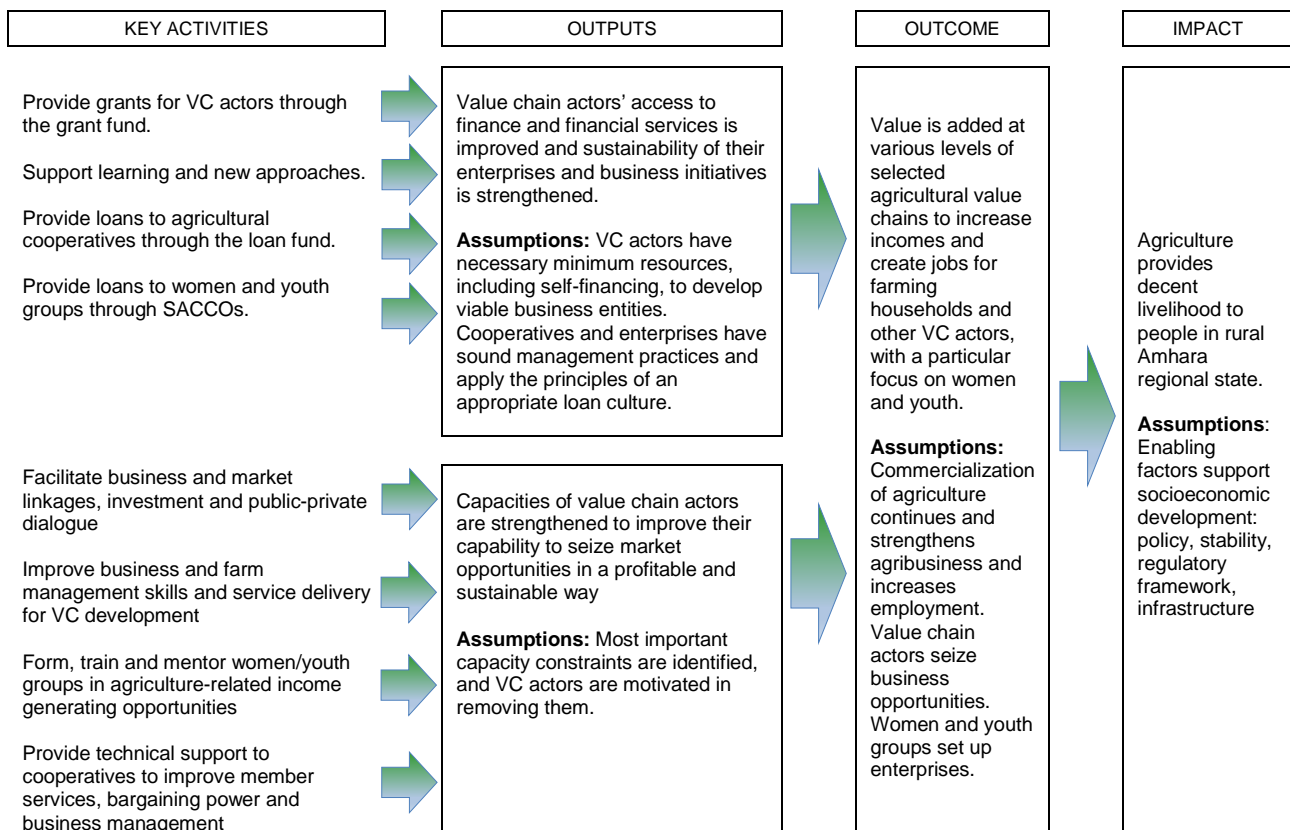


Figure 3.1. Results chain of AgroBIG II (updated 4/2018).

The theory of change of the Programme is the following:

Food production in high potential agricultural areas enables diversified production abounding both in quantity and quality. This creates possibilities to add value at all stages of agricultural value chains and strengthen food security.

Targeted support in stages where the value adding potential is biggest will enhance the profitability and viability of respective actors. This will help the production to meet the market and increase the income levels of value chain actors. It will strengthen the availability, accessibility, and affordability of food to the consumers.

Economically viable and profitable enterprises in value chains will be able to create job opportunities. By supporting and setting targets for vulnerable women and youth, both men and women, these groups can seize job opportunities and through them, improve their livelihoods and status in a sustainable manner. Their food security will be improved.

3.1.3. Scope of the Programme

3.1.3.1. Programme commodity scope

Value chains will be selected as a result of an in-depth study focusing on the potential production capacity and market opportunity of the selected crops. The Programme needs to carry out a comprehensive market study in all the existing and newly targeted Woredas and decide whether to continue with the existing crops and/or add new ones. The study should distinguish between potentials in local, regional, national, and export markets. In addition to the market study, infrastructures and investments that has been made in AgroBIG I should be taken in to consideration in adding or dropping value chain crops.

The main objective of the Programme is to enhance functionality of the selected value chains and benefit actors of the value chains (input suppliers, producers/farmers, processors, transporters, wholesalers and retail traders, and buyers). For value chains to be effective and profitable, defining the key actors of the value chain is a crucial step. Understanding the roles of these actors enables to clearly identify constraints along the chain and identify intervening areas. The central role of government offices in AgroBIG may have resulted in emphasis of cooperatives and cooperative unions, instead of other private VC actors, in spite the fact that according to prevailing GoE policies private enterprises are legitimate actors in the development of Ethiopian society and economy.

Although the selected two clusters are not considered as especially food insecure areas by the regional government, there are marginalised people in the project areas who lack income opportunities and/or land, and therefore experience food insecurity.¹⁰ The Programme will contribute to improved food security in three ways. Firstly; by developing value chains more food will be produced and so the *availability of food* will increase. Secondly, by generating new income opportunities especially for vulnerable women and youth, their livelihoods will improve, and the food becomes more *affordable* for them. Thirdly, support to enterprises specialised in food distribution will make it more *accessible* to the consumers.

3.1.3.2. Geographical scope

AgroBIG II will be oriented around geographically delineated clusters within which a range of commodity chains will be supported, in Koga-Gilgel Abay catchment around Mecha and Achefer, and Gumara-Ribb catchment around Fogera, Dera and Libokemkem. Possible inclusion of Megech cluster at the Northern shores of Lake Tana could be examined at the mid-term evaluation of the Programme. The eight woredas (districts) included in AgroBIG II are Fogera, Dera, Libokemkem, Mecha South, Mecha North, Bahir Dar Zuria, North Achefer, and South Achefer (see the map on the page 9). The first three make up the Gumara-Ribb cluster and the last five form the Koga-Gilgel Abay cluster. The programme area for AgroBIG II is defined by the agro-ecological potentials rather than strictly woreda boundaries. In the inception phase, the PSU will propose a precise programme area for SVB confirmation.

Programme area is a so-called food surplus area. The Programme will support adding value to its high productive potential. Limits of the programme area will be drawn on the map following woreda and kebele boundaries. The programme area will be confirmed by a Supervisory Board decision.

The three river plains offer uncommonly good commercial production potential, based on the hydrology and irrigation investments made. In the figure 3.2. the four flood plains in the Lake Tana Basin are shown.

At a later stage, the PSU may start to consider initiating activities in a third cluster and the Mid-Term Evaluation (MTE) scheduled for the beginning of 2019 could make a recommendation on that. Any decision on expanding the programme area must be taken by the AgroBIG II Supervisory Board.

¹⁰ Woreda of Libokemkem includes 24 kebeles that are food insecure.

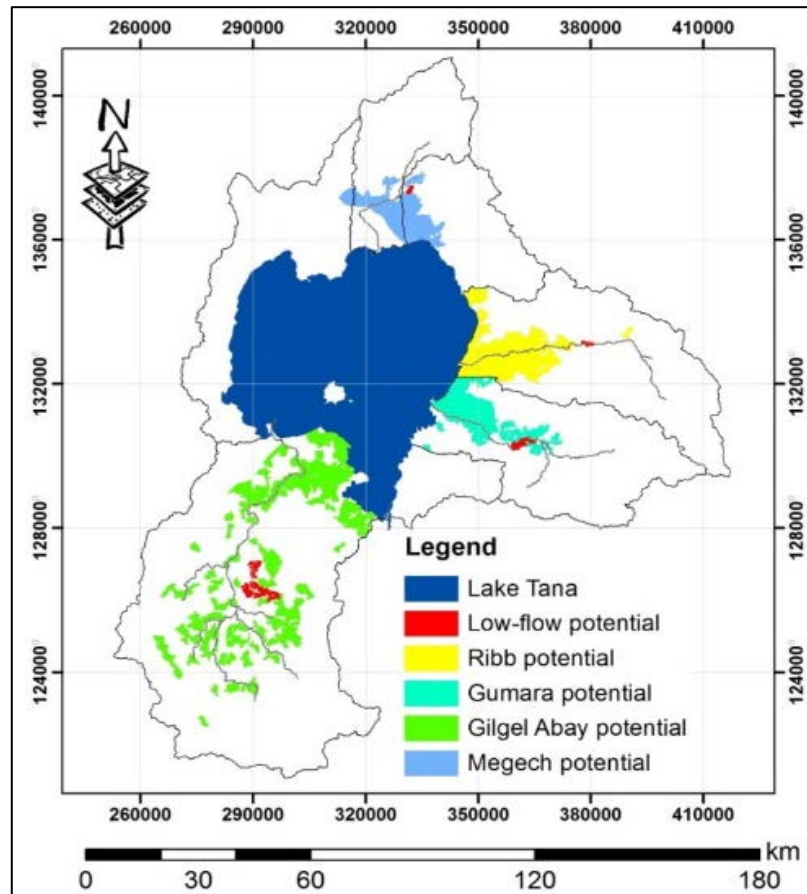


Figure 3.2. Catchment areas and AgroBIG II agro-ecological clusters. Note: AgroBIG II will cover only Gumara-Ribb and Koga-Gilgel Abay clusters.

3.1.3.3. Selection of value chains for AgroBIG II

The selection of value chains will be determined by the following criteria:

- Proximity and access to main markets with effective unmet demand.
- High potential demand for scaling up of farm interventions and outreach.
- Agricultural production potential: soil quality, topography, available arable acreage, availability of or potential for irrigation, crop feasibility, mechanization, farm commercialization, socio-economic status favourable for agricultural production.
- Attractiveness of the area for service providers and commodity buyers and farmer readiness for (semi)-commercialization.
- Opportunities the area can provide for women and young people to participate in and benefit from the value chain activities.
- Potential to create jobs and enhance social inclusion.
- Local government buy-in and the presence of proactive leadership in the extension service.

3.2. Programme results and key strategies

3.2.1. Description of results

The Programme results (impacts, outcomes and outputs) are presented in this section. The intervention logic, a Results Chain, is in the Figure 3.1. The proposed Results Framework is attached as Annex 2. This chapter also includes elaboration of the cross-cutting objectives that need to be taken into account to achieve the expected results.

The Results Chain includes assumptions, which need to be realized to achieve the results and to move from one result level to another. These assumptions are external issues that are beyond the control of the project. The Results Framework defines the targeted results and related indicators. They will be verified and further improved during the inception phase of Programme implementation. The yearly targets will be defined in the annual plans. The proposed indicators consist of both qualitative and quantitative ones and have been disaggregated as appropriate. The monitoring frameworks, baseline data collection and monitoring and reporting practices are further elaborated in the section 7.

3.2.1.1. Expected impact

The expected impact of AgroBIG II is that *agriculture provides decent sustainable livelihood to people in rural Amhara regional state.*

The impact statement of the Programme is identical with pertinent outcome definition of the MFA Country Strategy, and it is in conform with the GoE policies.

The assumptions are that the political and societal circumstances remain stable and authorities ensure enabling environment for business. Regulatory framework and infrastructure should be conducive to socio-economic development. In addition, it's assumed that there are no major external price shocks affecting incomes of farmers and stability of macro economy, and no major environmental shocks like drought affecting the production.

3.2.1.2. Expected outcome

The proposed outcome contributes to the impact of the Programme. It is defined as follows:

Value is added at various levels of selected agricultural value chains to increase incomes and create jobs for farming households and other VC actors, with a particular emphasis on women and youth.

The assumptions are that commercialisation of agriculture continues, and strengthens agribusinesses and increases employment; value chain actors seize business opportunities; and women and youth groups set up enterprises that the Programme can support.

3.2.1.3. Expected Outputs

The two outputs are partly inter-linked, and they contribute to the outcome.

The expected outputs:

- **Output 1:** Value chain actors' access to finance and financial services is improved and sustainability of their enterprises and business initiatives is strengthened.
- **Output 2:** Capacities of value chain actors are strengthened to improve their capability to seize market opportunities in a profitable and sustainable way.

3.2.1.4. Cross-cutting objectives relevant for achieving the results

Three cross-cutting objectives defined in Finland's development policy are relevant for achieving the results of the Programme.

- **Gender equality.** Women's constraints in VCs need to be studied: what are their roles and how they can be supported. The Programme should clearly identify areas that can enhance women's participation and equality. Respective actions need to be designed and implemented. AgroBIG partner organisations should have gender focal persons. These persons would be the closest collaborators in activities supporting gender equality and they will help in mainstreaming gender aspects in their respective organisations.
- **Reduction of inequalities.** The Programme's rationale largely relies on this objective. Better food security as well as increased incomes and jobs for the rural population are a major factor in reducing inequality.
- **Climate sustainability.** The Programme will promote sustainable use of natural resources and prioritize interventions that strengthen adaptation to climate change. It will promote climate-smart farming. Excessive use of agro-chemicals may be a problem in commercial farming, including run-offs from the irrigation sites. The Programme pays attention to this area and supports relevant partners to apply environmentally friendly production practices.

For all financial services supported by AgroBIG, the environmental strategy is to support climate smart agri-financing. Any finance products, grants or credit, developed with partnering financial institutions should at the very least be environmentally benign; that is, not support the use of environmentally unsafe or unsustainable practices. This will be taken into account when defining the criteria for loan or grant approvals. There are opportunities to increase financing particularly for renewable energy technologies, such as water pumping, and farmer-group grain conditioning and storage, for example raised screens and hermetically sealed bags.

AgroBIG II is a human rights sensitive programme. It addresses some key rights, such as right to food and decent work. All Ethiopians have right to clean and safe environment. M&E system should check the status of rights periodically. A prerequisite for the human rights sensitive level is that the Programme is aware of how and what kind of discrimination different groups experience in the context and how does that discrimination play itself out in terms of human rights and development outcomes by different groups (persons with disabilities, elderly, young, women). The Programme, on the basis of this analysis, needs to ensure that the barriers for participation and benefits by different groups have been addressed.

Social vulnerability analysis should be used as a basis to make sure the Programme is human rights sensitive and physical and/or attitudinal barriers for participation by persons with disabilities, women, and youth in grants, training, value chain activities have been addressed in the Programme. The purpose is to ensure possibility for equal participation and benefits.

3.2.2. Main strategies to achieve the Programme results

The overall strategy of AgroBIG II can be recapitulated in the following key points.

- The Programme will focus on strengthening agricultural value chains that are selected as a result of respective studies. The Programme needs to focus on identifying new markets (local, regional and national markets) and create linkages to these markets. Continuous market assessments should be carried out to identify emerging opportunities (such as agro-industrial parks) and other regional and national market events and link VC actors. Possibilities to enter Fair Trade market should be studied and, if prospects are promising, respective marketing efforts could be piloted. Relevant assessments made in the Phase I will be drawn upon.
- The focus will be in the downstream parts (Figure 1.1.) of the value chains and the support to them will be carried out mainly through financial and advisory services.
- Promoting agribusinesses is the pivotal area of action of AgroBIG II. Strengthening agribusiness enterprises will create job and income opportunities to resource-poor groups.
- Capacity strengthening activities will be carried out for VC actors including cooperatives and unions to help them understand the benefits of linkages to the existing (e.g. market terminal) and new market opportunities (e.g. industrial parks).
- There will be concrete support mechanisms for women and youth. Coordination with partners and stakeholders in this area is important.
- In comparison to AgroBIG I, the Programme will undertake less physical constructions and put more emphasis in value adding mechanisms and systems. AgroBIG II should focus more on creating linkage between the existing actors of the value chains and promote effective and efficient utilization of the facilities and infrastructures constructed in Phase I.
- The Programme will promote alignment with the GoE, and harmonisation and coordination with other development partners (see the section 8.2. on coherence and coordination and Annex 11 on relevant interventions in the programme area).
- Guidelines of the Committee for Food Security (CFS) for Responsible Agriculture Investments (RAI) and Voluntary Guidelines on the responsible Governance of Tenure of land, fisheries and forests (VGGT) will be followed.

Regarding the Programme's expected outputs, the specific implementation strategies are as follows.

3.2.3. Strategy to achieve output 1

Output 1: Value chain actors' access to finance and financial services is improved and sustainability of their enterprises and business initiatives is strengthened.

The main instruments of the output 1 are the three grant funds and two loan funds.

Grant funds:

1. Medium-size Investment Grant Fund is meant to enable medium size agri-business investments that are relevant to the AgroBIG value chains. The maximum grant size is 1,500,000 ETB (around 50,000 EUR). Requires 50% self-funding. Applications are evaluated by Woreda Technical Committee (WTC), recommended by Woreda Steering Committee (WSC), and awarding decided by BoFEC.

2. Micro and Small-size Investment Grant Fund is aimed at smallholder farmers and small enterprises involved in agricultural businesses, as well as for small cooperative investments. Requires 15% self-funding. Proposals are evaluated by WTC, recommended by WSC, and awarding decided by BoFEC.
3. Value Chain Facility Fund is meant to support value addition of agricultural commodities through investments in post-harvest technologies, processing, storage, packaging, branding and marketing by agribusinesses, farmer groups, cooperatives and public institutions. PSU can also invite proposals from potential entities. No own contribution required. PSU evaluates the proposals, and decisions of awarding are made by BoFEC.

The first two grant funds will be implemented in partnership with ACSI. ACSI has a comprehensive coverage of branches and sub branches in the AgroBIG area, and it is willing to continue working with AgroBIG. Cooperation with ACSI will ensure that services are accessible to AgroBIG beneficiaries.

Applications for grant funding are invited through a series of calls for proposals that will be communicated to potential applicants through newspapers, posters, leaflets and promotional events. Woreda officers, who will be appraising grant applications, will be trained in grant procedures before each call for proposals.

Potential Business Development Service (BDS) providers, who are willing to partner with applicants, will be identified. The idea is that the BDSs will work independently with grant applicants, based on their mutual agreement, and support them to develop business concepts, apply for grants and eventually to implement their projects. The revenue for BDSs would be 5% of the total budget for the grant supported projects. The BDSs will be provided training by the Programme to ensure that proposals are financially feasible, and they comply to legal, social and environmental requirements.

The week before the deadline for submitting project proposal help desks will be provided, one in each woreda. The help desk will be open for two days to ensure that proposals are eligible regarding applicants, activities, costs and that the proposals are complete.

The procedure from call for proposals to grant contract signatures takes minimum four–five months.

Grant beneficiaries will be monitored and supported during the project implementation. Maximum implementation time for grant funded activities is 24 months. Due to this the grant funds should be utilized two years before the Programme ends.

Grant guidelines will be made available for potential applicants detailing who can apply, what for, how to apply, when and where to submit applications and the evaluation and selection process to identify the winning proposals.

A two-step procedure will be used: first the applicants submit a concept note, which are evaluated and ranked. The highest-ranking applicants are invited to submit full project proposals. The proposals are again evaluated and ranked. Grants will be awarded based on ranking and availability of funds. During the evaluation of medium-size grant proposals, site visits by woreda technical staff or experts appointed by the WTC are compulsory.

Scoring of concept notes and project proposals will be done by woreda technical staff. The WTC provides its recommendation to the WSC regarding concept notes and whether to award grants. The WSC decides and forwards the decisions to BoFEC, via PSU, for no-objection. PSU checks for availability of funds and risks for overlapping with projects in other woredas.

In order to facilitate that women and women's and youth groups are applying for grants a number of support mechanisms are introduced. They can provide half of the required own contribution in kind for medium-size investment grant fund, and 100% in kind contribution when applying for micro and small-size grants.

In scoring, both of the concept notes and for the full project proposals, women and women's groups will be given higher scores, thus increasing the likelihood of being awarded grants.

Capacity building activities specially targeting women and youth will take place throughout AgroBIG implementations. Whenever helpful, care takers for children will be provided in order for women to fully participate in capacity building activities or meetings.

If the above listed methods are not adequate to ensure that women benefit from the grants, other mechanisms will be developed and applied.

The grant awarding process will be open, free and fair. Transparency is ensured by publishing and displaying evaluation results and who have been awarded grants, amounts, locations and activities.

Grantees will submit quarterly progress reports to WoFED. Regular monitoring and support visits will be carried out by woreda technical staff and AgroBIG staff.

Loan Funding

The purpose of the loans is to strengthen the financial solidity and solvency of cooperatives as well as enterprises of women and youth groups.

Agricultural cooperatives are farmers' own service organizations that have a central role in providing services for farmers in Amhara. Farmers' cooperatives are steered by their owners and provide services that farmers have chosen by themselves. AgroBIG I has supported 67 farmer cooperatives that provide several types of services to their members, such as:

- Crop collection centres and warehouses where farmers can store their harvest until sold. Proper storage facilities ensure that produce maintains its quality and can be sold at a higher price than a produce that has been stored in the field and exposed to rain and sun.
- Marketing the harvest produce on behalf of the farmer and by doing that, ensuring a better selling price for the farmer than if the farmer would have sold the produce by him/herself. By selling large volumes the cooperatives increase their bargaining power better than a single farmer could do.
- Provide market linkages to input suppliers, commodity buyers and other stakeholders. Linkages have also been facilitated to groups offering service delivery within pest management and water provision.
- Provision of a range of low-cost farm equipment to cooperative members.

The AgroBIG II loan fund is a way out for cooperatives as well as women and youth groups to address working capital needs and effectively use the available resources.

Three Cooperative Savings and Credit Unions (COSACU) operating in the woredas targeted by the Programme have been identified as potential implementing partners: Tana, Rib, and Adera Densa COSACUs. They are all interested to manage AgroBIG loan funds. Agreements on the arrangement will be signed between the selected COSACU and BoFEC.

During the Programme's inception phase a capacity assessment has been carried out to specify the potential capacity gaps and development needs among the three unions.

Loans will be approved according to the COSACUs' and primary savings and credit cooperatives' normal procedures. An exception is the focus on women and AgroBIG target areas.

The three channels for loan funds are as follows:

Women and Youth Loan Fund (EUR 800,000): BoFEC → Coop Saving and credit Unions (COSACUs) → SACCOs → Women and youth group members, such as Common Interest Groups (CIGs).

This loan from unions will allow SACCOs to lend working capital loans to individual member and non-member women and youth (beneficiaries are required to become members before receiving loans). This will allow group members and MSMEs access loans for working capital and small investments in farming technologies, harvest and post-harvest technologies, processing, marketing and service provision activities.

Selection of SACCOs to be included in the management of the loan fund will be done by respective COSACUs and PSU, depending on demand and on the capacities and history of the SACCO.

Cooperative Loan Fund (EUR 900,000): BoFEC → COSACUs → Primary cooperatives.

This is a working capital loan for cooperatives engaged in collection, value adding and marketing of targeted crops. As per all three COCACU managers, there is high demand for loans from member cooperatives. Due to the high demand for working capital it is expected that all of the budgeted cooperative loan fund can be productively utilized during the first year of implementation.

ACSI's existing revolving fund. The loan capital of 5.7 million ETB (240,000 EUR) that was transferred to ACSI in AgroBIG I is still with ACSI. This fund will continue to revolve and benefit MSMEs and SMEs that are in need of working capital.

The principles and mechanisms of the loans are presented in Annex 4.

3.2.4. Strategy to achieve output 2

Output 2: Capacities of value chain actors are strengthened to improve their capability to seize market opportunities in a profitable and sustainable way.

Capacity development for enterprise and business management is a high priority. The lack of basic management skills stops small business ventures from growing and poor business skills can quickly collapse enterprises that are otherwise sound in concept. Record keeping, stock management, human resource management, production and sales forecasting, customer recordkeeping, accounting, cash flow management, raw material and production scheduling, basic market analysis and profitability calculations are all identified as general weaknesses in MSME management. Furthermore, if the Programme is to promote and attract people to invest and participate, it also has a responsibility to do this prudently and professionally. Any investment proposal and business plan for funding should include satisfactory analysis for market demand, supply, price and competition. These aspects will have a strong focus in Programme capacity building interventions, as well as in screening and approval processes for grant applications.

Awareness and training will be provided to SACCO management, credit committees and the borrowers by the CPA, who will also be responsible for undertaking due-diligence of both the COSACUs and the SACCOs to ascertain their eligibility to receive funds from the Cooperative Loan Fund and Women and Youth Loan Fund. They will also be responsible for the supervisory function and auditing the performance of the SACCOs and cooperatives. A Service Contract or a memorandum of understanding (MoU) between the CPA and AgroBIG II will be established for this function. It is proposed to be a contract for the life of the Programme, annually renewable based on satisfactory performance. The contract will need to specify a programme of work to deliver the above functions, complete with a work plan, milestones, a costed budget and reporting.

AgroBIG II will continue the best practices tested during AgroBIG I, by replicating and promoting scaling them up in the selected clusters. These practices include for example irrigation technologies, supporting farmers' access to extension services, capacity building and training, supporting farmers' access to improved farming technologies (e.g. access to machinery through providing finance), supporting farmers' access to agriculture inputs including fertilizers, spraying services, quality seeds etc., and supporting farmers' access to market information.

Farmers' access to training and capacity building will be financed either through the operational budget (specific, targeted short-term training like study tour), or through supporting the government extension services that organise training and extension services for farmers.

Capacity building sessions should be carried out for VC actors, including cooperatives and unions, to help them understand the benefits of linkages to the existing (e.g. market terminal) and other new market opportunities (e.g. agro-industrial parks) and to efficiently manage their businesses.

The aim of the capacity strengthening is to support learning, innovation and new approaches in the selected commodity VCs, and to finance needed training, studies, assessments or action research that benefit a large number of VC actors and Programme beneficiaries. It could also finance for example studies related to the possible establishment of commercial farmer service centres selling farm inputs, mechanization services and providing linkages with markets.

Strengthen farmers' access to extension services. During the AgroBIG I, the public agricultural extension service provided by the Bureau of Agriculture (BoA) has received support such as ToT trainings, and for construction of ten farmer training centres and a horticulture training center. Quarantine agency received field equipment for inspection and surveillance. AgroBIG II will focus primarily on the utilization of the constructed training centres, rather than investing in new construction. It may support the delivery of targeted, low-cost training in the form of Farmer Field Schools or similar activities.

Training subjects should also include sustainable and climate smart farming practices. These can cover principles for integrated pest and disease management with the aim to reduce pest and disease incidents with biological or chemical methods. Responsible and safe use of agrochemicals should always be covered when training is about pest and disease control. Crop rotations, choice of resistant varieties and regular field observations are important elements.

Facilitation of cooperatives' business linkages, investments and public-private dialogue. The VC platforms will work during AgroBIG II under the name of Cluster Platforms since actors from the whole cluster area will participate. In addition, organizing regional, cluster level and woreda level market linkage forums will be supported. For farmers' cooperatives, these events will provide an important fora for forging business linkages. In the Cluster Platforms value chain actors such as input suppliers, farmers, traders and service providers can meet regularly and in an organised manner, and address matters that require attention and actions to enhance VC actors' operations.

AgroBIG II will build on the physical facilities constructed during the first phase: commodity warehouses, crop collection centres and wholesale/terminal market facilities. The Programme will ensure that constructions are properly completed. AgroBIG II will concentrate on supporting the effective utilization and management of the built infrastructure, and less in financing new construction.

AgroBIG II will continue to support cooperatives with similar activities through two key activity areas: facilitating their business linkages, investments and public-private dialogue; and by providing technical support to cooperatives management to improve their member services, bargaining power and business skills.

This activity focuses on human resource development, accessing services that can facilitate group formation, input supply, action planning, quality control, standardization, market information and market intelligence, accounting, auditing, business development planning and applications for assistance from funds and financial

services according to the detailed needs identified by the cooperatives. Cooperative managers and other hired staff will also be provided with training during phase two, with a strong focus on market intelligence and financial sustainability of cooperatives.

3.2.5. Strategies on how to ensure equality in project implementation

By improving youth and women's access to extension, business development and financial services, supporting and promoting their participation in family-level and organizational (e.g. cooperatives, government offices) decision-making and identifying more and better opportunities for women and youth to participate in economic activities where they can be more influential in determining outcomes, the overall delivery of outcomes and impacts of the Programme will improve.

The Programme will apply dual strategies: (i) mainstreaming participation throughout the Programme; and, (ii) through specific, targeted undertakings, that will highlight and demonstrate what can be possible if some of the structural constraints¹¹ and changes to traditional attitudes and mind-sets in rural Ethiopia and its institutions come about, acknowledging that those are long-term processes that are beyond the scope of an individual project. In order to promote equality and be serious about gender mainstreaming, the Programme should consider applying the following strategies:

- **Participation and implications on women.** The participation of women, which ensures their roles also in decision-making at various levels of the Programme should be safeguarded. When deciding on membership in the Programme decision-making bodies, the Programme through the PSU should have a firm stand on ensuring a minimum of 30% female participation. When selecting topics for capacity building interventions, the Programme should ensure their relevance to women by proper consultation of beneficiary groups as well as governmental/non-governmental agencies advocating for gender equality. Female entrepreneurs and women groups should in particular be encouraged to utilize the Programme's grant facilities, and the grantee selection criteria should give justified priority to female applicants. A rapid assessment of gender implications should also be conducted prior to major interventions requiring extensive Programme resources with support from relevant TA advisors. Finally, the Programme should guarantee equal benefits for women and men as regards participation and impact of trainings and capacity building, which is to be captured in the Programme M&E system.
- **Choice of value chains/commodities.** Some value chains are clearly female or male-dominant in terms of who does most of the work and also who makes decisions about the time, money and land that should be used, how the produce is either consumed or marketed and what happens to the proceeds of sales. Marketed cash crops are typically dominated by men, with women most often more attentive to looking after household food security and nutrition. Focusing on male-dominant farm production may unintentionally exclude women, channelling the majority of support to men despite, mainstreaming measures.

There are some traditional female and youth dominated value-chains, such as small livestock, backyard poultry and backyard fruit and vegetables growing that can provide economic opportunity to women, youth and/or those that are land-constrained. These are traditional undertakings that can often be improved quickly by, for example: making better planting material or feed available, demonstrating improved husbandry or post-harvest handling; or, organizing collective processing, marketing and sales. What the Programme chooses to intervene needs to be at a meaningful level, where there is real potential for systemic uptake and scale. Which value chains to choose for Programme focus and support, and who are the most influential in making these decisions at Programme decision-making bodies is critical in ensuring that women and youth

¹¹ Social Vulnerability and Gender Analysis indicate the following: long-lasting barriers to women's empowerment are not yet properly addressed in public sector service provision; women's access to education, services, inputs and income continue to be constrained; women's workload and benefits from agriculture are not balanced; and meaningful participation in rural organisations such as cooperatives is marginal.

also benefit. The Programme should ensure meaningful and genuine participation of representatives of these groups particularly in the cluster-level platforms.

