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Agricultural Commercialization Clusters

Agricultural Commercialization Clusters Performance Report

Year Three (2014 E.C.)

Ethiopian Agricultural Transformation Institute

July 2022

(2013/2014 E.C. Cropping Calendar)

Ethiopian ATI
Agricultural Transformation Institute
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List of Acronyms

ACC	Agricultural Commercialization Clusters
AFPS	Accelerated Full Package Scale-Up
AGP	Agricultural Growth Program
AOSS	Agricultural One Stop Shop
ATI	Agricultural Transformation Institute
ATIP	Agriculture Trade & Investment Promotion
CBSP	Community-Based Seed Producers
CSA	Central Statistics Agency
DA	Development Agent
E.C	Ethiopian Calendar
EFY	Ethiopian Fiscal Year
EIAR	Ethiopian Institute of Agricultural Research
ERP	Enterprise Resource Program
FCA	Federal Cooperative Agency
FPC	Farmer Production Clusters
ISGWID	Integrated Shallow Ground Water Irrigation Development
IMP	Implementation Management Platform
IVC	Integrated Value Chain
IVS	Input Voucher Sales
MoA	Ministry of Agriculture

MSC	Mechanization Service Center
NMIS	National Market Information System
NGO	Non-Governmental Organization
PMO	Program Management Office
RBoAs	Regional Bureaus of Agriculture
RTC	Regional Transformation Council
RuSACCOs	Rural Savings and Credit Cooperatives
SHFs	Smallholder Farmers
VCA	Value Chain Alliance
WBoA	Woreda Bureau of Agriculture
ZBoA	Zone Bureau of Agriculture

Executive Summary

The third year of full-scale execution of the Agricultural Commercialization Clusters (ACC) program in 2014[1] E.C. included twelve projects Across ten value chains contributing to six outcomes to drive agricultural transformation and positively impact the lives of smallholder farmers. While the conflict in the nNorth affected the Tigray region and part of the Amhara region's implementation since November 2020, the program has continued to put efforts to meet the ACC goals in the other parts of the ACC areas despite resource constraints during the later stages period of the cropping calendar.

It is apparent that the ACC program has fallen short of funds for the last two quarters of 2014 EFY since a significant program budget wasn't disbursed by key ACC donors. As a result, many project activities such as support given to farmers on harvest, post-harvest, FPC transition, woreda expert and DA trainings, market linkage activities (VCA forums, Regional Transformation Councils and Expos), etc have been seized. The ATI project teams, however, tried to implement activities that require zero to minimal budget. In addition, some of the activities work haves been completed by repurposing limited funds from other sources. Because the budget problem did not arise until the end of the second quarter, ATI was able to meet most of its objectives due to mainly the activitieswork done in late 2013 E.C and the first two quarters of 2014 EC. However, it should be noted that the repercussions of lack of funding could not be significant in 2014 EC, but its impacts is expected towill be quite highsignificant in 2015 EC. Despite all these political and budgetary challenges, the ACC program achieved significant positive results in the 2014 EC as discussed below:

Outcome 1. Increased production, productivity, and income: Except for sesame and maize, the other eight crops and horticultural priority commodities showed positive production and productivity results. The yield of farmers in ACC woredas was on average 24% higher than the country's overall performance as per the Central Statistical Agency (CSA) data, while farmers in production clusters achieved an average of 31% higher yield. For horticulture farmers in ACC woredas, the yield was on average 59% higher, while farmers in production clusters reached a yield 79% higher, on average.

Outcome 2. Improved access to markets: Commercialization has produced significant outcomes across all ten agricultural commodities, owning to Farmer Production Clusters and programs aimed at increasing market information availability and developing market platforms. Aside from the number of commodity sale contracts signed, the involvement of buyers at all levels, from federal to cluster-specific, is increasing the share of marketable surplus sold, as well as stronger national and international commercialization channels for Ethiopian smallholder farmers.

[1] *The Ethiopian calendar is less than 7 and 8 (in lip year) years from the Gregorian calendar. The fiscal year begins on July 7 while the New Year starts either on September 11 or 12.*

Despite the budget cut during the 2014 E.C and lack of market linkage platforms such as VCAs and RCT, the ACC program was able to achieve the target for year 3. The program achieved these by using the resources available at hand and leveraging buyer relationship that was established in the previous years. In addition, CSA data shows a price inflation of ~45% from last year which has exponentially increase. For this reason, the ACC program has surpassed its market and commercialization indicators.

