

ETHIOPIA STRATEGY

2021-2025



CONTENTS

EXECUTIVE SUMMARY	2
1. ORGANISATIONAL DESCRIPTION	4
2. VISION, MISSION, AND VALUES	5
3. GEOGRAPHIC SCOPE	5
4. AREAS OF STRATEGIC OBJECTIVES	7
4.1 Agriculture	7
4.2 Market engagement	7
4.3 Environment	7
4.4 Gender equality and youth employment	7
4.5 Operational effectiveness	8
5. CONTEXT	8
5.1 Alignment with Ethiopia’s national development plans, policies, and strategies	9
5.2 Alignment with global Sustainable Development Goals	10
5.3 Alignment with Farm Africa’s five-year strategy	11
5.4 Building on our best experiences through progressive learning	11
6. STRATEGIC AREAS OF FOCUS AND APPROACHES	14
6.1 Thematic areas of focus	14
6.2 Thematic approaches	16
6.2.1 Integrated landscape management approach	17
6.2.2 Management of forests and rangelands resources	18
6.2.3 Food security and agricultural productivity	18
6.2.4 Climate-smart and regenerative agriculture	20
6.2.5 Market systems development / private sector engagement	20
6.2.6 Inclusive value chains	21
6.2.7 Private sector engagement and development of commercial partnerships	21
6.2.8 Green energy strategy	22
6.2.9 Partnerships and influencing	22
7. SUSTAINABLE FINANCIAL FUTURE	22

EXECUTIVE SUMMARY

Farm Africa's mission is to promote sustainable agricultural practices, strengthen markets and protect the environment in rural Africa. Farm Africa's mission and strategy are well aligned with the national development plans, policies, and the UN's Sustainable Development Goals (SDGs). Reaching the poorest people in Ethiopia has long been recognised as the toughest development challenge. Climate change, the Russia-Ukraine war and the economic consequences of COVID-19 further make this ambition even harder. Diminishing biodiversity and natural resource degradation threaten rural livelihoods, causing food insecurity and limiting opportunities for the growing numbers of the population. Agriculture is the main livelihood of over 80% of people in rural Ethiopia, but low productivity due to inappropriate practices continues to drive widespread land degradation, biodiversity loss, and land use changes in Ethiopia.

Farming communities wanting to engage in new markets, diversify their income streams and protect their natural resources need support to consolidate those fragile gains. Those who remain on the margins, particularly women and youth, need support to build sustainable livelihoods in the face of climate and economic shocks. Farm Africa has several tested models and approaches that work in addressing these multiple challenges:

- Integrated landscape management approaches (ILM)
- Participatory Forest Management (PFM) and participatory rangeland management (PRM)
- Climate Smart Agriculture (CSA) and Regenerative Agriculture
- Green energy
- Improved crop and livestock production
- Farmer institutional development cooperative approach
- Improved market systems and access to finance
- Agribusinesses and market systems development approaches
- Access to finance (formal and non-formal financial services)
- Private sector engagement
- Business development services models (business advisory and technical support)
- Alternative livelihoods (income generating activities)
- Improved land husbandry and waterbody management
- Integrated urban agriculture
- Green supply value chain (forest coffee, honey, and other non-timber forest products)
- Carbon credits
- Collaboration with the public sector (central and local governments)

Farm Africa's approach in Ethiopia will continue to be based on three thematic pillars:

- ▼ **Agriculture:** By 2025, Farm Africa-Ethiopia will support 300,000 smallholder farmers and agro-pastoralists per year to increase their productivity, household incomes, and resilience to shocks. We will boost livelihoods in several core value chains in Ethiopia.
- ▼ **Market engagement:** By 2025, Farm Africa-Ethiopia will support at least 200 farmer groups, cooperatives, and small and growing businesses to grow sustainably and support private sector partners to transition to sustainable supply chains.
- ▼ **Environment:** By 2025, Farm Africa-Ethiopia will implement integrated landscape management projects, supporting the sustainable management of priority ecosystems, including Bale Eco-region, Majang forest, Yayu Biosphere Reserve, Abjata-Shalla National Park, Siemen Mountains National Park, rangelands and water bodies, degraded ecosystems and drought/flood-prone areas of Ethiopia. We will expand payment for ecosystem services schemes, including carbon sequestration and REDD+ projects.

The three pillars will be underpinned by five cross-cutting themes:

- ▼ **Climate action:** We will work to reduce greenhouse gas emissions and strengthen the resilience and adaptive capacity of communities to climate change
- ▼ **Gender equality:** We will design projects to be gender-sensitive and include meaningful outcomes for women's economic empowerment
- ▼ **Youth employment:** We will emphasise the creation of job opportunities for young people throughout the value chain
- ▼ **Resilience:** We will enhance communities, enterprises, and ecosystems' ability to mitigate and adapt to shocks and sustainably contribute to rural employment
- ▼ **Agri-tech:** We will embrace the use of technology at all stages of the value chains

The concept of food systems – describing the connections between producers, consumers, the environment, and policy - provides a useful way of integrating the approaches and is the lens through which our approaches, interventions, and programs are analysed.

Farm Africa will continue to prioritise interventions that focus on adopting and testing innovative approaches that substantially improve the livelihoods of the poor, while at the same time ensuring the sustainability of environmental resources. The programmes and projects will enable the achievement of the five areas of strategic objectives of Farm Africa in Ethiopia (see section 4) that are envisaged in the overall Farm Africa strategy.

1. ORGANISATIONAL DESCRIPTION

Farm Africa is an international NGO with over 35 years of experience working in agriculture, market engagement, and natural resource management in eastern Africa. With an annual portfolio of USD 15 million supporting approximately two million farmers and their families, Farm Africa works closely with actors in numerous value chains and directly with communities to create prosperity in rural areas, generate employment, and ensure sustainable environmental stewardship. Farm Africa works with smallholder farmers, livestock-herders, and forest communities as well as a diverse range of enterprises across Ethiopia, Tanzania, Kenya, Uganda, and the Democratic Republic of Congo (DRC).

Farm Africa has been operating in Ethiopia for more than 35 years with a long-term mandate to support the country's development and an ambitious vision for driving agricultural growth. As a locally-registered NGO, we are strategically positioned as an ally of local communities, a friend of farmers, and a trusted facilitator between market actors. We have a strong reputation in the region and are recognised as a key actor committed to Ethiopia's development. With an annual portfolio of over 10 million GBP, supporting over 500,000 farmers and their families in Ethiopia, Farm Africa works closely with market players in numerous value chains and directly with communities to create prosperity in rural areas, generate employment, and ensure sustainable environmental stewardship. We have ambitious plans to build on our portfolio of experience to continue and expand our support to rural communities, leveraging the expertise of our team of Ethiopian development professionals and our extensive networks throughout the public and private sectors. Farm Africa has an extensive record of working effectively with farmers' organisations and commercial firms, in collaboration with local government authorities, and strategically with national-level stakeholders across regional states in Ethiopia.