- a) **Financial inclusion.** There is ample evidence that financial inclusion enhances economic empowerment - also for women and youth, if the context and barriers to this are properly considered. Women are often highly regarded by micro-finance institutions as being their best and most reliable customers, and the lowest tiers of microfinance (e.g. village savings groups etc.) are often dominated by women's participation. AgroBIG II has several options to strengthen women's financial inclusion:
- A new funding instrument, Women and Youth Loan Fund (WYLF) will be established. Women will be provided financial literacy trainings etc. Financial inclusion for youth poses a slightly different set of challenges. They most often cannot collateralize loans, but their mobility, energy and often better education opens up opportunities for them in enterprise development.
 - Facilitating Village Savings and Loan Associations (VSLA) is also a well proven strategy for initiating financial inclusion to otherwise excluded rural people and is most successful for women. Should Programme and its steering organisations want to pursue this opportunity, in addition to the proposed Loan Fund for Youth and Women, a detailed analysis and study should be conducted as a short-term consultancy during the early months of Programme operations.
- b) **Capacity building.** AgroBIG II continues to support trainings, demonstrations, extension, business development services and other forms of capacity building to farmers, service providers and other agribusiness actors in the Programme area. In general and based on lessons learned from phase I and other projects, better outcomes for women and youth will be realized if AgroBIG II places more emphasis on: (i) arranging a convenient time and place for trainings; (ii) organizing hands-on and practical training considering the illiteracy levels of women and youth and their aspirations of; (iii) trying out the "farming as a family business" approach which has been very successful elsewhere; (iv) organizing women's field days and exchange visits; v) promoting such climate-smart practices as conservation tillage that reduce FHHs dependence on external labour and reduce women's overall workload; increasing the number of family financial literacy courses already run during Phase I; and, (vi) engaging female kebele experts and Business Development Service (BDS) providers.

3.2.6. Assumptions and preconditions for the start-up of the Programme

The Programme design is tailored to the policy and economic environment of Ethiopia, where the government's economic development policies and programmes are prescriptive and target oriented. Most relevant to this Programme is the GTP II.

For an efficient start-up of the Programme, the Programme design assumes that

- There is no national environmental disaster or political disturbance that would cause government to make an abrupt change to its agricultural and economic development policies.
- Finland's development partnership with Ethiopia remains stable, providing predictability to the project's policy environment and funds-flow.
- Ethiopian government and its agencies in Amhara will champion and support the logical continuum of the GTP and AGP's foundation-building approach that is the essence of this Programme design. It is important for this Programme, that the Agricultural Transformation Agency (ATA) in Amhara will continue to play a coordinating and facilitating role in the planning and allocation of resources to prioritised commodity clusters in the region.

- Ethiopian government will continue to prioritise its budget allocations and financing otherwise of the agriculture sector.
- Macro-economic variables such as inflation and cost and availability of money will remain stable.

3.2.7. Risk Assessment and Risk Response

Risks are conditions, events or actions that, when materialized, will negatively affect achievement of the Programme objectives and results. In the table 3.1. are highlighted the major contextual, programmatic and institutional risks, as well as their likelihood and related mitigation measures.

The Risk Matrix is to be reviewed by the PSU periodically, and any issues requiring Supervisory Board (SVB) action must be included in SVB meeting agendas. It is eventually the SVB that approves Programme risk assessment and mitigation plan.

Table 3.1. Risk matrix of AgroBIG II.

| Risk | Likelihood and justification | Impact of risk and its justification | Risk Response/ Management strategy and mitigation measures |
|--|---|--|---|
| Contextual Risks | | | |
| Civil unrest | H Civil unrest in Amhara | H Preventing Programme field work; destroying government offices and property, as well as private property; Closure of government offices and service provision. Possible community boycotting government products and services. If tensions escalate, there may be an increasing risk that GoE's response challenges human-rights standards to a degree that cannot be accepted by Finland and this could result in a suspension of development partnerships | AgroBIG emergency preparedness plan has been issued for safety of staff, to enable communication during crisis and to safeguard the programme investments, information/data and facilities. This emergency preparedness plan should be updated periodically by the PSU. It will be important for the PSU to develop and implement a business continuity plan, where this must ensure off-site storage of data and information. Finland conducts political dialogue with Ethiopia on bilateral basis and part of the donor community (particularly as part of the EU). |
| Weather and climate change risks (extended drought, severe floods, more erosive rainfall, frost, crop pests and diseases, exotic weeds) | H Ethiopia has a long history of adverse climatic conditions and the recent El-Nino demonstrated the effects of this on food production. These events will worsen with climate change. The recently prevailed American fall worm, if not | M Reduces returns on agricultural investments at all levels and limits participation. Multiple drought years leading to seasonal hunger or even to famine and the losses of household assets that cause people to return to or stay in poverty. People affected over a longer period frequently leave their lands when they cannot support them, creating tensions elsewhere. Severe drought induced food shortages are frequently responded to by humanitarian and government responses that create distortions and changes in policy, typically where government intervention becomes stronger. To a significant degree this is already the situation with respect to Government's agricultural | Focus for the Programme is first and foremost on adapting to climate change. Promotion of irrigation, for example, can be an effective climate change adaptation technology that reduces risks related to unpredictability of weather systems. AgroBIG II concentrates its activities on floodplains with natural high groundwater table and irrigation potential. Promotion of drought resistant crop varieties, soil conservation cultivation technologies, and irrigation and water harvest technologies. Terrace cultivation, draining and flood diversions introduced. Promotion of proper cultivation and commodity storage techniques. Decreased mono-cropping. Low-land paddy as the primary wet-season crop. |

| Risk | Likelihood and justification | Impact of risk and its justification | Risk Response/ Management strategy and mitigation measures |
|---|--|---|---|
| | swiftly managed, could seriously affect maize yields and increase need of costly pest control. | development policies, which are highly prescriptive. Ethiopia has a long history of coping with the predations of extended drought and has many examples of patterns of unsustainable land-use that have left a legacy of being less resilient to climate change. | Crop disease surveillance and promotion of IPM and early warning systems. |
| Soil fertility declined | M | M Crop productivity not improving due to soil acidity in some places like Koga irrigation scheme. General low soil fertility from continued cultivation without sufficient fertilizer application or crop rotations. Loss of organic matter due to whole-crop harvests and repeated ploughing mean that soil moisture retention is diminished, reducing the effective growing season. These are long-term processes the impacts of which are unlikely to become severe in the Programme. | Possible collaboration with the MFA funded ICI project to further analyse soil health in Programme area for right interventions. Lime and fertilizer application. Increasing organic matter for improved soil texture/water retention -crop residues etc. Promote crop rotations and other agricultural practices to counter the effects of declining fertility and to conserve soil moisture. |
| Programmatic Risks | | | |
| Inability to even out supply of agricultural products to meet the market demand | M | H Lack of market-oriented production scheduling/ staggering and food storage and processing facilities leading to market surplus and selling of farm produce at a low price, discouraging farmers from investing in or lending for their crop production. Post-harvest losses increase. Seasonality also provides opportunities for astute producers and traders who are able to warehouse produce, but lack of trade finance constrains this | Support post-harvest processing to extend storability and quality of crops. Support market information broadcasting. Dry-season crop production -irrigation. Target non-fasting periods with higher demand. |
| Farmers and agri-MSMEs are unable to finance their crop production or marketing and processing activities. | H | H If agricultural production remains as subsistence farming, and improved technologies and inputs are not used, productivity and production stagnate and land quality declines. Farmers, their service providers and traders are discouraged or unable to modernize and grow. Access to finance is critical to allow farmers to buy the inputs and services needed to adopt modern practices. The value chains and their markets remain undeveloped. | AgroBIG's support to the Women and Youth Loan Fund and financial literacy programmes will encourage the participation of women and youth in farming and related activities and will also generally ease funding constraints at the lowest level. The proposed Cooperative Loan Fund will ease access to finance, including working capital, by the cooperative sector. |
| Commodity market failure | M | M International and national external shocks may collapse crop market demand/prices. Lack of right type fertilizer in village on time before planting. Counterfeit/ expired farm inputs with little effect in field. | Diversification of production instead of a narrow VC approach. Market competitiveness analysis. Improve post-harvest and storage functions to retain flexibility on when produce is sold. Increased competition in fertilizer market. Formalization of input markets. |

| Risk | Likelihood and justification | Impact of risk and its justification | Risk Response/ Management strategy and mitigation measures |
|---|------------------------------|---|--|
| | | Too many farmers may start to produce same commodities. | |
| Exclusion of women and youth as rights-holders/beneficiaries | M | M Not acknowledging the role of women in agriculture, or the tremendous potential of youth as employees and entrepreneurs would greatly reduce the relevance of the Programme, and also compromise on results and longer-term development impacts. | Programme has a clear policy on gender mainstreaming at various levels of the Programme, and a strategy to intervene in areas relevant to women and youth (both young men and women). AgroBIG II will also have a separate Loan Fund to cater for specific finance needs of women and youth. Do-no-harm principle will be applied to protect vulnerable people. |
| Discrimination of persons with disabilities | M | M Marginalizing persons with disabilities from the activities of the Programme will make them, at least in relative terms, worse off in the communities. The programme will be human rights blind. | Programme carries out a relevant and practical analysis on vulnerability. Its outcomes are concretely reflected in the work plans. Indicators are disaggregated by PWD, which makes the monitoring of the vulnerability situation easier. Capacity strengthening includes actions for the awareness raising on the issue, as well as adoption of related tools. |
| Use of child labour | M | M Use of child labour violates a key human right. The programme will be human rights blind. | Programme addresses the child labour issue in capacity strengthening activities. As a condition for Programme support, the grantees and loan beneficiaries are required to abstain from the use of child labour. |
| Institutional Risks | | | |
| Financial management | M | M A comprehensive audit of AgroBIG has been conducted by KPMG. No financial mismanagement, misuse or fraud of programme funds has been observed by the auditors. KPMG audit report highlights that Government systems are frequently slow and often not very transparent (no supporting documents provided), but development partners are generally satisfied with the control environment. The flow of funds by using public financial management systems makes the programme not as responsive to entrepreneurship and private sector development as it could otherwise be. | As the development partners require that all funds are channelled through the public accounting and financial management systems, AgroBIG will use the prescribed channel. |
| Efficiency of extension and service delivery | M | M Departments and bureaus upon which the Programme relies generally have inadequate recurrent and development budgets and this impacts their service delivery and efficiency. The private sector service delivery may not meet the required level due to lack of capacity and ethical trading practice. | The programme's funds can to some extent alleviate departmental and agency budgetary shortfalls, for the life of the project only, and this brings to question the longer term sustainability of the undertaking. The programme should increasingly engage the private sector as service providers for the selected value chains actors and support improving quality and efficiency of services. |

4. Implementation Arrangements

4.1. Implementing Agencies and Arrangements

The key implementing agencies of the Programme are BoFEC, BoA, BoWCA, BoT, BoWCA, CPA and COSACUs. All agencies should appoint an active, committed and technically competent person as Programme focal person. The Programme should ensure that the group of focal persons has a gender balance.

4.2. Programme Management and Decision Making

The Competent Authorities of the Programme are MoFEC and MFA Finland (represented in Ethiopia by the Embassy of Finland). MoFEC is not, however, a member of SVB, where BoFEC represents also MoFEC. Therefore, BoFEC has the position of the competent authority in SVB. The competent authorities are responsible for supervising and overseeing the Programme as members of the Supervisory Board, including the approval of operational manuals and guidelines, strategies, annual budgets, annual work plans and any major changes required during Programme implementation, including changes to this Programme Document.

This Programme structure aims to ensure enhanced possibilities for rights-holders (i.e. farmers, groups and private sector stakeholders) to influence Programme strategies, plans and activities. A detailed strategy to ensure meaningful participation of women and youth also in decision-making, particularly at the level of cluster Stakeholder Forums (SFs), shall be elaborated during the Inception Phase. The structure also aims to streamline and accelerate decision-making as regards operational activities and grant funding.

Annex 8 includes terms of reference for the supervisory board, programme support unit and programme management team, as well as the home office coordination of the Programme.

The Supervisory Board (SVB) is the highest decision-making body of the Programme. Its members shall include BoFEC, MFA Finland, BoA, BoWCA, BoT, Cooperative Promotion Agency (CPA), and Chamber of Commerce,). The following entities can be invited to SVB meetings as non-voting participants when deemed beneficial for information sharing and creation of synergies:

- Agricultural Transformation Agency (ATA)
- Amhara Region Agriculture Research Institute (ARARI)
- Bureau of Technical Vocational Training and Enterprise Development (BoTVED)
- Bureau of Youth and Sport (BoYS)
- Selected micro-finance institutes.

Representatives from PSU will report to the SVB and act as secretariat.

The supervisory board normally meets twice per year and is responsible for strategic and policy issues related to the Programme. The SVB approves the revised Programme Document at the end of the Inception Phase, possible amendments to the Programme Document, annual work plans and budgets and annual reports. It also reviews the risk assessment matrix and proposes response and mitigation measures. The detailed SVB Terms of Reference (ToR) are attached in Annex 8. SVB aims at consensus in decision-making, but both BoFEC and MFA Finland have a veto-right in the SVB.

The Programme Support Unit (PSU) reports to the SVB. It has the responsibility for daily Programme coordination, development, management as well as for overall monitoring and evaluation (M&E). The PSU is also responsible for the measurement of results and the management of those parts of the risk management plan that are defined as being within the sphere of its influence. The PSU is represented by the Programme Director (PD), assigned by the Regional Government in consultation with the MFA. It is composed of technical assistance (TA) staff procured through an international procurement process, and support staff. The

Programme Director reports to the SVB and to BoFEC, and she/he works as the supervisor for the PSU staff that is employed by BoFEC.

In his/her work, the Programme Director is assisted by the Programme Management Team (PMT), which is composed of senior PSU members. It should meet at least once a week and minutes have to be taken from its meetings. Large PSU meetings with all staff members should be less frequent, for example once every three to four weeks. Informative needs within the PSU should be dealt with by e-mails or appropriate social media. The cluster advisors, posted in Gilgel Abay and Ribb, should report the PMT about their activities once a week through e-mails.

The TA Team Leader also reports to the SVB and to the TA Consultant (consultancy company), and she/he acts as a supervisor for the TA staff employed by the TA Consultant. The ToRs for the specific staff positions of PD and TA team are in Annex 10.

Woreda Technical Committees (WTC). A Technical Committee will be established in each of the eight woredas the Programme operates in. WTCs will meet quarterly, or more if deemed necessary, and comprise technical experts from woreda administrations and woreda offices for finance and economic cooperation (chair); agriculture; trade, industry and market development; women and children; as well as from cooperative promotion offices. Other members can be added if necessary. WTCs will appraise applications for grant funding and consolidate scoring results for Woreda Steering Committees for endorsement. . To avoid any conflict of interest, no representative of grantee groups should participate in these meetings (their participation is crucial in the Stakeholder Forums, see below). A PSU member(s) will participate in WTC meetings as an observer. WTCs also consolidate the annual and other work plans that are proposed to be funded by the Programme.

Woreda Steering Committee (WSC) consists of those woreda sector office heads whose staff is in engaged in AgroBIG supported activities. The WSC reviews the work plans and budgets presented by the WTC before their submission to the PSU for consolidation. WSC also reviews grant application appraisals provided by WTCs and gives recommendations to PSU regarding the awarding of grants.

A regional level Technical Committee (RTC) will be established to oversee the Programme implementation and to provide technical support when deemed needed. The RTC reviews consolidated annual work plans, budgets and reports before they are presented to the SVB for approval. The members of RTC . represent regional administrations and regional offices for finance and economic cooperation (chair); agriculture; trade, industry and market development; women and children; as well as from ATA and CPA.

Cluster Platforms. Initially, two Cluster Platforms will be established, but as for the TCs, if the Programme is to expand to other clusters, similar structures should be established to those areas. The main function of these stakeholder forums is for VC/agribusiness related actors to meet and discuss common challenges and cooperation opportunities. Further functions are to identify projects for grant funding and feed ideas into the PSU regarding studies, assessments etc. benefitting actors to be supported through the capacity strengthening activities. A detailed strategy to ensure participation and involvement of various beneficiary groups (including women and youth groups/representatives) will be developed in the Inception Phase.

4.3. Financial management

4.3.1. Flow of funds

Similarly to the first phase of AgroBIG, the arrangement for fund flow and fund management is based on two interrelated agreements: the intergovernmental agreement between MFA and MOFEC, and the financing agreement between MFA and BoFEC.

There are five channels for Programme funds:

1. Funds for TA related operational costs are channelled and managed by the TA Consultant.
2. PSU operational funds are channelled through BoFEC and managed by the PSU/Programme Director.
3. Funds for Micro and Small-size and Medium-size Investment grants are channelled through BoFEC. Proposals for the approval of applications are made by the WSC, subject to no-objection by BoFEC, and funds are disbursed by the selected financial institute.
4. Value Chain Facility grant funds are channelled through BoFEC. Applications are processed by PSU, and the approvals are subject to no-objection by BoFEC..
5. Funds for the Loan Funds are channelled through BoFEC, managed mainly by COSACUs under PSU's supervision. ACSI will continue managing the 5.7 mill ETB revolving loan fund deriving from Phase I.

There are two main channels for disbursing MFA funds for the above purposes (Figure 4.1.).

Firstly, the GoF's contribution administered by the MFA Finland is channelled to BoFEC in Amhara using the Channel 1 modality. The Financial Management Guidelines (FMG) prepared during the Phase I remain valid to specify the modalities and requirements for this channel although they require revision during the Inception Phase. BoFEC may receive funds twice a year against a written request made by BoFEC to the MFA. The MFA shall transfer the requested fund to the designated bank account of the Programme. The MFA monthly average exchange rate from EUR to ETB will be used to convert the requested EUR based amounts to ETB.

BoFEC will then channel funds, at the request of AgroBIG PSU, to the selected financial institution for grant funding, which will further disburse grant funds to the grantees according to AgroBIG instructions.

As regards loan funds, there will be an administration agreement with each COSACU. Each COSACU manages two loan funds, i.e. one for women and youth (through SACCOs), and one for the purpose of cooperatives' working capital. Regarding fund flows, BoFEC will channel funds, at the request of AgroBIG, to each COSACU. The COSACUs will request a no-objection from AgroBIG PSU to disburse loans to the applicant organisations. SACCOs will manage the Women and Youth Group Loan Fund according to their normal procedures, but observing the agreed Loan Fund Guidelines.

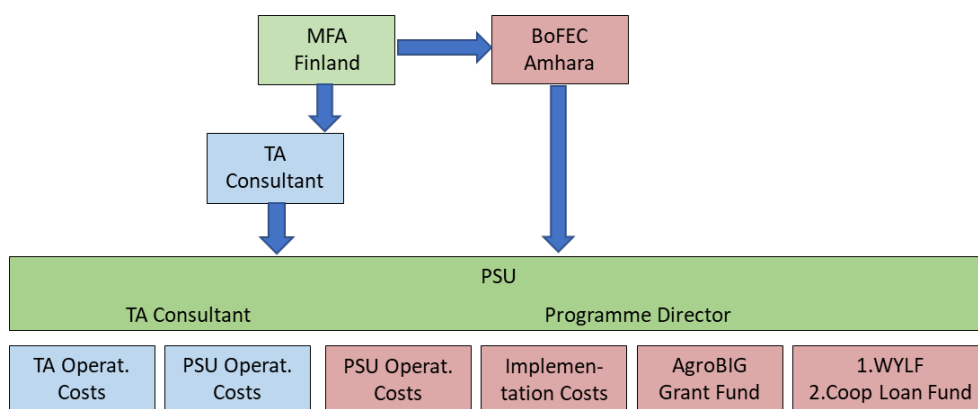


Figure 4.1. Channelling of funds in AgroBIG II. (Update Feb 2018).

BoFEC also channels funding to the PSU to finance Programme implementation costs as per the overall Programme Results Chain and according to approved annual work plans and budgets. Finally, BoFEC channels part of the funds for PSU operational costs, the other part coming through the TA consultant. The

respective amounts are indicated in sub-chapter 6.4. The FMG of Phase I provide details on rules and regulations.

BoFEC is also responsible for managing funds under the third window (Value Chain Facility) of the grant fund. In more simple terms, it is a budget line approved by the SVB on an annual basis to cover costs related to procuring specialized activities and services from institutions and organisations for conducting studies, assessments, analyses and pilot projects that benefit the functioning of value chains and their support services as a whole. The responsibility for financial management and procurement rests with BoFEC, and it is the PSU in close consultation particularly with the Regional Technical Committee, which identifies needs for such services.

The second funding channel from MFA is to the selected Technical Assistance (TA) Consultant to cover TA operational costs, i.e. TA fees and reimbursable costs, and certain pre-defined operational costs of the PSU. The TA Consultant is responsible for accounting, financial management and reporting of these funds based on the contract between the MFA Finland and the Consultant. The consultant will open a local currency account in Bahir Dar, under the responsibility of the TA Team Leader.

4.3.2. Procurement

Procurements under the first channel of funds will follow the rules and regulations of Amhara Region. These are described in the Procurement Guidelines of AgroBIG I, which remain valid for the second phase (Procurement Guidelines, BoFED Channel of Funding, 2013). The PSU together with woreda offices supports in procurement processes for equipment financed by grant funding as per the Guidelines.

Procurements under the Loan Funds are done by the borrower independently. However, the lender will follow-up that the loan is used for the agreed purpose.

Procurement of the consulting company to provide the TA services for the Programme is done through a competitive bidding process in line with the Finnish procurement law.

For short-term TA inputs and any possible changes in the long-term TA team, the process is as follows: The PSU is responsible for planning the inputs, and for the formulation of the Terms of Reference (ToRs) in order to ensure that the Programme is delivering the results as agreed in annual work plans. The consultancy company will provide (and later on contract) these experts for the PSU against the ToRs. The RTC will review and approve the ToRs, based on which the PSU will invite and shortlist experts and then send the ToR and CVs of proposed experts to BoFEC for a no-objection.

Procurements under the Third Window (Value Chain Facility Fund) are as follows: i) the PSU identifies needs for specialized services in close consultation with Technical Committees and Cluster Platforms; the PSU is also able to accept proposals directly; ii) the PSU drafts the ToRs in line with annual work plans and budgets; iii) depending on the monetary value of the services needed, the procurement may be direct, or based on request for quotations from three potential services providers; iv) the PSU identifies suitable service provider(s) and selects the one representing best value-for-money; finally v) the PSU proposal (including the ToR/concept paper) and information on selected service provider(s) is sent to BoFEC for a no-objection.

4.3.3. Budgeting, accounting, financial reporting

Financial planning, reporting and auditing cycle follow the Ethiopian fiscal year from July 8th to June 7th. Budgeting is aligned with annual planning and will be made against the agreed allocations in the final Programme Document, as signed by the two Governments. Budget management is to include maintaining an up-to-date overview of cumulative expenditures and commitments, for the budget year and cumulatively for

the Programme's life, where balances on the budget lines will also be clearly presented and projections of future spending made evident. It is critical that the PSU and the decision-making bodies have a clear and accurate overview of Programme finances at any given time.

International Accounting Standards, or another that have been agreed by the two parties, should describe the basis for accounting. The accounting software and systems established in the first Phase are satisfactory and meet the standards required, but they need to be modified to allow for the costs associated with individual undertakings to be routinely monitored. Typically support to a group, business or other undertaking will involve costs debited against a number of different budget lines; but to establish value-for-money or a proper cost-benefit overview, these need to be aggregated.

Responsibilities in accounting and financial reporting among PSU staff are defined in the respective staff job descriptions, which are in Annex 10. Model for financial reports is in Annex 9.

5. Work Plan

The Programme Document is the basis of implementation for AgroBIG II. Since the Programme Document is a binding document, attached to the agreement between the two governments, any changes need to be decided by the Competent Authorities. They may delegate this power to the Supervisory Board. On the other hand, the Programme Document is a framework and it is expected that it may be revised and modified as the Programme implementation unfolds, in association with annual work planning. It is important in such cases to clearly flag out any changes to the Programme Document so that the Competent Authorities (or the SVB) are fully aware of the matter when making decisions and approving AWP.

Operational planning is realised through annual work plans to be derived from the Programme Document and its results framework and any subsequent revisions approved by the SVB. Quarterly work plans reflect targets and activity measures. The PSU compiles the operational plans made for the components and subcomponents by their implementers. Annual budgeting will be based on the inputs identified necessary for implementing planned activities. The annual budget will be prepared as part of the annual work plan in a table format with accompanying justifications and explanatory notes. The annual budget will provide detailed information on activities to be implemented broken down into detailed budget lines closely following the work plan and key results. The annual work plan and budget will be divided further into quarterly work plans and budgets, which are the practical tools for day-to-day management, monitoring and reporting.

An indicative work plan for AgroBIG II is Annex 5, as well as a more elaborated work plan for the Inception Phase in Annex 6. Principles for the inception phase are described in Chapter 3.2.4.

The overall work plan will need to be further developed in close consultation with key stakeholders, also as an exercise to build ownership for the implementation of AgroBIG II. The Work Plan anticipates that the offices, assets, administrative systems including Monitoring and Evaluation (M&E) system and the data archived to it, and other procedures from the first Phase will roll over into the second Phase, saving considerable effort otherwise needed to develop and operationalise these.

5.1. Defined outputs and main activities for the Inception Phase

The first six months of the Programme are an inception phase. During the that time, the Programme will be required to study the various options and to prepare a strategy and activity plans for implementation, to be presented to the relevant decision-making bodies, complete with targets and indicators. A work plan for the inception phase is presented in Annex 6. Relevant activities carrying over from the phase I can continue without specific planning.

Once the staff are mobilised, the first tasks are to institutionalise the Programme by establishing the Supervisory Board and other decision making structures and establishing cooperation with ATA for coordinated approaches in the clusters. A focused effort is also needed to establish the Technical Committees, as well as Cluster Platforms. Detailed work plans and budgets will need to be prepared and presented to the Supervisory Board.

The AgroBIG I Completion report will be reviewed for assessment of required activity follow-up i.e. in terms of completion of and effective utilization of physical structures such as warehouses, wholesale markets, crop collection centres, and farmer training centres. Study on the value chains needs to be carried out in order to give targeted assistance.

A baseline study will be conducted in order to obtain basic values not yet available for the new Results Framework indicators. The existing program M&E database will be updated to accommodate the new type

of indicator data to be collected. Social vulnerability and gender analysis (Annex 13) needs to be deepened and updated, and its outcomes should be taken into account in the operational planning.

For the provision of financial support, the guidelines for grant funds will be updated and guidelines and procedures for the new funding instruments will be designed.

Budget for the GoE contribution to AgroBIG II will be prepared during the inception phase.

An agriculture professional TA staff member will be located in each of the two clusters (Ribb/Gumara and Koga-Gilgel Abay), focussing on effective and timely client assistance and the identification of potential production scale-up interventions and to innovate new pilot activities. Those field staff will need to be strong, practical all-rounders, with a good understanding of both crop and animal production. The option for a third cluster will be discussed at the time of the MTE.

6. Resources

6.1. Human and material resources

AgroBIG II will have its office in Bahir Dar where majority of the PSU staff will be placed. In addition, the national Cluster Specialists will have their offices in two woreda administrative offices, one in Mecha woreda serving the Mecha irrigation cluster, and one in Fogera woreda, serving Ribb/Gumara irrigation cluster. An international consulting company (TA Consultant) will be hired to provide the key TA resources and management services for the Programme.

The following staff members (both TA and locally recruited staff) will work under the PSU:

- Programme Director
- International Senior Agribusiness Advisor/TA Team Leader (TL) (47 working months, WMs)
- International Finance Advisor (24 WMs)
- National Rural Finance Advisor (TA) (39 WMs)
- National Monitoring & Evaluation Advisor (TA) (44 WMs)
- National Capacity Building and Social Development Advisor (TA) (39 WMs)
- 2 National Cluster Advisors (to be placed at woreda level offices) (TA) (44 WMs each)
- Junior Expert (Finnish) (TA) (2 + 2 years)
- Short-term TA (29 WMs for national TA; 17 WMs for international TA)
- Chief Accountant (under BoFEC)
- Accountant (BoFEC channel)
- Administrative Assistant/Cashier (BoFEC channel)
- Finance/Procurement Officer (TA channel)
- Drivers (7; under TA)
- Cleaner/Office assistant (TA)

Costs related to the technical assistance (TA) are covered by the TA budget managed by the TA Consultant. Also, the costs (salaries and related expenses) of the following locally recruited staff are covered by the budget managed by the TA consultant: Finance and administration Officer, Drivers (7), and Cleaner/Office assistant. Persons occupying these posts shall have contracts with the TA consulting company. Job descriptions for the long-term TA specialists are provided as Annex 10.

The budget managed by BoFEC will cover costs related to the following posts: Programme Director, Chief Accountant, Accountant, and Administrative Assistant/Cashier. Persons occupying these posts shall have employment contracts with BoFEC.

The material resources needed for Programme implementation are included in the budget breakdown and this includes equipment and physical assets for the PSU office as well as procurement of technologies or farm equipment for demonstration purposes. An inventory of assets in the existing PSU will be made in the Inception Phase. Vehicles, furniture and most other assets are in good and serviceable condition and can be used to large extent also in the second Phase. However, replacing most of the laptops that have been in use since early 2013 will be necessary.

Professional staff of the PSU will undergo an annual performance assessment. Both national experts, including the Programme Director, and the technical assistance are subjects to the assessment, which will be organised by BoFEC and MFA. As a result, BoFEC and MFA will conclude whether changes are needed in the job descriptions or terms of employment of the assessed professionals.

6.2. Partnerships

The Programme will be implemented in partnership between the Amhara Region, particularly BoFEC, and the MFA Finland (represented in Ethiopia by its Embassy in Addis Ababa). Other key partners are various sectoral offices and agencies at regional, woreda and kebele level, namely (in alphabetical order):

- Amhara Women Entrepreneurs' Association (AWEA)
- Amhara Agriculture Research Institute (ARARI)
- Agriculture Transformation Agency, Amhara secretariat (ATA)
- Bureau of Agriculture (BoA)
- Bureau of Technical and Vocational Enterprise Development (BoTVED)
- Bureau of Trade (BoT)
- Bureau of Women and Children Affairs (BoWCA)
- Bureau of Youth and Sports (BoYS)
- Cooperative Promotion Agency (CPA)
- Environment, Forest and Wildlife Protection and Development Authority (EFWPDA)

Some of these partners will have a focal role in implementation of specific AgroBIG interventions, for example BoA for agricultural extension services, and BoWCA for training of women groups, and receive financial support from AgroBIG II for these clearly defined purposes. Other partners may be contracted through the Value Chain Facility fund to conduct studies, assessments or other interventions supporting value chain actors at large.

Key partners include also:

- Voluntary/organised savings and credit groups at kebele level
- Credit and Savings Cooperatives (SACCO)
- Cooperative Savings and Credit Unions (COSACUs)
- Formal Microfinance Institutions (MFI)
- Commercial banks

These partners' roles are presented in more detail under Section 3 on Programme implementation strategies.