Outcome 3. Improved environmentally sustainable farm practices: All ACC initiatives have climate-smart agriculture mainstreamed into their design, and climate-sensitive practices and technologies are priorities for projects and interventions. Under the Farmer Production Clusters and Horticulture Farmer Production Clusters, the full package adopted by farmers is designed and revisited yearly to include climate-smart agricultural practices, such as the introduction of high-yielding and stress-tolerant crops, crop rotation, composting, and supplemental irrigation. Projects such as *Integrated Shallow Groundwater Irrigation Development* continue to address water use efficiency and management specifically, introducing irrigation techniques to maximize water use (amount, timing, technology). In 2014, ISGWID was able to irrigate 24,500 Ha surpassing the ACC target.

Outcome 4. Improved engagement of women and youth: The ACC is continuously identifying new opportunities to engage women farmers, while strengthening the mechanisms already built into the program. In line with the ATI's Crosscutting Issues Strategy, all projects under the ACC have outlined strategies to benefit and empower women and have disaggregated targets for female beneficiaries. In line with this, the program was able to create jobs for 11K women and 34K youth.

Nutrition information is being disseminated to households through the 8028 Farmer's push messages in partnership with Save the Children. In 2014 E.C, 400K farmers were able to access nutrition information through IVR and SMS messages.

Outcome 5. Enhanced institutional capacity and enabling environment for agricultural commercialization: By design, the ACC is a program conceived to be implemented jointly under the coordination of the ATI along with the Ministry of Agriculture, EIAR, Regional Bureaus of Agriculture, the private sector, and other partners across the agricultural sector. The ACC works directly on strengthening institutional and delivery capacity of these different actors: partners in the public and private sectors, cooperatives, ~~universities,~~agricultural research institutions, and sector associations. Enhancing partners' capabilities ensures sustainable and long-term agricultural transformation through projects, as seen in the success of *Enabling the Next Generation of Agricultural Researchers, One Stop Shop,* among others.

Outcome 6. Enhanced Value for Money Approach: A planning, monitoring, and reporting team (PMO team) was established within ATI's Analytics team. The PMO team conducts monthly meetings to track the progress and follow up with the ACC/FPC team and projects as well. During the fiscal year, the ACC PMO team has facilitated the annual planning and target setting of the ACC/FPC team in each region. In addition, the ACC PMO was redesigned with the primary goal of aligning projects to ACC result framework and reporting monthly progress. In 2014, the

PMO team held 12 monthly PMO meetings to analyse the progress of each team, identify any irregularities, and recommend mitigation solutions.

Introduction

In 2014, the ACC program faced an unprecedented confluence of challenges to its implementation. From the geopolitical unrest across Tigray and major parts of Amhara regions to the budget restrictions that contributed to halted implementation.

ATI has built new ways to help farmers and overcome the year's problems via close collaboration with ACC development partners, implementing partners, and other players in the public and private sectors. In 2013, ATI collaborated with the MoA to create a rehabilitation plan and budget for the Tigray region, which was not completed as planned owing to the resumed conflict. Establishing a long-term solution to the situation in Tigray remains challenging, and the expanding violence in the Amhara and Oromia areas had a severe influence on the program's execution in 2014.

This narrative report focuses on the performance of ACC the program against the Year 3 targets of the ACC Results Framework. It also details key achievements of projects, which are responsible for driving the transformation envisioned in production, productivity, commercialization, engagement of women and youth, climate-smart-agriculture, institutional enhancement, and value for money outcomes.

It is accompanied by additional attachments including the detailed performance of each project against the targets set on their work plans submitted in 2013; production, productivity, and commercialization performance at the national level, by commodity, region, and cluster during the 2014 harvesting season for the program's crop and horticulture priority commodities[2]. It should also be noted that due to the inability to implement interventions and collect monitoring data in Tigray from the second quarter of 2013 onwards, achievements are calculated without the inclusion of the region, except for farmer registration where data is presented with and without those.