Our strategy aims to build the resilience of rural communities and urban farmers across three core pillars:

AGRICULTURE: We focus on climate-smart agriculture (CSA), regenerative agriculture, access to inputs, and improved agricultural technologies, recognising that responsible environmental stewardship must be balanced with livelihood priorities.

MARKET ENGAGEMENT: We place farmers' access to markets, business development services, and finance at the centre of our work. We support market-oriented production systems, and farmers' interaction with markets through a range of intermediaries including farmer groups, cooperatives, small and medium-sized enterprises (SMEs), and contract farming with larger organisations.

ENVIRONMENT: Our natural resource management work emphasises integrated landscape management with a particular focus on participatory approaches to forest and rangeland management, payment for ecosystem services arrangements, including Reducing Emissions from Deforestation and forest Degradation (REDD+) carbon credits, and green energy technologies.

2. VISION, MISSION AND VALUES

OUR VISION

A resilient rural and urban Africa where people and the environment thrive.

OUR MISSION

To promote sustainable agricultural practices, strengthen markets, and protect the environment in rural Africa.

OUR VALUES

- ▼ **Expert** Expertise and insightful evidence-based solutions are at the heart of everything Farm Africa does.
- ▼ **Grounded** Our teams and partners work closely with local communities, engaging them in every level of decision-making.
- ▼ **Impactful** We deliver long-lasting change for farmers, their families, and the environments they live in.
- ▼ **Bold** We model innovative approaches and are not afraid to challenge strategies that are failing.

3. GEOGRAPHIC SCOPE

Farm Africa has worked in every regional state of Ethiopia, covering all agro-ecologies and livelihood strategies in rural Ethiopia. (Fig. 1).

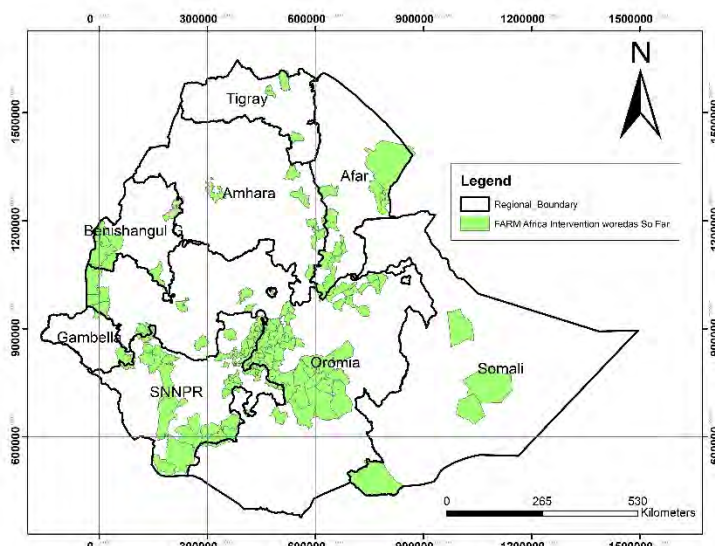


Figure 1: Geographic coverage of Farm Africa's projects in Ethiopia (since 1988 to date)

The strategy for the next five years will continue to capitalise on lessons learned and best experiences from the previous interventions. Farm Africa's five-year strategic plan (2021-2025)¹ acknowledges that the current scale of operations is insufficient to ensure the longer-term sustainability of the programs to achieve impact in line with its ambitions in addressing the challenges in the areas of

agriculture, business, the and environment through its integrated approaches. Therefore, Farm

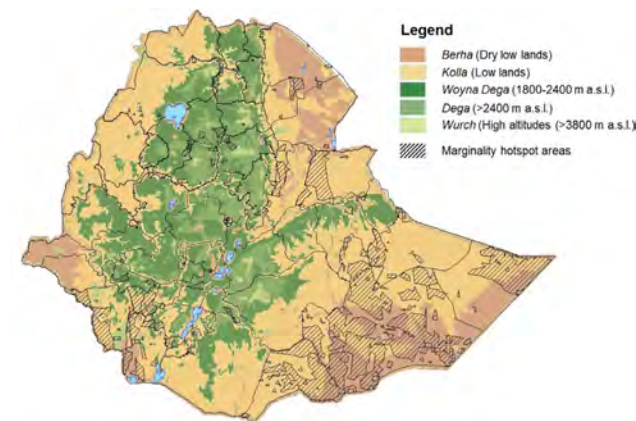
¹ <https://www.farmafrica.org/downloads/2021/farm-africa-strategic-plan-2021--2025.pdf>

Africa will widen its areas of influence in terms of spatial coverage, themes, and alignment with national priorities in Ethiopia.

The five-year strategic plan for Farm Africa in Ethiopia will focus on:

- Areas with severe degradation of natural resources (forest, biodiversity, soil, and water);
- Areas that are identified as hotspots of nature conservation (including parks and biosphere reserves)
- Drought- and flood-prone areas
- Areas that are identified to be under severe poverty and food insecurity
- Areas with potential for cross-border ecological and economic integration (examples, Shebele and Genale-Dawa basins)
- Communities that are identified as multi-dimensionally poor and marginalised.

Figure 2 shows the spatial distribution of the marginality index and the proportion of the population below the poverty line.



Data source: CSA, EDRI & IFPRI (2006)

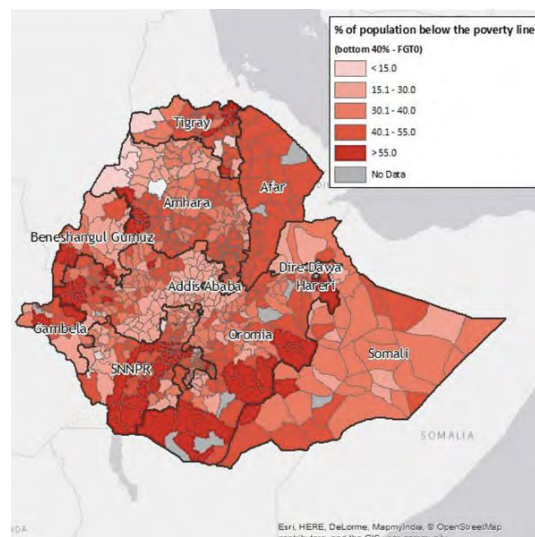


Figure 2: Spatial distribution of marginality (left) and proportion of population below the poverty line (right)

Maps reproduced from: Husmann, C. (2016). Marginality as a root cause of poverty: Identifying marginality hotspots in Ethiopia. *World Development*, 78, 420-435'

Farm Africa's team in Ethiopia will play important role in facilitating mechanisms to expand Farm Africa's work in countries where Farm Africa currently does not have a physical presence, as an avenue to develop a track record in new geographies. Somalia and South-Sudan are countries that Farm Africa can connect to interventions in Ethiopia (such as Farm Africa' interventions in the Bale Eco-region, the ecosystem which serves millions of people in Somalia, and our interventions on biosphere reserves in South-West Ethiopia, which improve and sustain wildlife ecological connectivity between South Sudan and Kenya).