At community level, the Programme will partner with various types of community organisations, some of which are also direct beneficiaries of the Programme and may have a requirement for own contribution depending on which financing window they are using:

- Change armies¹²;
- Common interest groups (CIG);
- Cooperatives; and
- Women and youth associations/groups.

Finally, the Programme will partner or network with other relevant donor funded projects, particularly those detailed in the Annex 11 ‘Relevant interventions in the sector’. These partners’ role will be of knowledge sharing nature, but some of these could possibly be contracted (with a MoU through the Value Chain Facility Fund) to conduct certain types of activities. Coordination and coherence are dealt with in the section 8.2.

6.3. Roles and contributions of the financing partners

Government of Finland. The total grant allocation from the GoF for the Programme is **EUR 9.4 million** for a period of 4.5 years, starting in the beginning of Ethiopian Fiscal Year (FY) 2017/2018, in July 2017, and including a six months’ Inception Phase. The breakdown of this allocation is shown in the Programme Budget.

Government of Ethiopia. During Phase II, the contribution of the GoE is **940,000 EUR**, consisting of both in-cash and in-kind contributions.

Beneficiaries also contribute to AgroBIG II activities. The most significant inputs are the self-financing parts of the matching grants, which are either 15% or 50% of the total project amount. Land plots used for demonstration and seed multiplication purposes are important contributions by farmers.

6.4. Budget summary

The total budget for the Programme is 10,340,000 euros. 9,400,000 euros comes from the GoF contribution. The GoE contributes 10% or 940,000 euros, which consists of both cash and in kind contributions.

The breakdown of the total MFA financial contribution of EUR 9.4 million is in Table 6.1.

Table 6.1. GoF contribution for AgroBIG II (EUR). (Update Sept 24, 2018).

| PROGRAMME BUDGET | Y1 | Y2 | Y3 | Y4 | Y5 | TOTAL | % of total |
|---------------------------------------|-----------|-----------|-----------|-----------|---------|-----------|------------|
| Implementation budget (BoFEC channel) | 624,500 | 1,772,000 | 1,595,000 | 1,351,000 | 57,420 | 5,399,920 | 57.4% |
| TA fees & reimbursable costs | 523,600 | 734,500 | 790,000 | 687,000 | 314,300 | 3,049,400 | 32.4% |
| PSU operational costs (via TA cons) | 103,600 | 154,500 | 215,000 | 144,400 | 139,730 | 757,230 | 8.1% |
| Contingency | | | | | 193,000 | 193,000 | 2.1% |
| GRAND TOTAL of MFA contribution | 1,251,700 | 2,661,000 | 2,600,000 | 2,182,400 | 704,450 | 9,399,550 | 42.6% |
| % of the total | 13.3% | 28.3% | 27.7% | 23.2% | 7.5% | 100.0% | |

¹² Change armies consist of women development groups organized/assisted by Woreda Office for Women and Children; youth development groups organized/assisted by Woreda Office for Youth and Sports; and male-headed HH groups under the Woreda Office of Agriculture.

The share of the implementation budget is 53.1% from the total. TA costs, including fees and reimbursable costs, represent 3.299.405 euros, or 35.1% of the GoF budget. This is the maximum amount of the GoF contribution and its exact size will be determined as a result of the competitive bidding, in which the TA fees are a competition criterion. The rest 11.7% consists of operational and general costs. In all, 5.399.920 euros or 57.5% of the GoF budget will be channelled through BoFEC. The detailed breakdown of the GoF budget is in the Annex 3.

The budget presenting the GoE contribution to AgroBIG II has been prepared during the inception phase based on estimations and calculations for the values of in-kind contributions.

Table 6.2. GoE contribution for AgroBIG II (EUR).

| PROGRAMME BUDGET | Y1 | Y2 | Y3 | Y4 | Y5 | TOTAL | % of total |
|---|---------|---------|---------|---------|--------|----------------|------------|
| Output 1: VC Actors' access to finance and financial services is improved | 60,000 | 100,000 | 100,000 | 100,000 | 16,000 | 376,000 | 40.0% |
| Output 2: Capacities of VC actors are strengthened to improve their enterprises capability ... | 90,000 | 150,000 | 150,000 | 150,000 | 24,000 | 564,000 | 60.0% |
| GRAND TOTAL of GoE contribution | 150,000 | 250,000 | 250,000 | 250,000 | 40,000 | 940,000 | 100.0% |
| % of the total GoE contribution | 16.0% | 26.6% | 26.6% | 26.6% | 4.3% | 100.0% | |

7. Monitoring and Reporting

7.1. Work planning cycle and responsibilities

AgroBIG II applies results-based management (RBM) in its implementation and the results framework (RF) is the basis for the planning of activities and measurement of those. The results framework shall be updated with verified baselines and targets by the end of the inception phase and this is the responsibility of the PSU.

The Programme will adopt the Ethiopian (July-June) Financial Year and will align its planning, budgeting and reporting processes to those of its most relevant public and private sector partners, where they mostly also adopt the Government's fiscal year as their annual accounting period. AgroBIG II shall prepare comprehensive annual activity and procurement plans, budgets and disbursement/cash flow projections. This will be the responsibility of the PSU that will submit those to the supervisory board for its approval. The approval must be received before the start of the financial year.

In the inception phase, AgroBIG II needs to review, update, and complement its systematic situation analysis on

- Baseline.
- Human rights.
- Risks.
- Value chains.

Assumptions need to be a subject of monitoring. If the assumptions do not materialize, the implementation strategy or objectives may need to be reviewed.

7.2. Monitoring and reporting arrangements

The results framework indicators are described in Annex 2. Baseline and means of verification data will be sourced from:

- Central Statistical Agency (CSA) and GoE offices, including BoFEC's Welfare Monitoring Unit,
- AgroBIG's own data, including reports from cluster advisors and household surveys,
- Specific surveys and studies.

In order to collect additional data from within the Programme cluster areas for new indicators, a baseline survey will need to be conducted during the first Programme year. Data collected for the purpose of M&E should be disaggregated gender, age, and disabilities where applicable.

Smallholder data for yields, production and sales volumes/values will be sampled annually from direct programme beneficiaries by the Programme M&E Specialist at harvest time, unless the data for the same are available from, for example, contract farming scheme management providers, cooperative unions or other supported smallholder management entities. Comparative data from non-supported smallholders and MSMEs will be sourced from district offices like BoA.

The programme M&E framework, guidelines and database will be revised and upgraded, with additional business-indicators and annual M&E work plans prepared and executed. Special focus will also be put on the availability and analysis of sex, age and PWD disaggregated data. Contracting and capacity building of local M&E enumerators for data collection may be required.

The Programme submits annual outcome-based progress reports and bi-annual output-based progress reports. The Programme shall also prepare consolidated financial reports, based on reports of each implementing partner, and submit them together with all progress reports. The reports must focus on results (outputs, outcome, impact) and describe related activities in annexes. An important element of the reports will be to provide a narrative to any variations that have arisen in implementing the plans and budget, and proposing remedial actions to address those. In these reports, it is also the responsibility of the PSU to highlight any changes in the risk environment, also proposing mitigation.

Moreover, it is required that the PSU presents updated, specific reports of the progress of the Programme in the SVB meetings, including also financial reporting. SVB members should receive such reports latest two weeks before the SVB meetings.

The Programme is also required to prepare a completion report.

Templates for progress and financial reports are in Annex 9. MFA Manual for Bilateral Programmes refers to reporting and other templates.¹³ During the inception phase, the PSU will review the templates and then propose the definitive reporting models for the SVB approval.

Programme accounts will be monitored continually by the Programme's financial management personnel. All expenditures must be verified by supporting documents such as invoices, delivery notes, and payment slips. All client business entities or programme service providers handling AgroBIG II grant funds will submit financial retirements as and when requested by PSU either on a periodic basis or after specific procurements/ events. Procurements must in normal circumstances be based on three verifiable quotations.

7.3. Grant and loan client monitoring and reporting

As a rule, the business clients must submit progress reports and financial retirements to PSU on a quarterly basis. Disbursements of next grant instalments are conditional to satisfactory and timely reporting. PSU can lay down other reporting routines for individual clients as deemed necessary. The reporting requirements must in normal circumstances not have a delaying effect on financial disbursements as this can have severe consequences for the business activities.

PSU prepares and maintains a database for monitoring the payments and reimbursements of the grants and loans. Rather than periodical reports, this database should be a constantly updated monitoring tool that provides as real-time information as possible. It should have the ability to generate to-the-point reports that the competent authorities can access any given time.

It is important that formal client progress reporting is verified through on-site field visits by PSU staff. Much relevant information can be obtained and verified through direct inspection and discussion with the client. An important stakeholder group to request information from is the client's customers; they are the ultimate judges when it comes to produce quality, supply reliability, prices, and service.

Loan clients utilizing AgroBIG II funded loan facilities report to the financial institutions (woreda savings and credit unions/SACCOS) as per normal banking requirements.

¹³ Available at <http://formin.finland.fi/public/default.aspx?contentid=259190>.

7.4. Dissemination of results, experiences, programme regulations and learning

The communication of Programme results, experiences and lessons learned will be an important part of the communications strategy of AgroBIG II. It will be elaborated in further detail during the Inception Phase. The AgroBIG II communication strategy should aim at

- Effectively keeping programme business clients up to date on new programme regulations, budget reallocations & disbursement issues, planned visits, and meeting minutes.
- Create access to external sources of knowledge in a simple, comprehensible and concise manner.
- Facilitate cooperation amongst the various stakeholder institutions and individual actors.
- Be appropriately adapted to the given context (text, images, graphics and concise stories facilitate exchange and dissemination) and disseminated through different channels such as publication, radio, TV, Newspapers, video show, exhibition, seminar, conference, and mini-media centres.

Other promotional and public communication products the Programme produces and which should continue include:

- Compiling results and findings, editing, layout, graphic design and production of annual reports, newsletters, brochures, proceedings, booklets and fliers.
- Maintaining and updating the AgroBIG website and publication list.
- Coordinate and organize talk programmes, seminars, conferences. Importance needs to be given to events at national level to disseminate AgroBIG experiences.
- Maintain a media archive of photographic documentation of important events, research activities and achievements.

7.5. Ownership, rights, interests, opportunities, and participation

The key beneficiaries are the individual farmers and farming households within the geographical focus areas and they include women and youth groups, common interest groups, members of savings and credit groups, agricultural cooperatives and agribusiness MSMEs and other service providers. In the table 7.1. are the measures to address the participation, rights and interests of these key beneficiaries.

Table 7.1. Participation, rights and interests of key beneficiaries.

| | Participation | Rights | Interests |
|--------------------------------------|---|---|--|
| Programme development and management | <ul style="list-style-type: none"> • Cluster Platforms of diverse agribusiness related stakeholders feeding directly into AgroBIG II processes; ensuring meaningful participation of youth and women representatives • Technical committees having representatives from various bureaus and agencies. | <ul style="list-style-type: none"> • Detailed Rights Assessment as part of formulation, to be updated/ validated during Inception. • Consultation of diverse beneficiary groups prior to designing Programme support interventions. | <ul style="list-style-type: none"> • Careful analysis of needs, interests and opportunities of youth, female and male beneficiaries as the basis for planning of interventions. |

| | Participation | Rights | Interests |
|--|--|---|---|
| During implementation, at intervention level | <ul style="list-style-type: none"> Design and market targeted grant/loan schemes. Establish an ambition among SACCOs to include women in management; and train women so that they are better positioned to take managerial roles. Increase competitiveness of VC actors through capacity building and information sharing that is business/ enterprise friendly Regular (annual, biannual) FGDs with beneficiaries and duty bearers to assess the processes, immediate outputs and expected outcomes, and propose adjustments as due | <ul style="list-style-type: none"> Engage a long-term Social Development and Safeguards Specialist to ensure that mainstreamed agendas to address women and youth are properly understood and responded to consistently. | <ul style="list-style-type: none"> Demand-/need-based finance products, capacity building and other interventions. Adjust and streamline the instruments, procurement modalities and financial disbursement procedures to ensure interest/ entrepreneurial spirit is kept alive. Explore ways in which women and youth could participate in value chains outside or expanding their traditional roles towards more equal and meaningful participation. |
| Evaluation, results measurement and feedback | <ul style="list-style-type: none"> Regular client follow-up and reporting. Sex and age disaggregated data analysis to monitor participation of different beneficiary groups. | <ul style="list-style-type: none"> Rights assessment as part of MTE. | <ul style="list-style-type: none"> Long-term mentoring of clients. |

Programme level refers to overall institutional set-up and project cycle, particularly design of the Programme and its interventions. Intervention/implementation level refers to actual implementation, and Feedback level refers to any mechanisms to ensure beneficiaries understand results and outcomes and have an opportunity to influence the processes and hold the programme accountable.

8. Sustainability

8.1. Sustaining the intervention

This document considers sustainability in its economic, social, environmental and institutional contexts. The sustainability of AgroBIG II's undertakings and investments has been considered within the context of the development partners' policy frameworks and strategies:

- Alignment with GoE organisations and institutions.
- Building the capacities of various actors of the value-chains that constitute the market in its broadest sense: producers, traders, lower-tiered financial institutions, cooperatives and processors. This should help the autonomy of the stakeholders, post-project support.
- Emphasis on the business case as a guide to farmer, private sector and public investment. AgroBIG does respond to a number of public-good and social development agendas, but recognises that the sustainability of those rests on economic activity.
- Making small loans available to women and youth farmers and MSME members of SACCOs will provide them with the capital they need to be able to adjust their farming strategies and practices, or to build their small enterprises. Importantly, it will also build the capacity of the SACCOs and their membership, developing a savings and credit culture in the villages.
- Focussing on building critical mass in the cluster areas, so that there is a density of production and farming activity to attract agribusinesses and other market support functions.
- Emphasizing the need for agricultural and agribusiness results.

However, there also needs to be some realism about what can be expected in the way of sustainable and durable outcomes:

- The Programme is a continuation to a four-year programme and the second phase is supposed to last for 4.5 years. The first half-year will be an inception period, meaning that there will be only three annual cycles of planning, implementation and measurement. This is rather a short time to institutionalise change in either markets or institutions.
- The PSU is a transient organisation. There is no intention that it sustains beyond the Programme life and so investments in its capacity need to be tailored only to make it fit-for-purpose for the Programme life.
- That there is a long history of strong government intervention in the private sector (where that also includes smallholder farming) and while this is well-intentioned, it is difficult to do efficiently in the medium to long-term, without crowding out private sector initiative and/or distorting markets.
- While the capacity of the Government extension service, research and trade and industry agencies to support agribusiness are also constrained by a lack of experienced staff and resources, and although AgroBIG II can make a modest contribution to improving this during its life, the Programme is first and foremost focussed on farmer and agribusiness clients since it is not meant to be a public sector institutional development programme.

AgroBIG II needs to prepare and update a sustainability strategy. Key points in it will include the maintenance and operation arrangements of the physical investments by AgroBIG, and the future use of the loan capital. For the last point, relevant options include

- If SACCOs successfully utilize the fund and are able to reach more beneficiaries, ownership of the fund can be transferred to SACCOs with obligation to continue to serve these clients.

- Unused grants could be used for programme implementation and finalizing pending activities. In such case, a non-cost extension can be requested by the Programme.
- Unused grants can be reverted to revolving loan fund and provide funding to successful SACCOs.
- Any unused fund should be returned to BoFEC. BoFEC will decide on its utilization in consultation with MFA for similar purposes.

8.2. Coherence and coordination

AgroBIG is coherent with other MFA funded projects in Ethiopia and with some of them there is complementarity. The latter include the land administration project REILA and the ICI project on soil improvement. The ICI project has been implemented by the Geological Survey of Finland (GTK), Natural Resources Institute Finland (Luke), Geological Survey of Ethiopia (GSE), and Oromia Agricultural Research Institute (IQQO).

With the help of REILA, the Programme could study the possibilities of land lease arrangements and group land access for landless people willing to engage in farming. It can also advocate about women's right to land. In Oromia region, the ICI project has produced experience in liming of farm land and related technologies. The idea was to test small-scale artisanal mining close to the producers, due to the high cost of transportation of lime stone. AgroBIG II should explore the possibilities of promoting lime application in the programme area. This could provide business opportunities for input suppliers, improve farming profitability through a more efficient use of fertilizers, and bring about positive environmental effects by reducing washouts of plant nutrients.

Finnish Agri-agency for Food and Forest Development (FFD) is supporting three producer cooperatives in the woredas in which AgroBIG II will operate. FFD experience from the cooperative sector, including honey production, is valuable and it is important the Programme continues to exchange information with FFD.

Apart from the GoF projects, there are several pertinent ones financed by other development partners. The Annex 11 lists 31 relevant interventions in the sector and the geographical area. In reality they are likely to be many more. It is impossible to make a detailed assessment of all of them, but some stand out as particularly important partners for coordination and collaboration. An example is the multi-donor funded Agricultural Growth Programme (AGP II). It is nation-wide programme led by the World Bank. The overall budget for 2016-2021 is 350 million USD, of which 90 million USD is allocated to Amhara region. Like AgroBIG II, AGP operates in food surplus areas and the geographical coverage of the two programmes overlap in woredas of North Achefer, South Achefer, and Dera. In terms of commodity value chains, both programmes support maize. In addition, the AGP II supports chickpeas, sesame, coffee, wheat, honey, and livestock. It will start working also on horticulture and teff.

Development cooperation has a high importance to Ethiopia. According to OECD figures, in 2013 Ethiopia received 3.9 billion USD as official development assistance (ODA) and was the second biggest aid receiver in Africa, with 7% of all aid allocated to the continent. 6.3% of the Ethiopian budget is financed by foreign assistance.

Such a volume of aid flow calls for a well-structured coordination and management, and consequent aid effectiveness. Development cooperation interventions in Ethiopia are to a large extent coordinated through the Development Assistance Group (DAG), which comprises 29 bilateral and multilateral donors. In the agricultural sector operates Rural Economic Development and Food Security Working Group (RED/FS). It has no equivalent at the regional level. Several initiatives exist for aid coordination in Amhara but none of them seems to be ideally effective.

- AgroBIG I, in cooperation with SMIS project, organised an Agricultural Development Forum in December 2016 in Bahir Dar to enable sharing experiences from development initiatives. The event was followed by second ADF forum in January 2018, organized by Bahir Dar University with support by some donor funded projects. ARARI is in turn committed to bring together the third ADF forum in December 2018. ADF does not have a coordination role as such, rather it provides an opportunity for knowledge sharing and synergies by bringing together development actors, researchers and other stakeholders to address topics of shared interests. GoE has a structure for emergency and food aid coordination, led by the Office for Disaster Management. It fits poorly for VC development purposes. Only part of Libo woreda is food insecure and covered by disaster management.
- Agricultural Development Partners Linkages Advisory Council (ADPLAC) has support from DPs, such as AGP. However, it has not been very active. It is led by the government.
- BoFEC has a coordination forum but it is not focused in agriculture nor in value chains.
- AGP II has its steering committee and technical committees and it welcomes other development partners to assist in them. They are, however, mechanisms led by DPs, not by the government.

AgroBIG II should actively support mechanisms and structures for effective government-led aid coordination and harmonisation. This should be a key part of the Programme's sustainability strategy. It will ensure efficient information exchange and strengthen rational use of resources. In the inception phase, the Programme should prepare a Collaboration and Coherence Plan, in which partners and coordination & collaboration mechanisms are defined in detail.

8.3. Exit strategy

It is not currently foreseen that the AgroBIG would be extended to a third phase, although this is not confirmed yet and the future of AgroBIG is expected to be known at the mid-term evaluation. Nevertheless, since it is possible that AgroBIG does not continue after the second phase, the AgroBIG II cannot make commitments that cannot be concluded by the end of Programme life.

Preparation of an operational exit plan must be prepared right after the results of the mid-term evaluation are available. PSU will prepare a proposal thereof and submit it to the Supervisory Board at latest four months after the completion of the mid-term evaluation.

With regard to the capital that the programme gives BoFEC for on-lending to Cooperative Savings and Credit Unions, it is proposed that at the end of the programme, the money stays with the Unions and the SACCOs that have performed satisfactorily; that is, have met their targets. It is not a large amount, and if performance has been disappointing, then the money could be brought back into the programme to finance other, inevitable costs of either closing down or bridging into a next phase.

9. Evaluations and audit

9.1. Mid-term evaluation and final evaluation

A Mid-Term Evaluation (MTE) will be conducted in the middle of 2019, two years after Programme commencement. Its aim will be to review the progress of the Programme in implementing the strategies and plans laid out in this document. Progress against prescribed outputs will be scored and projections of the likelihood of realizing the outcomes anticipated will be made. Budget performance will be assessed, and recommendations for internal reallocations made, if deemed necessary.

Most important for the MTE will be to assess the performance of the grant and loan fund schemes of the programme, because it is acknowledged from the outset that the capacity of the partners is not strong and if they have been unable to adequately respond to the means that have been made available for them to develop and to improve their performance, then alternatives will need to be considered.

An ex-post third-party evaluation should be conducted at the end or shortly after this Phase of AgroBIG. By that time, the Programme will be some nine years old and it should be possible to clearly identify longer terms outcome and impact results. The evaluation should be structured to derive results-based policy lessons and recommendations for the partners and for the development community more generally.

9.2. Audits

Three types of audits will be conducted during Programme lifespan. The GoE will conduct annual internal audits, either through BoFEC auditors or through Woreda Finance and Economic Development office (WoFED) auditors, of PSU accounts and provides the reports to the SVB for approval. The consulting company is required to audit its Programme accounts on an annual basis. In addition, the main financier of the Programme, MFA Finland, will commission audits when they deem necessary during the 4,5 years of Programme implementation.

Annex 1. Glossary of terms

Aid effectiveness

In 2005, various initiatives to improve the impact of aid - such as encouraging donors to harmonise their funding and efforts and for both donors and recipients to use and strengthen country's own systems - were brought together under the Paris Declaration on Aid Effectiveness, which sets out five principles for aid effectiveness: ownership, alignment, harmonisation, managing for development results and mutual accountability. In 2008, the Accra Agenda for Action reiterated the Paris principles and set out three further pillars around which to concentrate efforts: ownership, inclusive partnerships and delivering results.

Alignment

Alignment means that donors base their support on partner countries' national development strategies, institutions and procedures.

Agricultural productivity

Term given to the output of agriculture in relation to the inputs such as the capital and labour. Productivity could be defined as the efficiency of the farm. A frequent way to express agricultural productivity is to calculate the quantity of production per a unit of land, for example kg/ha (yield). In some cases a more informative productivity indicator may be different, such as produced quantity per unit of labour, or per the amount of purchased inputs.

Appraisal

Overall assessment of the relevance, feasibility and potential sustainability of a development intervention prior to decision on funding. Appraisal is also called ex-ante evaluation.

Assumptions

External conditions beyond the control of the project which influence the project performance and achievements, and which need to be realized to achieve results and to move from one result level to another. Assumptions are presented in the Results Framework as positive statements. Monitoring the realization of the assumptions is an essential part of the project management, monitoring and reporting.

Baseline

Situation (value) of an indicator at the time of the launching of the intervention, against which progress can be assessed or comparison made.

Beneficiaries

Those who benefit or will be directly affected in whatever way from the implementation of the project.

- Direct beneficiaries: the group/entity who will be immediately positively affected by the project at the outcome level. For example, farmers, cooperative members, female-headed households, rural youth. Sometimes referred to as the 'target group'.
- Intermediate beneficiaries: Organisations, groups, or individuals the project supports with the aim that this support will turn into benefits for the direct and final beneficiaries. For example, agricultural extension staff, researchers, teachers, doctors, nurses that play a relevant role for the purposes of the project.
- Final beneficiaries: those who benefit from the project in the long term at the level of the society or sector at large, for example children due to increased spending on health and education, or consumers due to improved agricultural production and marketing. Sometimes referred to as the 'indirect beneficiaries'.

Cluster

- Producer cluster: for example onion cluster groups those producers to regulate supply.
- Area cluster: catchment area with irrigation potential. A cluster is an agro-ecological zone defined by a set of soil and agronomic conditions having potential for the production of volumes large enough to attract serious farm input suppliers, trade, commodity processors and other service providers; with a long term investment horizon.

Coherence

Objectives in a particular field may not be undermined or obstructed by actions or activities of government or development partners in that field or in other policy fields.

Competent authority

MFA and the competent government representative of the partner country.

Coordination

Activities of two or more development partners that are intended to mobilise aid resources or to harmonise their policies, programmes, procedures and practices so as to maximise the development effectiveness of aid resources. With regard to coordination, several levels (international, regional, national, sub-national, sectoral) can be distinguished, as well as differences in content (policies/principles/priorities, procedures, practices) as in intensity (consultation, cooperation, collaboration).

Cross-cutting objective

Gender equality, reduction of inequalities and climate sustainability are cross-cutting objectives in Finland's development policy and are therefore advanced by all interventions.

Decent work

Decent work involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

Development partners

Ensemble of international institutions and donors, civil society and professional and academic associations that work together to improve the coordination of aid policies and practices in a country.

Duty-bearer

States and authorities at different levels with the mandate and responsibility to respect, protect and fulfil the rights. Duty-bearers can also be beneficiaries.

Effectiveness

Effectiveness concerns the extent achieved by the project outcomes.

Efficiency

Efficiency concerns the degree to which the inputs/resources (costs, human resources, etc.) have been converted into activities, in terms of quality, quantity and time, and the quality of outputs achieved.

Equity

In accounting, equity (or owner's equity) is the difference between the value of the assets and the value of the liabilities of something owed.

Evaluation

Periodic assessment of the efficiency, effectiveness, impact, sustainability and relevance of a project in the context of stated objectives. It is usually undertaken as an independent examination with a view to drawing lessons that may guide future decision-making.

Food security

Food security exists when all people at all times have both physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life. Frequently the four pillars of food security are defined as availability, access, utilization, and stability.

Gender

Social differences that are ascribed to and learned by women and men, and that vary over time and from one society or group to another. Gender differs from sex, which refers to the biologically determined differences between women and men.

Gini coefficient

Gini coefficient index is a summary statistic that measures the dispersion of incomes or consumption or wealth on a scale of zero (everyone has exactly the same income) to 1 (one person has all the income).

Harmonisation

Donors must coordinate their development work better amongst themselves to avoid duplication and high transaction costs for poor countries.

Human rights

Human rights are universally agreed basic rights that guarantee the dignity of human beings. Human rights are defined in international, regional and national legal instruments. They include civil and political, as well as social, economic, and cultural rights.

Human rights sensitive

Minimum level for human rights focus for GoF supported development projects. Human rights principles guide the programming, implementation, monitoring and evaluation of the intervention. A basic human rights assessment has been carried out to be sufficiently aware of the human rights situation. The intervention does not have an explicit commitment to human rights in terms of expected results.

Impact

Impact is the effect of the project's contribution on the wider long-term results and on the achievement of the overarching policy objectives. Impact is the long-term result towards which the intervention aims to contribute.

Kebele

Smallest administrative unit in Ethiopia. Usually translated as ward. Several kebeles make up a woreda. Sometimes spelled as kebelle or kabele.

Means of verification

Way to collect information and sources of data used for indicators

Monitoring

Systematic and continuous collecting, analysis and using of information for the purpose of management and decision-making.

Outcome

Specific change the project wants to accomplish by its completion.

Output

Outputs are physical and/or tangible goods or services delivered by the project. They are necessary to achieve the outcome.

Partners

Organisations whose overall mandate is to provide services to the direct beneficiaries of the project. These are, in particular, governmental and non-governmental organisations, larger community-based organisations (CBOs), private sector organisations and networks. They are organisations to whom the project provides capacity building support in order to improve the quality of their services.

Problem analysis

Structured investigation of the negative aspects of a situation in order to establish causes and their effects.

Profitability

Profitability refers to the enterprise's long term capability to show profit.

Relevance

Relevant project meets demonstrated and high priority needs and it is consistent with, and supportive of, the Partner Government policies and relevant sector programmes, and the MFA development cooperation policy.

Results

In results based management, 'result' is the common term for impact, outcomes, and outputs.

Results Based Management

Results based management puts management attention from inputs, activities, and processes to desired results - from what has been done to what has been achieved. Results Chain and Results Framework are the main tools of the Results Based Management.

Results Chain

Results Chain, sometimes called the Theory of Change, demonstrates the internal logic of the intervention showing which inputs, activities and outputs the outcome and impact will be achieved, given that the assumptions will hold.

Results Framework

Matrix that summarizes the three levels of results (outputs, outcome and impact), related indicators, their baselines and target values as well as related assumptions.

Rights-holder

Individual human being (not only a citizen). Rights-holders can also be groups, as some rights may be enjoyed collectively within the community to which the individual belongs (e.g. minorities, indigenous peoples). Rights-holders are often beneficiaries.

Risk

Probability that an event or action may adversely affect the achievement of project objectives or activities. Risks are composed of factors internal and external to the project, although focus is generally given to those factors outside project management's direct control.

Service providers

Organisations from which the project and its partners procure services.

Solidity

Solidity of an enterprise is measured by the Equity Ratio, which is the percentage share of equity out of total capital. The higher the equity ratio, the better the solidity.

Solvency

Solvency is the ability of a company to meet its long-term financial obligations. Solvency is essential to staying in business as it asserts a company's ability to continue operations into the foreseeable future. While a company also needs liquidity to thrive, liquidity should not be confused with solvency. A company that is insolvent must often enter bankruptcy.

Stakeholder

Any individuals, groups of people, institutions or firms that may have a relationship with the project/programme are defined as stakeholders. They may – directly or indirectly, positively or negatively – affect or be affected by the process and the outcomes of projects or programmes. Usually, different sub-groups have to be considered.

Sustainability

Sustainability refers to likely continuation of the achievements after the period of external support has ended with particular reference to ownership by beneficiaries, policy support/consistency, economic and financial viability, sociocultural aspects, gender equality, appropriate technology, environmental aspects, and institutional and management capacity.

Woreda

Third-level administrative division in Ethiopia, after regions and zones. A woreda is divided into several kebeles. Usually translated as district. Sometimes spelled wereda.

Working capital

Non-interest bearing current assets less non-interest bearing current non-financial liabilities

Value chain

Value chain refers to all the activities and services that bring a product (or a service) from conception to end use in a particular industry, such as agriculture, from input supply to production, processing, wholesale and finally, retail. It is so called because value is being added to the product or service at each step.

Vulnerable group

Vulnerable group is a population that has some specific characteristics that make it at higher risk of falling into poverty than others living in areas targeted by a project. Vulnerable groups include the elderly, the mentally and physically disabled, at-risk children and youth, ex-combatants, internally displaced people and returning refugees, HIV/AIDS- affected individuals and households, religious and ethnic minorities and, in some societies, women.

Youth

Ethiopian National Youth Policy considers the age group 15 to 29 years as youth. In economic policies, the definition covers the people from 18 to 34 years of age. This latter definition is recommended by the Bureau of Youth and Sports, and is applied in this document.

