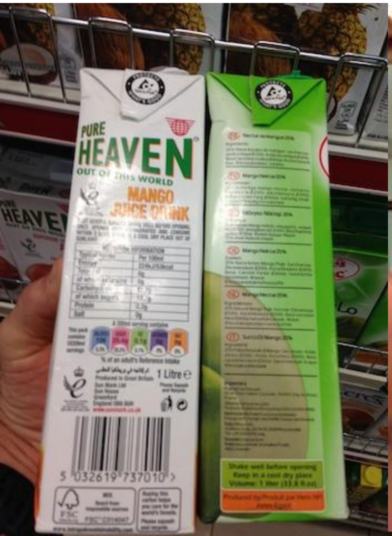
ENTERPRISE PARTNERS

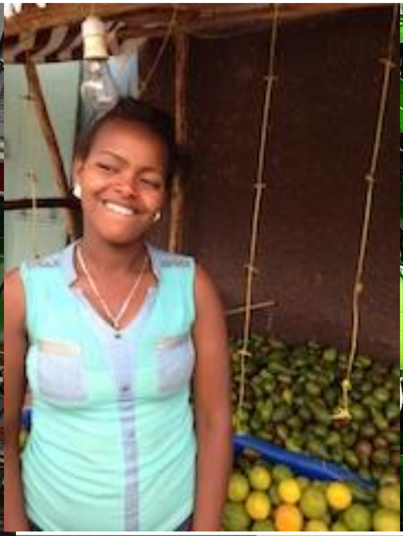
making markets work for all

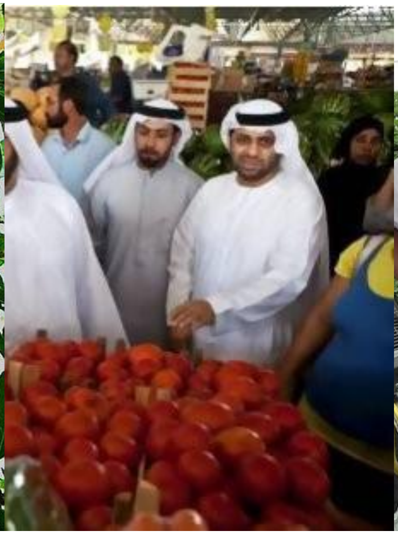
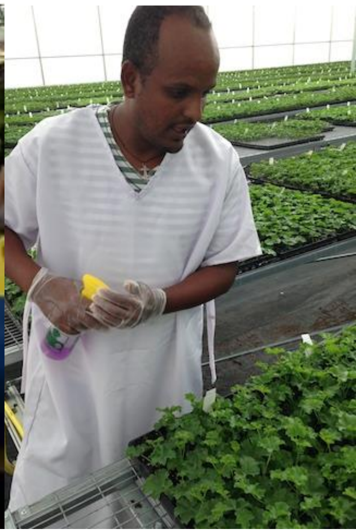
Horticulture

Sector Strategy

March 2017





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In spite of increasing demand and high production potentials, horticulture sector is constrained by low productivity due to poor quality, poor availability of inputs and poor extension system.

Input Market

- Use of inferior seed/seedlings
- Poor agriculture extension services
- Poor access to appropriate technology
- Low access and inappropriate usage of chemicals and fertilizers
- Absence of supportive polices
- Lack of innovative financial scheme

Source:

Farmers are discouraged by frequent and unpredictable produce price fluctuations due oversupply or undersupply of markets.

FAV Marketing market

- Unpredictable and high market Price fluctuations
- Poor access to appropriate technology (Grading, storage and transportation)
- Absence of formal relation protocols for market actors.
- Absence of production and market demand aligning system
- Lack of innovative FAV marketing (handling) supporting financial scheme

Key constraints

The horticulture sector requires a leap in productivity and quality to tap domestic and export opportunities with production incentivizing marketing system to sustain production

Vision

Ethiopian SHFs have access to the right quantity and quality of inputs in a timely manner embedded with good agricultural practices, resulting in an increase in productivity and production to adequately supply domestic and export markets at fair price.

Strategy

Strategy	Sustainable Outcome	Impact
Enable/support seed and seedling suppliers	Ample access to improved seed and seedlings to farmers	Increased income for SHF
Promote farmers incentivizing FAV marketing system	Increased market for seed/seedling suppliers	Start up/expansion of businesses in seed and seedling market
	Smallholder farmers encouraged to produce FAV produce	Ethiopia's competitiveness increase in export market

National Targets:

- US$1.2 billion new investment financing
- 58,089 job opportunities by the end of 2020

EP Targets:

- Generate £24 million of new investments
- Income opportunities for 60,000 SHF

Please see Annex for: [Theory of Change]