4. AREAS OF STRATEGIC OBJECTIVES

The five-year strategic plan for Farm Africa in Ethiopia will contribute to the strategic objectives that are set in Farm Africa's strategic plan.²

4.1 Agriculture

- **Objective 1.1** Deliver nature-positive projects that increase the agricultural expertise, productivity, incomes and resilience to shocks of at least 300,000 smallholder farmers and agro-pastoralists per year.
- **Objective 1.2** Support at least 10 Woredas on market-oriented agricultural production and productivity improvement interventions per year.
- **Objective 1.3** Support at least 15 Woredas through climate adaptation and resilience enhancement interventions per year.

4.2 Market engagement

- **Objective 2.1** By 2025, support at least 200 farmer groups and cooperatives and small and growing businesses (SGBs) to grow sustainably.
- **Objective 2.2** Support at least 10 private sector-led firms to transition to sustainable green supply chains by 2025.

4.3 Environment

- **Objective 3.1** Improve forest and biodiversity conservation on at least 15,000 hectares and two biosphere reserves, by the end of 2025.
- **Objective 3.2** Improved soil and water resources in at least 30 watersheds by the end of 2025.
- **Objective 3.3** Contribute to climate mitigation by reducing at least 500,000 tonnes of carbon by the end of 2025.

4.4 Gender equality and youth employment

- **Objective 4.1** Implement gender mainstreaming in 100% of our programmes and projects by 2025.

² <https://www.farmafrica.org/downloads/2021/farm-africa-strategic-plan-2021--2025.pdf>

4.5 Operational effectiveness

Through effective and efficient use of resources, Farm Africa will pursue the following objectives to ensure organisational effectiveness:

- **Objective 5.1** Strengthened governance and adherence to partnership standards and internal controls.
- **Objective 5.2** Enhanced staff and organisational wellbeing.
- **Objective 5.3** Improved organisational resource acquisition and management



Photo: Stefanie Pfiel / Farm Africa

5. CONTEXT

Ethiopia is home to a large number of people living below the international poverty line. According to the UNDP³ 2019 Human Development Report, Ethiopia's Human Development Index value for the year 2018 was 0.47, which positions the country at 173 out of 189 countries and territories. Around 67% of Ethiopians are engaged in agriculture, mainly in subsistence and rain-fed farming and livestock production. According to the report by Oxford Poverty and Human Development Initiative (2021), about 70% of the

population in Ethiopia is multi-dimensionally poor, suffering from food insecurity and poor living standard. These challenges are disproportionately impacting women and other systematic inequalities in different parts of Ethiopia, owing to cultural differences among regions.⁵

Although the country's economy is diversifying, farming is still the main source of income for many people. Unimproved agricultural practices and poor land management in the country are continually leading to low agricultural productivity, which eventually leads to the conversion of natural forests to croplands. This in turn is causing biodiversity loss and degradation of land and water resources. Amplified by climate change, these challenges continue to be the major underlying causes of rural poverty, contributing to food insecurity, and chronic development challenges in the country.

While Ethiopia is considered to be among the least urbanised countries, the country is currently undergoing one of the most rapid urbanisation in Africa. Urban expansion has been a major contributor to deforestation and degradation of natural resources, including loss of forests, biodiversity, soil, and water.⁶ Along with the poorly planned rapid urbanisation in the country, key ecosystems in natural landscapes are being degraded/lost, and the associated ecosystem services are continually degrading at an alarming rate. In addition, urban unemployment and poverty are also widespread. The growing rural and urban population, lack of access to and skills in agricultural technologies, and poor access to markets make it difficult for the poor to earn a living. The low agricultural productivity is further hampered by post-harvest losses. Insufficient market-oriented

³ <https://www.undp.org/ethiopia/publications/human-development-report-2019>

⁵ United Nations Development Programme. Human Development Reports: Ethiopia Human Development Indicators (country profile). <http://hdr.undp.org/en/countries/profiles/ETH>.

⁶ <https://environmentalsystemsresearch.springeropen.com/articles/10.1186/s40068-020-00194-1>

production system and lack of value addition practices are also challenges that prevail in Ethiopia's agricultural sector.

These complex and self-reinforcing challenges require holistic and multi-sectoral development approaches.

5.1 Alignment with Ethiopia's national development plans, policies, and strategies

Farm Africa's thematic areas are generally well aligned with Ethiopia's strategies and development programmes: *Climate Resilient Green Economy*, Agricultural Growth Programs, the *Homegrown Economic Reform Agenda: A Pathway to Prosperity*, and the *10-year Development Plan (2021-2030)*. The recently launched 10-year Development Plan (2021-2030) of Ethiopia⁷ has six strategic pillars. Some of the most relevant areas of focus in the development plan strongly align with Farm Africa's areas of work:

Ensuring quality economic growth

- a. Modern agriculture, manufacturing, and mining
- b. Poverty reduction

2) Raising production and productivity

- a. Increasing export revenues and substituting imports by reducing production costs
- b. Innovative production systems

3) Institutional transformation

- a. Build private sector and competition-friendly bureaucracy
- b. Prepare policies, strategies, and legal frameworks for achieving prosperity
- c. Increased focus on innovation and research

4) Private sector's leadership in the economy

- a. Build strong and market-led public-private partnerships to ensure the establishment of an inclusive and pragmatic market economy
- b. Identify new sources of growth, empower and stimulate the private sector

5) Equitable participation of women and children

- a. Ensure gender equity in economic and social sectors
- b. Ensure fair participation of women and youth in leadership and decision making

6) Climate resilient green economy

- a. Increase basin development efforts to fight land degradation and to reduce pollution
- b. Improve productivity and reduce greenhouse gas emissions
- c. Increase forest protection and development
- d. Increase production of electricity from renewable sources for domestic use and export
- e. Focus on modern and energy-saving technologies

A summary of national plans, policies, and strategies that Farm Africa aligns with is provided in Table 1.