Annex 2. AgroBIG II Results Framework (update 13.8.2018, subject to final revisions)

| IMPACT | INDICATORS | | | 2017 Baseline | 2021 Target | Means of verific ation | Assumptions | |
|---|---|-------------------|-------------------------------------|--------------------------------------|--|--|--|-----------|
| Agriculture provides decent livelihood to people in rural Amhara regional state. | Agriculture and allied activities growth rate in the region, annual % (baseline as per National Planning Commission NPC, target as per GTP II) | | | 6.7% (initial figure for 2015/ 2016) | Annual growth 7.8% Cumulat. 31% | NPC | Enabling factors support socioeconomic development: policy, stability, regulatory framework, infrastructure | |
| | Poverty head count, % of rural population (baseline as per NPC, target as per GTP II) | | | 28.8% (2015/16) | 1.3% annual reduction | NPC | | |
| OUTCOME | INDICATORS | | | 2017 Baseline | 2021 target | | | |
| Value is added at various levels of selected agricultural value chains to increase incomes and create jobs for farming households and other VC actors, with a particular focus on women and youth | Increase in total annual value of sales by a) enterprises and agribusiness units supported by AgroBIG during Phase II | | | Cumulat | | AB M&E | Commercializa tion of agriculture continues and strengthens agribusiness and increases employment. Value chain actors seize business opportunities. Women and youth groups set up enterprises | |
| | | | | Cohort 1 (Aug '18) b) *) | | | | b) 50% |
| | | | | Cohort 2 (xx) b) *) | | | | b) 50% |
| | | | | Cohort 3 (xxx) b) *) | | | | b) 50% |
| | b) cooperatives supported by AgroBIG II | | | | | AB M&E | | |
| | Cohort 1 (Aug '18) b) *) | | b) 50% | | | | | |
| | Cohort 2 (xx) b) *) | | b) 50% | | | | | |
| | Cohort 3 (xxx) b) *) | | b) 50% | AB M&E | | | | |
| | Number of jobs created in agricultural value chains supported by AgroBIG (Disaggregated by gender, age, PWD) | | | | 788 M 272 F 1060 Total | Cumulative 3,500 M 1,500 F 5000 Total | | |
| | Percentage change in productivity, volume and value of production per household (all targeted commodities; average values) | Maize | Volume Qt/ HH | | 19 | 20% | | AB M&E |
| | | | Yield Qt/ha | 49.5 | 20% | | | |
| | | | Value ETB/ HH | 11,400 | 30% | | | |
| | | Rice (paddy) | Volume Qt/ HH | 28 | 20% | | | |
| | | | Yield Qt/ha | 56.6 | 20% | | | |
| | | | Value ETB/ HH | 23,520 | 30% | | | |
| | | Onion | Volume Qt/ HH | 25 | 20% | | | |
| | | | Yield Qt/ha | **) | 20% | | | |
| | | | Value ETB/ HH | 13,400 | 30% | | | |
| | | Potato | Volume Qt/ HH | 14 | 20% | | | |
| | | | Yield Qt/ha | **) | 20% | | | |
| | | | Value ETB/ HH | 5,138 | 30% | | | |
| | | Tomato | Volume Qt/ HH | 13.5 | 20% | | | |
| | | | Yield Qt/ha | **) | 20% | | | |
| | | | Value ETB/ HH | 5,778 | 30% | | | |
| | | Milk/ HH/year | Volume litres | 522 | 20% | | | |
| | | | Yield litre/cow/year | **) | 20% | | | |
| | | | Value ETB | 4,698 | 30% | | | |
| | | Shoat/ HH/ year | # of sheep | 9 | 20% | | | |
| | | | # of goats | 11 | 20% | | | |
| | | | Value (sheep) ETB | 11,925 | 30% | | | |
| | | | Value (goat) ETB | 14,960 | 30% | | | |
| | | Poultry/ HH/ year | # of eggs | 1,056 | 20% | | | |
| | | | # of chicks | 26 | 20% | | | |
| | | | Value of eggs, ETB | **) | 30% | | | |
| | | | Value of chicken meat produced, ETB | **) | 30% | | | |
| | Number of beneficiaries reached through actions strengthening market linkages, productivity, job creation and food security (Disaggregated by gender, age, PWD) | | | 26,900 M 19,100 F 46,200 Total | Cumulat 300,000, (43% F) 2000 PWD | AB M&E | Contnd. | |

Contnd.

| OUTPUT 1 | INDICATORS | | | 2017 Baseline | Target | | |
|---|--|---|--------------|---------------------------------|--|--------|--|
| Value chain actors' access to finance and financial services is improved and sustainability of their enterprises and business initiatives is strengthened | Number of business entities in total supported by AgroBIG grants or loans (Disaggregated by size & type of core business: production; agro-processing; trade; service provision) | | | 23 enter-prises, 45 coops | 600 enter-prises& groups, 50 coops | AB M&E | Value chain actors have necessary minimum resources, including self-financing to develop viable business entities. Cooperatives and enterprises have sound management practices and apply the principles of an appropriate loan culture. |
| | Number of grants issued: a) medium-size grants b) micro & small-size grants c) value chain facility grants | | | a) 14 b) 119 c) 9 | a) 35 b) 270 c) 20 | AB M&E | |
| | Number of members in women and youth groups supported by grants or loans (Disaggregated by gender, age, PWD) | | | 57 | 5000 (70% female, 50 PWD) | AB M&E | |
| | % of the supported entities operational over two years after receiving grants or loans (Disaggregated by size and type) | Cohort 1 (Aug '18) | | Coops 100%, Enterprises 100% | Coops 100%, Enterprises, groups 80% | AB M&E | |
| | | Cohort 2 (xx) | | | | | |
| | | Cohort 3 (xxx) | | | | | |
| | Change in the value of the annual purchases by supported cooperatives | Cohort 1 (Aug '18) | | *) | 100% | AB M&E | |
| | | Cohort 2 (xx) | | | | | |
| | | Cohort 3 (xxx) | | | | | |
| | Change in the amount of own capital (total assets less liabilities) of the supported coop unions and cooperatives | Cohort 1 (Aug '18) | | *) | 50% | AB M&E | |
| | | Cohort 2 (xx) | | | | | |
| | | Cohort 3 (xxx) | | | | | |
| | OUTPUT 2 | INDICATORS | | | 2017 Baseline | Target | |
| Capacities of value chain actors are strengthened to improve their capability to seize market opportunities in a profitable and sustainable way | Number of business entities in total supported by capacity building (Disaggregated by size and type of business) | | | 201 | 1000 | AB M&E | Most important capacity constraints are identified, and VC actors are motivated in removing them |
| | Number of lead farmers capacitated in selected VCs (Disaggregated by gender) | | | NA | 2100 (25% female) | AB M&E | |
| | Adoption rate of new/improved practices by direct beneficiaries. (Disaggregated by gender) | | | **)) | | AB M&E | |
| | Direct beneficiaries' satisfaction with the extension, financial and business development services provided (Disaggregated by gender) | Farmers satisfaction to Kebele extension experts | | 69% | 80% | AB M&E | |
| | | Clients' satisfaction in SACCOS' financial services | Farmers | 44% | 80% | | |
| | | | Enterprises | **)) | 80% | | |
| | | | Coop leaders | **)) | 80% | | |
| | Change in awareness level of beneficiaries towards environmental sustainability (Disaggregated by gender) | Farmers' awareness | | **)) | 75% | AB M&E | |
| | | Enterprises' awareness | | **)) | 75% | | |
| | | Cooperative leaders' awareness | | **)) | 75% | | |

*) Rolling baseline data collection **) Data from baseline hh survey

Note: Cohort refers to Batch

Annex 3 – GoF budget for AgroBIG II (annual breakdown of the implementation budget updated in Sept 2018).

| AgroBIG II, Programme Implementation Budget (update Sept 2018) | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | |
|---|------------------|------------------|------------------|------------------|----------------|------------------|
| | Y1 | Y2 | Y3 | Y4 | Y5 | TOTAL |
| Output 1: VC Actors' access to finance and financial services is improved | EUR | EUR | EUR | EUR | EUR | EUR |
| 1.1 Provide grants for VC actors through the Grant Fund | 0 | 520,000 | 460,000 | 520,000 | 0 | 1,500,000 |
| 1.2 Support learning and new approaches (Value Chain Facility) | 73,000 | 155,000 | 97,000 | 0 | 0 | 325,000 |
| 1.3 Provide funds to the Women and youth groups through SACCOs (Women and Youth Loan Fund) | 181,000 | 230,000 | 224,000 | 165,000 | 0 | 800,000 |
| 1.4 Provide funds for cooperatives through COSACUs (Cooperative Loan Fund) | 181,000 | 235,000 | 220,000 | 264,000 | 0 | 900,000 |
| 1.5 Grant and loan fund management | 10,000 | 17,000 | 20,000 | 23,000 | 0 | 70,000 |
| 1.6 Phase I commitments for construction and equipment | 33,000 | 28,000 | 90,000 | 49,000 | 0 | 200,000 |
| Sub-total | 478,000 | 1,185,000 | 1,111,000 | 1,021,000 | 0 | 3,795,000 |
| Output 2: Capacities of VC actors are strengthened to improve their capability to seize market opportunities in a profitable and sustainable way | | | | | | |
| 2.1 Facilitate business and market linkages, investment and public-private dialogue | 19,000 | 40,000 | 39,000 | 23,500 | 0 | 121,500 |
| 2.2 Improve business and farm management skills and service delivery for VC development | 25,000 | 306,000 | 210,000 | 56,000 | 0 | 597,000 |
| 2.3 Form, train and mentor women/youth groups in agriculture-related income generating opportunities | 21,000 | 55,000 | 55,000 | 64,500 | 0 | 195,500 |
| 2.4 Provide technical support to cooperatives to improve member services | 6,500 | 81,000 | 70,000 | 76,000 | 0 | 233,500 |
| Sub-total | 71,500 | 482,000 | 374,000 | 220,000 | 0 | 1,147,500 |
| Programme Management | | | | | | |
| PSU operational costs /BoFEC (ref. SVB #9) | 75,000 | 105,000 | 110,000 | 110,000 | 57,420 | 457,420 |
| TOTAL BoFEC channel | 624,500 | 1,772,000 | 1,595,000 | 1,351,000 | 57,420 | 5,399,920 |
| Technical assistance | | | | | | |
| TA fees and reimbursable costs | 523,600 | 734,500 | 790,000 | 687,000 | 314,300 | 3,049,400 |
| TA channel PSU operational costs | 103,600 | 154,500 | 215,000 | 144,400 | 139,730 | 757,230 |
| TOTAL TA channel | 627,200 | 889,000 | 1,005,000 | 831,400 | 454,030 | 3,806,630 |
| Contingency | | | | | 193,000 | 193,000 |
| GRAND TOTAL | 1,251,700 | 2,661,000 | 2,600,000 | 2,182,400 | 704,450 | 9,399,550 |

Summary of AgroBIG II budget, MFA contribution (update Sept 2018)

| PROGRAMME BUDGET | Y1 | Y2 | Y3 | Y4 | Y5 | TOTAL | % of total MFA |
|---|------------------|------------------|------------------|------------------|----------------|------------------|-----------------------|
| | EUR | EUR | EUR | EUR | EUR | EUR | |
| Implementation and Programme management, BoFEC channel (Sept 2018 update) | 624,500 | 1,772,000 | 1,595,000 | 1,351,000 | 57,420 | 5,399,920 | 57.4% |
| TA fees & reimbursable costs (ref. SVB #9) | 523,600 | 734,500 | 790,000 | 687,000 | 314,300 | 3,049,400 | 32.4% |
| PSU operational costs (via TA cons) (ref. SVB #9)) | 103,600 | 154,500 | 215,000 | 144,400 | 139,730 | 757,230 | 8.1% |
| Contingency (ref. SVB #9) | | | | | 193,000 | 193,000 | 2.1% |
| GRAND TOTAL of MFA contribution | 1,251,700 | 2,661,000 | 2,600,000 | 2,182,400 | 704,450 | 9,399,550 | 100.0% |
| % of the total | 13.3% | 28.3% | 27.7% | 23.2% | 7.5% | 100.0% | |

Summary of AgroBIG II budget, GoE contribution (ref. SVB #9)

| PROGRAMME BUDGET | Y1 | Y2 | Y3 | Y4 | Y5 | TOTAL | % of total |
|---|----------------|----------------|----------------|----------------|---------------|----------------|-------------------|
| Output 1: VC Actors' access to finance and financial services is improved | 60,000 | 100,000 | 100,000 | 100,000 | 16,000 | 376,000 | 40.0% |
| Output 2: Capacities of VC actors are strengthened to improve their enterprises capability ... | 90,000 | 150,000 | 150,000 | 150,000 | 24,000 | 564,000 | 60.0% |
| GRAND TOTAL of GoE contribution | 150,000 | 250,000 | 250,000 | 250,000 | 40,000 | 940,000 | 100.0% |
| % of the total GoE contribution | 16.0% | 26.6% | 26.6% | 26.6% | 4.3% | 100.0% | |

Annex 4 – Fact sheets for the fund mechanisms (updated April-July 2018)

Medium Size Investment Grant Fund Fact Sheet

| | Medium Size Investment Grant Fund |
|---------------------------------------|--|
| Implementing partner | Amhara Credit and Savings Institution |
| AgroBIG target locations | North Achefer, South Achefer, North Mecha, South Mecha, Bahir Dar Zuria, Dera, Fogera and Libo Kemkem woredas |
| AgroBIG supported value chains | Onion, Potato, Rice, Maize, Tomato, Dairy, Poultry, Goat and Sheep rearing; The programme may include more value chains eligible for grant support |
| Eligible applicants | Farmers, farmers' groups, cooperatives, medium enterprises, private entrepreneurs and public institutions |
| Purpose | <p>The purpose of the Medium Size Investment Grant Fund is to provide value chain actors with access to finance and financial services in order to strengthen the competitiveness and sustainability of their enterprises.</p> <p>The fund is meant to enable medium-size agri-business investments within the AgroBIG supported value chains, such as, but not limited to the following:</p> <ul style="list-style-type: none"> • Small-scale irrigation development including drip irrigation and greenhouse technology; • Farm processing equipment and mechanized field services; • Farm input supply development, including farm service centre establishment for supply of small-scale mechanization equipment/spares sale and repairs, tractor field service, commodity processing; • Innovations to introduce climate smart methodologies and technologies, for example zero-tillage, cover crops and rotations, energy efficiency; • Dry season crop production for marketing in the off-supply season; • Systemic pest control or integrated pest management; • Post-harvest crop handling such as storage management, cleaning, sorting and grading; • Secondary processing of food products, effective machine handling and capacity utilization, adjustment and maintenance; • Costs for obtaining Ethiopian Standards Agency (ESA) standard certificates, or other relevant certifications, on food stuffs, animal feed stuffs and workers safety and environmental standards; • Provision of coaching in business management; • Capacity building activities, marketing, management skills etc; • Business Development Costs (maximum 5% of the total budget). • Interest on loans obtained to provide matching fund; • Produce packaging, and cold chains; and • Creation or renovation of food distribution outlets. |
| Maximum grant size | 1,500,000 ETB (50,000 EUR) |
| Number of grants | <ul style="list-style-type: none"> • Applicant can submit a maximum of one application per call. |

| | |
|---------------------------------|--|
| | <ul style="list-style-type: none"> Based on the innovations of the business, an applicant can be awarded a maximum of 3 grants over the period of AgroBIG II program. |
| Matching funds | <ul style="list-style-type: none"> Minimum 50% matching funds Female applicants and groups and cooperatives with at least 50% female members can provide up to 50% of matching funds in kind |
| Duration | Maximum duration of activities is 24 months |
| Disbursement mechanism | <ul style="list-style-type: none"> Pre-financing payments depend of the nature of the project. Grant client will need to open or provide a bank account with an ACSI branch in his/her name or in the name of the entity receiving the grant. Matching grant shall be deposited into the account before ACSI transfers the first pre-financing payment into the account The PSU may request for a bank guarantee from private businesses, covering the entire, or part of the amount of pre-financing and for the entire or part of the duration of the grant. |
| Applicant requirements | <ul style="list-style-type: none"> The applicant entities shall either be registered, or to present a support letter for their business from the relevant authority at the time of signing the grant contract; Proposed project should be located within 100 km radius from the AgroBIG programme area; Female applicants and farmer groups and cooperatives with high female membership are given priority in the scoring or evaluation system; |
| Application procedure | <p>Eligible applicants are able to apply in response to AgroBIG's public Calls for Proposals through Woreda Offices.</p> <ul style="list-style-type: none"> PSU will identify prioritised themes or concepts for each call for proposals. The grant fund has a two-phase application process: first a concept note, and if it is approved, a full project proposal. The concept notes and full proposals shall be submitted to the Woreda Office in which the project, or majority of the action takes place. A compulsory site visit will be carried out as part of the evaluation of full project proposals by staff appointed by the Woreda Technical Committee; Concept notes and full proposals are ranked and assessed by respective Woreda Technical Committee which gives a recommendation to the Woreda Steering Committee. The Woreda Steering Committee, which meets quarterly or immediately after ranking is completed, scrutinizes the applications recommended by the Woreda Technical Committee for approval. The Woreda Steering Committee sends the list of recommended projects to PSU. PSU checks for availability of funds and for possible overlapping projects. PSU will further review and send list of recommended projects to BOFEC for final decision. <p>Grant recipients are required to sign a grant contract with respective Woreda Finance and Economic Development Office.</p> |
| Reporting and Monitoring | <p>Grant beneficiaries shall submit progress reports to the relevant Woreda Finance and Economic Development Office and to PSU in the format specified in the grant contract. Final audits will be conducted for each project by respective Woreda Finance and Economic Development Office Auditors. The Woreda office staff as well as AgroBIG staff will regularly monitor the implementation of activities.</p> |

Micro and Small Size Investment Grant Fund Fact Sheet

| | Micro and Small Size Investment Grant Fund |
|---|---|
| Implementing partner | Amhara Credit and Savings Institution. |
| AgroBIG target locations | Selected kebeles in the districts; North Achefer, South Achefer, North Mecha, South Mecha, Bahir Dar Zuria, Dera, Fogera and Libo Kemkem. |
| AgroBIG supported value chains | Onion, Potato, Rice, Maize, Tomato, Dairy, Poultry, Goat and Sheep rearing; The programme may include more value chains eligible for grant support |
| Eligible applicants | Smallholder farmers, farmers' groups, cooperatives and agricultural microenterprises and private entrepreneurs in targeted Woredas; Smallholder farmers = farmer with maximum 2 ha of cultivated land Micro enterprises = not more than 5 employees, including owner |
| Purpose | <p>The purpose of the grant fund is to provide value chain actors with access to finance and financial services and to strengthen the sustainability of their enterprises.</p> <ul style="list-style-type: none"> • Small-scale irrigation development including drip irrigation and greenhouse technology; • On farm investments in agricultural equipment; • Farm processing equipment and mechanized field services; • Innovations to introduce climate smart methodologies and technologies, for example zero-tillage, cover crops and rotations, energy efficiency; • Systemic pest-control or integrated pest management; • Post-harvest crop handling such as storage management, cold chains, cleaning, sorting grading and packaging; • Human resource management, capacity building in farming, food processing, cooperatives etc; • Development of financial management and administration, book keeping; • Provision of coaching in business management; • Capacity building activities, marketing, management skills etc; • Business Development Costs (maximum 5% of the total budget). • Interest on loans obtained to provide matching fund; • Creation or renovation of food distribution outlets |
| Maximum grant size | 150,000 ETB (5,000 EUR) |
| Number of grants | <ul style="list-style-type: none"> • Maximum 1 grant per applicant |
| Matching funds or Own contribution | <ul style="list-style-type: none"> • Minimum 15% matching funds • Female applicants and groups and cooperatives with at least 50% female members can provide matching fund in kind. |
| Duration | Maximum duration of activities is 24 months. |
| Disbursement mechanism | <ul style="list-style-type: none"> • 80% of grant is paid in advance. Remaining up to 20 % is paid upon completion of the project. |

| | |
|---------------------------------|---|
| | <ul style="list-style-type: none"> Grant recipient will need to open or provide a bank account with an ACSI Branch in his/her name or in the name of the entity receiving the grant. Matching funds, if not in kind, shall be deposited into the grant recipient's account before ACSI transfer the AgroBIG grant into the account |
| Applicant requirements | <ul style="list-style-type: none"> If applicant entities are not registered they might need to get support letter from the relevant authorities at the time of signing the grant contract; Female applicants, women and youth groups and cooperatives with at least 50% female members are given priority. |
| Application procedure | <p>Eligible applicants are able to apply in response to AgroBIG's public Calls for Proposals through the relevant Woreda Office.</p> <ul style="list-style-type: none"> PSU will identify prioritised themes or concepts for each call for proposals. The grant fund has a two-phase application process; first a concept note, and if it is approved, a full proposal. The concept notes and full proposals shall be submitted to the archive section of the Finance and Economic Cooperation office of the Woreda, in which most of the proposed projects' activities will take place. Applications will be ranked and assessed by respective Woreda Technical Committee; A site visit may be carried out by staff appointed by the Woreda Technical Committee; The Woreda Steering Committee decides on the approval of the concept notes for further development into full project proposals. The WSC sends the list of projects recommended for funding to AgroBIG PSU. PSU will check for possible overlaps and for availability of funds and send a list of recommended projects to BoFEC for final decision. Grant recipients are required to sign a grant contract with respective Woreda Finance and Economic Development Office; |
| Reporting and Monitoring | <ul style="list-style-type: none"> Grant recipients shall submit progress reports to the relevant Woreda Finance and Economic Development Office and to PSU in the format specified in the grant contract. Final audits will be conducted for each project by respective Woreda Finance and Economic Development Office Auditors. The Woreda office staff as well as AgroBIG staff will regularly monitor the implementation of activities. |

Value Chain Facility Fund Fact Sheet

| | Value Chain Facility Fund |
|----------------------------|---|
| Eligible applicants | Farmers, farmers' groups, cooperatives, enterprises, entrepreneurs and public institutions; |
| Purpose | <p>The Value Chain Facility Fund supports activities that enhance value chain development and market access of commodities selected for AgroBIG support. Eligible activities include initiatives such as</p> <ul style="list-style-type: none"> Training and mentoring of large groups of farmers, entrepreneurs and civil servants; |

| | |
|---------------------------------|--|
| | <ul style="list-style-type: none"> • Competitiveness studies and market analyses; • Support for start-up or expansion of contract farming schemes; • Fertilizer/seed/crop husbandry trials and demonstrations for climate smart agriculture; • Technology development, demonstrations, manufacturing and scaling up; • Environmental Impact Studies; • Institutional assessments; • Product certification; • Product testing services, including food & feed lab testing, soil & water analysis etc.; • Market linkage and promotion services; • Public information production and dissemination; • Business financial/management audits; • Costs for obtaining Ethiopian Standards Agency standard certificates, or other relevant certifications, on food stuffs, animal feed stuffs and workers safety and environmental standards; • Land surveying, mapping and titling. |
| Grant size | Depending on nature of activity. Maximum grant size is 2,200,000 ETB. |
| Matching funds | No matching funding is required from the applicants |
| Disbursement mechanism | Depending on nature of activity |
| Applicant requirements | <ul style="list-style-type: none"> • Applicant shall be registered with relevant authorities at the time of signing the grant contract • Proposed investment shall be located within 100 km radius from the Programme area; • Farmer groups/cooperatives with high female membership are given priority; • Public and private institutions working in research, innovation, extension activities. |
| Application procedures | <p>Eligible applicants are able to apply in response to AgroBIG's public calls for proposals through the PSU.</p> <ul style="list-style-type: none"> • The grant fund has a two-phase application process: first a concept note, and if it is approved, a full proposal. • Concept notes and full project proposals shall be submitted to PSU; • Approval of grants is made by PSU with a no objection from BoFEC. • Value Chain Facility funds are channelled from BoFEC for disbursements to recipients' account on request by the PSU. • Grant recipients are required to sign a grant contract with BoFEC. |
| Reporting and monitoring | <ul style="list-style-type: none"> • Beneficiaries shall submit progress reports to PSU in the format specified in the grant contracts. • PSU will carry out regular monitoring visits. • Final audits are conducted for each project by auditors appointed by PSU. |

Women and Youth Loan Fund Fact Sheet

| | Women and Youth Loan Fund |
|---|---|
| Implementing partners | Cooperative Promotion Agency and the three Cooperatives' Savings and Credit Unions (COSACUs), namely Adera Densa, Rib and Tana |
| AgroBIG target locations | Selected kebeles in North Achefer, South Achefer, North Mecha, South Mecha, Bahir Dar Zuria, Dera, Fogera and Libo Kemkem woredas. |
| Eligible applicants | Women, youth (male and female, age 18 – 34 years), women's groups and youth groups, |
| Purpose | <p>The purpose of the Women and Youth Loan Fund (revolving fund) is to stimulate access to loans for working capital and investments in productive assets in farming and agribusiness that enable creation of decent jobs and improved sustainability and competitiveness. Specific purpose is as follows</p> <ul style="list-style-type: none"> • Women and women's groups to improve their farming, trading, processing, production, packaging, storage and distribution capacity. • Youth and youth groups: group enterprise activities in farm production services such as crop spraying and other services, retail trade in agro-inputs, etc.; • Introduce women and youth to a savings and credit culture; |
| Loan duration | Maximum 24 months. |
| Maximum loan size | 50,000 ETB (1,700 EUR). |
| Disbursement | Upfront. |
| Interest | Normal SACCO loan interest. |
| Collateral | Group collateral according to normal lending by SACCOs. |
| Applicant requirements | <ul style="list-style-type: none"> • 80% of the loan capital is allocated to women applicants, and remaining 20% for youth groups; • Applicants are members of SACCOs located in the Woredas where AgroBIG operates at the time of releasing the loan; |
| Procedures for channelling funds | <ul style="list-style-type: none"> • BoFEC signs separate agreements with the CPA and the three COSACUs; • Lending to women and youth groups is channelled from BoFEC to the respective COSACU upon request from PSU; • COSACUs then lend funds to primary SACCOs; • Credit appraisals are conducted according to SACCOs' normal procedures; • Loan conditions are according to SACCOs' normal loan conditions; • SACCOs pay the COSACU an interest at 5% p.a. on the full amount of funds received; • Interest from loans is first used to cover possible loan losses and to cover operational costs of the Fund. |

| | |
|---------------------------|--|
| Lending procedures | <ul style="list-style-type: none"> • Qualifying SACCOs are selected based on the CPA's due diligence of their governance, management, previous performance in managing funds, size of membership and growth potential; • SACCOs issue loans at their normal annual interest rate and shall not charge any fees on top of this; • SACCOs lend to individual women and youth as well as to women and youth groups upon approved loan requests; • Membership is required. New members are eligible for loans without a waiting period; • SACCOs shall submit progress reports to respective COSACU, who shall then submit consolidated reports to PSU. Reporting templates are attached to the agreements between BoFEC and the COSACUs. |
|---------------------------|--|

Cooperative Loan Fund Fact Sheet

| | Cooperative Loan Fund |
|---------------------------------------|--|
| Implementing partners | Cooperative Promotion Agency and the three Cooperatives' Savings and Credit Unions (COSACUs), namely Adera Densa, Rib and Tana |
| AgroBIG target locations | Selected kebeles in North Achefer, South Achefer, North Mecha, South Mecha, Bahir Dar Zuria, Dera, Fogera and Libo Kemkem woredas |
| AgroBIG supported value chains | Value chains supported by AgroBIG are; rice, onion, maize, potato, tomato, Dairy, Poultry, Goat and Sheep rearing. Other value chains might be added. |
| Purpose | <p>The Cooperative Loan Fund is a revolving fund that facilitates access to working capital and loans for</p> <ul style="list-style-type: none"> • Crop marketing by cooperatives of selected produce; • Primary cooperative societies and unions for trading, processing, production, packaging, storage, transport and distribution capacity; • Cooperatives to embark on contract farming schemes. |
| Loan duration | Maximum 24 months. |
| Maximum loan size | 1,500,000 ETB (50,000 EUR). |
| Disbursement | Upfront. |
| Interest | Normal COSACU loan interest. |
| Collateral | As per COSACUs normal lending to cooperatives. |
| Applicant requirements | <ul style="list-style-type: none"> • Cooperative is formally registered as a legal entity; • Cooperative is operating in AgroBIG supported Woredas; |
| Procedures | <ul style="list-style-type: none"> • Normal screening, appraisal and funding principles, rules and conditions as in the cooperative credit system supervised by the CPA. |

| | |
|--|---|
| | <ul style="list-style-type: none">• Lending to cooperatives is channelled from BoFEC to the three COSACUs upon requests from PSU.• The COSACUs then lend the funds to primary cooperative societies (multipurpose, consumer, irrigation etc. cooperatives).• Credit appraisals are conducted according to COSACUs' normal procedures.• Interest from loans is first used to cover possible loan losses and then to cover operational costs of the Fund.• Each COSACU shall submit quarterly progress reports to PSU. Reporting templates are attached to the agreements between BoFEC and the COSACUs |
|--|---|

Annex 5 – Work plan for implementation phase

| Indicative Work Plan for the Implementation Phase | | | | | | | | | | | | | | | | | | | | |
|---|-----------------|-----------------|---|---|-----------|---|---|---|-----------|---|---|---|-----------|---|---|---|-----------|---|---|---|
| Financial Year | 2017-2018 | | | | 2018-2019 | | | | 2019-2020 | | | | 2020-2021 | | | | 2021-2022 | | | |
| Quarter | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| OUTPUT 1: Value Chain actors' access to finance and financial services is improved | INCEPTION PHASE | | | | | | | | | | | | | | | | | | | |
| 1.1. Provide grants for VC actors through the Grant Fund | | | | | | | | | | | | | | | | | | | | |
| 1.2. Organise awareness campaign and training for the target groups | | | | | | | | | | | | | | | | | | | | |
| 1.3. Strengthen farmers' access to other financing services | | | | | | | | | | | | | | | | | | | | |
| 1.4. Support learning and new approaches | | | | | | | | | | | | | | | | | | | | |
| 1.5. Ensure sustainable exit and handing over of financial service activities | | | | | | | | | | | | | | | | | | | | |
| OUTPUT 2: Capacities of VC actors is strengthened | | | | | | | | | | | | | | | | | | | | |
| 2.1. Provision of business coaching and business service providers | | | | | | | | | | | | | | | | | | | | |
| 2.2. Together with VC actors, identify assessments and studies needed to remove the bottlenecks from value chains | | | | | | | | | | | | | | | | | | | | |
| 2.3. Plan study groups and training programmes for farmers | | | | | | | | | | | | | | | | | | | | |
| 2.4. Facilitate cooperatives' business linkages, investments and public-private dialogue | | | | | | | | | | | | | | | | | | | | |
| 2.5. Form, train and mentor youth and women groups in agriculture related income generating opportunities | | | | | | | | | | | | | | | | | | | | |
| 2.6. Ensure sustainable exit and handing over of activities | | | | | | | | | | | | | | | | | | | | |
| OUTPUT 3: Financial solidity and solvency of cooperatives and women & youth enterprises is strengthened | | INCEPTION PHASE | | | | | | | | | | | | | | | | | | |
| 3.1. Provide funds to agriculture coops through Cooperative Loan Fund | | | | | | | | | | | | | | | | | | | | |
| 3.2. Organise Cluster Platforms and regular meetings with platform stakeholders | | | | | | | | | | | | | | | | | | | | |
| 3.3. Provide funds to Rusaccos through the Women&Youth Loan Fund | | | | | | | | | | | | | | | | | | | | |
| 3.4. Provide technical support to cooperatives to improve member services, bargaining power, business management | | | | | | | | | | | | | | | | | | | | |
| 3.5. Ensure sustainable exit and handing over of activities | | | | | | | | | | | | | | | | | | | | |

Annex 6. Work Plan for the Inception Phase

Inception phase is expected to take six months. The major time-consuming tasks will be the baseline studies, setting up the monitoring system and conducting the major feasibility studies. Their implementation may extend beyond the six months period.