When it comes to the Results Framework, the program performed strongly, confirming that it has been progressing in the right direction:

- From **38** outcome-level indicators reported, **36 (84.21%)** have been track in the 2014 E.C and **30 (79%)** of the outcomes have met their year-three targets.
- From **44** output-level indicators reported, **24 (55%)** have met or surpassed their year three targets

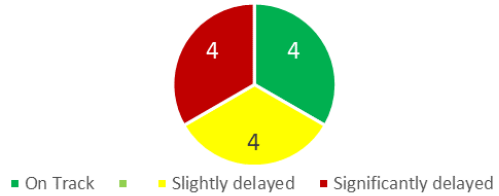
The indicators that did not fully meet their third-year targets have provided lessons learned and developed mitigation methods with the resources available for the 2015 workplan.

[2] *The planation seasons are mainly at the beginning of 2014 during June and July while the harvest season takes place in mid of 2014 mainly from October through January depending on the agro-ecology*.

Two main sources of data were used for the compilation of this Annual Report: the ongoing monitoring data collected at the woreda level and compiled monthly for regular tracking by the ACC Program Management Office; and the ATI's quarterly report to the Parliament. Indicators reported based on regular PMO monitoring data where targets are established as a **percentage of total farmers or performance per household** have been calculated based on a total of **3.7M** farmers planting in the ten ACC priority crops in 2014[3]. The total number was calculated based on how many farmers were planting these commodities in each of the ACC woredas during the 2014 production season, and which interventions were directly targeted to benefit. **Horticulture farmers are included in the scope of this year's study. Given the budget issues faced this year, ATI was not able to perform the ACC/FPC surveys.**

The achievements from projects summarized in this report and detailed in the annex Excel file show that from the projects under the ACC reported to the Parliament at the end of 2014:

- **4 projects** (33.33% of projects) achieved 83% or more of the specific KPIs or Milestones defined in ATI's Annual Plan submitted to the Parliament.
- **4 projects** (33.33% of projects) achieved between 64-82% of their KPIs or Milestones.
- **4 projects** (33.33% of projects) achieved 63% or less of the specific KPIs or Milestones



Finally, challenges in the implementation of projects have been identified and addressed at their annual plans for the new fiscal year and are summarized in the challenges and mitigation sections under each ACC Outcome in this report. The current scenario of risks facing the program is presented at the end.

[3] Wheat- 1.16M, Maize- 1.61M, Malt Barley- 156.3K, Sesame- 164.6K, Tef- 499.33K, Avocado- 47.3K, Mango- 16.5K, Banana- 41.12K, Onion- 25.8K, Tomato- 40.5K, Total- 3.7M farmers, not including Tigray

Challenges faced during 2014

As mentioned above, in 2014 the ACC program faced a budget cut that negatively impacted its performance. On production, various trainings and support was not given to DAs and farmers to carry out tasks as usual. Additionally, FPC registration and transition used to be carried out every year. However, it was not possible to conduct it this year. As a result, there is lack of data on the status of FPCs that were supposed to transition.

Market linkages were also difficult to create since market platforms such as Value Chain Alliances and Regional Transformation Councils were also not conducted. However, the was able to meet the targets by using the resources available such as communicating with buyer through phones and our medium and leveraging already existing linkages. The number of farmers with access to market information has also decreased which shows that it's another impact of the budget cut.

The FPC survey is one of the important tools used to track the performance of the program. However, the survey was also not conducted this year and as a result, 10 indicators were not tracked. In addition, the survey used to provide additional insights on the indicators that are tracked but since it was not conducted this report is not wholesome and doesn't show the full view of the performance. It might also result in inaccuracy of data as the report only indicates the one