⁷ <https://europa.eu/capacity4dev/file/109230/download?token=rxippQKh>

Table 1: Alignment with Ethiopia's national development plans, policies, and strategies

Priorities, plans, strategies, and policies	Description of relevant priorities
The National Biodiversity Strategy and Action Plan (NBSAP) ⁸	(1) Reduce the direct pressure on biodiversity and promote sustainable use (2) Improve the status of biodiversity by safeguarding ecosystems, species, and genetic diversity (3) Enhance the benefits to all from biodiversity and ecosystem services (4) Enhance implementation through participatory planning, knowledge management, and capacity building.
Climate Resilient Green Economy (CRGE) ⁹	(1) Improve crop and livestock production practices for higher food security and farmer income while reducing emissions (2) Protect and re-establish forests for their economic and ecosystem services, including as carbon stocks.
Updated Nationally Determined Contribution (NDC)	(1) The updated NDC of Ethiopia sets a Greenhouse Gas (GHG) emission reduction target of 68.8% (of business as usual) by 2030 and recognising that agriculture, land use, and forestry contribute 83% of emission, the mitigation strategy focuses on these sectors (2) Prioritised climate change adaptation commitments are also in the agriculture, land use and forestry sectors.
Ethiopia's 10-year development plan (2021-2030)	(1) Building climate-resilient green economy (increase forest protection and development, basin development, reduce land degradation, increase production of renewable energy) (2) Private sector's leadership in the economy (3) Equitable participation of women and youth.
A Homegrown Economic Reform Agenda: A Pathway to Prosperity ¹⁰	Accelerated growth in agricultural production with a focus on strategic crops for import substitution and exports.
Government of Ethiopia's Agricultural policy and investment framework ¹¹	(1) Achieve a sustainable increase in agricultural productivity and production (2) Reduce degradation and improve the productivity of natural resources.
NAPA (National Action Plan for Adaptation) ¹²	(1) Mainstream climate change adaptation into development policies, plans, and strategies (2) Build long-term capacities of institutional structures involved in NAPA (3) Improve NAPA's knowledge management system.
REDD+ (Reducing Emission from Deforestation and Forest Degradation) ¹³	(1) Reduce the human pressure on forests that result in higher greenhouse gas emissions at the national level (2) Contribute to CRGE goal of net zero GHG emissions by 2030 by applying forestry strategies (3) Improve local community livelihoods and enhanced contribution of forests to the federal economy.
Oromia Forested Landscape Prog. (OFLP) ¹⁴	(1) Reduce deforestation by improving sustainable forest management throughout Ethiopia's Oromia Regional State (2) Lower GHG emissions from land use, including the livestock sector through improved herd and rangeland management.
2019-2030 Ethiopian Bamboo Development Strategy and Action Plan ¹⁵	Promoting sustainable management, value addition, and marketing of bamboo in Ethiopia

5.2 Alignment with global Sustainable Development Goals

Farm Africa's five-year strategic plan will contribute to the UN's Sustainable Development Goals (SDGs) in several ways. The SDGs that the Farm Africa will contribute are summarised in Table 2.

Table 2: Alignment of FA-ET strategies with UN Sustainable Development Goals (SDGs)

⁸ <https://www.cbd.int/doc/world/et/et-nbsap-oth-en.pdf>

⁹ <https://www.undp.org/content/dam/ethiopia/docs/Ethiopia%20CRGE.pdf>

¹⁰ https://www.mofed.gov.et/media/filer_public/38/78/3878265a-1565-4be4-8ac9-dee9ea1f4f1a/a_homegrown_economic_reform_agenda_a_pathway_to_prosperity_-_public_version_-_march_2020-.pdf

¹¹ <http://extwprlegs1.fao.org/docs/pdf/eth149550.pdf>

¹² <https://www4.unfccc.int/sites/NAPC/Documents/Parties/NAP-ETH%20FINAL%20VERSION%20%20Mar%202019.pdf>

¹³ <https://unfccc.int/topics/land-use/workstreams/redd/what-is-redd>

¹⁴ <http://www.oflp.et/>

¹⁵ https://www.inbar.int/wp-content/uploads/2020/01/Bamboo-strategy-Translation-%E1%8A%A0_final_3032021.pdf

SDG	Supporting Activity
SDG 1 - No Poverty SDG 2 - Zero Hunger	Improve food security through improvements in agricultural productivity and rural livelihoods.
SDG 3 - Good health and well-being	Reduce the use of inefficient and harmful cooking stoves and promote dialogue and information on sexual and reproductive health.
SDG 5 - Gender equality	Improve women's representation in natural resource management, support women's economic empowerment, and gender transformative value chain development.
SDG 7 - Affordable and clean energy	Promote and support access to and use of energy-efficient cooking stoves.
SDG 8 - Decent work and economic growth	Increase and diversify rural livelihood opportunities for forest-dependent and agro-pastoralist populations.
SDG 13 - Climate action	Align project activities with the objectives of Ethiopia's REDD+ Investment Plan, and strengthen the resilience and adaptive capacity to climate-related hazards and natural disasters.
SDG 15 - Life on land	Improve sustainable management of natural forests, foster the restoration of degraded forest ecosystems, and halt biodiversity losses.

5.3 Alignment with Farm Africa's five-year strategy

Farm Africa's five-year strategy is well aligned with the strategic priorities identified in the new strategy (2021-2025) and Farm Africa's strategy will build upon the successes of the 2016-2020 strategy:

1. An integration of Farm Africa's approaches, with food systems, providing a unifying framework.
2. Additional cross-cutting themes based on our contextual analysis:
 - a. A commitment to climate action across Farm Africa's programming from adaptation and mitigation at community levels, to green supply chains.
 - b. A focus on building the resilience of vulnerable farmers, businesses, ecosystems, and market systems.
 - c. Agri-tech: building our expertise in new areas of agri-tech from digital extension to satellite data.
3. Strategic value chains: we will prioritise programs focused on a defined range of commodities.

5.4 Building on our best experiences through progressive learning

Farm Africa has built solid experiences and introduced several innovative solutions to complex problems in Ethiopia and beyond. The following are the best experiences that we need to capitalise on and expand on.

- ▼ **Integrated landscape management approach** has shown a promising result that can potentially facilitate cross-border collaborations and integration. Landscapes comprise interconnected ecosystems and types of land use that are increasingly under pressure. What happens in one part of the landscape affects what happens elsewhere. **Optimising the use of a landscape requires coordination based on agreed land and watershed management plans and economic incentives**, so land users do the right thing.
- ▼ **The sustainable management of rangelands depends on multiple interventions supporting the needs of livestock:** Our Market Approaches to Resilience (MAR) project in the Ethiopian lowlands trained rangeland cooperatives in rehabilitating degraded rangelands and growing animal fodder, which could be sold, thereby increasing incomes as well as ensuring a source of fodder for cooperative members' livestock.