AgroBIG II, Inception Phase Work Plan (Updated work plan, based on initial RF structure. Plan approved by SVB #8 in October 2017).

| Act. Code | Component/Activity | Expected output | Indicators | Responsible |
|-------------|--|---|------------|-------------------------------|
| 0.00 | PROGRAMME START UP | | | |
| 0.001 | Set up offices, means of communication and logistics | Office operational (PSU, woreda) | % | PD, CTA, HOC |
| 0.002 | Recruit national LT TA and support staff (drivers, accountant, office care) | NLT TAs and support staff in place | % | HOC/CTA, Embassy/ BoFEC/PD |
| 0.003 | Establishment and startup of international TA team | International TA in place | # TA | HOC |
| 0.004 | Review and update Programme Admin and Management manuals | Manual reviewed and updated | % | PD, CTA, HOC |
| 0.005 | Review/update accounting systems, bank accounts | Accounting and bank system updated | % | PD, CTA, HOC |
| 0.006 | Organize PSU | PSU organized | % | PD, CTA, HOC |
| 0.007 | Assess ongoing AB activities & phase I documents, prepare action plans | Docs and ongoing assessed, action plans prepared | % | CTA, PD, + TA team |
| 0.008 | Review and revise Programme Document as needed, including government contribution | PD revised | % | PD, CTA, HOC |
| 0.009 | Define and quantify AB beneficiary groups | AB beneficiary groups defined and quantified | % | CTA, CBSD, CA |
| 0.011 | Recruit priority short-term consultants | Priority STC recruited | # STC | HOC, CTA, PD |
| 0.012 | Prepare and communicate staff development plan | Staff dev't plan prepared and communicated | % | PD, CTA, HOC |
| | PROGRAMME INSTITUTIONALIZATION | | | |
| 0.013 | Establish work relationships with AB implementing partners, with national and regional authorities, agencies and private VC actors | Work relationship established | % | PD, CTA + Team |
| 0.014 | Establish work relationships with the Programme Implementing Partners (IP) in the new woredas Outline cooperation with other development projects. | Work relation established; areas of coop outlined | % | PD, CTA + Team |
| 0.015 | Strategize synergies with training institutes | Training institutes mapped and strategy designed | % | CBSD |

| Act. Code | Component/Activity | Expected output | Indicators | Responsible |
|------------|---|---|---------------|-----------------------------|
| 0.016 | Facilitate preparation of operational work plans and budgets for Jan June 2018 | Operational plan and budget prepared | % | PD, CTA, and Team |
| 0.017 | Operationalize AgroBIG Supervisory board, and other governance structure at all level | SVB established and operationalized | # of meetings | PD, CTA |
| 0.018 | Prepare Collaboration and Coherence plan (<i>Ref PD p.60</i>) | Plan prepared and validated | % | CTA, CBSD |
| 0.019 | Prepare AgroBIG Inclusion Strategy | Strategy prepared& validated | % | CTA, CBSD |
| 0.020 | Draft proposal for pilot business client risk insurance policy and crop insurance policy | Draft proposals prepared and validated | % | FA, RFA |
| 0.021 | Prepare sustainability strategy (<i>Ref PD p.58</i>) | Strategy prepared and validated | % | CTA |
| 0.022 | Prepare AB communication strategy & action plan | Strategy and action plan prepared and approved | % | PD, CTA, JE |
| 0.023 | Harmonize the programme with ATA interventions | Harmonization plan prepared and validated | % | CTA, CBSD, CA |
| 0.024 | Specify VCs included in AB support in year 1 based on rapid appraisals of potential VCs | AB II VCs specified and validated | % | CTA + Team |
| 0.025 | Kick-off event for key AgroBIG stakeholders | Event organized | # of event | PD, CTA + Team |
| 0.026 | Prepare work plans and budgets/. Review progress. Submit inception report. | Work plans and budget prepared, progress reviewed/, inception report prepared | % | CTA, M&E, and other TA team |
| 0.027 | Review and update the risk matrix | Risk matrix reviewed | % | CTA, PD and Team |
| | PROGRAMME ACTIVITIES AND STUDIES | | | |
| 0.027 | Elaborate and define Results Framework indicators | RF indicators defined and elaborated | % | M&E, CTA, JE |
| 0.028 | Prepare TOR and conduct baseline data survey in all woredas covering new indicators and gap filling, incl. HRBA and risk analysis, define targets | Baseline surveys conducted | # woredas | M&E, CTA, JE |
| 0.029 | Prepare and operationalize M&E framework | M&E framework prepared and in place | % | M&E, CTA, JE |
| 1.0 | OUTPUT 1. VC actors' access to finance and financial services is improved, sustainability of enterprises has strengthened | | | |
| 1.1 | Operationalize Phase I commitment | phase I commitment completed and monitored | % | PD, RFA, CBSD |
| 1.2 | Revise/update guidelines and tools for MGF (EUR 1.5mill) and mentoring support | MGF guidelines updated and in place | % | FA, RFA, CA |
| 1.3 | Select financial institute for MGF management | Financial institute selected and MoU signed | % | PD, CTA, FA, RFA |
| 1.4 | Establish regional and woreda level technical committees for processing grant applications | Region and woreda TC for MGF established | # of TCs | PD, FA, RFA |

| Act. Code | Component/Activity | Expected output | Indicators | Responsible |
|------------|---|--|---|---------------|
| 1.5 | Campaign grants to VC actors and share information to farmers and other stakeholders of the available financial services | Awareness created on Grants | # of events | FA, RFA |
| 1.6 | Operationalize awarding and disbursement of MGFs; Facilitate provision of consultancy support; Monitor performance | MGF operationalized | # of application received and processed | FA, RFA |
| 2.0 | OUTPUT 2. Capacities of VC actors is strengthened to improve their enterprises' capacity to seize market opportunities in a profitable and sustainable way | | | |
| 2.1 | Organize (geographical) Cluster Platforms | Cluster platforms organized and operational | # of cluster platforms | CBSD, CA |
| 2.2 | Support the operationalization of phase 1 investments to facilitate coops' and other VC actors' business linkages, investments and PP dialogue | Phase I investments operationalized, business linkages facilitated | # of market linkage forums facilitated | CBSD, CA |
| 2.3 | Together with VC actors identify studies needed to remove bottlenecks from VCs | VC supporting studies identified and prioritized | % | CTA, CBSD |
| 2.4 | Set priorities and means for capacity development of targeted actors, including women, youth, landless, PWDs and specific entrepreneur groups | Capacity development prioritized and validated | % | CTA, CBSD, CA |
| 2.5 | Engage partners in capacity building activities | MoU signed with partners for CB activities | # of MoUs signed | CBSD, CA, RFA |
| 2.6 | Allocate resources and define modes for providing business development services and coaching for grant/loan recipients | Resource for BDS and modes defined and in place | % | FA, RFA |
| 2.7 | Assess options and viability of innovation hubs/ business incubator | Assessment conducted and validated | % | CTA, FA, JE |
| 2.8 | Design & initiate capacity building for SACCO management, credit committees, borrowers | CB for SACCOs designed and delivered | # of SACCOs | FA, RF |
| 2.9 | Design off-season 'Farmer Field Schools' (FFS) pilot with selected farmer groups | Off season FFS designed and piloted | # of FFS | CBSD, CA, CTA |
| 2.10 | Intensify the use of affordable ICT in communication | ICT options specified | % | CTA, FA, RFA |
| 2.11 | Pilot emerging innovations/ new approaches | Innovations pilot tested | # of pilots | CA, CTA |
| 2.12 | Continue seed multiplication and pursue certification of seed | Seed certification and market linkages created | # of seed coops | CA, CTA |
| 3.0 | OUTPUT 3. Financial solidity and solvency of cooperatives as well as enterprises of women and youth groups as VC actors is strengthened and their profitability has improved | | | |
| 3.1 | Finalize Coop Loan Fund guideline. (EUR900,000) | Coop Loan Fund guideline in place | % | FA, RFA, CA |
| 3.2 | Finalise WYLF guideline (EUR 800,000) | WYLF guideline in place | % | FA, RFA, CA |
| 3.3 | Resolve ACSI loan fund principles (EUR 240,000) | MoU renewed | % | FA, RFA, CA |

| Act. Code | Component/Activity | Expected output | Indicators | Responsible |
|------------|---|--|-------------------------------|----------------------|
| 3.4 | Facilitate SACCOs', committee members' and beneficiaries' engagement in WYLF activities | Awareness created on WYLF | # of events | FA, RFA, CBSD |
| 3.5 | Market and facilitate implementation | Applications received and processed | # of projects | FA, RFA, CA |
| 4.0 | Programme management | | | |
| 4.1 | Personnel salary | - | % | PD |
| 4.2 | Employer cost | - | % | PD |
| 4.3 | Programme consumable | Consumables purchased | % | PD |
| 4.4 | Office Rent / maintenance | Office rented/ maintained | Office space (m2) | PD, |
| 4.5 | Travel and perdiem expenses | - | Man days | PD |
| 4.6 | Contractual labour | - | Mandays | PD |
| 4.7 | Meeting, workshops and reviews | workshops/ review meetings conducted | # of meetings, | PD, CTA |
| 4.8 | Publications | | | PD, M&E |
| 4.9 | Financial Management | Budget timely disbursed, utilized and reported | % budget utilized, & reported | PD, Chief Accountant |
| 4.10 | Conduct M&E activities | Report consolidated and produced | # of reports | PD, CTA, M&E |

Annex 7. Stakeholder matrix

| Stakeholder group | Rights/entitlements, and Responsibilities | Expected benefits gained from the Programme | Implications for the Programme; possible action required | Capacity Gaps | Initial Assessment | |
|---|---|--|--|---|--------------------|-----------|
| | | | | | Importance | Influence |
| Rights-holders | | | | | | |
| Individual farmers (male) and male-headed farming households (MHs) | The right to agricultural land, food security and sovereignty. They have the right to group together and organize, and access loans, goods and services | Increased agriculture derived net incomes, improved farm management | Facilitate equitable access to agri-finance and increase competitiveness through capacity building on crop husbandry, farm input optimization, irrigation water utilization, post-harvest management, appropriate farm mechanization | High cost of inputs, irregular quality of inputs, sub-standard flow of advice and information, low bargaining power, various production constraints, no or limited storage facilities | ●●● | ●● |
| Individual farmers (female) and female-headed farming households (FHHs) | | | | Weak negotiation power, underdeveloped enterprise culture, inadequate support system for businesses | ●●● | ● |
| Rural youth | The right to access alternative livelihoods in the face of land scarcity and land market restrictions | Wage employment and training opportunities in alternative livelihoods | Facilitate access to equitable training and employment opportunities | Lack of employment options, land, alternative livelihood opportunities. | ●●● | ● |
| Saving and Loan Groups | The right to access credit and mobilize savings from and for their group members | Capital formation for increased investment & income generation | Capacity building of SACCOs for effective credit management & promotion | Low levels of savings reduce credit options. Low capacity for formulation/ implementation of business plans | ●●● | ● |
| COSACUs, Cooperatives/ Associations | Responsibility towards members for service delivery i.e. input supply, pooling/sales of farm produce. Rights for market assess. | Can apply for funds for select activities | Proposal assessment, potential financial support & follow-up | Weak gender sensitivity, offered services do not respond to farmers needs and expectations. Consequently, farmers are not keen to become members. Weak ability to respond to changes and opportunities. | ●● | ●● |
| Private Actors and Service Providers | | | | | | |
| Amhara Region Women Entrepreneurs Association (AWEA) | The right to generate income and employment for members; especially women-owned businesses | Increased access to financial- and business development services for members | Encourage women entrepreneurship and facilitate access to business development services and agri-finance | Underdeveloped enterprise culture, inadequate support system for juggling business with household and family responsibilities, poor access to finance, limited exposure to business management experience | ●● | ● |

| Stakeholder group | Rights/entitlements, and Responsibilities | Expected benefits gained from the Programme | Implications for the Programme; possible action required | Capacity Gaps | Initial Assessment | |
|---|---|--|---|--|--------------------|-----------|
| | | | | | Importance | Influence |
| Agro-Processors | The right to decent and fair work places and equitable employment and investment outcomes | Increased agro-processing derived net incomes and access to financial- and business development services | Facilitate access to business development services and agri-finance | No or few businesses, uncertain demand for processed produce, lack of capital, limited knowledge (pricing issues etc.), some processors not well prepared for market demands | ●●● | ●●● |
| Field services providers including tractor services, pest control, well and borehole digging + maintenance services etc. | | Increased incomes and service-related knowledge | Increase competitiveness through capacity building on commodity processing know-how and information sharing | Lack of good quality tools, machinery and spare parts; limited knowledge | ●●● | ●● |
| Input suppliers (seeds, pesticides etc) | | Increased net incomes and access to financial- and business development services | Monitoring of activities, demonstrations | Weak demand, weak quality control, lack of good quality tools, seed constraints, irregular supplies e.g. fertilizer from govt., limited capital for credit institutions | ●●● | ●●● |
| Traders: Brokers, wholesalers, retailers, exporters | | Identify new value chain opportunities based on existing commodities | Formalization of the value chain linkages through contracting, proper book keeping on field activities, accounts etc. | Seasonal variations but steady demand, various quality of produce, admin. Barriers to institutional consumers, inadequate price and demand info, govt. intervention in markets | ●●● | ●●● |
| Transporters including women, horse or donkey drawn cart owners, truck owners | The right to equitable employment and investment outcomes | Increased incomes and service-related knowledge. | Facilitate access to business development services and agri-finance; formalize value chain linkages. | Transport farm gate to market or other destinations, traders and brokers come with own truck, hardly any cold-chain trucks. | ●● | ●● |
| Consumers | The right to healthy, affordable and quality food. | Beneficiaries will afford to purchase more and better quality food. More variety of products to choose from. | Increase the visibility and availability of new products and of VC actors. | High prices in non-subsidized commodities, quality issues, irregular supplies to restaurants and institutions etc. | ●●● | ●●● |

| Duty-bearers | | | | | | |
|---|---|---|--|---|-----|-----|
| Federal Level¹⁴ | | | | | | |
| Ministry of Finance and Economic Cooperation (MoFEC) | Duty to plan, budget and lead economic cooperation with equitable frame. GoE authority for development cooperation. | Not a direct beneficiary | In practise funding of GoE programme contribution | Lack of funds for GoE programme contribution | ●●● | ●●● |
| Regional Level | | | | | | |
| Bureau of Finance and Economic Cooperation (BoFEC) | Duty to enhance development of the Region. Amhara region BOFEC will be one of the Competent Authorities of the Programme. | Not a direct beneficiary, but implementing agency. Potential support in financial management. | Fund flows, financial management and accounting. | Competition between stakeholders; The extent of unfilled positions of the existing government structures and the lack of budget to fill these positions; | ●●● | ●●● |
| Bureau of Agriculture (BoA) | The regional level bureaus are responsible for implementation of sector-specific policies and programmes | Benefit by increasing their capacity to deliver better services and staff capacity developed by participating in the different workshops and ToT. | These bureaus will be engaged at different levels in the project implementation following the project action plan, competencies and respective bureau mandates | High staff turnover within government; | ●●● | ●●● |
| Livestock Resource Development Promotion Agency (LRDPA) | | | | Poor commitment of some individuals to donor-funded programmes; | | |
| Bureau of Trade (BoT) | | | | Lack of close supervision and a sense of ownership by the officials at all levels regarding donor supported projects/ programmes. | ●● | ●● |
| Bureau of Technical and Vocational Education and Development (BoTVED) | | | | | ●● | ●● |
| Cooperative Promotion Agency (CPA) | | | | | ●● | ●● |
| Environment, Forest and Wildlife Protection and Development Authority (EFWPDA) | | | | | ● | ● |
| Bureau of Women and Children Affairs (BoWCA) | | | | | ●● | ● |

¹⁴ Federal level ministries are mirrored at the regional level. Regions are divided into Zones covering a number of **Woredas**. The Woreda Offices are the most important local administrative institutions and they, in turn, mirror the regional bureaus. They include: Woreda Office of Finance and Economic Development (WoFED); Woreda Office of Technical and Vocational Education and Development (WoTVED); Woreda Office of Women and Children Affairs (WoWCA); Woreda Office of Trade, Industry, Marketing and Development (WoTIMD); Woreda Office of Environmental Protection, Land Use and Administration (WoEPLUA); Woreda Office of Cooperative Promotion Agency (WoCPA) and Woreda Office of Trade and Transport (WoTT). Capacity constraints at Woreda level include rudimentary facilities, limited job motivation and high staff turn-over. The **Kebeles** are administratively the lowest tier of the Local Government and their work is often organized through community based organisations such as farmers associations, cooperatives, and saving and credit groups. Kebeles have government-employed Development Agents (DA's) (subject matter specialists on crops, horticulture, plant protection, mechanisation and extension services). Capacity building is required for post-harvest technologies and marketing.

| | | | | | | |
|---|---|---|--|---|-----|-----|
| Bureau of Trade and Transport (BoTT) | | | | | ●● | ● |
| Cooperative Promotion Agency | | | | | ●●● | ●●● |
| Amhara Credit and Savings Institution (ACSI) | Responsible for filling the gap of formal institutions to meet the need of small-scale borrowers in income generation schemes. Will be the main implementation partner for the grant fund management. | New loan products development and staff capacity enhancement, increase in clients and service outreach with additional liquidity. | Develop the agri-finance units customer support; improve the growth and performance of the agricultural lending portfolios | ACSI already has lots of exposure to lending to individuals; however not so much in lending to groups and cooperatives. | ●●● | ●●● |
| Agricultural Transformation Agency (ATA) - Amhara Branch | Responsible for introducing new technologies and approaches that can address systemic bottlenecks and coordinate the execution of agreed upon solutions. Will be a key implementing agency. | Learnings from the project approach and interventions to be up-scaled to regional and national level. | Participate in Cluster Steering Committees (CSC) to share learnings and well integrated in the cluster planning and implementation coordination. | Mainly depend on other offices implementation capacity and budget. | ●●● | ●●● |
| Other responsible actors (stakeholders) | | | | | | |
| Research and Educational Institutions¹⁵ | | | | | | |
| Amhara Regional Agricultural Research Institute (ARARI) | Mandated by the GoE to conduct agricultural research activities in the Western part of Amhara Region. Responsible for technology generation, adaptation, multiplication and demonstration for up-scaling. | Can apply for funds for applied research | Proposal assessment, potential financial support & follow-up | Lack of applied research | ●● | ● |
| Agriculture TVETs and colleges | Offer short-term and level 1 vocational trainings and business development services. 7-8 multipurpose colleges in the region offer agric. training. | Potential training provision | Improve the competitiveness of courses offered | Lack of farm implements (e.g. tractors/harvesters) for training. All curriculums are not available due to financial issues. | ●● | ● |

¹⁵ Other relevant institutions include: Andassa Livestock Research Centre; Gondar University; Bahir Dar Agric. Mechanization & Food Science R. Centre; Bahir Dar Plant Health Clinic; Bahir Dar Soil Laboratory; Fogera National Rice Research and Training Center (FNRRTC).

Annex 8. Terms of Reference

1. Terms of Reference of the Supervisory Board (SVB)

The Supervisory Board is the highest decision making body of the Programme. It:

- approves major strategic and policy issues directly relevant for AgroBIG II;
- approves any major changes in the Programme design and financing, including Programme scope and results, the organisational structure and management as well as any other changes to the Programme Document which will have major financial implications;
- approves of the Programme policies and implementation principles developed during implementation;
- supports the PSU in analysing and preparing sufficient mitigation strategies for internal and external risks;
- approves of the annual work plans and budgets, including risk assessment and mitigation strategies;
- approves of the annual progress reports; and
- makes decisions on (policy) issues, which have financial implications.

The decisions of the Supervisory Board will be clearly recorded in the meeting minutes and a chronology of Matters Arising and how they are resolved will be maintained. The SVB has the full authority to deviate from the Programme Document when approving annual work plans. However, any such deviations should be clearly brought to its attention when the draft annual work plans and budget are submitted to the SVB, and such deviations have to be clearly recorded in the minutes of the meetings.

The Supervisory Board is composed of:

- Bureau of Finance and Economic Cooperation (BoFEC) of Amhara (chair)
- Embassy of Finland in Ethiopia, and/or representative from the headquarters of the Ministry for Foreign Affairs of Finland" (co-chair)
- Bureau of Agriculture (BoA)
- Bureau of Women and Children Affairs (BoWCA)
- Bureau of Trade, Industry and Market Development (BoT)
- Cooperative Promotion Agency (CPA)
- Chamber of Commerce and Sector Association of Amhara Regional office (ACCSA).

The following entities can be invited to SVB meeting as non-voting participants:

- Agriculture Transformation Agency (ATA)
- Amhara Region Agricultural Research Institute (ARARI)
- Bureau of Technical and Vocational Enterprise Development (BoTVED)
- Bureau of Youth and Sport
- Selected microfinance institutions

The Programme Director and the TA Team Leader participate SVB meetings as resource persons presenting issues to be discussed and decided. However, their presence in the actual meeting is not mandatory.

The Supervisory Board will meet twice a year, or more often as needed. Meetings will in principle be held in Bahir Dar, Amhara. The SVB may also make decisions through official correspondence. The SVB aims at consensus in decision-making but the Competent Authorities (BoFEC, MFA Finland) have a veto-right in the SVB.

2. Terms of Reference of the Programme Support Unit (PSU) and Programme Management Team (PMT)

For operational and day-to-day management of the Programme, a Programme Support Unit the (PSU) is formed. The PSU manages and monitors the operations of the Programme, in accordance with the Programme Document and approved work plans and budgets. It is headed by the Programme Director who is accountable to the Supervisory Board. Management decisions related to the approval of Technical Assistance (TA) Personnel and funding will be consulted with the Embassy of Finland and BoFEC.

In management of the Programme, the Programme Director is assisted by Programme Management Team (PMT) that provides an efficient decision-making and management mechanism. In addition to the Programme Director, the PMT consists of the following senior AgroBIG professionals:

- International Senior Agribusiness Advisor/TA Team Leader,
- International Finance Advisor and, when this post is not occupied, National Rural Finance Advisor,

PMT should meet at least once a week and minutes have to be taken from its meetings. Other experts will be invited to the meetings as is needed. Large PSU meetings that AgroBIG I held once a week should be less frequent, for example once every three to four weeks. Informative needs within the PSU should be dealt with by e-mails or appropriate social media. The cluster advisors, posted in Gilgel Abay and Ribb, should report the PMT about their activities once a week through e-mails.

Major tasks of the PSU are to:

- Ensure effective coordination of relevant stakeholders at different levels;
- Propose changes to the Programme Document, annual work plans and budgets for SVB review;
- Propose, initiate, supervise, and monitor quarterly and annual work plans and budgets, financial reports, audits, policies, manuals, guidelines;
- Monitor external issues and risks and develop appropriate mitigation strategies;
- Propose the Terms of Reference (ToR) and experts of the TA Team (Long and Short Term Consultants);
- Propose the ToRs for Service Providers and organizations to be selected under the Value Chain (VC) Facility;
- Monitor the performance of Programme staff and stakeholders;
- Coordinate, monitor and support financial management and fund flows;
- Be responsible for Programme property and asset management and procurement of goods and services as per the prevailing procedures;
- Guide, facilitate, evaluate, supervise and follow-up the establishment, implementation and development of activities at national, regional and district level;
- Communicate and cooperate with organizations, which are involved in similar activities and have interest in the Outcome areas of the Programme;
- Ensure adequate coordination, learning and experience sharing; and
- Any other duties as delegated by the SVB.

3. Terms of Reference of the Technical Committees (TC) and Woreda Steering Committees (WSC)

One Technical Committee will be established at regional level (Regional Technical Committee) and one in each woreda where the Programme operates (Woreda Technical Committee, WTC)

The RTC will consist of representatives from the following organizations:

- Bureau of Finance and Economic Cooperation (BoFEC)
- Bureau of Agriculture (BoA)
- Bureau of Trade (BoT)
- Bureau of Women and Children Affairs (BoWCA)
- Cooperative Promotion Agency (CPA)
- Bureau of Technical and Vocational Training and Enterprise Development (BoTVED)
- Amhara Region Agricultural Research Institute (ARARI)
- Amhara Credit and Saving Institute (ACSI)
- Agricultural Transformation Agency, Amhara Region Secretariat (ATA Amhara)
- AgroBIG Programme Support Unit (PSU)

The responsibilities of the RTC include the following:

- Provide technical advisory support for the PSU and AgroBIG focal persons at all levels in the implementing Bureaus/ organizations/ woredas.
- Review annual work plans and budgets and submit for the approval of the SVB through the PSU;
- Approve TORs for short-term consultancies (both national and international) initiated by PSU. No-objection is, however, required from the Embassy of Finland or from the representative of GOF for the TORs for contracts that exceed EUR 25,000.
- Review and approve Terms of Reference and bidding documents for studies and different subcontracts to be outsourced;
- Review and approve loan capital requests (Women and Youth Loan fund and Cooperative loan fund) submitted to AgroBIG by COSACCO Unions and other financial intermediaries.
- Ensure that the Programme is implemented with appropriate coordination and co-operation between the different agencies and stakeholders involved; and
- Review Programme technical documents before submission to the SVB and provide guidance to the efficient, effective and participatory implementation of the Programme.

The Regional Technical Committee will be chaired by the deputy bureau head of Finance and Economic Cooperation. The AgroBIG programme Director will be a member and secretary of the committee. The Chief Technical Advisor/TA team leader will attend the meetings.

The RTC will meet at least quarterly (4 times a year) or more often as needed. The RTC may also make decisions through official correspondence if the situations do not allow the committee to meet physically.

At woreda level, there will be a Steering Committee (WSC) and Technical Committee (WTC).

Members of the Woreda Steering committee:

- Woreda Chief Administrator or deputy (chairperson)
- Woreda Finance and Economic Development office Head (secretary)
- Woreda office of Agriculture Head
- Woreda Livestock and Fisheries office head
- Woreda office of Trade Head
- Woreda office of Women and children Head
- Woreda Cooperative promotion office Head
- Woreda Technical and Vocational Training and Enterprise Development (TVED) office head

Duties and responsibilities of the woreda Steering Committee:

- Approve annual work plan and budget for the woreda and submit to AgroBIG PSU

- Review and approve quarterly and annual progress reports and submit to AgroBIG PSU
- Coordinate AgroBIG related operations of the partners with their mandate area
- Approve applications for micro and small-scale grants and medium-scale grants;
- Provide the woreda TC with operational and technical guidance in Programme coordination;
- Provide inputs for Programme monitoring and evaluation;

Members of the Woreda Technical committee are the following:

- Head of Woreda Finance and economic Development office (Chairperson)
- Expert from Woreda office of agriculture
- Expert from Woreda office of trade
- Expert from Woreda office of Women and children
- Expert from Youth and sport office
- Expert from Woreda Cooperative promotion office
- Expert from Technical, Vocational and Enterprise development office
- Expert from Land Administration office
- Town/Municipality TVED office head

Duties and responsibilities of the woreda TC:

- Prepare woreda annual workplan and budget and submit to woreda Steering committee for approval
- Follow up the implementation of AgroBIG related operations within their organization
- Prepare Quarterly and annual performance reports and submit to woreda Finance and economic development office
- Review and evaluate applications for small-scale grants and medium-scale grants, and submit the evaluation results to woreda Steering committee for approval;
- Provide support to Woreda Steering committee on technical matters in Programme coordination,
- Regularly monitor the Programme implementation, propose measures where needed to ensure successful progress and present findings and recommendations to WSC
- Provide inputs for Programme monitoring and evaluation.

To avoid any conflict of interest, no representative of beneficiary groups should participate in these meetings, other than as observers. A PSU member(s) will participate as an observer.

The TCs may also invite other participants, e.g. from other GoE or donor-funded projects.

The TCs will physically meet at least three times a year.

4. Terms of Reference for Home Office Coordination (HOC)

Consulting company selected to carry out the home office coordination (HOC) shall name a professionally qualified person to take care of the respective tasks of the Programme. The company makes sure that the name and contact information of the home office coordinator is known to the competent authorities at all times.

Home office coordination shall include the following services

- Recruitment and personnel management of the long-term and short-term experts as defined in the programme document and/or approved by the Programme's Supervisory Board.
- Detailed briefing of experts on the Programme's content and implementation strategy and each expert's role in the Programme.
- Organising training and tutoring for the junior experts.
- Organising/facilitating relevant team building processes for the technical assistance (TA) team.
- Supporting the Programme's launching and/or kick-off processes, including participation in a related event (one mission).
- Development of the Programme's financial and other management mechanisms with the Programme's implementation team and partner institutions.
- Financial management (as defined in the programme document) and invoicing, including quality check of the Programme's financial management and invoices.
- Quality control and support to the TA team in substance matters and programme management, including one annual support mission to the programme.
- Guidance on reporting and quality check of reports and other documentation.
- Liaison with the Ministry for Foreign Affairs including informing the Ministry on any issues requiring attention and/or action.

For each home office support mission, specific Terms of Reference shall be prepared and approved by the Ministry. A short mission report shall be prepared after each support mission including description of the issues dealt with and action plans.

Annex 9 – Reporting formats

Template for outcome and output progress reports of AgroBIG II

1. Expected Impact.

- How did the Programme contribute towards the expected impact during the reporting period?
- What was the targeted impact during the respective planning period?
- What accomplished at the impact level during the reporting period?

2. Expected outcome.

- What were the indicators and their baselines for the period?
- What were the set targets for the period?
- What was actually achieved during the period, as measured by outcome indicators?
- Possible deviations from the plan and the reasons thereof.

3. Outputs.

- What were the planned targets for each output?
- What was achieved in each output, as measured by output indicators?
- Possible deviations from the plan and the reasons thereof.

Annexes

- Key activities for each output.
- Schedule of activities.
- Use of resources.