Outcome 1: Increased Production and Productivity

Indicator 1a

	Outcome	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Yield Target	Achievement[1]	Difference
ACC Results Framework	Increased production, productivity and Income	% Increase in yield of priority commodities	(C)-Increase from the baseline	Annually	Tef (Kg/ha)	1,166.18	24.00%	1,446.06	2,408.77 (167% of target)	962.71
			(C)-Increase from the baseline	Annually	Maize (Kg/ha)	2,828.08	20.20%	3,399.35	5,717.15 (168% of target)	2,317.80
			(C)-Increase from the baseline	Annually	Sesame (Kg/ha)	453.28	34.50%	609.66	486.92 (80% of target)	-122.74
			(C)-Increase from the baseline	Annually	Malt Barley (Kg/ha)	2,018.49	29.00%	2,603.85	3,688.27 (142% of target)	1,084.42
			(C)-Increase from the baseline	Annually	Wheat (Kg/ha)	2,069.73	25.30%	2,593.37	3846.88 (148% of target)	1,253.51
			(C)-Increase from the baseline	Annually	Tomatoes (Kg/ha)	9,472.00	28.90%	12,209.41	35223.81 (288% of target)	23,014.40
			(C)-Increase from the baseline	Annually	Onion (Kg/ha)	6,404.93	50.70%	9,652.23	22835.55 (237% of target)	13,183.32
			(C)-Increase from the baseline	Annually	Avocado (Kg/ha)	3,750.25	19.10%	4,466.55	31735.65 (711% of target)	27,269.10
			(C)-Increase from the baseline	Annually	Banana (Kg/ha)	5,059.80	18.70%	6,005.98	49074.11 (817% of target)	43,068.13
			(C)-Increase from the baseline	Annually	Mango (Kg/ha)	3,229.08	23.90%	4,000.83	30460.94 (j761% of target)	26,460.11

Source: [1] ATI Regional [4]Centers with the support of Cluster Coordinators compiled by PMO office

Sesame has a negative yield, as seen in the tables above, due to two primary factors: conflict in the Amhara regions **(15 woredas)**, Oromia regions **(19 woredas)**, and Tigray regions **(31 woredas)**, and inadequate management techniques, particularly in the post-harvest phase of the harvesting process. A new project on post-harvest management designed in 2013 was scheduled to be executed in 2014 but due to a lack of budget, it could not be implemented. We intend to carry out the project in 2015.

[4] Because of the low baseline set by IFPRI during the design phase, the 2014 achievements were also compared to the CSA targets to provide a more realistic comparison.

Indicator 1b

	Outcome	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Production Target	Achievement[1]	Difference
ACC Results Framework	Increased production and productivity	% Increase in the volume of production of priority commodities per farm	(C)-Increase from the baseline	Annually	Tef (Mean, Kg)	665.53	26.80%	843.89	21587.78 (256.18% of target)	+1,314.89
			(C)-Increase from the baseline	Annually	Maize (Mean, Kg)	1,433.53	26.70%	1816.28	3270.05 (211.21% of target)	+1,453.77
			(C)-Increase from the baseline	Annually	Sesame (Mean, Kg)	416.30	54.00%	641.10	708.79 (143.32% of target)	+67.69
			(C)-Increase from the baseline	Annually	Malt Barley (Mean, Kg)	534.25	72.10%	919.44	2551.78 (406.06% of target)	+1,631.74
			(C)-Increase from the baseline	Annually	Wheat (Mean, Kg)	1566.89	27.50%	1997.78	2866.98 (166.94% of target)	+869.15
			(C)-Increase from the baseline	Annually	Tomatoes (Mean, Kg)	2,625.50	53.80%	4038.02	5424.78 (177.20% of target)	+1,386.77
			(C)-Increase from the baseline	Annually	Onion (Mean, Kg)	3,871.18	79.60%	6952.64	4655.52 (98.33% of target)	-2,297.12
			(C)-Increase from the baseline	Annually	Avocado (Mean, Kg)	258.17	92.70%	497.49	2818.72 (820.29% of target)	+2,321.22
			(C)-Increase from the baseline	Annually	Banana (Mean, Kg)	589.10	118.40%	1286.59	35328.30 (4767.09% of target)	+34,041.70
			(C)-Increase from the baseline	Annually	Mango (Mean, Kg)	446.14	178.10%	1240.72	2362.89 (435.19% of target)	+1,122.17

Source: [1] ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

In the 2014 E.C harvesting period, despite the challenges posed by the geopolitical and financial issues, the rapid response provided with the support of the ACC development partners and the ability of the federal and regional teams to adapt and develop new implementation modalities ensured that production and productivity in the three reporting regions (Oromia, Amhara and SNNP/Sidama) increased substantially and further proved the effectiveness of the Agricultural Commercialization Clusters approach. Because of the conflict in the Amhara region and the government's directive requiring many horticultural farmers to grow wheat, onions performance fell short of expectations.