- ▼ **Increasing agricultural yields can reduce pressure on forests:** supporting households to practice climate-smart agriculture and increasing productivity of wheat, barley, sorghum, maize, lentils, and vegetables reduced the need of communities in Bale to clear more forest for agricultural expansion, as well as supporting increased incomes and diversified nutrition.
- ▼ **Access to finance is key to building communities' resilience to drought:** Village Savings and Loans Associations (VSLAs) that supported the development of small enterprises, combined with tailored micro-finance loan packages, ensured that communities supported by the MAR project had access to money when drought struck, allowing them to purchase food items and animal feed swiftly.
- ▼ **Climate and market information positively influence the adoption** of good agricultural practices and crop diversification. Localised climate data enables agro-pastoralists to make informed decisions on how to manage their agricultural land and rangelands. Radio broadcasts enabled the MAR project to reach remote communities with data from small weather stations, along with relevant advice. Farmers are willing to invest in inputs and/or technologies if there is an available market for their products and the weather is favourable. (CSA projects are funded by Irish Aid and CTA in Ethiopia).
- ▼ Income from the **sale of REDD+ carbon credits** is enabling forest management cooperatives to invest in new community development initiatives. The project is the first of its kind to secure income from the carbon credits sale in the history of Ethiopian REDD+ implementation. Its success has paved the way for the creation of subsequent REDD+ initiatives in Ethiopia. The communities supported by Farm Africa and its partners are now actively managing the forest and protecting biodiversity in the Bale Eco-region as part of the jurisdictional Oromia Forested Land Programme (OFLP) REDD+ scheme, and they will continue to earn a share of the income from the sale of carbon credits now being generated, contributing to the foreign currency gain for the country.
- ▼ **The sale of non-timber forest products such as forest coffee can give local communities an economic incentive** to protect forests. In the *Supporting Horn of Africa Resilience* (SHARE) project, this was reinforced by the introduction of fuel-efficient stoves, forest monitoring patrols, and strengthened local government capacity. Our interventions in the natural forest areas (Ilubabor and Bale) of Ethiopia have helped the farmers improve the quality and productivity of forest coffee, due to which they were able to sell the high-quality coffee to international markets, contributing to the foreign currency gain for the country.
- ▼ **Learning by doing:** smallholder farmers learn best from demonstration plots managed locally by other farmers and Farmer Training Centres. CSA approaches should be adapted to suit the context, drawing from farm assessments on knowledge, adaptive capacity, and priorities of the farmers and communities. Our progressive learning from VSLA has led to the creation of financial access and enabling conditions for women's economic empowerment.
- ▼ Farm Africa's **experience with exporting** forest coffee in Ethiopia and vegetables in Kenya has established clear examples of how-to de-risk smallholder enterprises and connect them sustainably to both international and domestic markets. This methodology involves climate-smart post-harvest storage, access to finance for smallholders, and diversified (renewable) off-taking contracts with multiple buyers, ensuring the terms of trade benefit smallholder farmers.
- ▼ Our **regional business development services (BDS)** approach took learning from Farm Africa's previous technology working capital and innovation funds (2008-2018) and created a new rural agribusiness advisory unit for small growing businesses (SGBs). This unit creates a pipeline of rural agri-SGBs, conducts due diligence, and uses bespoke packages of

capacity development support to improve the financial performance and management of businesses and link them with working capital finance providers.

- ▼ **Corporate and retailer engagement:** we transformed our corporate social responsibility (CSR) approach, inspired by our proven value chain de-risking experience. Providing CSR solutions in green energy, digital micro-lending, and food security has demonstrated to corporate suppliers and retailers their ability to go 'beyond certification' and have a tangible developmental impact on workers and growers in their supply chains. In doing so, this has increased the traceability of the respective supply chains and helped embed CSR initiatives fully within the businesses for sustainability.
- ▼ **Coordination with the government and multi-stakeholder collaborations is vital to strengthen sustainability and scaling up:** the SHARE project in the Bale Eco-region required coordination with decision-makers responsible for forestry, agriculture, protected areas, and social and economic development. The project created an **eco-regional framework** to help the government and the community sustainably manage forests, rangelands, and water sources through a cross-sectoral and integrated landscape management approach, and at the same time helping the community develop forest-friendly businesses and enhance the production of existing agricultural land.



Photo: Maheder Haileelassie / Getty Images

- ▼ **Gender mainstreaming:** Through VSLAs and Islamic financing, we support women's economic empowerment and their inclusion in agricultural value chains. We promote women's participation in membership and leadership of Participatory Forest Management (PFM) and Participatory Rangeland Management (PRM) to improve women's representation in natural resource management, access

to and control over resources, and economic empowerment.

- ▼ **Other areas** where we have developed expertise over the past 35 years in Ethiopia are:
 - ✓ Agribusinesses and market systems
 - ✓ Green value chains (including forest coffee, spices, honey, and other forest products)
 - ✓ Green energy
 - ✓ Market-driven climate-smart agriculture
 - ✓ Urban agriculture
 - ✓ Livestock for livelihoods
 - ✓ Livelihoods for refugee and host communities
 - ✓ Management of forests, parks, and biosphere reserves

- ✓ Soil and water conservation, soil fertility management, and rehabilitation of degraded lands
- ✓ Rangeland management
- ✓ Aquatic ecosystem management



Photo: Lisa Murray / Farm Africa

6. STRATEGIC AREAS OF FOCUS AND APPROACHES

6.1 Thematic areas of focus

The three thematic pillars that Farm Africa has been focussing on are:

- **Agriculture:** the development of agricultural expertise.
- **Market engagement:** connecting rural communities to markets.
- **Environment:** the sustainable management of natural resources.

The three pillars will be underpinned by five cross-cutting themes:

- Climate action
- Gender equality
- Youth employment
- Resilience
- Agro-technologies

Figure 3 shows the interconnection among the thematic pillars, cross-cutting issues, objectives and outcomes, challenges and enabling factors, and the mission of Farm Africa.