Financial Report

(excluding the consulting services)

Project name

Country

Reporting period

| | Budgeted for the reporting period | Used during the reporting period | Balance | Budgeted Total | Used Total |
|----------|--|---|----------------|---------------------------|-----------------------|
| Output 1 | | | | | |
| Item 1 | | | | | |
| Item 2 | | | | | |
| Item 3 | | | | | |
| | | | | | |
| Output 2 | | | | | |
| Item 1 | | | | | |
| Item 2 | | | | | |
| Item 3 | | | | | |
| | | | | | |
| Output 3 | | | | | |
| Item 1 | | | | | |
| Item 2 | | | | | |
| Item 3 | | | | | |

Investment /Procurement Plan
(excluding the consulting services)

Project name
Country
Reporting period

| Budget line | Cost Code | Description of the services, goods or works | Estimated Costs | Selection method (purchase, outsourcing) | Tendering method open, restricted, direct... | Planned date | Number of purchase order | Purchased | Tenders, quotations received, Date | No Objection Date | Name of the 'supplier' | Delivered |
|-------------|-----------|---|-----------------|--|--|--------------|--------------------------|-----------|------------------------------------|-------------------|------------------------|-----------|
| Output 1 | | | | | | | | | | | | |
| Sub-Result | | | | | | | | | | | | |
| Sub-Result | | | | | | | | | | | | |
| Sub-Result | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Output 2 | | | | | | | | | | | | |
| Sub-Result | | | | | | | | | | | | |
| Sub-Result | | | | | | | | | | | | |
| Sub-Result | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Output 3 | | | | | | | | | | | | |
| Sub-Result | | | | | | | | | | | | |
| Sub-Result | | | | | | | | | | | | |
| Sub-Result | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| PSU | | | | | | | | | | | | |
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Annex 10. Job Descriptions for Long-Term Experts

Position: Programme Director

Recruitment: National

Overall role: The Programme Director will manage the Programme Support Unit (PSU) on a day-by-day basis. The PSU will have its own organizational structure and operational system. The Programme Director will facilitate the execution of the Programme by coordinating the planning, implementation, monitoring and evaluation of the interventions implemented by the various stakeholders. The overall Programme oversight and strategic decision-making powers will be entrusted to a Supervisory Board.

The PSU will be responsible for the overall operation, administration and coordination of all activities of Agro-BIG II. The PSU will ensure that the Programme is implemented in accordance with the Programme Document and the Financial Agreement established with the Finnish Government. The Programme Director, as the head of the PSU, has the overall responsibility for proper management of funds allocated for the Programme through BoFEC.

Duties:

- Prepare and submit the organizational structure of the PSU, including the manpower requirements and pay scale;
- Coordinate the overall planning, operation and implementation of the Programme with the participation of all stakeholders, particularly the participating clusters and woredas and the beneficiary communities;
- Administer the Programme resources and monitor progress of the Programme implementation to ensure the efficient use of the Programme funds;
- Prepare annual plans of operation and budgets of the Programme in close consultation with the participating woredas for the approval of the Supervisory Board;
- Prepare and submit regular requests for operational funds to the donor. Disburse funds according to the approved annual plan of operation and budget. Closely follow up its settlement;
- Prepare and submit bi-annual and annual consolidated progress reports;
- Ensure preparation of consolidated financial reports covering both BOFEC and TA managed funds;
- Appraise and endorse budget reallocation requests made by beneficiary Bureaus and Programme woredas, if and when required, in accordance with the stipulated guideline for reallocation of fund;
- Initiate and facilitate studies, reviews and evaluations for effective and efficient management of the Programme;
- Ensure that adequate information about lessons learnt, recommendations and conclusions as well as results of studies and findings is provided to Programme stakeholders;
- Maintain records and disseminate best practices and reports, study papers etc. to stakeholders and other users;
- Work towards creating awareness on the concept of value chains through organizing meetings, conducting training workshops and network with other programs;
- Monitor and follow-up the implementation of the value chain development plans;
- Monitor and follow-up the utilization of the different funds;
- Facilitate relevant study tours, experience sharing and short term trainings;
- Manage and execute budgets allocated to PSU.

Educational background:

- Minimum Master's degree in the field of Agriculture, Economics, Business Management, Population and Development Studies/Demography, International Development, Sociology, Geography or related fields from a recognized university

Relevant working experience:

- 15 years of professional experience, of which at least 5 years of practical experience in donor-funded projects
- Experience in agriculture-related development cooperation
- Experience in project cycle management in donor supported programmes
- Experience in working with public authorities

Other personal qualifications:

- Ability to work and communicate with international stakeholders and communities of diverse cultures
- Good computer skills (word processing, Excel etc.)
- Good command of English language including presentation and reporting skills

Location: PSU, Bahir Dar, Ethiopia

Reporting: SVB and BoFEC

Position: Senior Agribusiness Advisor/TA Team Leader (TL or CTA)

Recruitment: International

Overall role: The Agribusiness Advisor provides technical support in results-based planning, implementation and monitoring of agribusiness related activities and interventions of the Programme. As a member of the PSU, the TA Team Leader supervises the TA service and ensures that the whole TA team effectively contributes to the overall execution of the Programme, which is coordinated by the Programme Director. The TA Team Leader has the overall responsibility for funds allocated for the Programme through TA Consultant.

The TL will be based in the PSU in Bahir Dar, but is expected to travel in the Programme woredas and elsewhere in the country as necessary.

Duties:

- Jointly with the Programme Director, and in coordination with key implementing partners, overall execution and management of the Programme throughout the project cycle from planning to monitoring;
- Work closely with the AgroBIG II Supervisory Board (SVB) and inform the Chairperson and the Programme Officer at the Embassy of Finland on essential issues in Programme operations;
- Proactively propose to SVB modifications in Programme strategy, when seemed necessary and justified, particularly from the perspective of ensuring an inclusive approach as regards different beneficiary groups;
- Has financial responsibility of the funds channelled through TA Consultant.
- Support the Programme Director in preparation of consolidated financial reports covering all Programme funds;
- Provide leadership and guidance to Programme staff, as well as to long-term and short-term TA, with particular focus on capacity building of Junior Expert;
- In his/her fields of expertise and professional specialities, carry out capacity strengthening activities for the Programme's partners and beneficiaries;
- Proactive in developing a learning environment and culture, including on-going real-time evaluative processes and drawing on learning from elsewhere;
- In the role of the Agribusiness Specialist, support the Programme Director and other staff to internalize AgroBIG II's strategic changes to working with clusters, using business cases to support climate smart farming-systems and market-based agri-MSMEs interventions for that enterprise-level business results and outcomes. Bring practioners' excellence to these developments and their implementation;
- Collaborate with GoE agencies and institutions at national, regional, woreda and kebele levels as well as with the private sector, civil society, donor community and other relevant stakeholders;
- Facilitate the processes for preparation of annual work plans and budgets as well as progress and expenditure reports for approval of AgroBIG SVB;
- Coordinate preparation of workshops, meetings and visiting missions;
- Identify implementation constraints and find timely solutions to them together with the partner organizations; and
- Prepare Terms of Reference for short-term technical assistance.

Educational background:

- At least Master's degree in agriculture, agribusiness, or any other relevant field

Relevant working experience:

- Minimum of 10 years of relevant work experience, including minimum 5 years in Africa
- Previous working experience of at least two years as a Team Leader of large development programmes in developing countries

- Proven experience in agribusiness and value chain development including working with small-holder farmers, farming communities, agro-processors and other private sector actors as well as with public sector agencies
- Experience of working with public authorities, private sector and small-holder farmers in Sub-Saharan Africa
- Working experience from Ethiopia is an asset

Other Personal Qualifications:

- Fluency in English
- Excellent interpersonal, leadership and communication skills
- Innovative and enthusiastic; the ability to gather people around new ideas and concepts, building their commitment and ownership
- Committed to applying best-practice to deliver outcome and impact results
- Ability to work in a multi-cultural environment
- Proven ability to write reports clearly and concisely

| | |
|------------------------------|----------------|
| Location: | PSU, Bahir Dar |
| Reporting: | TA Consultant |
| Duration of contract: | 4.5 years |
| Working months: | 10.5/year |

Position: Finance Advisor (FA)

Recruitment: International

Overall Role: The Finance Advisor provides technical support for the development and execution on Programme's financial products and services directed to the value chain actors and other programme beneficiaries. The aim of the financial products and services is to enable sustainable enterprise development. As a member of the PSU, the FA contributes to the overall execution of the Programme, which is coordinated by the Programme Director. The FA works closely with the National Rural Finance Advisor.

The FA will be based in the PSU in Bahir Dar, but is expected to travel in the Programme woredas and elsewhere in the country as necessary.

Specific Duties:

- Develop guidelines and rules for Programme grant and loan funds;
- Advise on the management of the Grant Fund investments and monitor the resulting operations of various business enterprises;
- Support the development of the grant and loan fund modalities in collaboration with other team members;
- With participating FIs, constantly analyse the need for developing/revising products, and their marketing and delivery;
- Design systems and participate in PSU ranking of grants for approval by Technical Committees;
- In his/her fields of expertise and professional specialities, carry out capacity strengthening activities for the Programme's partners and beneficiaries;
- Develop agreements/MoUs with the respective financial institutions to implement the Cooperative Loan Fund and the Women and Youth Loan Fund;
- Monitor grant applications, approvals and disbursements and the progress of individual grant projects;
- Continuously analyse risks related to access to grant and loan finance, and communicate on these as well as proposed mitigation measures to Programme decision-making bodies;
- Advice on progress of grant projects as well as in aggregate from the cluster level;
- Participate in the development and delivery of training, coaching and mentoring activities related to the access to finance and financial management;
- Liaise with other donors and programmes working in the relevant value chains to ensure that guidelines and manuals are coherent;
- Support the preparation of work plans and progress reports;
- Support the TA Team Leader and the Programme Director in preparation of consolidated financial reports covering all Programme funds;

Educational background:

- At least a Master's degree in a relevant field, such as financial management, business administration or accounting.

Relevant working experience:

- Minimum 10 years of relevant work experience of rural savings/ credit and grant fund management;
- Extensive experience in financial management and cooperative development;
- Proven track record of working in a similar position in a donor-funded project in developing countries, preferably from SSA
- Experience of working with public authorities, private sector and small-holder farmers in Africa
- Experience in institutional development, capacity building and training
- Working experience from Ethiopia is an asset

Other Personal Qualifications:

- Fluency in English; knowledge of Amharic would be an asset
- Excellent interpersonal and leadership skills
- Excellent communication skills
- Ability to work in a multi-cultural environment
- Proven ability to write reports clearly and concisely

| | |
|------------------------------|--|
| Location: | PSU, Bahir Dar |
| Reporting: | TA team leader/ TA Consultant |
| Duration of contract: | 24 months (mobilized during the Inception Phase) |
| Working months: | 10.5/year |

Position: Rural Finance Advisor (RFA)

Recruitment: National

Overall Role: Responsibility for results-based planning, implementation and monitoring of activities related to grant and loan finance provided through the Programme. Responsible for developing the strategy, plans, instruments and guidelines, and their implementation to ensure an equitable access to finance by farmers, agri-MSMEs and other beneficiary groups, and that the financial products match with the needs of diverse clientele. As a member of the PSU, s/he contributes to the overall execution of the Programme, which is coordinated by the Programme Director. The RFA works closely with the International Finance Advisor.

The RFA will be based in the PSU in Bahir Dar, but is expected to travel in the Programme woredas and elsewhere in the country as necessary.

Specific Duties:

- Together with the Finance Advisor, during the Inception phase, take an active role in revising/finalising guidelines for grant and loan finance, and in finalising negotiations with partnering FIs;
- Monitor the performance of participating FIs, and other planning, budgeting, monitoring and reporting responsibilities;
- Together with the Finance Advisor, communicate with Competent Authorities on progress and on regulatory requirements and compliance;
- In his/her fields of expertise and professional specialities, carry out capacity strengthening activities for the Programme's partners and beneficiaries;
- With participating FIs, constantly analyse need for developing/revising products, and their marketing and delivery;
- Participate in the development and delivery of training, coaching and mentoring activities related to the access to finance and procurement activities;
- Take responsibility for budget and other resources assigned to access to finance activities, and procurement, assuring satisfactory performance, measurement and reporting;
- Support in risk management of activities associated with access to grant and loan finance.

Educational background:

- Minimum Master's degree or equivalent in agribusiness, banking and finance, financial management or rural credit.

Relevant working experience:

- Minimum 10 years of relevant work experience in providing specialist services and technical support in rural finance, financial inclusion and procurement systems
- At least 5 years of experience with development and implementation of rural finance and financial inclusion projects funded by development agencies
- Proven experience in financing MSME agribusiness and value chains including working with banks, lower-tier financial institutions, commercialising farmers, and agri-MSMEs
- Experience in working with regulating authorities to meet compliance and reporting requirements
- A strong network or working relationships with the banking industry, lower-tier FIs and the regulatory authorities in Ethiopia will be a strong advantage.

Other Personal Qualifications:

- Fluency in English and Amharic
- Excellent interpersonal, leadership and communication skills
- Innovative and enthusiastic; the ability to gather people around new ideas and concepts, building their commitment and ownership

- Committed to applying best-practice to deliver outcome and impact results
- Ability to work in a multi-cultural environment
- Proven ability to write reports clearly and concisely

| | |
|------------------------------|--|
| Location: | PSU, Bahir Dar |
| Reporting: | TA Team leader/ TA consultant |
| Duration of contract: | Approximately 3,5 years (39 months) (mobilized during the Inception Phase) |
| Working months: | 10,5/year |

Position: Monitoring and Evaluation Advisor (MEA)

Recruitment: National

Overall Role: The National Monitoring and Evaluation Advisor (MEA) will work closely with the team of advisors while providing guidance to the JE on M&E. The MEA will lead the process of Results-Based (RB) Monitoring and Evaluation system that was designed during the First Phase of AgroBIG. As a member of the PSU, the MEA contributes to the overall execution of the Programme, which is coordinated by the Programme Director.

The MEA will be based in the PSU in Bahir Dar, but is expected to travel in the Programme woredas and elsewhere in the country as necessary.

Duties:

- Lead the Programme Results Based (RB) M&E process;
- Coordinate and supervise the baseline data collection and ensure that the findings and conclusions are incorporated into the M&E system;
- Develop participatory methods for monitoring of identified indicators of the RB M&E system;
- Ensure the development and rollout of monitoring tools for all the indicators and follow up on their proper utilization;
- Take a lead role in participatory monitoring;
- In his/her fields of expertise and professional specialities, carry out capacity strengthening activities for the Programme's partners and beneficiaries;
- Establish a database for recording quantitative data collected from official statistics and from the Programme Management Information System (MIS) to enable the Programme to track progress towards achievement of targets;
- Take the overall responsibility for the maintenance of the database;
- Assist PSU and implementing partners to utilize the database to monitor the impact of activities with which they are directly involved;
- Participate and assist in report preparations and annual programme work plan preparations;
- Organize capacity building training for partner and PSU staff on participatory M&E.

Educational background

- Minimum a Bachelor's degree in a relevant area

Relevant working experience

- At least 10 years of relevant work experience.
- Extensive experience undertaking LFA and RBM exercises
- Extensive experience establishing and operating RB M&E systems
- Experience of agriculture sector value chains would be an asset
- Experience in mainstreaming gender aspects in M&E systems

Other Personal Qualifications

- Good communication skills
- Fluency in English and Amharic
- Excellent interpersonal skills
- Ability to work in a multi-cultural environment
- Pro-active with ability to take initiative and work in a team environment
- Proven ability to write reports clearly and concisely

| | |
|------------------------------|--|
| Location: | PSU, Bahir Dar |
| Reporting: | TA Team leader/ TA consultant |
| Duration of contract: | 44 working months (mobilized during the Inception Phase) |
| Working months: | 10,5/year |

Position: Capacity Building and Social Development Advisor
Recruitment: National

Overall role: Line responsibility for integrating social development aspects in all Programme strategies, plans and interventions, and for ensuring a focused approach for attaining Programme's financial inclusion and social development and accountability goals. As a member of the PSU, the CBSDA contributes to the overall execution of the Programme, which is coordinated by the Programme Director.

The CBSDA will be based in the PSU in Bahir Dar, but is expected to travel in the Programme woredas and elsewhere in the country as necessary.

Duties:

- Work closely with Programme management, other advisors, and relevant sectoral offices and their departments (such as BoA, BoWC and BoYS) to ensure Programme alignment with their policies, strategies and interventions;
- Facilitate participatory planning of activities to support vulnerable groups (female farmers, female/male youth) through development of rural financial services and agribusiness;
- Plan and coordinate women and youth group training and mentoring activities;
- Assess capacity gaps among beneficiaries and stakeholders and design capacity building plans;
- In his/her fields of expertise and professional specialities, carry out capacity strengthening activities for the Programme's partners and beneficiaries;
- Coordinate and follow-up all capacity building and mentoring interventions organised by the programme;
- Conduct studies, assessment etc., and supervise those conducted by ST TA or external services providers, related to social development, safeguards and inclusion;
- Provide technical support in inclusion for the design and review of financial products, and provide training to partners and implementers when necessary;
- Train and capacitate Programme beneficiaries on subject-matter issues when needed;
- Support financial institutions and SACCOs in reaching the vulnerable client groups;
- Ensure appropriate social safeguards in connection with agribusiness investments and provide technical support in designing pro-poor and inclusive investments.

Educational background:

- At least Bachelor's degree in socioeconomics, social/political sciences, development management, sociology/anthropology, or any other relevant field.

Relevant working experience:

- At least 10 years of relevant work experience with social development issues in Ethiopia
- Specific working experience in social development, safeguard issues and gender mainstreaming, within agribusiness investments and private sector operations in the Ethiopian context
- Experience in working with public sector officials, private investors and female/male farmers and agribusiness actors
- Experience in working with Savings and Credit Groups in an asset
- Strong facilitation, capacity building and training skills
- Understanding of challenges of rural youth in the context of Amhara an asset
- Proven experience in promoting the policies of inclusion, accountability and transparency

Other Personal Qualifications:

- Good (spoken and written) communication skills
- Fluency in English and Amharic
- Excellent interpersonal skills and ability to work with female and male farmers
- Ability to work in a multi-cultural environment

- Pro-active with ability to take initiative and work in a team environment
- Proven ability to write reports clearly and concisely

| | |
|------------------------------|--|
| Location: | PSU, Bahir Dar |
| Reporting: | TA Team leader/ TA consultant |
| Duration of contract: | Approximately 3,5 years (39 months) (mobilized during the Inception Phase) |
| Working months: | 10,5/year |

Position: Cluster Advisor

Recruitment: National

Overall role: The Cluster advisors will be responsible for close coordination with the international and national advisors, and with the stakeholders in their respective woredas. They will support capacity building, programme management and monitoring of all activities at woreda level. As a member of the PSU, the CA contributes to the overall execution of the Programme, which is coordinated by the Programme Director.

Duties:

- Supporting the execution of programme activities in the Programme clusters;
- Provide guidance, technical assistance and training for programme stakeholders;
- Supporting the functioning of the Cluster Platforms;
- Support organizing of market linkage forums at regional and woreda levels;
- In his/her fields of expertise and professional specialities, carry out capacity strengthening activities for the Programme's partners and beneficiaries;
- Assist with financial advice and management at woreda level;
- Facilitate the utilization of the Programme's financial products and services;
- Compile and cross-check reports submitted by clusters.

Educational background:

- Minimum a Bachelor's degree in agriculture, agricultural economics or other relevant field

Relevant working experience:

- At least 5 years of relevant work experience
- Proven ability to work with private sector operations and actors in agriculture
- Experience in agriculture extension work and in agribusiness financing
- Practical knowledge of gender-sensitive agribusiness development
- Experience in contract farming is an asset

Other Personal Qualifications:

- Good (spoken and written) communication skills
- Fluency in English and Amharic
- Excellent interpersonal skills and ability to work with female and male farmers
- Ability to work in a multi-cultural environment
- Pro-active with ability to take initiative and work in a team environment
- Proven ability to write reports clearly and concisely

Location: Fogera and Mecha Woredas (one advisor in each)

Reporting: TA Team leader/ TA consultant

Duration of contract: 4,3 years (mobilized during the Inception Phase)

Working months: 10,5/year

Position: Junior Expert (JE) –
Knowledge Management (KM) and Monitoring and Evaluation (M&E)

Recruitment: Finnish

Overall Role: The aim of the position is to provide a junior-level Finnish development cooperation expert real-life exposure to development projects on the ground, as well as practical understanding of project implementation. Even if the aim is to support in capacity development of the expert, s/he will have diverse tasks and responsibilities contributing to achievement of Programme results. The JE will work under close supervision and mentoring by the TA team leader, but will also work with other PSU staff (especially the M&E Specialist), and stakeholders. As a member of the PSU, the JE contributes to the overall execution of the Programme, which is coordinated by the Programme Director.

The JE will be based in the PSU in Bahir Dar, but is expected to travel in the Programme woredas and elsewhere in the country as necessary.

Duties:

- Support revision of Programme M&E system, management of its database, and improving the processes for data collection and M&E;
- Support in knowledge management, including collecting and disseminating best practices to diverse stakeholders including beneficiaries;
- Assist in conducting studies etc. related to M&E and knowledge management;
- In his/her fields of expertise and professional specialities, carry out capacity strengthening activities for the Programme's partners and beneficiaries;
- Carry out diverse tasks related to communications and Programme outreach, including updating Programme website and publishing newsletters and other material;
- Participate in planning and implementation of activities supported by the Programme;
- Participate in knowledge sharing sessions of other donor funded projects and represent Programme as necessary;
- Other tasks assigned by the PSU through the TA team leader.

Educational background:

- Master's degree in a relevant field

Preferable working experience:

- Minimum 2 years of relevant working experience.
- Experience in data collection, M&E and communications is desirable.

Personal Qualifications:

- Preferably maximum 32 years old.
- Good communication skills.
- Fluency in English and Finnish.
- Interest and willingness to work in a multi-cultural environment and rural conditions of Ethiopia.

Location: PSU, Bahir Dar

Reporting: TA Team leader/ TA consultant

Period: 2 + 2 years (first JE mobilized at the end of the Inception Phase)

Working months: 10,5 months / year

Terms of Reference for Locally recruited PSU administrative staff members

Position: Chief Accountant (BoFEC channel)

Recruitment: Local

Overall Role: The Programme Chief Accountant will be responsible for accounting, administration and reporting of the use of project funds that are transferred to the project account for undertaking the AgroBIG project activities at regional and woreda level. The Chief Accountant is accountable technically to BoFEC deputy Bureau head (treasury) and administratively to the AgroBIG Programme Director, He/she will work closely with the AgroBIG Program Support Unit.

Specific Duties and Responsibilities:

- Set up and maintain proper accounting records for the project financial transactions
- Support the programme office in managing and follow up of the accounts of the programme office.
- Be responsible for the timely preparation of fund requests for the submission to the Embassy of Finland.
- Be responsible for the timely preparation and consolidation of financial reports at the different level and timely submission for the Embassy of Finland, programme woredas, & regional beneficiary bureau.
- Follow up and ensure the quality of the financial reports prepared by the beneficiary Bureaus and programme woredas, including the timeliness
- Code regional bureaus and woreda budget yearly and prepare the paperwork and submit for BoFEC for signatures that awares the beneficiaries by budget notification and then encode it to Peachtree accounting software.
- Update and maintain records on the total budget endorsed, transferred from Government of Finland, transferred to beneficiaries and payment made and balance remaining both in Euro and in Birr.
- Prepare fund transfer to woredas and regional and follow up the timely transfer
- Pass the necessary journal entry and encode expenditures reported by the regional bureau, and woredas to Peachtree accounting quarterly.
- Make monthly bank reconciliation of the program main bank account.
- Maintain proper documentation of annual plan of operation, quarterly report, audit report, program document and agreements made between Government of Finland and Amhara Regional Bureau of Finance and Economic Cooperation etc.
- Insure proper control over all project assets and for the maintenance of proper systems and procedures.
- Arrange and provide training in finance and accounting to regional and woreda accountants.
- Perform other tasks assigned by Deputy Bureau head, Treasury and the program Director in PSU.

Qualification and Experience:

- Minimum first degree in Accounting/relevant field/ from a recognized university,
- Proficiency in computerized accounting management system is required.
- The candidate should have 12 years work experience, of which at least 4 years of practical experience and knowledge in projects financed by external donors.
- Knowledge of financial policies and procedures of the government of Ethiopia.

Skills:

- Ability to work and communicate with international stakeholders and communities of diverse cultures.
- Good computer skills (Accounting applications, word processing, Excel etc.)
- Good English language speaking, presentation and reporting skills

Duty Station:

- The position will be based in Bahir Dar, at Regional Bureau of Finance and Economic Cooperation.

Accountability:

- Technically to BOFEC Treasury Deputy Bureau Head, and administratively to AgroBIG Programme Director.

Position: Accountant (BoFEC channel)

Recruitment: Local

Overall role:

The Programme Accountant will be responsible for the follow-up, accounting, administration and reporting of the Programme funds transferred to the Programme account for undertaking the AgroBIG activities at Regional and Woreda levels. The Accountant is accountable to the Programme Director and will work closely with the Programme Director as well as with the national and international advisors of the TA Team.

Specific duties:

- Set up and maintain proper accounting records for the project financial transactions
- Support PSU in managing and follow up of its accounts
- Be responsible for the timely preparation of fund requests for submission to the Embassy of Finland
- Be responsible for the timely preparation and consolidation of financial reports at the different levels and for their timely submission to the Embassy of Finland, Programme Woredas and to the relevant Regional Bureaus.
- Follow up and ensure the quality of the financial report prepared by the beneficiary Bureaus and Programme Woredas including their timeliness
- Code Regional Bureaus and Woreda budget yearly and prepare the documentation and submit it to BoFED for signatures that make the beneficiaries aware by budget notification and then encode it to Peachtree accounting software.
- Update and maintain records on the total budget endorsed, transferred from Government of Finland, transferred to beneficiaries, payments made and balance remaining in EUR and in ETB.
- Prepare fund transfers to Woredas and Regional Bureaus and follow up the timely transfer
- Pass the necessary journal entry and encode expenditures reported by the Regional Bureaus and Woredas to peach tree accounting quarterly.
- Make monthly bank reconciliation of the Programme main bank account and the PSU bank account.
- Maintain proper documentation of annual plan of operation, quarterly report, audit report, program document and agreements made between Government of Finland and the Government of Ethiopia
- Ensure proper control over all Programme assets and the maintenance of proper systems and procedures.
- Arrange and provide training in finance and accounting to Regional and Woreda accountants.
- Perform other tasks assigned by the Programme Director

Educational background:

- Minimum first degree in Accounting/relevant field/ from a recognized university.

Relevant working experience:

- Extensive experience of computerized accounting management systems
- The candidate should have 10 years work experience, of which at least 4 years of practical experience and knowledge in projects financed by external donors.
- Knowledge of financial policies and procedures of the Government of Ethiopia.

Other personal qualifications:

- Proficiency in computerized accounting management systems
- Ability to work and communicate with stakeholders and communities of diverse cultures.
- Good computer skills (Accounting applications, word processing, Excel etc.)
- Good command of English language including presentation and reporting skills

Location: PSU under BoFEC, Bahir Dar, Ethiopia

Reporting: Programme Director

Job Position: Admin Assistant/Cashier (BoFEC channel)
Recruitment: Local

Overall Role:

The Project Cashier will be responsible to handle all cash transactions made by the Programme Support Unit that relate to funds channeled through BoFEC, and to provide the necessary office assistance for undertaking the AgroBIG project activities at region and woreda level. The Admin Assistant/Cashier is accountable to the Programme Director & will work closely with the Program Accountant as well as with the National and International specialists of the TA Team of AgroBIG Program Support Unit.

Specific Duties and Responsibilities:

1. Handle all cash transactions made by the Agro-BIG programme support unit.
2. Withdraw cash from the bank
3. Handle and control petty cash fund of the program
4. Effect petty cash payments with the approval of the programme Director/accountant and maintain a daily log of cash transaction
5. Carry out small cash payments for goods and services procured.
6. Perform the preparation of and record of goods receiving note, store issue vouchers, purchase and store request voucher before and after purchase
7. Dispatch office consumables to the PSU staff.
8. Handle all communication through telephone, fax, email and internet.
9. Receive and dispatch incoming and outgoing letters.
10. Keep records to the best use of the office.
11. Perform all other duties assigned by the Accountant and the programme Director.

Qualification and Experience:

- Bachelor's Degree in management or related field with 4 years of experience as administrative assistant and cashier, preferably 2 years with NGO or donor funded projects. Or Diploma in management, Secretarial science and office management, or related field and 8 years experience as administrative assistant, of which 4 years with donor supported projects.

Skills:

- Ability to work and communicate with international stakeholders and communities of diverse cultures.
- Good computer skills (word processing, Excel etc.)
- Good English language speaking, presentation and reporting skill

Duty Station:

- AgroBIG program Support Unit, Bahir Dar, Ethiopia

Reporting: Programme Director

Position: TA Finance/Procurement Officer (TA channel)

Recruitment: Local

The post-holder is responsible for the day-to-day financial administration of AgroBIG TA budget funds in Ethiopia and for the coordination of support services provision, including requests for quotations and supply of office tools, devices and materials needed for the use of the AgroBIG TA team members and for the whole PSU as applicable.

Duties:

- a. Financial administration of TA budget funds
 - Facilitates and manages all daily cash and bank transactions and respective records;
 - Maintains the Project petty cash and cash register;
 - Prepares monthly accounts and quarterly and annual expenditure reports;
 - Liaises with the Home Office Financial administrator as needed;
 - Prepares copies of original financial documents, maintains the archive files in good order for the use of auditors and other necessary purposes;
 - Carries out monthly cash and bank account reconciliations and reporting thereof;
 - Prepares monthly fund requests to NIRAS home office;
 - Prepares monthly salary payrolls of TA staff and house guards and manages respective payments (salaries, pension, tax);
 - Supports TA team members in preparation of travel and other expense claims;
 - Prepares requests for quotations to facilitate procurement of office tools and devices;
- b. Office services
 - Manages office facilities, space, store, travel bookings and daily purchases;
 - Manages the AgroBIG contract and other focal document file archives (electronic, hard copy);
 - Carries out annual inventories of office assets, maintains the asset register;
 - Supports the TA Team leader in preparation of contracts and rental agreements;
 - Supports the TL in collection and submission of monthly timesheets to the home office;
 - Supervises office service providers and follows up their performance;
 - Coordinates the project's logistical services and fleet maintenance;
 - Supervises the Programme drivers in their daily operations and record keeping;
 - Prepares and maintains summary records of the use of vehicles, fuel consumption and maintenance, reports without delay of any anomalies in the condition of the vehicles, emerging expenditures etc.
 - Supports in correspondence, organising meetings and events, and preparation of materials;
 - Supports project monitoring in data collection and data entry as applicable;

In addition to the above, the post holder is requested to perform any other duties that may be assigned by the supervisor or her/his nominated agent;

Qualifications and capacities:

- Excellent communication and interpersonal skills, ability to cope under pressure and in multi-sectoral and multi-cultural teams;
- Experience in procurement processes and staff administration and supervision are appreciated;
- Integrity, accuracy, ability to prioritize and make decisions;
- Proven fluency in the use main office applications, MS Office in particular;
- Fluency in verbal and written Amharic and English languages;
- At least Diploma Certificate in administration/accounting, and minimum of five years of experience in business administration or secretarial and/or accounting services; OR at least 10 years' experience of respective duties with proven record; Experience of bilateral development projects is an advantage;

He/she will work in strict collaboration and coordination with all the National and International TA staff, as well as all other PSU members, and reports to the AgroBIG TA Team Leader.