When compared with Ethiopia's overall productivity data, compiled by the CSA, both ACC and FPC farmers had yields substantially higher across crop commodities, except for sesame:

	Tef	Maize	Sesame	Malt Barley	Wheat	Average
CSA 2021/2021(Kg/Ha)[1]	1,882	4,179	704	2,526	3,046	2,467
ACC 2014 Season (Kg/Ha)[2]	2,335	5,767	432	3,964	3,762	3,252
FPC 2014 Season (Kg/Ha)[2]	2,433	6,395	633	4,417	4,397	3,561
ACC/CSA	**124%**	**138%**	**61%**	**157%**	**124%**	**132%**
FPC/CSA	**129%**	**153%**	**90%**	**175%**	**144%**	**144%**

Source: [1]CSA 2013 Meher Projection Report, [2]ACC Program Management Office

	Tomato	Onion	Banana	Mango	Avocado	Average
CSA 2021/2022(Kg/Ha)[1]	17211	16223	9362	7281	8021	6409.4
ACC 2014 Season (Kg/Ha)[1]	23,880	7,246	31,471	19,277	20,819	16374.8
FPC 2014 Season (Kg/Ha)[1]	28,282	8,145	37,845	24,181	21,342	19690.6
ACC/CSA	**139%**	**45%**	**336%**	**265%**	**260%**	**255%**
FPC/CSA	**164%**	**50%**	**404%**	**332%**	**266%**	**307%**

Source: [1]ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

Since the Central Statistics Agency calculates the yield of horticulture commodities based on sample data and predominantly from areas of rain-fed production, while the ACC is producing in woredas with intense production systems and irrigation, those two data sets are not directly comparable, which makes the ACC and FPC relative performance vs. CSA not representative.

All crop commodities except for **Sesame** have surpassed their productivity targets, while all five are above their production per household targets. Additionally, Tigray region and northeastern parts of Amhara region which have strong contribution to the ACC's sesame production have been significantly affected by the conflict and lack of security.

As can be seen from the tables above, the financial problems did not have a significant impact on production and productivity because the funding issue did not arise until ~~after~~ the end of the planting season, which was from the beginning of June to the end of July of 2013. ATI was able to meet the majority of its targets thanks to the work done in late 2013 E.C and the first two quarters of 2014.

Grain Farmers Production Clusters, saw a strong scale-up, reaching nearly 52% of farmers producing priority commodities in ACC woredas, and continued to deliver superior productivity, particularly in Maize, Malt Barley, and Wheat.

Below, it is also possible to observe the trajectory of the ACC's production and productivity increase year over year in comparison with the Results Framework, which provides a clear picture of the production and productivity gains driven by the program in light of its original design:

		Unit/ Details	2013 Actual Performance[1]	2014 Actual Performance[1]	% Change from 2013 to 2014	RF % Target increase from Year 2 to Year 3
DACC Results Framework	Increase in yield	Tef (Kg/ha)	2,334.67	2,408.77	3.08%	+9.01%
		Maize (Kg/ha)	5,767.20	5,717.15	-0.88%	+7.42%
		Sesame (Kg/ha)	432.34	486.92	11.21%	+13.06%
		Malt Barley (Kg/ha)	3,963.90	3,688.27	-7.47%	+8.97%
		Wheat (Kg/ha)	3,761.98	3846.88	2.21%	+9.99%
	Increase in production per farm	Tef (Kg/ha)	2,240.31	2157.78	-3.68%	+10.78%
		Maize (Kg/ha)	3,407.58	3270.05	-4.21%	+9.57%
		Sesame (Kg/ha)	845.54	708.79	-19.29%	+25.99%
		Malt Barley (Kg/ha)	2,467.94	2551.78	3.29%	+28.44%
		Wheat (Kg/ha)	2,930.63	2866.98	-2.22%	+11.39%

Source: [1] ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

ACC 2014 E.C*. Crop Production Season Achievements

Prior to the start of the planting season, in conjunction with the RBoAs, targets for amounts of land planted and production were established based on the program's Results Framework. In most cases, RBOAs utilize the percentage increase in the results framework to determine the yearly target, but in the 2014 goal-setting process, the targets established were greater than those mentioned in the result frameworks. These goals are used to measure performance on a monthly basis and to ensure that implementation on the ground is generating the results predicted in the Results Framework.

