



Ethiopia

ACDI/VOCA began working in Ethiopia in the early 1970s, during the final years of Emperor Haile Selassie's 44-year regime. Following a major famine from 1972 to 1974, Selassie was removed from power, and a provisional council of soldiers, known as the Derg, installed a government that was socialist in name and military in style. Although VOCA began work in Ethiopia in 1971, ACDI did not operate there until after the end of the Derg regime. Over the past 40 years, our activities in Ethiopia have focused on cooperative development, agribusiness and value chain strengthening.

Volunteers Provide Technical Assistance

VOCA began sending volunteer experts to Ethiopia in 1971, moving from individual assignments to broader initiatives that are part of the **Farmer-to-Farmer (F2F) Program**.

From the 1970s to the 1990s, VOCA volunteers provided technical assistance to a wide variety of governmental institutions in the country.

Under the first phase of the F2F program, from 1994 to 1996, VOCA fielded 13 volunteers to provide co-op training in management, finance, credit, accounting, farm supply and marketing. Under the program's expansion, the **Worldwide Farmer-to-Farmer Program** (1996-2003), ACDI/VOCA fielded 75



volunteers to provide technical assistance in co-op development, accounting, marketing, veterinary training and management information systems. More recently, ACDI/VOCA fielded 34 volunteers to Ethiopia and Eritrea under the **John Ogonowski F2F Program for East Africa** (2003-2008).

Early Work Assesses and Targets Agricultural Outputs

In the 1990s, ACDI and later ACDI/VOCA completed several assessments and management programs to increase agricultural outputs. Under the **Rural Credit and Micro Enterprise Assessment** project in 1994, ACDI evaluated financial, legislative and economic conditions affecting the agricultural and smallholder sectors. This was Ethiopia's

first statistically valid survey of farmers' credit needs, preferences and constraints.

In 1996 ACDI/VOCA established the **Training for Private Agricultural Input Retailers to Enhance Agricultural Productivity (Retail)** program with Sasakawa Global 2000 to introduce and promote modern agricultural input retail management to approximately 400 small-scale private retailers in four regions. The program provided training in small-scale agribusinesses such as honey processing and marketing, dairy processing, and cattle fattening.

Developing Cooperatives' Structures and Competitiveness

A main goal of ACDI/VOCA's work in Ethiopia has been to strengthen agricultural cooperatives and help them compete on a national and international level. Our first such endeavor, the **Cooperative Unions: Competitive Market Access and Enhanced Productivity Project (CUP)** (1996-1999), empowered smallholders in Oromia by forming four competitive, profit-oriented and professionally managed cereal co-ops. CUP established a bidding process that reduced the price of fertilizer to all co-ops and saved approximately \$4,000,000.

From 1999 to 2004, ACDI/VOCA implemented the \$11.3 million USAID-funded **Agricultural Cooperatives in Ethiopia (ACE)** project. The program established secondary-level unions and expanded farmers' access to purchasing and distribution outlets. ACE also helped coffee farmers' cooperative unions act as direct exporters for better trade agreements;

as a result, the Sidama union received a \$5 million financing arrangement from Starbucks.

In addition, ACE arranged a loan guarantee mechanism with the Bank of Abyssinia, making \$1,250,000 available to unions for purchasing among member co-ops. The Oromia, Sidamo and Yirgacheffe Coffee Farmers' Cooperative Unions, representing approximately 150,000 smallholder coffee growers, set up direct exporter-buyer linkages and received organic certification and registration with the Fair Trade Labeling Organization. In 2003 the unions exported 4,500 tons of coffee to buyers in Europe, the United States and Japan.

In a related cooperative project that targeted vulnerable populations, ACDI/VOCA implemented the **Rehabilitation of Conflict Affected People and Infrastructure in Eastern Tigray** project (2001-2003), which formed three co-ops to empower the Dowhan community to take economic and managerial control of the rehabilitation process.

More recently, the \$6.7 million USDA-funded **Feed Enhancement for Ethiopian Development (FEED)** project (2008-2013) strengthened the agroprocessing industry. FEED provided inputs to flour mills and bread manufacturers in Oromia and Somali regions at a time of significant wheat shortages. The proceeds funded interventions that built the capacity of unions and co-ops to manufacture animal feed. These interventions also enhanced the technical skills and capacity of livestock producers to produce and manage animal feed.

Value Chain Work Strengthens Market Linkages and Enterprise Capacities

In the past decade, ACDI/VOCA has worked on a variety of programs that create and develop market linkages for agropastoralist communities in Ethiopia. As a subcontractor to Save the Children on the **Southern Tier Initiative: Livelihood Enhancement for Agropastoralists and Pastoralists** (2002-2007), ACDI/VOCA built the capacity of pastoralist and agropastoralist communities and strengthened local markets by forming marketing co-ops. In a similar vein, the **Pastoralist Livelihoods Initiative-Livestock Marketing** project (2005-2010) strengthened the value chains of pastoralist communities for cattle, sheep, goats and camels, building 25 livestock markets.

The three-year **Smallholder Linkages Project (SHLP)** improved the quality of services that co-ops and producers used to move their products into higher-value markets. SHLP created horticulture value chain linkages to local and national markets, resulting in 59 percent growth in the volume of horticulture products sold.

In a research-based initiative, ACDI/VOCA teamed up with Virginia Tech in the **Amhara Microenterprise, Agricultural Research, Extension, and Watershed Development Project (AMAREW)** from 2002 to 2006. ACDI/VOCA used a community-focused action plan to build institutional research about agriculture, natural resource management, microfinance and microenterprise development.

A Future of Agribusiness and Cooperative Development

ACDI/VOCA's two current programs, targeting poverty reduction and community development, provide a glimpse of our future presence in Ethiopia. The USAID **Agricultural Growth Program-Agribusiness and Marketing Development (AGP-AMDe)**, slated to run from 2011 to 2016, aims to reduce poverty and hunger by improving the productivity and competitiveness of targeted value chains that offer income opportunities for rural households: sesame, coffee, chickpea, honey, wheat and maize. Implemented across the Amhara, Oromia, SNNPR and Tigray regions, AGP-AMDe leverages farm productivity improvements through investments in markets and agribusiness, a \$14 million innovation grant fund, and direct producer-level interventions.

Through the USAID-funded global **Cooperative Development Program II (CDP II)** (2010-2015), ACDI/VOCA is working with co-ops to build organizational capacity, strengthen finance opportunities, share best practices and develop skills needed to influence the political and legal environment. The CDP legacy will be a more user-friendly, multilingual platform on ACDI/VOCA's Center of Excellence as well as three in-country Cooperative Learning Information Centers (CLICs).

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