Location: PSU office, Bahir Dar
Reporting: TA team leader
Period: 52 months during September 2017 – December 2021

Annex 11. Relevant interventions in the programme area

| Intervention/ Actor | Funder/ Client | Coverage | Summary |
|---|--|--------------------------|---|
| Bilateral | | | |
| Livelihood Improvement through Sustainable Resource Management Programme (2013-2016) | Austrian Embassy Development Cooperation | N. Gondar | The overall objective of the programme is to contribute to sustainable rural development and improvement of food security through rational use and conservation of natural resources. Relevant components of the programme include (1) enhancement of market oriented livestock development ; (2) promotion of integrated watershed management; (3) alternative livelihood options ; (3) strengthening rural land administration; (4) institutional capacity building. |
| Community-Led Accelerated WaSH (COWASH) Project (2011-2016) | MFA Finland | 40 woredas in Amhara | The approach includes important innovations in financing, putting communities at the centre of development and enabling government to support faster delivery of new services to more people. COWASH is to contribute to the achievement of universal access to WASH in rural Ethiopia. The key feature of CMP funding mechanism is that it transfers funds and project management responsibilities for physical construction or rehabilitation of WASH services directly to communities. The transfer of investment funds is carried out by a regional micro finance institution . |
| Strengthening Rural Value Chains in Ethiopia: Market based solutions for Improved Livelihoods (2010-2016) | CIDA | Fogera woreda | Aiming at developing value chains in the rice and textile sectors by facilitating access to growing markets, enhanced production techniques, appropriate technologies, improved input supplies, and affordable support services, including finance (i.e. ACSI). The project is supporting rice production and marketing in Fogera . With its commercially driven approach , activities will concentrate on integrating smallholder rice farmers and small-scale artisans into higher value markets . |
| The Agricultural Business and Market Development (AGP-AMDe) Project (2011-2016) | USAID | 26 woredas in Amhara | This Project (a successor of the earlier "ATEP") is part of USAID's commitment to join and leverage the World Bank-led Agricultural Growth Program (AGP) and support an Ethiopian, country-led initiative for agricultural growth. The goal is to sustainably reduce poverty and hunger by improving the productivity and competitiveness of value chains that offer job and income opportunities for rural households . Priority is given to farmers, and key public and private sectors (institutions) that have a multiplier effect on the growth of the agricultural sectors along supported value chains. |
| Finnish Agri-agency for Food and Forest Development (FFD) projects | MFA Finland/ IFAD | Bahir Dar, Fogera woreda | Support to Forest Producers' Organizations in Amhara Region, Ethiopia was the first intervention implemented since 2010 by FFD- the development organization of the Central Union of Agricultural Producers and Forest Owners (MTK) of Finland and works in cooperation with AgriCord. The project supports smallholder farmers' increased financial returns from forestry, which will be improved by cooperative services and pole marketing . FFD has started two additional pilot projects with donor financing from the Finnish MFA in 2013. Twinning support to dairy cooperatives in Bahir Dar and the Fogera district is targeting improved income generation for smallholder farmers by capacity building in cooperative dairy production and marketing . Twinning support to Koga Fruits and Vegetable Marketing Union has strong linkages with AgroBIG's efforts to develop horticultural production in the Mecha district. |

| Intervention/ Actor | Funder/ Client | Coverage | Summary |
|--|-------------------|--|---|
| Agricultural Growth Program- Agribusiness and Market Development (AGP-AMDe) (2011-2016) | USAID | Oromia, Amhara, SNNP, and Tigray | The Agricultural Growth Program (AGP) promotes economic growth in four high-rainfall regions of Ethiopia. The AGP-AMDe project is one of the three pillars of AGP and focuses on agricultural commercialization. The programme uses a value chain approach to strengthen the agriculture sector, enhance access to finance, and stimulate innovation and private sector investment . The value chains—coffee, sesame, chickpea, honey, wheat, and maize—were identified for their potential to improve both food security and incomes. |
| Private Enterprise Project Ethiopia (PEPE) (2013–2020) | DFID | Adama, Bahir Dar, Hawassa, and Mekelle | This program is helping generate access to finance, good quality jobs, and increased incomes for Ethiopia's poor. To achieve its overall end, focus on three pillars: (1) Women's Entrepreneurship Development Program (WEDP)—enhance the capacity of the Development Bank of Ethiopia to manage a fund of \$42 million provided by the World Bank for on-lending through microfinance institutions (MFIs) to small and medium-sized women-owned enterprises ; (2) Access to Finance (A2F)—Using a M4P approach, work with financial institutions at all levels to ensure that poor Ethiopians can obtain finance to launch and grow sustainable businesses . (3) Agro-Industrial Development—strengthen value chains in livestock, leather, cotton and textiles, and horticulture. |
| Improving Food Security by Assessment of Carbonate Rock Resources for Acid Soil Amendment and Balanced Application of Lime and Fertilizers in Oromia Region (ICI)(2016-2018) | MFA Finland | Oromia | The project conducted jointly by Geological Survey of Finland (GTK), Natural Resources Institute Finland (Luke), Geological Survey of Ethiopia (GSE) and Oromia Agricultural Research Institute (IQQO) is providing support for the implementation of GTP II of the GoE to maintain sustainable agricultural growth in order to enhance food, nutritional security and economic benefits of smallholder farmers through mitigation of threats against soil fertility and soil health. Specific objectives include (1) Carbonate Resources Development; (2) Balanced application of lime and P-fertilizer; (3) Institutional capacity building; (4) Promoting appropriate lime production; (5) Inter-institutional cooperation. |
| Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED) (2015-2017) | DFID | Afar, SNNPR and Somali regions | BRACED provides funding for non-governmental organisations (NGOs) to build the resilience of people to extreme climate events in selected countries in the Sahel, sub-Saharan Africa and South Asia. In Ethiopia; BRACED will test innovative market-based approaches to improve the resilience of vulnerable pastoralist/agro-pastoralist households to climate change. These will enable households, businesses and communities to better manage their resources and everyday risks. BRACED will work with private investors to address climate risks by promoting financial models and economic opportunities. It will also stimulate the appropriate diversification of economic activity among the most vulnerable, through public and private sector partnerships. |
| Land Investment for Transformation programme (LIFT) (2014-2019) | DFID | Amhara, Oromia, Tigray, and SNNP | Using an M4P approach ; the objective of the programme is to improve the incomes of the rural poor and vulnerable groups in Ethiopia and enhance economic growth, through second-level land certification, and improved rural land administration. The programme aims to also improve the effectiveness of the rural land sector through increased security of land rights and to enhance the productivity and incomes of the farmers, especially women and vulnerable groups. |

| Intervention/ Actor | Funder/ Client | Coverage | Summary |
|---|----------------------------|--------------------------------------|--|
| Responsible Land Administration in Ethiopia (REILA) (2010-2016) | MFA Finland/ World Bank | Amhara and Benishangul Gumuz | Supports the Government's programme called Ethiopia Sustainable Land Management Investment Framework (ESIF) and the cooperation is channelled through the ongoing Sustainable Land Management Project (SLMP), managed by the World Bank and implemented by the Government. The Finnish support has three dimensions: technical assistance, financial support and land administration education. The programme is to improve process and increased capacity for responsible land allocation for investments in the Tana-Beles Growth Corridor and for second level registration and certification in Amhara side of the Corridor. |
| Multilateral | | | |
| Rural Financial Intermediation Programme II (RUFIP II) (2011-2019) | IFAD | 91 woredas in Amhara | The goal of the programme is to contribute to the reduction of poverty in Rural Ethiopia. The objective is to provide access to a range of financial services for estimated 6.9 million rural households in Ethiopia targeting smallholder farmers, pastoralists, agro pastoralists, women, land less labourers, and the youth . The programme shall achieve this through a nationwide network for Microfinance Institutions and 5,500 Rural Saving and Credit Cooperatives (SACCOs). |
| UNICEF supported Nutrition Programme (2012-2015) | UNICEF | All woredas in Amhara | Training and awareness creation about community based nutrition/ CBN/ food diversification; promotion of breast feeding and use of iodized salt via mass media; distribution of chlorine and iron tablets; conduct baseline survey on nutrition at kebele level ; supplementation of 80% of under 5 child population with Vitamin A and supportive activities; treatment of malnutrition; provision of supplies. |
| UN Food Security and Recovery: Managing Environmental Resources to better Enable Transitions to more Sustainable Livelihoods (MERET PLUS) Project (2012-2015) | WFP | 23 food – insecure woredas of Amhara | Under this programme two outcomes are expected: (1) increased ability to manage shocks and meet necessary food needs and diversify livelihoods ; (2) Sustainable Land Management practices and systems institutionalized at community level and replicated to other areas. |
| Tana-Beles Integrated Water Resources Development Project (2008-2016) | World Bank/ MFA Finland | Tana-Beles Watershed Area | The goal of the project is sustainable livelihoods and natural resources management systems in the Eastern Nile watershed through community participation. Development objectives are improvement of livelihoods and rural households living in upper catchments of Ribb, Gumara and Jema watersheds through enhanced productivity and promotion of sustainable land use practices . Relevant themes are (1) crop- and livestock production; (2) soil and water conservation; (3) small scale irrigation; (4) forestry and agroforestry. The project is expected to result in, among other things; reduced land degradation, improved agricultural productivity and market linkages and increased investment in off-farm income generating activities by rural entrepreneurs . |

| Intervention/ Actor | Funder/ Client | Coverage | Summary |
|---|-------------------------------|---|--|
| East Africa Agricultural Productivity Project (EAAPP) (2008-2015) | World Bank | Ethiopian rice sector | The overall objective is to contribute to increased agricultural productivity and growth by strengthening the capacity of Regional Centers of Excellences (RCOE) in wheat, rice, cassava, and dairy. Its contribution revolves around technology generation, training, and dissemination, and facilitation of increased sharing of agricultural information, knowledge, and technology, across the recipient countries. As part of the consortium, the Ethiopian rice sector is assisted including training for service providers and lead farmers; availability of seeds; coordination (national and regional), Monitoring & Evaluation, policy analysis and advocacy. |
| The Fourth Productive Safety Net Programme (PSNP) (2014-2020) | World Bank/DFID / USAID/ Sida | Incl. 64 woredas of Amhara | The programme objective is to increase access to safety net and disaster risk management systems, complementary livelihoods services and nutrition support for food insecure households in rural Ethiopia. Three components will contribute to the achievement of the overall PSNP development objective. Component one will provide support to the social protection and Disaster Risk Management systems. Component two will be done through three sub-components delivering key services to the targeted households: (a) safety nets transfers to chronically food insecure households, and support to a scalable response mechanism for transitory needs; (b) sustainable community assets and human capital investments; and c) enhanced access to complementary livelihoods services for client households through crop and livestock production, off-farm income generating activities, and labor/employment linkages. Component three will support sustainable capacity development and institutional strengthening to implement PSNP four. |
| Sustainable Land Management Project II (SLM II) (2013-2019) | World Bank/ GoE | Incl. 16 woredas of Amhara | The objective is to reduce land degradation and improve land productivity in selected watersheds in targeted regions in Ethiopia. There are four components to the project: (1) integrated watershed and landscape management; (2) institutional strengthening, capacity development and knowledge generation and management; (3) rural land administration; and (4) project management. |
| The Second Agricultural Growth Project (AGP II)(2015-2020) | World Bank/ GoE | Incl. 18 woredas of Amhara | The development objective is to increase agricultural productivity and commercialization of smallholder farmers targeted by the project. The project comprises of five components: (1) agricultural public support services will increase access to public agricultural services for smallholder farmers; (2) agricultural research will increase the supply of demand-driven agricultural technologies which directly link to the other components; (3) small scale irrigation will increase the access to and efficient utilization of irrigation water by smallholder farmers; (4) agriculture marketing and value chains will commercialize smallholder farmers through increased access to input and output markets; (5) project management, capacity building, and monitoring and evaluation. |
| Agricultural Marketing Improvement Programme (2008-2015) | IFAD | 50 surplus producing woredas (incl. Fogera) | Goal was sustainable poverty reduction by securing, safeguarding and increasing real incomes and food security among the majority of smallholder farmers. The objective was to improve the efficiency and effectiveness of agricultural output marketing system . The components are (1) institutional development; (2) market infrastructure development; (3) programme coordination and management. |

| Intervention/ Actor | Funder/ Client | Coverage | Summary |
|--|--|--|--|
| Participatory Small Irrigation Development Project (PASIDP) 2008-2015 | IFAD | selected woredas in Amhara | Goal was to improve food security, family nutrition and incomes for poor households in the region. The primary objective was to develop a sustainable, farmer-owned and managed system of small-scale irrigated agriculture . Project components include (1) institutional development; (2) small-scale irrigation development; (3) agricultural development. |
| Community-based Integrated Natural Resources Management Project (2009-2016) | IFAD | Selected households in the Lake Tana watershed s | Purpose is to improve the food security and incomes of people living within the Lake Tana watershed , by restoring the productivity of degraded land, promoting conservation agriculture including agro-forestry, pasture improvement, controlled grazing, afforestation of degraded lands, and enhancing linkages between environmental conservation and production to mitigate climate change. The project also seeks to promote employment opportunities outside agriculture in order to relieve pressure on marginal lands. Project components are (1) community-based integrated watershed management; (2) institutional, legal and policy analysis and reform; (3) project coordination and management. |
| The European Union Social Protection Systems Programme (EU-SPS) (2015- 2018) | EU/ OECD/ MFA Finland | | The programme supports the establishment of sustainable and inclusive social protection systems and has three specific objectives: (1) To develop appropriate methodologies and tools with which to assess the social protection policies, programmes and capacities in ten selected partner countries; (2) To enhance administrative and technical capacity in the partner countries to support the development of affordable, sustainable and inclusive social protection systems. (3) To generate evidence-based knowledge for future EU co-operation and for use by other development partners on the effectiveness of social protection in reducing poverty and vulnerability, addressing inequality and promoting social cohesion. Ethiopia is one of the 10 countries where the programme operates. |
| NGO-implemented projects | | | |
| Apiculture Scaling up Programme for Income and Rural Employment (ASPIRE) (2013-2017) | USAID SNV (Netherlands) | selected woredas in Amhara | Building on the results of Business Organisations and Access to Markets (BOAM) project (2008-2012) the project intends to increase the incomes of 30,000 smallholder beekeepers and their families and establish the country as a significant exporter of bees' products, specifically honey, beeswax, pollen and propolis. |
| Enhancing Dairy Sector Growth in Ethiopia (EDGET)(2012-2017) | | selected woredas in Amhara incl. Fogera, Libo, Dera, S. Gondar | Building on the Mass Hormonal Synchronisation and Insemination Project, the breed improvement programme of the Government of Ethiopia, EDGET is working towards enabling 65,000 dairy farmer households to achieve 100% income increase from dairy within five years. At the same time it is improving the nutritional status of 500,000 children, particularly in the first 1,000 days of their lives, through consumption of milk products. The goal is to improve household income and nutritional status of children, through increased production, enhanced processing and marketing dairy products. |
| Cooperatives for Change (C4C): Value Chain Approach to the | | selected woredas in Amhara | The goal is to improve the business performance of 16 unions and 150 producers' cooperatives improving the quality and quantity of products, establishing sustainable markets and increasing income for their members. The project will reinforce the governance and |

| Intervention/ Actor | Funder/ Client | Coverage | Summary |
|---|---|--|--|
| development of the Cooperative Sector in Ethiopia (2012-2016) | | incl. N. and S. Gondar | management of the cooperatives through value chain development approach by e.g. providing coaching in business and organisational management to strengthen cooperative unions' output marketing capacity; introducing seed multiplication as a business for cooperatives; providing technical support to cooperatives in brokering business deals with international and local buyers. |
| Graduation with Resilience to Achieve Sustainable Development (GRAD) (2011-2016) | | four woredas in Amhara incl. Libo | The programme aims to facilitate private sector participation to integrate PSNP targeted smallholder farmers into sustainable markets and improve food security for 65,000 chronically food insecure households. It will achieve this through enhanced livelihood options of chronically food insecure households in project areas; improved community and household resilience; and strengthened enabling environment to promote scale and sustainability. SNV provides technical support on value chain development (honey, livestock, pulses, red peppers, onions, potatoes and malt barley), agricultural extension, and strategic leadership on input and output marketing. The activities of the GRAD project are very similar to the activities of AgroBIG, except that GRAD has in the main worked with poorer farmers than AgroBIG. The Graduation approach might be a valuable approach to learn from. |
| Market-led Improved Livelihoods in Eastern Amhara (MILEAR) (2012-2017) | USAID, DFAT Organization for Rehabilitation and Development in Amhara (ORDA) | Eastern Amhara | This programme is empowering people with enhanced seeds, tools and knowledge to increase crop yields, boost incomes and help them lift themselves out of poverty. MILEAR helps farmers get the best price possible at market, improve the quality and packaging of their product, and encouraged processing—like shelling peanuts or grinding cereals—that makes crops more valuable. |
| Multidimensional Food and Nutrition Security (2014-2017) | | selected woredas in Amhara incl. Farta, Fogera | The project is working extensively to ensure food security and improve the livelihood of farmers, and has delivered improved crop varieties and livestock breeds to farmers, started to strengthen saving and loan groups, created and engaged unemployed youths & ultra-poor women jobs like oxen fattening, dairy and other income generating activities. |
| For People and Nature- Establishment of UNESCO Biosphere Reserve at Lake Tana in Ethiopia (2012-2015) | Nature and Germany, GoE Biodiversity Union (NABU) | Lake Tana area | The purpose of the project was to establish a biosphere reserve that will safeguard the long-term conservation of these valuable ecosystems and at the same time improve the livelihoods of the local communities. The main goal of the project was achieved with the official recognition of the biosphere reserve by UNESCO in June 2015. Lake Tana Biosphere Reserve is now the fourth biosphere reserve in Ethiopia and is now part of the worldwide network of biosphere reserves, currently counting 651 areas in 120 countries. |
| Ethiopians Driving Growth through Entrepreneurship and Trade (EDGET) (2011-2016) | DFATD Mennonite Economic Development Associates (MEDA) | selected woredas in Amhara incl. Libo, Fogera | This is one of the most important and related projects to be considered in the course of the implementations process of AgroBIG. It aimed at increasing incomes of 6,500 rice farmers by facilitating access to growing markets, enhanced production techniques, appropriate technologies, improved input supplies, and affordable support services including finance. The project follows a value chain development approach. The intervention includes; creating access to improved technology and extension services, upgrading equipment and technology; improving the market information system to increase demand for local rice; improve financial services and Project management, coordination and networking. |

Annex 12. Assessment of Social Inclusion and Responsibility

This assessment complements the Stakeholder and the Vulnerability and Gender analyses presented as a separate Annex, shedding light on constraints and opportunities that may be encountered and addressed during AgroBIG II implementation. As a programme, AgroBIG II commits to the important principle of “do no harm” in terms of social development to individuals and communities, within or beyond its interventions. AgroBIG II will pay careful attention to inclusivity; ensuring that specific measures are taken so that vulnerable groups such as landless youth and poor women benefit from interventions, and also ensuring proper social safeguards in promoting agriculture investments in the region.

Ethiopia has ratified a number of human rights treaties¹⁶ and its performance against those commitments are adequately documented elsewhere. Agriculture and agribusiness directly concern the following fundamental rights: right to food and adequate standard of living, right to work, as well as right to just and favourable conditions of work, all of which fall under the domain the International Covenant on Economic, Social and Cultural Rights (CESCR).

The key concerns on social inclusion and responsibility within AgroBIG II are addressed below through the principles of equality and non-discrimination, participation and inclusion, accountability and transparency. The analysis is guided by the checklists in the updated MFA Manual for Bilateral Programmes, and is also in line with the MFA guidance on integrating the HRBA. The more the project starts to work with agribusiness investments, the more it also needs to consult the UN Guiding Principles on Business and Human rights and the ILO’s Core Conventions.

Equality and Non-discrimination: The risks in fulfilling people’s rights in the agricultural sector are linked predominantly to gender, age and access to land; land as the most determining factor in person’s ability to engage in farming. In Amhara, and specifically in the woredas around Lake Tana, there is little evidence of ethnic or indigenous groups¹⁷. **Gender discrimination**, even if not always deliberate, is addressed in a separate assessment, whereas the other issues worth addressing are child labour and land rights.

There is some evidence of child labour in agriculture, even if the extent of the problem at federal and regional level in Amhara is not totally known. This concerns particularly planting and harvesting apples, coffee, cotton, onions, bananas, flowers, sugarcane and tea, as well as in herding cattle and fishing, of which the last two are determined by national law or regulation as hazardous¹⁸. According to the Ethiopia Demographic and Health Survey (EDHS) of 2011, the percentage of children between 5-11 years of age and between 12-14 years of age engaged in child labour was 20,2% and 58,1% respectively¹⁹.

Land rights are generally speaking well protected in the whole of Amhara region. Most land has been registered and certified, and both the husband and wife have equal rights to the land they cultivate. According to the documents and reports of the MFA Finland funded Responsible and Innovative Land Administration Project (REILA), 98% of the region is covered with first registration, and 86% of rural landholders have received the 1st level certificate. Amhara is regarded as a pioneer in designing and

¹⁶ International Convention on the Elimination of All Forms of Racial Discrimination (CERD, in 1976); Convention on the Rights of the Child (CRC, 1991); International Covenant on Economic, Social and Cultural Rights (CESCR, in 1993); International Covenant on Civil and Political Rights (CCPR, in 1993); Convention against Torture and Other Cruel Inhuman or Degrading Treatment or Punishment (CAT, in 1994); Convention on the Rights of Persons with Disabilities (CRDP, 2010).

¹⁷ The AGP-II Social Assessment Report defines ethnic minorities as those settled from their places of origin, who are vulnerable because of being numerically small and practicing livelihood strategies different from those of the host communities, such as the Gumz and the Shinasha in Guangua Woreda of Awi Zone of Amhara Region.

¹⁸ US Bureau of International Labor Affairs. 2014.

¹⁹ The EDHS 2011 defines child labor (i.e. labor that should be eliminated on the basis of children’s rights treaties) as such including (a) children age 5-11 who in the 7 days preceding the survey worked for someone who is not a member of the HH, with or without pay, or engaged in any other family work or did HH chores for 28 hours or more, and (b) children age 12-14 who in the 7 days preceding the survey worked for someone who is not a member of the HH, with or without pay, or engaged in any other family work for 14 hours or more or did household chores for 28 hours or more.

implementing such a progressive land administration system, the results of which are considered more than satisfactory. Access to land by women has been dealt with in the Gender Analysis, whereas youth landlessness is addressed further below. A general challenge is the **overall shortage of land** in Amhara and the unavailability of excess land for agricultural investments and for compensation in case of displacements due to large-scale infrastructure schemes. The Regional State compensates farmers, if the land they occupied is given for agricultural investors. Typically, farmers prefer land-to-land compensation²⁰, and even if they were paid a reasonable sum of money as compensation, they remain with no land as a source of livelihood after the money has been spent.

Participation and inclusion can be addressed from many perspectives and can include analysis of: i) the possibilities of certain groups and communities to participate in the sector in question and be full-fledged members of the most dominant organisations: as well as, ii) the project's ability to address structural constraints for these groups, implement inclusive politics in its implementation, and ensure equal benefits for various groups of society. As stated in the Vulnerability and Gender Analysis, gender and age, i.e. women and youth, are amongst the most vulnerable and of concern to participation and inclusion agendas.

Youth landlessness is a serious concern in Ethiopia. The population is young – over 74% are under 30 years of age, and youth (defined in the National Youth Policy to be between 15-29 years of age) constitute 26% at a national level. The proportion of urban youth is 35%, whereas 24% of rural population belongs to this group²¹ indicating a level of rural-urban migration. Youth have a constitutional right to land, but fulfilling this right has become more challenging due to scarcity of land as well as to restrictions on land markets. Land cannot be bought in the market nor rented on a long-term basis from other farmers, though informal arrangements are frequently made. Inheritance from parents is thus the only option. However, with increasing population and large HHs, sub-dividing plots to all children (even if girls are strikingly disadvantaged due to the patrilineal inheritance system) leads to small and fragmented holdings that cannot be registered, nor provide sufficient and meaningful livelihood. This has been widely studied, for instance in Southern Ethiopia²². In the absence of large farms providing wage employment²³, youth opt for non-farm activities as day labourers and migration. The project has and will continue processes of identifying and supporting Common Interest Groups of youth, who can meaningfully establish an enterprise to provide farm and market services, such as the sprayer and well digging groups. There is evidence of youth taking up hazardous jobs and travelling abroad earning, e.g. to Middle Eastern countries, to be employed as domestic maids or construction workers²⁴.

Accountability relates to demand-driven and participatory rural services based on needs of various clients and with a feedback mechanism holding service providers responsible for delivery. In the context of AgroBIG II this concerns particularly **agricultural extension**. It has a long history in Ethiopia, is a high government priority, and provided currently by the public sector through woreda/kebele level Development Agents (DA) and Farmers Training Centers (FTC)²⁵. Key challenges are: varied regional coverage; limitations in adapting technology packages to individual contexts; and, the restricted operating space for private service providers. According to a study in North West Ethiopia²⁶, 45% of farmers were dissatisfied with the services and pointed out i.a. limited technology choices, high input prices, inconvenient loan system and undefined boundary between extension and local politics. Primary information sources also stress that DAs tend to favour men, training is more focused on male farmers by male DAs, gender issues nor women's interests are rarely in the curriculum, and that less than half out of 103 woreda level gender experts in Amhara are women. To reduce the top-down approach, there is room for improvement also in involving

²⁰ Ambaye, W. Daniel. 2015.

²¹ CSA & ICF Int. 2012. 2011.

²² UN-HABITAT & GLTN. 2014.

²³ According to the World Bank (2016) the overall youth unemployment rate for Ethiopia is estimated to be 7,1%.

²⁴ Atnafu et. al. (2014)

²⁵ According to the ATA, there are currently 12 500 FTCs and a goal to establish one for each kebele each staffed with at least three DAs. The aim of ingoing agricultural transformation process is to provide agro-ecology based, market-oriented, climate resilient and gender-sensitive extension services for various segments of farmers.

²⁶ Elias, A. et al. (2015)

farmers in planning processes, developing market-orientation, and acknowledging indigenous knowledge and innovation by farmers themselves.

Transparency often relates to the overall level of corruption²⁷, but at a project level it also covers such issues as farmers' **access to information** on markets, volumes and prices; open information and community involvement in connection with **land allocation** specifically for large scale agri-investments (considering the fact that land is the main socio-economic asset); as well as openness and **accountability of organisations**, which dominate in terms of farmers accessing inputs, markets and information. The pilot AgroBIG has already acknowledged market information as a crucial factor in developing functional and inclusive value chains. Important to ensure is the accessibility by the less powerful groups. At national level there are efforts to increase transparency in land administration, but there is evidence of bribery, informal fees and state capture, as well as elements in the current land administration system such as unclear land policies, lack of public participation and capacity limitations that undermine transparency.²⁸ As regards rural organisations, cooperatives²⁹ are the dominant form of farmer organization in terms of input/output marketing and savings and credit. The international best practice indicates that to ensure success they should be farmer-owned and have a certain degree of autonomy³⁰. However, according to the Cooperative Promotion Agency (CPA) of Amhara, everyone should be a member of a primary society, the CPA supports and regulates the establishment of cooperatives and audits their performance (current law prohibits external auditors), and there is a general tendency to make all emerging farmers groups eventually to merge into cooperatives. There is an element of concern here, as the cooperative philosophy is very fundamentally based on voluntary membership, not one that is coerced. Similarly, with CPA both the promoter and the auditor, there is a fundamental failure to provide the separation of duties that is so important to preserving transparency.

²⁷ According to Transparency International the Corruption Perceptions Index in 2015 for Ethiopia was 33/100 (from highly corrupt to very clean) and country ranking 103/168.

²⁸ U4. 2014.

²⁹ According to Amhara CPA, there are 13 000 primary societies with 23% of FHHs, 67 cooperative unions, 23 multipurpose cooperatives and 26 Rural Credit and Savings Cooperatives (SACCO) in the region.

³⁰ FAO. 2012.

Annex 13. Social Vulnerability and Gender Analysis

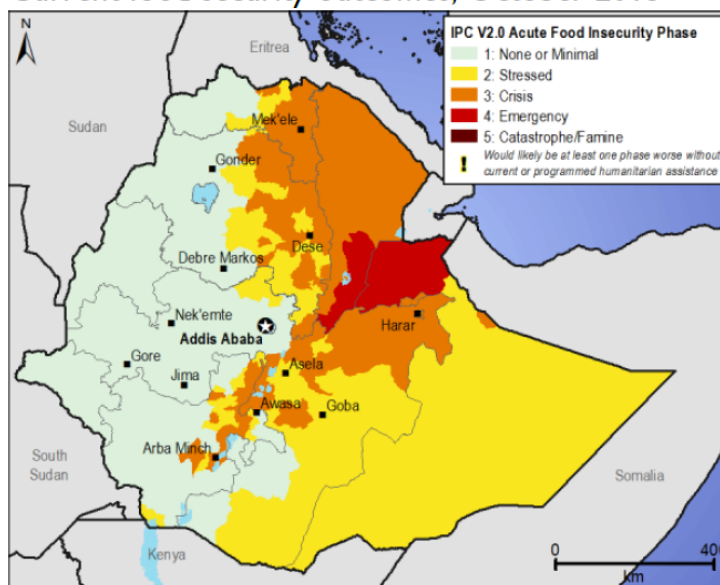
Social Vulnerability Analysis

Vulnerability and poverty in rural Ethiopia are strongly linked to household characteristics, asset holdings, off-farm income generating opportunities and access to public services such as credit and agricultural extension. Households (HH) with female heads and chronically ill members as well as elderly headed HHs looking after orphans, are most vulnerable to shocks and have limited coping strategies. The asset holding-status of households also correlates strongly with their resilience to shocks and their ability to cope with those, for example, their land holding, quality of land, food stock and labour availability, as well as financial income from agricultural and non-agricultural activities.

The Productive Safety Net Programme (PSNP)³¹ targets HHs that have faced continuous food shortages over the last three years, are acutely food-insecure due to a shock resulting in the severe loss of assets, and lack adequate family support and other means of social protection. The PSNP identifies the most vulnerable as: 1) women in MHHs and FHHs; 2) polygamous HHs; 3) pastoralist HHs; 3) unemployed rural youth; 4) HHs unable to provide public works labour such as the elderly, people living with HIV/AIDS and labour-poor HHs; 5) new residents in the woreda; and 6) children.