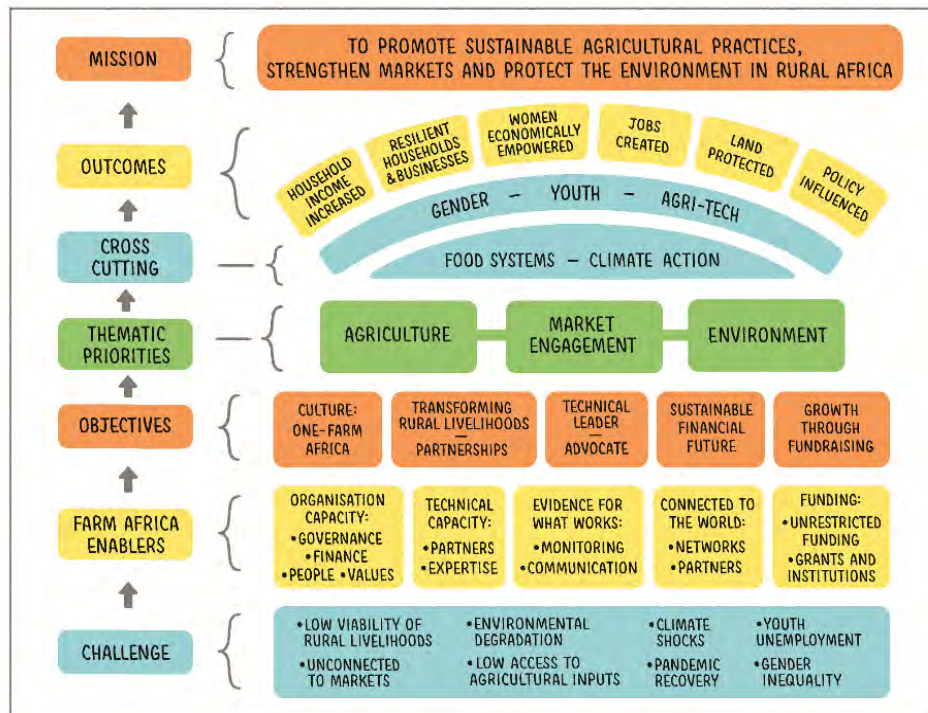


Figure 3: Integration of the thematic areas in the context of the wider FA strategy

Our five-year strategy will capitalise on the learnings from the best experiences and results and the following key areas are identified to be of focus of our five-year strategy:

- We will improve the **productivity of crop and livestock** productivity and production and will continue to be the major mechanism for a sustainable landscape approach
- **Small-scale irrigation:** we will give sufficient emphasis on locally appropriate technologies and options for sustainable use of water resources as a sustainable solution in addressing climate-related shocks and challenges related to rain-fed agriculture
- We will promote the benefits of **regenerative and climate-smart agriculture, and farm-level diversification**, with a focus on soil fertility enhancement and low carbon footprints
- Capitalising on our recent **urban agriculture** project, we will tackle urban food insecurity, youth and women unemployment, and degradation of natural resources in the urban-rural mosaic landscapes

- **Post-harvest technologies and value addition** of selected agricultural products: in alignment with the national development plan of Ethiopia, improving agriculture-based businesses and increasing export agricultural commodities, we will work to demonstrate viable businesses that meet international market standards
- **Small-scale timber production and value addition** (woodlots): this is considered to be a sustainable solution towards strategically increasing forest cover in degraded lands, in so doing reducing pressure on natural forests
- **Bamboo:** Ethiopia has the largest area of bamboo forest of any country in Africa¹⁶ and it is one of the most important plants in sustaining natural forests and contributing to the national economy; Farm Africa will promote sustainable management, value-addition, and marketing of bamboo-based products, both for local and export markets
- **Business development services:** we will move beyond supporting the development of business plans and increasing access to finance towards supporting business models that create jobs, and sustainable and inclusive value chains
- We will continue exploring **foreign market niches** for important value chains such as coffee, honey, gums and resins, pepper, ginger, coriander, and other spices
- **Private sector engagement:** we will support the engagement of private sectors in input and output marketing as well as extension services. We will create a strong linkage among producers, private sectors, and government extension promoters
- We will work towards **multi-country and transboundary programming**, primarily basin-based cross-country approaches that facilitate ecological and economic integrations among countries
- We will promote and expand **sustainable natural resource management** programming to a wider spatial coverage in Ethiopia, with special emphasis on ecologically and economically vulnerable areas
- **Green energy technologies:** Ethiopia's Climate Resilient Green Economy (CRGE) strategy identifies green energy technology as an important pillar. Hence, our intervention will continue to expand on green energy solutions as a mechanism to contribute toward emission reduction, reducing domestic air pollution, and reducing the burden on rural women and girls;
- We will promote **gender equality** and mainstream gender issues in all of our programmes
- We will support **advocacy of policies** that are relevant to agriculture, the environment, natural resources, and businesses.

6.2 Thematic approaches

Over the past several years, Farm Africa has developed several innovative approaches that are tested and proven to work under different local conditions. Our innovative approach emanates from our progressive learning and continual improvement processes, strengthened through working with knowledge partners (universities and research institutions) and working in partnerships with NGOs, local authorities, and communities and active stakeholder engagement to enhance the livelihoods of local people. We provide practical support to help lift people out of poverty and to reduce the current reliance on unsustainable natural resource use and unimproved farming systems. Farm Africa's five year Ethiopia strategy will capitalise on these experiences and progressively improve the approaches. Farm Africa will continue to use an integrated approach to sustainably manage whole landscapes holistically. Figure 3 shows how different components of themes are integrated.

¹⁶ https://www.inbar.int/wp-content/uploads/2020/01/Bamboo-strategy-Translation-%E1%8A%A0_final_3032021.pdf

6.2.1 Integrated landscape management approach

Over the past decade, the implementation of the ILM approach has remarkably increased worldwide and studies show that there has also been increasing support by policymakers, businesses, and leaders to include ILM as a key component of their sustainable development portfolios.¹⁷ Particularly in the tropical regions, there is strong scientific evidence indicating the considerable potential of the ILM approach in meeting social and environmental objectives at various scales while enabling achievements of national and international commitments.

A comprehensive biodiversity conservation program involves keeping parts of the landscape protected from human interference and maintaining essential natural functions in managed landscapes. UNEP's Global Biodiversity Outlook (2020)¹⁸ and IPBES¹⁹ list several biodiversity-related actions that form a useful framework for prioritising actions to reduce biodiversity loss. A recent Farm Africa review²⁰ of this framework identified the following priorities for eastern Africa:

- Actions aimed at strengthening the conservation of natural landscapes
 - Land and forests: restore/rehabilitate ecosystems; integrated landscape management, community-based natural resource management; REDD+.
 - Ecotourism, nature conservation.
 - General: natural capital accounting, payments for environmental services.
- Actions aimed at reducing biodiversity loss in managed landscapes
 - Agriculture: integrated pest management; land and water management (erosion control); integration of crops, livestock, trees, and fish; fertiliser and pesticide regulation; develop and test nature-based solutions; certification and eco-labelling.
 - Food systems: promote healthy diets (availability, access, and consumption); reduce food waste; encourage businesses to promote sustainability through their supply chains and redesign product portfolios, and product lifecycle analysis.
 - Freshwater: combat pollutants; prevent over-exploitation of freshwater resources; protect critical habitats, community access to fisheries; water accounting; community-based watershed management.