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PORTFOLIO SUMMARY

March 2017

Active: scale up
Active: Pilot
Active: wind down
Closed
Pipeline

Constraints | Intervention | Code | Status | Projected Results

Cotton, Apparel, Textile

Cotton	Poor quality seed	Seed multiplication pilot	CTA 01
Cotton	Poor quality seed	Seed multiplication scale-up	CTA 04
Cotton	No national policy	National cotton strategy	CTA 03
Cotton	Low lint cotton production	Contract farming with textile industry	CTA 09
Cotton	Lack of finance	Finance system for cotton producers & textile industry	CTA TBD
Cotton	Low seed variety	ARC capacity building	CTA TBD
Labour	Low labour supply	Pre-employment skills pilot	
Labour	Low labour supply	Labour system in industrial parks	
Labour	Poor gender support	Social sustainability	
Labour	Poor HR	Better HR system in factory	
Labour	Poor mgt by supervisors	Supervisor training service	
Labour	Low labour supply	E-labour market place	CTA TBD
Apparel	Low accessory supply	SME cluster	CTA 10
Apparel	Lack of Ethiopian design	Fashion incubator programme	CTA 12
Apparel	Lack of eco industrial strategy	Green industrialisation	CTA 13
Apparel	Low investment	Don't get left behind	CTA 16
Apparel	Low investment	Buyer-led investment	CTA 11
Apparel	Poor sector coordination and strategy	Industry coordination forum	CTA 14
Apparel	Poor sector coordination and strategy	National Apparel Investment Plan	CTA 15

13K Jobs; 10K Income (Cotton)

Calculated with Apparel Market (Labour)

28K Jobs (Apparel)

Leather and Livestock

Tanning	Poor finishing of leather	Improve finishing through chemical companies	LAL 05
Tanning	Poor green practice	Green leather production & marketing	LAL 10
Tanning	Lack of finance	RHS credit line	LAL 11
Tanning	Poor green practice	Waterless chrome tanning	LAL TBD
Tanning	Poor quality raw hides & skins	TBD	LAL 04
Tanning	Poor finishing of leather	Intra-tannery partnerships	LAL TBD
Leather Products	Low linkage amid SME'S and Buyers	All Africa Leather Fair	LAL 03
Leather Products	Poor marketing & supply chain	Export promotion & supply chain	LAL 06
Leather Products	Low investment	Investment facilitation services	LAL 07
Leather Products	Low technical know-how	Footwear manufacturing: high-end market	LAL 09
Livestock	Poor vet service	Improving veterinary services	

4K Jobs (Tanning)

8K Jobs (Leather Products)

TBD (Livestock)

Fruits and Vegetable

Processing	High post-harvest loss	Tomato processing: Meki Union	FAV 01-A
Processing	High post-harvest loss	Tomato processing: Mulualem Farm	FAV 01-B
Inputs	Poor quality seedlings	Seedlings business pilot	FAV 02
Inputs	Poor quality inputs	Seedlings business scale-up	FAV 06
Inputs	Poor quality seed	OPV seed promotion	FAV TBD
Inputs	Poor marketing system	FAV Produce Marketing	FAV TBD
Export	Poor int. market linkage	Export facilitation service for farms	FAV 03

TBD (Processing)

60K Income (Inputs)

3K Jobs (Export)

Base of Pyramid

Digital Finance	Limited outreach	Mobile bill payments	FIN 01-B
Digital Finance	Limited outreach	SAACO agency banking	FIN 01-A
Digital Finance	Low DFS knowledge	Transaction pool	FIN 16
Digital Finance	Low DFS knowledge	Community of practice	FIN 17
Digital Finance	Lack of automation in MFIs	Core banking system	FIN 14
Digital Finance	Unfavourable policy & regulations	Roadmap for DFS	FIN 18
Digital Finance	Stringent KYC system	Tiered KYC system	FIN 21
Financial Capability	Poor financial literacy	Financial education & capability	FIN 02
Financial Capability	Poor financial literacy	Financial education via public agency	FIN 10
Financial Capability		Other BOP Interventions	
Financial Capability	Limited deposit mobilization	MFI Marketing	FIN 22

TBD (Digital Finance)

TBD (Financial Capability)

Investment

Private Capital	Poor business services	Advisory service	FIN 03
Private Capital	Poor business services	Private Capital Advisory Finance Services (PCAF)	FIN 07
Private Capital	Low awareness	PCAF: Workshops	FIN 07
Private Capital	Lack of linkage	Investment linkage platform	FIN 19
Private Capital	Low domestic FIN mgt capacity	CFO Training	FIN 20
SME	Lack of credit	SME finance project (SMEFP), WEDP	FIN 06
SME	Low fin for climate smart agro	Greening rural finance	FIN 12
SME	Lack of collateral	SME guarantee fund	FIN 08
SME	Lack of credit	Farmer union advisory service	FIN 05
Investment Promotion	EIC's low HR capacity	Young professional development	FIN 15
Investment Promotion	Low FDI in priority sectors	FIN TBD	FIN TBD

GBP 89M Investment (Private Capital)

GBP 72M Investment (SME)

TBD (Investment Promotion)