Even if the population in Amhara falling below the poverty line has significantly reduced, according to a relatively recent Comprehensive Food Security and Vulnerability Analysis by the Ethiopia Central Statistical Agency (CSA) and World Food Programme (WFP), Amhara has some of the highest prevalence rates for food energy deficient HHs (49%), food poverty (35%) and consumption/ expenditure on food and non-food essentials³² and 24% of the population is below the absolute poverty line. According to the Regional Disaster Prevention and Food Security Coordination Office, there are 64 woredas currently regarded as food insecure out of the total 164 woredas, mostly located in the eastern part of the region. The adjacent map illustrates that food insecurity, caused predominantly by recent droughts, affects particularly the zones and woredas to the East from Lake Tana.

Current food security outcomes, October 2015



Source: FEWS NET

The AgroBIG II programme is targeting the economically enabled people in woredas around the Lake Tana which fall under the Tana Beles Growth Corridor. In this context, the most relevant categorizations of vulnerability are **women in MHHs and FHHs**, and **unemployed rural youth**. Gender and age are factors linked to inclusion and exclusion. More detailed gender analysis is given below. The constraints faced by youth are addressed under the Assessment of Social Inclusion and Responsibility, because the single most crucial factor causing youth exclusion from agriculture and agribusiness is the lack of access to land and appropriate education.

³¹ PSNP is major GoE/multi-donor programme addressing food insecurity in whole of Ethiopia since 2005 and providing cash and food transfers for vulnerable households against a requirement for able-bodied HH members to participate in productive public works.

³² Diet quantity = 2,550 kilocalories per adult equivalent per day; 2010/11 food poverty line 1,985 ETB

Gender Analysis

This analysis is based on an assessment on the prevalence of issues raised in the Vulnerability and Empowerment Assessment for pilot Phase AgroBIG conducted in 2010, the AgroBIG Gender study on onion and potato value chains, a number of other studies and research papers relevant for the topic³³, as well as field observations and interviews made during programme formulation with AgroBIG beneficiaries and stakeholders.

The population in the Amhara Region in the end of fiscal year 2014/2015 was 20.4 million, of which 50% were women and men, respectively. The rural population was approximately 17.1 million, or 83 % of overall population. Percentage share of age groups of 0-14 and 15-64 was 40% and 56% respectively³⁴. According to the latest Census Report from 2007³⁵, 83% of the population were Orthodox Christians and 17% were Muslims, which is assumed to be representative also of the current situation. The population of the zones around Lake Tana is as follows: West Gojjam 2.5 million, North Gonder 3.6 million and South Gonder 2.4 million, and the percentages for rural population and for sex follow more or less the same division as for the whole region.

Aggregate indicators for gender equality continue to be somewhat disappointing, even if Ethiopia has ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) already in 1981. The Social Institutions and Gender Index (SIGI)³⁶ indicate high level of discrimination against women. The SIGI covers such areas as discriminatory family code, restricted physical integrity, son bias, restricted civil liberties and restricted resources and assets, of which the last category is the most relevant for agriculture/agribusiness related interventions. This category covers access to land, non-land assets and financial services, and indicate a high level of discrimination. As an example, in its latest CEDAW report, the GoE described several barriers to women's access to credit; limited awareness about credit availability, lack of collateral and economic stability, and general lack of trust of women in society.

The policy framework for gender equality has improved tremendously over the past few years; for example the the GTP II emphasizes the need for ensuring women and youth empowerment, participation and equality . It also sets 30% as a target for proportion of rural women farmers benefitting from extension services. The Ministry of Women and Children Affairs (MoWCA) at federal level and the Bureau of Women and Children (BoWC) at regional level are mandated to ensure mainstreaming of gender issues in different sectors. The Amhara BoWC has separate processes (departments) for gender mainstreaming and women participation/mobilisation. It supports other offices in mainstreaming activities and provides tools for conducting gender audits and analysis to identify gaps. However, the formulation team did not access any of these tools or documents. Importantly, the Women, Children and Youth Directorate (WCYD) of the Ministry of Agriculture (MoA) has developed sector specific gender mainstreaming guidelines and checklists. However, the focus seems to be more on numerical targets than on addressing the structural barriers and ensuring equal benefits.

Major barriers still exist for women to benefit equally. Generally speaking, women continue to be more vulnerable due to lack of education³⁷, prevalent gender bias, social and cultural norms, as well as their reproductive and productive roles. This causes lower decision-making power and mobility, and lack of access to inputs, assets, market information, technologies and profits. Vulnerability is further exacerbated in case of external shocks such as the recent drought, which has increased health problems due to water scarcity as well as women's workload due to distance in collecting water and firewood; caused malnutrition and loss

³³ See list of references for details: Women's Participation in Agricultural Cooperatives in Ethiopia; Women's workload and their role in agricultural production in Ambo district, Ethiopia; Business Enabling Environment Assessment.

³⁴ Planning Commission (BoFEC). Development Indicators of the Amhara National Regional State (2014/2015). Dec 2015. Bahir Dar.

³⁵ The next Census is foreseen to be conducted in 2017.

³⁶ The OECD Development Centre's SIGI index is a cross-country measure of discrimination against women in social institutions such as formal/informal laws, social norms and practices.

³⁷ In a study of women's workload and role in agriculture in Ambo district, 60% of randomly selected women were found to be illiterate.

of food, livestock, reduced wage employment and cash available for services; increased male out-migration and divorce rates due to men migrating for wage labour; as well as higher drop-out rates from schools. Also such harmful practices as female genital mutilation (FGM) and early marriage continue to be widespread also in the woredas where AgroBIG operates.

Gender roles in agriculture are evident in the pilot Phase AgroBIG woredas of Mecha and Fogera, and there is strong evidence of inequality in the division of labour, access to and control over property and on decision-making in household and community affairs. Men are mainly responsible for productive and community/public activities, while women are responsible for domestic and reproductive activities such as fire wood and water collection and caring for the sick. Men are primarily responsible for tasks considered heavier and more technical such as clearing land, ploughing, harvesting crops and maintaining farm equipment, whereas women are involved in seed selection, planting, fertilizer application, watering, weeding, harvesting and transporting. Weeding, in particular, is regarded as being tedious and back-breaking, which exacerbate women's workload compared to men. Also the simple fact that women are not involved in ploughing of land makes their contribution largely ignored. Specific issues in the potato value chain are women's time-consuming responsibility for watering fields as well as their restricted mobility in terms of being potato wholesalers. As regards onion value chain, women spend 8 hours (compared to 10 hrs for men) on top of their household responsibilities in the field, and report constraints in mobility, time, access to information, capital and skills. Lack of mobility also affects women's ability to participate in trainings far from their homesteads. The below table provides information on major logframe indicators of Phase I disaggregated by sex. As indicated below, volumes, values and yields are smaller for FHHs than for MHHs.

| Results of major logframe indicators disaggregated by gender | | | | | | | | |
|--|-------|--------|--------|--------|-------|--------|-------|--------|
| Indicators | Onion | | Potato | | Maize | | Rice | |
| | Male | Female | Male | Female | Male | Female | Male | Female |
| Volume | 28 | 16 | 16 | 11 | 28 | 13 | 18 | 8 |
| Value | 16315 | 10710 | 4819 | 4703 | 9361 | 4048 | 19297 | 6465 |
| Yield | 115 | 90 | 130 | 97 | 44 | 42 | 23 | 17 |
| Farm gate price | 682 | 668 | 331 | 314 | 338 | 316 | 953 | 938 |
| Post-harvest losses | 7.57% | 2.68% | 7.41% | 5.04% | 1.26% | 3.49% | 2.68% | 2.87% |

Unequal power relations and resource distribution is apparent also as regards land – land tenure, distribution, ownership and inheritance. Even if women's land rights are better protected with the new regional proclamations³⁸, there are real-life examples of severe disrespect for women's rights. Particularly upon divorce or death of husband, women are frequently pressured by male relatives to give away land, but fear taking issues to court. FHHs (reported to be 10-12% of all HHs in pilot Phase AgroBIG woredas) are generally even more disadvantaged, since plot sizes are smaller compared to MHHs and the proportion of cultivable land is less. Women, FHHs and particularly women in MHHs, also have less and limited access to such assets as farming tools, marketable products, and technologies. In MHHs, they also lack control and decision making power over family affairs and resources, and men often take decisions on what, when, where to grow and what portion of the produce to sell and use for consumption.

In the context of AgroBIG and based on surveys conducted during Phase I (see the table below), FHHs' plots are smaller than those for MHHs. They also use less inputs, and improved seed is most limited within inputs they can access. However, what is striking is that FHHs hold more land certificates, and also practice more water harvesting than MHHs among those part of the survey.

³⁸ ANRS rural land administration and use proclamation no. 133/2006.

| Land area, certificate and input use disaggregated by gender | | |
|--|--------|--------|
| | Male | Female |
| Land Area (ha) | 1.36 | 0.93 |
| Having of Land Certificate | 52.3% | 66.7% |
| Use of Improved seed | 54.9% | 33.3% |
| Use chemical pesticide | 86% | 61% |
| Application of in organic fertilizer | 98% | 88.9% |
| Use of water harvesting technologies | 32.80% | 50.00% |

Women's participation in agricultural cooperatives is limited due to the barriers described above. Land ownership is often a requirement for membership and the general rule of one member per HH means that is the generally the men that assume that membership. Married women are particularly excluded, and in general there seems to be a lower percentage of female membership in Mecha and Fogera cooperatives compared to the national average. Nationally, there is a 50% target for female participants, and according to regional authorities in Amhara the current proportion is 35%. However, it was reported that out of the 3.7 million HHs in Amhara belonging to cooperatives, only 23% were FHHs. Primary information from Mecha woreda paints, however, a much more unequal picture. Compared to the national average of 18 % of cooperatives reporting women in leadership positions, in Mecha there are no female chairpersons. Also only 1-2 of the 7-member management committees are women. Cooperatives are classified according to what activities they engage in and only one primary society pursuing a distinct objective can register in a given area. Therefore, women in certain geographical areas are advocating for multiple, same-purpose cooperatives to be allowed in order to increase their power and benefits.

Access to finance is regarded as a major constraint for women's livelihoods and business activities. Women own fewer assets (land, house) that can be used as collateral for a loan, and considering also the overall challenges in financial inclusion in Ethiopia³⁹, this means that women's access to finance is seriously constrained. Traditionally, women belong to informal and mutual credit mechanisms such as rotating or accumulating savings groups (called 'Wochich' or 'Equib'), or can in theory access funding from government's credit schemes. The BoWC runs a Women's Fund (with funding from e.g. by UNICEF, ILO), but has limited resources. Grassroots level savings and credit schemes and women SACCOs are generally only able to make very small loans because the credit they can make available is determined by their debt sheet (deposits). Interestingly, women form the majority of ACSI's clients, and are reported to do this to avoid men's interference. Loan defaults amongst SACCOs, SACCOs and banks are generally reported to be very low (30day PARS typically <1.5%) and women are always reported to reliably repay their loans. High interest rates (typically +/- 15%⁴⁰) and low asset valuation (for collateralised loans) are cited as discouraging lending. In case of commercial banks, the main issues cited are lengthy and bureaucratic loan application processes.

³⁹ According to the World Bank's Enterprise Surveys, access to finance is perceived as the main business environment constraint by micro (41%), small (36%), and medium (29%) enterprises in Ethiopia, compared to a Sub-Saharan Africa average of 24%, 20%, and 16% respectively, www.worldbank.org/en/news/feature/2015/11/16/financing-women-entrepreneurs-in-ethiopia

⁴⁰ A note on interest rates. With inflation running at around 9%, the real cost of money is then 6% which is exceptionally low for lower-tier lending. This argument is often heard in economies where financial literacy is lower. Universal evidence is that the quality of the loan application is far more determinant to success than plus-or-minus a few percentage points on the interest rate.

Annex 14. Assessments on environmental impact and climate sustainability

A guiding principle of the Ministry for Foreign Affairs (MFA) of Finland is that the development programmes it supports shall **do no harm to the environment**. Where possible, programmes should strive to increase resilience amongst target populations to **ensure that efforts advance sustainable development** even in the face of environmental and climate-related risks and hazards. The development cooperation programmes and projects of the MFA Finland can be categorized into three groups based on estimated climate impacts. AgroBIG II belongs to the second category; being a Programme that “*supports management of natural resources, including water management, land use and forestry activities*”.

The aim of this assessment is to ensure that the cross-cutting themes of climate sustainability, disaster risk reduction and environment are adequately considered and systematically integrated in the Programme implementation by: (1) assessing the environment and climate risks of the Programme area; and, (2) identifying concrete avenues for the Programme to incorporate further efforts for environmental and climate sustainability in the second phase.

Environmental, Climate Change and Disaster Risk Reduction Policies of Ethiopia

The Government of Ethiopia (GoE) has issued various strategic and institutional frameworks to be applied in an effort to mainstream environment, climate change and disaster risk reduction in all its activities. The regulatory frameworks range from the supreme law of the country, the constitution, to various specific environmental standards, whereas the institutional arrangements extended from the federal to the local levels.

One of the major policy framework documents with respect to environmental management of Ethiopia is the **National Environmental Policy** approved in 1997. This policy was the impetus for the creation of the Environmental Protection Authority (EPA) and the EIA Proclamation of 2002. Another relevant policy is the National Policy on Biodiversity Conservation and Research that was issued in 1998. Ethiopia’s Constitution incorporates a number of provisions relevant to the protection, sustainable use, and improvement of the country’s environment. Article 44, for example, guarantees “*the right to a clean and healthy environment*,” while Article 43 pledges “*the right . . . to sustainable development*.”

Policies, laws and strategies relevant to **climate change** in Ethiopia include the Climate Resilient Green Economy Strategy⁴¹ (2011), National Adaptation Program of Action (NAPA), Ethiopian Programme of Adaptation to Climate Change (EPACC) of 2011, Nationally Appropriate Mitigation Actions (NAMA) of 2010, Rural Development Policy and Strategies (2003), the second Growth and Transformation Plan (GTP II), and CAADP Compact. Policies are mainstreamed in sectoral programmes which are implemented at the federal, regional and woreda levels.⁴²

A new 2013 policy provides for a comprehensive framework of **disaster risk management (DRN)** measures, and is an amendment of the 1993 National policy on disaster prevention and management. It includes general directions and major implementation strategies, including on a decentralized DRM system, early warning and risk assessment, information management, capacity building, and on integration of disaster risk reduction into development plans. Further to these; Ethiopia is signatory to a number of **multilateral agreements** that have a bearing on the **sustainable development** efforts of the country; including the United Nations Framework Convention on Climate Change (1994), the Convention on Biological Diversity (CBD) and the United Nations Convention to Combat Desertification (UNCCD). On the other hand; Ethiopia has not yet ratified the Ramsar Convention despite the fact that the country has wetlands in some pocket areas, most significantly around Lake Tana.

⁴¹ The Climate Resilient Green Economy Strategy known as CRGE is a high-profile initiative which takes an economy-wide approach to greenhouse gas reduction and is a key agenda in GTP II.

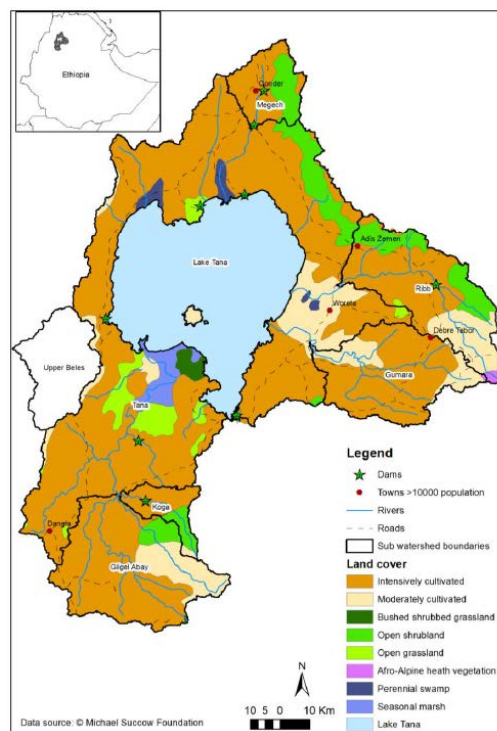
⁴² In woredas; preparations and implementation of environmental management plans is on-going, including the scaling up of the protection and conservation practices (water, forestry) through community participation.

The **Ministry of Environment, Forest and Climate Change** is the federal institution responsible for ensuring the realization of the environmental rights, goals, objectives and basic principles enshrined in the Constitution, and is the lead organization for overseeing the implementation of many of the above-mentioned strategies (e.g. Climate Resilient Green Economy Strategy).

Environmental and Climate Concerns around Lake Tana Basin in Amhara Region

Most of Amhara is on the highland plateau and is characterized by rugged mountains, hills, plateaus, valleys and gorges. About 60% of the total area is used for cultivation and grazing (30% each), 17% is under forests, woodlands and shrub lands, 4% is covered by water bodies, 3% is occupied by settlements and 16% is a wasteland.⁴³ The proposed **Programme target areas/ clusters are located in the vicinity of Lake Tana**, the largest national freshwater body, and source of the Blue Nile River. The lake basin is an environmentally-sensitive area; whose surroundings are wetlands and seasonal floodplains. See the adjacent land-use map of Lake Tana Sub basin⁴⁴

The **Lake Tana biosphere reserve** (including the wetlands as core, buffer zones) was established in 2014. During and after the rainy season, Rib River approaches the level of Lake Tana, water overflows its banks and floods the surrounding area. The same is true for Gumara though it causes less flooding than Rib. During dry season, the water retreats and the flood area is used for seasonal grazing and retreat cultivation. Some of the main **environment and climate related challenges of the sub basin area** are described below.



Rainfall variability imposes crop production risks, especially on rain-fed subsistence systems. Inter-annual and **seasonal variability of rainfall** (fluctuation of onset dates and end dates) is a major cause of fluctuations in production of cereals in Amhara region.⁴⁵ *Kiremt* season (June-September) is the main rainy season when water bodies can capture the highest volumes of water. During this time; there is a probability of climate-related hazards such as **floods, flash floods and landslides**.⁴⁶ The possibility of water resources reduction is also major threat in the area. The effect of climate change has the potential to cause agricultural **drought** unless there is ample water available for irrigation.⁴⁷ Of the 140 woredas at present reported in Amhara, 48 are considered to be drought-prone and chronically food-insecure.⁴⁸ Furthermore, variation in monthly and inter-annual minimum and maximum **temperature patterns** has been noted although maximum temperatures show significant **warming trends**.⁴⁹

⁴³ Characterizing the Climate System of Western Amhara, Ethiopia. American Journal of Research Comm. 2013, 1(10).

⁴⁴ Tackling Complexity: Understanding the Food-Energy-Environment Nexus in Ethiopia's Lake Tana Sub-basin. Water Alternatives 2015 8(1).

⁴⁵ CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS). Climate Change Vulnerability and Risk Assessment of Agriculture and Food Security in Ethiopia. 2013.

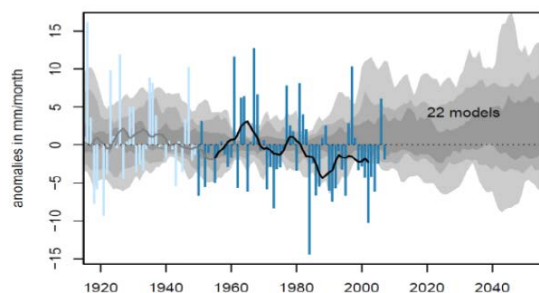
⁴⁶ National Meteorological Agency. Annual Climate Bulletin. 2013.

⁴⁷ Impact of climate change on the hydroclimatology of Lake Tana Basin, Ethiopia. 2011.

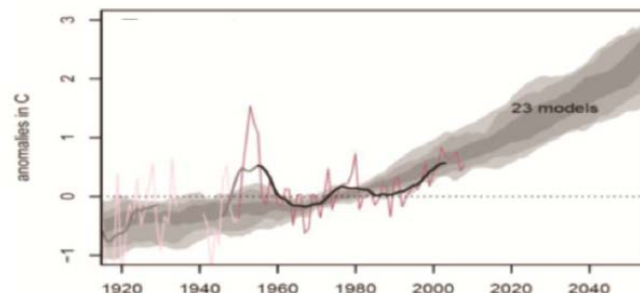
⁴⁸ State of the Environment Report for Amhara Region. BoEPLUA. 2015.

⁴⁹ Characterizing the Climate System of Western Amhara, Ethiopia. American Journal of Research Comm. 2013, 1(10).

The figures below show changes in precipitation temperature (below) in Ethiopia as projected by various global climate models: increases in the inter-annual variability of precipitation in combination with a warming trend.⁵⁰



Source: Brohan et al. 2006



Source: Schneider et al. 2008

Warming climate accelerates the spread of **plant diseases**; in addition to late blight, bacterial wilt has become common very recently and irrigation water is one cause for the dissemination of the bacteria. Another important environmental factor is **soil quality**. The Koga irrigation command area to the south of the lake, for example, is characterized by acidic and nutrient deficient (nitrogen and phosphate) soils.⁵¹ Soil acidity in the area has an impact on agricultural production- e.g. small onion bulb size and low yields, which means that it requires higher volume fertilizer application - increasing **emissions** of nitrous oxide.

Poor land use and management practices and erosion are major causes of **environmental degradation** in the area, which includes induces topsoil loss and increasing **siltation of water bodies**, with subsequent reduction in water-storage capacity of the Lake Tana.⁵² A large amount of biomass, including manure and crop residues, is being removed for cooking purposes removing nutrients and organic matter from the soils with resulting **soil degradation**. Meanwhile, excessive recession farming in degraded wetlands, overgrazing and fuel-wood collection increasingly threaten wetlands and the few remaining forests.⁵³

Heavy use of inorganic fertilizers and pesticides upstream, as well as modifications to the hydrological regime are also a threat to biodiversity, including the **habitat destruction** of a large number of endemic bird species and the traditional Fogera cattle population. Land tenure insecurity has factored into the increasing **land degradation** problem in Ethiopia; undermining land users' motivation to invest in sustainable land management practices.

Environmental pollution caused by extensive use and haphazard application of agro-chemicals, the inflow of nutrient rich water from urban and agricultural runoff, deforestation, products of industrial waste and insufficient wastewater treatment also stimulates the growth of **invasive, alien plant species**. Water hyacinth (*Eichhornia crassipes*), for example, is a serious problem around the Lake Tana area.⁵⁴ Threats posed by water hyacinth include destruction of biodiversity, reduced water quality, breeding ground for pests and vectors, and blockage of waterways hampering agricultural and fishing activities.

Recommended strategies for mainstreaming environment and climate sustainability

By promotion of climate and environmental sustainability, AgroBIG II aims to increase the resilience amongst Programme stakeholders and beneficiaries to ensure that efforts towards sustainable growth and decent

⁵⁰ CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS). Climate Change Vulnerability and Risk Assessment of Agriculture and Food Security in Ethiopia. 2013.

⁵¹ Environmental Assessment Report. AgroBIG. 2013.

⁵² Environmental Assessment Report. AgroBIG 2013,

⁵³ Tackling Complexity: Understanding the Food-Energy-Environment Nexus in Ethiopia's Lake Tana Sub-basin. Water Alternatives 2015 8(1).

⁵⁴ CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS). Climate Change Vulnerability and Risk Assessment of Agriculture and Food Security in Ethiopia. 2013.

livelihoods advance even in the face of environmental and climate-related risks and hazards. It should be noted, however, that without the involvement of women (half the population of resource-users) it is impossible to protect the natural resources of Amhara, and therefore, their participation is indispensable. There are several strategies that the Programme can apply to reduce the environmental and climate-related risks mentioned in the previous chapter. These are outlined below.

Agri-finance

- The partnering financial institution(s) should be supported in the **development of new ‘climate-smart’ loan/grant products for farmers and SMEs**, as well as participate actively in discussions on how to **promote a more sustainable, climate-friendly approach to business**. In the given context, this will be to promote practical and useful activities or techniques that also provide additionality, such as cultivation that conserves moisture, reduces run-off and maintains organic matter.
- Though not generally practical for smaller loans/ grants; larger funding applications and proposed activities for financing should be *climate screened*- the partnering financial institution(s) should be supported to **incorporate environment and climate risk into their risk management portfolios**. Risk should be analysed through an internal risk review process which takes into account sector policies and guidelines to set out the **environmental standards** that clients are expected to observe.
- Where insurances become available, for example weather indexed crop insurance, they should be promoted. This is an important means of protecting farmers’ livelihoods in times of drought, floods or related hazards.
- Business development advisory services should include at least basic **climate-smart and environmentally-friendly** messaging for their clients, tailored to their circumstances. At the least, clients need to understand what national law and the regulatory framework require of them.

Value Chain Services

- Climate-screening tools should be applied (e.g. Climate Vulnerability and Capacity Analysis to **identify livelihood activities that reduce key climate vulnerabilities and build resilience**. Again, these should be first and foremost practical undertakings that farmers can appreciate provide additionality, for example, their soil husbandry practices and more actively practicing crop rotations.
- Similarly, **investment should be screened** and good, practical solutions to reduce negative environmental impacts should be offered to investors, for example through the Amhara Investment Commission.
- Assistance should be provided to private actors and SMEs to grow their businesses with **climate-smart and environmentally-friendly financing, advice, insurance and marketing** of their produce.
- The Programme should support **identification of where climate change impacts are of greatest concern** for private sector actors to enable targeted action; e.g. where agricultural supply chains are causing the greatest volumes of GHG emissions.

Farm Production

- The Programme should, via various channels (e.g. the customer support units of the partnering financial institution), **provide hands-on coaching and demonstration to farmers in Climate-Smart Agriculture (CSA) and environmentally-friendly agronomic practices**.
- Ideally, the **environment should be made part of household’s investment on business**: once farmers are aware of the negative effect of any action on the environment, they will start to invest. For example, if advised well, farmers will be willing to pay a service fee for chemical sprayers instead of haphazardly applying toxic agrochemicals by themselves.

Recommended farm-level strategies for the management and mitigation of selected environment and climate related issues around the Lake Tana sub basin are detailed in the table below.

Table 1. Selected environment and climate related issues of the Lake Tana sub basin area and proposed farm-level management and mitigation strategies.

| Critical Issue | Risk/ Impact | Management Strategy and Mitigation Measures |
|---|---|--|
| Drought | Drought can destroy a smallholder's crops, forcing farmers to sell or consume their plough animals in order to survive. The frequency and intensity of drought is likely to increase over the coming decades due to climate change, and is likely to reduce ROI on agriculture and limit participation by risk-averse HHs. | Promotion of CSA practices (drought-resistant crop varieties, soil-conserving cultivation technologies) and increasing access to irrigation systems will provide some buffering of risks, as long as there is sufficient water available (the well digging groups can support access to water by farmers). In addition, coaching farmers on water use efficiency and improved irrigation techniques is important. |
| Floods | Floods can destroy investments in agriculture and business (e.g. livestock deaths from drowning and water-borne diseases, crop and storage infrastructure damage etc.), cause soil erosion and depletion of soil nutrients and biodiversity, and lead to the siltation of water bodies. | Promotion of CSA practices including proper cultivation and post-harvest storage techniques. Decrease mono-cropping. Rooftop rainwater harvesting can also prevent local erosion and flooding caused by runoff generated from buildings in towns or cities. |
| Rainfall and temperature variability | Variability in weather patterns have disrupted crop production and exacerbated food insecurity. The main effects on crop production will be changes in regular crop planting times, length of growing season, and shifts in suitable crop types or cultivars. Consequently, crop failure, water stress, crop disease and high food prices affect the population. | Water harvesting for supplemental irrigation during critical stages of growth, increasing water productivity through cultivar choice and CSA practices such as mulching, which can reduce the soil temperature and conserve water, will be important. Other strategies include provision of weather index-based crop insurance schemes, and ensuring farmer access to local weather information from the regional Meteorology Agency for early warning and informed decisions. Farmers should also be encouraged to diversify on-farm with other crops and enterprises. |
| Land degradation | Land degradation is a major contributor to declining agricultural productivity, depleting water resources (increasing sedimentation), recurrent floods, and food insecurity. Soil degradation affects soil quality (high levels of erosion and soil acidity), watershed quality (the Rib irrigation scheme marsh areas have decreased in extent due to draining and the recent expansion of seasonal cultivation), forest quality (deforestation for fuel wood and construction). | Assess the effect of fast-growing, exotic species such as <i>Eucalyptus spp.</i> on the environment (known to cause soil degradation). Encourage CSA practices such as agroforestry - beneficial to sustainable use of soil water resources and carbon sequestration and other improved agronomic techniques especially for cultivation on steep slopes and marginal lands; such as terracing , conservation agriculture (minimum tillage, crop rotation and mulch management), contour bund construction, ridging and furrowing. Address the high cost and trade-offs associated with adopting some of the best land management practices. Cooperate with REILA to consolidate land user rights via second level registration and certification. Increase collaboration with MFA funded ICI project ⁵⁵ to further analyse soil health in project areas for possible joint interventions. Consider application of lime which neutralises soil acidity and increases activity of soil bacteria. Involve the farmers in sustainable land management f.ex. by increasing awareness and self-help and incentive-based management approaches. |

⁵⁵ Improving the food security of Ethiopia: Assessment of Soil Amendment Rock Resources and Balanced Application of Fertilizer and Soil Conditioners in Ethiopia (by Geological Surveys of Finland and Ethiopia, and the Ministry of Agriculture of Ethiopia).

| Critical Issue | Risk/ Impact | Management Strategy and Mitigation Measures |
|--------------------------------|---|--|
| Environmental Pollution | Environmental pollution via chemical and waste mismanagement are an issue. The agriculture sector is the principal source of Nitrous Oxide emissions mainly as a result of fertilizer use in agricultural soils. Run off from agricultural fields, laden with pesticides and fertilizers, and improper waste disposal pollute water bodies. Biodiversity is affected either directly) or indirectly by altering the habitat such as water, soil, etc. | Farmers need to be advised on improved agronomic practices rather than agro-chemical application for pests and disease control; or environmentally-friendly chemicals and organic fertilizers should be promoted. Farmers and extension workers should be trained in proper application and disposal of agro-chemicals and professional spraying service organized by rural youth should continue to be supported. Landless youth could also be engaged in waste management activities. Recycling and recovery of waste products from agricultural activities (e.g. peels and residues) should be promoted. Especially, the waste generated at the household level has a direct link with women and thus working with this group can improve the waste collection and disposal facilities in proper manner. |
| Pests and diseases | Product quality remains weak due to plant diseases- the prevalence of some crop diseases increase when climatic conditions are favourable. High temperature leads to propagation of certain diseases particularly bacterial wilt. Further, migratory pest infestation (locusts) has been a serious problem in some parts of the Amhara region. Climate change and pollution are also expanding the range of alien weed species such as water hyacinth and striga; which destroy natural pasture, displace native trees, and reduce grazing potential of rangelands. | Efforts should be made to ensure training in cultivation and storage techniques , and timely and proper utilization of chemicals (e.g. youth sprayer groups). Healthy reproduction material (seeds, seedlings etc.) should be provided, and the use of compost and crop rotation with nitrogen-fixing species to reduce pest and disease build-up should be promoted. Farmers should be made aware of- and coached in best practices for the control of invasive species in their own private land. Changing land use practices in the riparian communities through watershed management will help reduce agricultural runoff as a mechanism for controlling the proliferation of water hyacinth. |

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