Farm Africa's ILM approach integrates management of the land, water, biodiversity, and forest resources in a more synergistic manner to enable achievements of inclusive green development goals at landscape scales. Figure 4 provides an overview of the ILM approach and how this approach integrates various components horizontally and vertically, of all interventions for landscape-wide economic, social, and environmental benefits.

¹⁷https://www.biodiversityinternational.org/fileadmin/user_upload/campaigns/SDGs/Integrated_land_management_for_SDGs.pdf

¹⁸ Secretariat UN-CBD (2020)

¹⁹ IPBES (2018)

²⁰ Biot, Y., 2021: Natural Resources input for Farm Africa's 2021-2026 strategy. Technical report, Farm Africa, London.

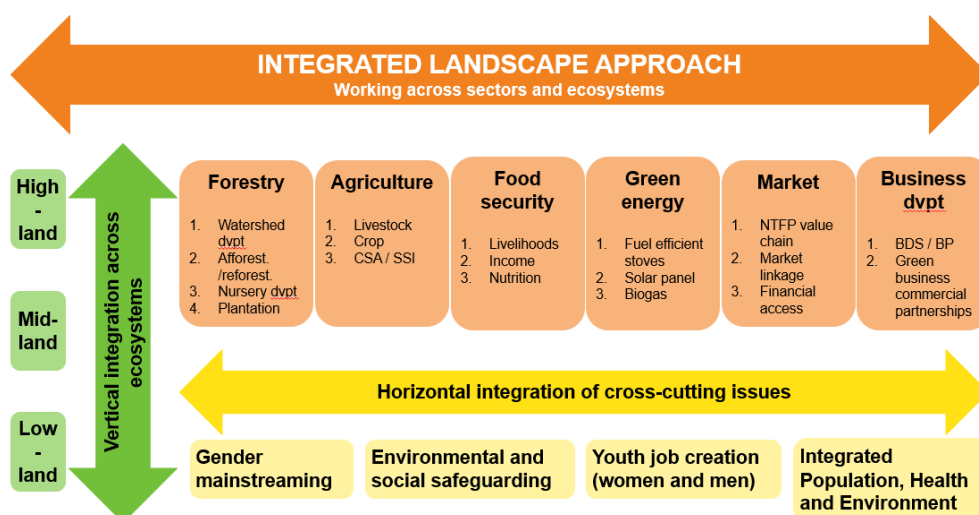


Figure 4: Schematic representation of Integrated landscape approach

6.2.2 Management of forests and rangelands resources

Over many years, Farm Africa has developed an enviable track record in promoting participatory approaches in NRM and forestry sectors which has already been incorporated into the policy framework of forest management in the Ethiopian government's Participatory Forest Management (PFM) approach. This approach is currently being applied as a proven model by the Government of Ethiopia (GoE) and other organisations in the country.

Our five year strategy will work towards the long-term sustainability of achievements made in forest management and policy needs consolidation and requires to more meaningfully address emerging development challenges through enhancement of sustainable forest management, biodiversity conservation, and watershed protection as well as interventions in community livelihoods, business development and wide range economic and women empowerment.

The participatory rangeland management (PRM) approach seeks to enhance the productivity and resilience of the rangeland ecosystems, improve the livelihoods of the pastoral and agro-pastoral communities, and contribute to economic, social, and environmental sustainability. Our strategy will also work with pastoralist and agro-pastoralist communities to develop collaborative rangelands management agreements that optimise resource use and link them more effectively with markets. This will be done by supporting communities to develop a shared understanding of the natural, socio-economic and political, ecological complexities of rangelands and the drivers of rangeland degradation.

6.2.3 Food security and agricultural productivity

Given the complexity of interactions among food security, agricultural productivity, and nature conservation, it is important to strategically examine the approaches of Farm Africa in addressing the need for sustainable agricultural development and food security. The key to the approach to climate-resilient food and agricultural systems is to promote context-specific, nature-based solutions and climate-smart practices and technologies that are aimed at preventing, anticipating, coping, adapting, and transforming the effects of climate variability and extremes. Our strategic approach in the next five years will focus on a food systems approach to food and nutrition security, production systems that promote nutritious and diverse food, safeguarding biodiversity, and improving livelihoods in the face of growing climate variability, climate extremes, and ecosystem tipping points.

The core strategic elements that we will focus on to improve food security will be:

- Supporting availability of food: by supporting climate-smart and regenerative agriculture practices and nutrition-sensitive production systems, the program will support the sustainable increase of food production. This will involve supporting the widening of the base of producers and include support for low external input and sustainable agriculture. The range of support required may be wide, including resources such as tools, improved agricultural technologies (seed, organic fertiliser/compost, animal breed, animal breed), agricultural land management, training and skills development in production methods, and access to finance.
- Supporting access to food: access comes from either one's production or through 'exchange', mostly using cash in the market. Support for households to produce their food using existing land, water, and physical and human resources is the first line of defence against food insecurity. Supporting the private sector will facilitate healthy food reaching vulnerable households and individuals at affordable prices. Furthermore, supporting the improvement of household income will help the small-scale farmers and food processors to improve food access.
- Supporting utilisation of food: this will also be two-fold by both supporting the production of nutritious food, and via the integrated population, health, and environment approach, through which targeted populations will be sensitised to adequate nutrition practices which are also compatible with environmental sustainability.



Photo: Nichole Sobecki / Farm Africa



6.2.4 Climate-smart and regenerative agriculture

The UN Food and Agriculture Organisation (FAO) defines climate-smart agriculture as consisting of three pillars: (1) sustainably increasing agricultural productivity and incomes (food security – see subsection below); (2) adapting and building resilience to climate change (adaptation), and (3) reducing and/or removing greenhouse gas emissions (mitigation). Regenerative agriculture, on the other hand, regenerative agriculture has at its core the intention to improve the health of soil or to restore highly degraded soil, which enhances the quality of water, vegetation, and land productivity.²¹

The high vulnerability of several communities in Ethiopia to climate impacts (mainly drought) is a major driver of deforestation, forest degradation, loss of biodiversity, degradation of water resources, and loss of ecosystem services in many of the high-priority nature conservation areas. Climate-smart agriculture (CSA) and regenerative agriculture will, therefore, continue to be a major approach in the next strategic period.

