**Agricultural Growth and Transformation**

**Strengthening national capacities to enhance agricultural production and productivity**

**Context:**
Agricultural is a key sector for Ethiopia, providing employment to 85% of the population (49.5% of this figure are female according to the latest available census date) and contributing 39% to the country’s GDP and accounting for 85% of the national export earnings.

The agriculture sector has experienced steady growth in Ethiopia since 2004, with the overall trend seen as encouraging, both in terms of overall agricultural production and productivity.

However, the sector continues to suffer from major structural problems. Despite continued effort to strengthen the sector, agriculture remains low input, low-value and subsistence oriented, and is vulnerable to frequent climatic shocks.

The sector requires substantial transformation to sustain the country’s goal of accelerating economic growth, reducing poverty and ensuring food security. To this effect, the Government of Ethiopia established the national Agricultural Transformation Agency (ATA) with the mandate to identify systemic constrains standing in the way of agricultural development and growth; designing solutions that would help achieve sustained structural transformation; and supporting the coordination and integration of agricultural development projects undertaken by various institutions.

Ethiopia’s new Growth Transformation Plan (GTP II) has continued to place great attention to the need for the country to increase productivity and production as a crucial element for ensuring that the nation attains food security and increases export earnings.

**Strategies:**

The intervention seeks to support the country’s efforts aimed at increasing agricultural productivity and commercialization in a sustainable manner. It does this by facilitating the creation of a favorable policy environment; and helping the country build additional knowledge and investment in the sector.

The core strategies are:

- **Institutional capacity development:** Provision of demand-driven support to strengthen operational systems and processes; and facilitating access to innovative solutions for institutional capacity development.

- **Partnership and resource mobilization:** Developing a multi-partner pooled mechanism that will create an enabling environment and facilitate the flow of additional resources to the agricultural sector.

- **Strategic Policy and programmatic support:** Facilitating access to substantive evidence based analytical studies; global knowledge sharing on good practices; analytical tools and models; and demand-driven technical assistance interventions.
Areas of support include:

- Supporting the deployment of senior staff, and facilitating study tours and trainings in order to enhancing the capacity of the Ministry of Agriculture, Agricultural Transformation Agency and regional structures to properly implement GTP II, the national Policy Investment Framework and the five-year Agricultural Growth Programme.
- Facilitating the identification, sourcing, importation and replication of new and proven agricultural technologies.
- Exploring innovations that create a more market-oriented, agro-ecologically adaptive, financially sustainable and gender-sensitive extension system that meets the needs of smallholder farmers and is aligned to research institutions.
- Enhancing strategies related to critical natural resource priorities including integrated soil fertility management, watershed management, environmental sustainability, land-use, cropping practices.
- Strengthening the seed sector by expanding the availability and adoption of improved seeds in hybrid, open and self-pollinating varieties of cereals and high value-crops.
- Enhancing input markets by improving farmers’ access to high quality inputs such as seeds, fertilizer and financial services.
- Improving output market value chains by strengthening the link between smallholder production systems and local and export markets for priority commodities.
- Supporting the National Agricultural-Products Quality Infrastructure (NAPQI) to institute an end-to-end quality framework for the entire agricultural sector through investments in national and regional laboratories to address quality issues concerning outputs and agricultural inputs, as well as production mediums such as soil, water and air.

**Progress to Date**

- UNDP successfully supported the introduction of new technologies and practices such as the **Teff Improved Seed Variety, Row Planting, and Reduced Seed Rate (TIRR)** technology package. In 2015, 2.2 million farmers, (33% of teff growers in Ethiopia) are estimated to have accessed the TIRR package, accounting for 36% of teff cultivated land in the country (1.1 million hectares). During the years 2011 and 2015, the scaling-up of the TIRR intervention has contributed to a national increase in teff production and productivity of 38% and 21% respectively.
- A **direct seed marketing (DSM)** approach, introducing well-trained private retailers in 70 woredas across 4 regions, has helped expand smallholder farmers’ access to inputs. The private retailers complement the existing primary cooperatives in distributing improved seeds to smallholder farmers. The increased retail channels and competition increased the volume of seeds marketed and it also reduced carryover stock as well as addressing the mismatch between supply and demand.
- 1.9 farmers’ in Amhara, Tigray and SNNPR have been able to access 2.3 million quintals of agricultural inputs worth 3.1 billion Birr in 2015 due to the Input Voucher System (IVS), which is part of an overall Rural Financial Services (RFS) strategy. This approach has helped address challenges related to costs and accessing inputs, credit and appropriate improved technology packages.
- UNDP also supported the development and launch of the **mid-term strategy for cooperatives and seeds technology** improvement. The **Ethiopian Soil Information System (EthiSIS)** helps improve agricultural land use and boost efficient use of fertilizers across agro-ecological zones in the country.
- Smallholder farmers are now able to make more informed decisions about their farming practices through accessing an Interactive Voice Response (IVR) and Short Message Service (SMS) platform that was developed to deliver real-time and pertinent agronomic information. In 2015, more than 1.1 million registered callers logged 7.3 million phone calls.