6.2.5 Market systems development / private sector engagement

To contribute to sustainable development, a market system approach will be relevant to removing the systemic and structural barriers that prevent the integration of the poor, mainly rural women and youth, and their access to rewarding market opportunities. In the strategic planning period, this will be done by fostering an enabling environment where strategically-placed market actors and support players are well-equipped to identify, share, and respond to market incentives for investment in the livelihoods of forest-dependent communities.

Farm Africa will continue to support groups, cooperatives, and enterprises linked to agricultural livelihood to partner with private sector players providing **agriculture-related services, such as farm inputs and other agricultural technologies, extension services**, and the market information needed to increase product promotion and diversification of viable agricultural economic opportunities. To increase the application of CSA technologies, the project will support the target groups by enabling private sector players to roll out workable models through community-based learning demonstrations. This will be expected to be supplemented by the **government extension services** in place. Strong farmer organisations will drive **farmer-to-farmer peer learning** and increase demand for more support services from other private and public providers. It is expected that non-targeted communities will also benefit from being able to access extension services in the same way.

Supports to CBOs will continue to be a major area of strategic interventions, considering the **access to information** as a service that they should offer to their group members to promote access to

²¹ <https://journals.sagepub.com/doi/10.3184/003685017X14876775256165>

timely information on markets and input pricing and availability. To achieve this, the project will link target beneficiary groups to existing service providers mainly through local radio broadcasts and other community meetings. The project will work with local providers to increase their understanding of the market and will design the appropriate and quality packaging needed to tap into this growing market. While the farmers will continue to access information and grow their businesses, information service providers will continue to align their products/services to the needs of farmers.

Farm Africa will identify areas for mobilising resources to address post-harvest inefficiencies upstream in the supply chain, in part, by connecting smallholder farmers more directly to formal buyers via effective aggregators (typically cooperatives and farmers' organisations). This approach will help beneficiaries move away from spot selling to exploitive itinerant traders. More direct relationships with more formal buyers (usually through organised cooperatives) will also serve as a foundation for credit provision and improved market information, which will drive the production of a higher quality product that can be sold at a premium price.

To support business-oriented CBOs that will create income and employment opportunities for their communities, the Farm Africa strategy will focus on the identification and strengthening of the capacity of local providers of business development services and local government staff that can support entrepreneurship and business management for CBOs and women and youth enterprises.

6.2.6 Inclusive value chains

Farm Africa will give due attention to the direct engagement of vulnerable and/or marginalised groups, starting with women and youth. Women's contribution to the agricultural value chain is often very significant, but their control over productive assets and resources and their involvement in decision-making at household, community, and institutional levels remain very low. Our interventions will mainstream gender and youth unemployment issues into the programs and projects.

Progress was made under the REDD+ programme in increasing women's representation in the project-supported PFMCs executive committees and these efforts will be scaled up to all PFMCs in the region, to PRMCs, and other local governance mechanisms. Farm Africa will also capitalise on its experience in implementing approaches such as the gender action learning systems²² in the coffee value chain²³, when combined with the partners' understanding of gender dynamics in the project's targeted geographical area and along the selected value chains.

6.2.7 Private sector engagement and development of commercial partnerships

Farm Africa will continue to promote programmes that will increase sustainable economic opportunities for PFMCs/PRMCs and other CBOs in Ethiopia. The business growth will continue to translate into increased incomes for the target beneficiary groups through improved access to other social services and livelihood improvements.

Farm Africa's programme approach will focus on **establishing and strengthening commercial partnerships** between NTFP producers and relevant value chain market actors based on **viable business cases** with defined incentives that are attractive to women and youth engaged in the selected green value chains in Ethiopia. Coffee, honey, spices, gum and resins, bamboo, various botanicals (oils and butter), eco-tourism, and other potential commodities will be the major green business value chains of priority.

²² Approach developed by Oxfam, https://www.oxfamnovib.nl/Redactie/Downloads/English/publications/150115_Practical%20guide%20GALS%20summary%20Phase%201-2%20lr.pdf
²³ With funding from UK Aid, UN women, WFP, etc. <https://www.farmafrica.org/what-we-do-1/women-in-the-field>

6.2.8 Green energy strategy

In the context of rural communities of Ethiopia, more than 92% of household energy needs (for cooking and light) are met by biomass burning, with huge implications for the sustainability of forests and biodiversity in the landscapes. A green energy strategy, considered a key element of the ILM approach, is recognised as an essential component of the development strategy of GoE, as evidenced by the mainstreaming of green energy in the Climate Resilience Green Economy (CRGE)²⁴ Strategy. CRGE has three complementary objectives: fostering economic development and growth; ensuring abatement and reduced future emissions, and improving resilience to climate change. One of the four initiatives selected for initial implementation under the strategy is the Rural Energy and Efficient Stoves, for example, illustrated by the Promoting Sustainable Rural Energy Technologies (RETs) program (UNDP, Ministry of Water and Energy). Hence, Farm Africa will engage in green energy options and technological solutions that improve energy efficiency.

6.2.9 Partnerships and influencing

Farm Africa will continue to strengthen partnerships with government offices, NGOs, and knowledge partners (universities and research institutions). Policy advocacy will be implemented (whenever relevant) to address problems in a manner that creates sustainable and enduring changes. We will support the implementation of policies into actions for stronger and wider impacts and ensure the sustainability of the best results. We will continue to advocate policies in a wide range of disciplines and various environmental, social, and economic contexts in Ethiopia. The major strategic focus of policy engagement and partnerships with the government of Ethiopia will be **Forestry and Participatory Forest Management, Participatory Rangeland Management, Integrated Landscape Management, Carbon Trading, Biosphere Reserves Management, Climate Smart Agriculture and Regenerative Agriculture, and Urban Agriculture.**

On the other hand, Farm Africa will strengthen and develop existing and new partnerships with international and national NGOs to work on a consortium approach. Farm Africa will build experience and capacity in leading consortium-based programmes and projects, which will be strengthened in the five years strategy.

7. SUSTAINABLE FINANCIAL FUTURE

It has been set in the Farm Africa's strategic plan that the programme portfolio will exceed £8 million per year by 2025. To contribute to this plan, Farm Africa will explore more funding sources, and identify options for cross-border and regional approaches. Farm Africa's team in Ethiopia will also work closely with HQ in supporting efforts toward achieving the portfolio target.

²⁴ <http://gggi.org/site/assets/uploads/2017/11/2015-08-Sectoral-Climate-Resilience-Strategies-for-Ethiopia-1-Agriculture-and-Forestry-Climate-Resilience-Strategy.pdf>



GROWING FUTURES.



OUR MISSION

To promote sustainable agricultural practices, strengthen markets and protect the environment in rural Africa.

OUR VISION

A resilient rural Africa where people and the environment thrive.

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