Indicator	Unit/ Details	Crop	Target (Set at regional level)	Achievement[1]	% Achievement
Area of land planted	Ha	Wheat	847.4K	**867.7K**	**102%**
		Maize	927.6K	**922.1K**	**99%**
		Malt Barley	120.1K	**108.2K**	**90%**
		Sesame	278.0K	**239.6K**	**86%**
		Tef	453.6K	**447.3K**	**99%**
		Total	2.6M	**2.6M**	**95%**
Quantity of crops threshed	Qt	Wheat	34.1M	**33.3M**	**96%**
		Maize	55.5M	**52.7M**	**95%**
		Malt Barley	4.9M	**4.0M**	**82%**
		Sesame	1.3M	**1.2M**	**92%**
		Tef	11.5M	**10.8M**	**94%**
		Total	107.3	**102.1**	**92%**

Source: [1]ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

* 2014 E.C is equivalent to 2021/2022 G.C

Indicator	Unit/ Details	Crop	Target (Set at regional level)	Achievement[1]	% Achievement
Area of land planted	Ha	Tomato	8.7K	6.3K	-28%
		Onion	6.4K	5.3K	-18%
		Avocado	29.9K	4.2k	-10%
		Banana	1.4K	29.6k	-1%
		Mango	4.7K	1.3k	-9%
		Total	51.1	46.6	-9%
Quantity of crops threshed	Qt	Tomato	3.6M	2.20M	-39%
		Onion	1.3M	1.20 M	-7%
		Avocado	16.0M	1.34 M	-11%
		Banana	0.49M	14.53 M	-9%
		Mango	1.5M	0.39 M	-20%
		Total	22.9	19.65	-14%

Source: [1]ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

ACC performance during the 2014 production season has demonstrated~~is~~ strengthening evidence of the effectiveness of the program's clustering approach, as well as interventions across agricultural systems to drive the production and productivity of smallholder farmers to bring about agricultural transformation.

Output 1.1: Improved access to inputs/extension and financial services

Indicator 1.1a, Indicator 1.1b and Indicator 1.1c

	Output	Indicator	Cum (C) or Non-Cum (NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement	Difference
ACC Results Framework	Improved access to inputs/extension and financial services	% of farmers with access to inputs (seed, fertilizer, agrochemicals)	(C)	Semi-annually	Fertilizer (% of HHs)	90.70%	92.00%	**89%**[1] (96.7% of target)	-3.00%
			(C)	Semi-annually	Improved seed (% HHs)	57.70%	72.24%	**68%**[1] (94% of target)	-4.24 %
			(C)	Semi-annually	Agrochemicals (%HHs)	48.40%	57.37%	**6%** (99.84% of target)	-51.37%
		% of farmers with access to extension services (DA touchpoints, 8028)	(C)	Semi-annually	Extension (DAs) (% HHs)	79.90%	86.00%	**89%**	3%
			(C)	Quarterly	8028 (% HHs)	13.60%	28.00%	**67%** (239.28% of target)	9.00%
		% of farmers with access to financial services (saving, credit, insurance)	(C)	Monthly	Access to formal financial institution (%)	65.80%	92.00%	**23.5%** (25.5% of target)	-68.5%
			(C)	Monthly	Access to input credit (%)	65.80%	80.60%	**13%**[1] (16.1% of target)	-67.60%
			(C)	Monthly	Saving account (%)	46.40%	58.00%	**10%** (17.2% of target)	48.00%

Source: [1]ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office, [2]8028 Project Report

Based on the ACC Baseline Survey, which was carried out by IFPRI, a baseline for access to inputs and extension services was developed. The data gathered on the ground reflects the actual number of farmers who used these goods and services. As a result, while the 2014/Year 3 accomplishments offer an objective assessment of input and extension access in the number of farmers, an accurate assessment of progress toward the goal will only be achievable after the mid-term review, ATI was not able to perform the mid-term program review (scheduled last year September) that would have provided a like-for-like comparison of the ACC's achievements against its targets due to a shortage of funds. We expect to do the ~~repoet~~report in 2015 if there is available budget.

Despite numerous efforts, we were unable to meet the ACC targets on improved access to inputs due to supply-side challenges and price increases for fertilizer and improved seed in the global market system, as well as restricted availability of fertilizers for privately owned firms. It is administered by the federal government and distributed through cooperatives, making it difficult for privately held businesses to gain access as needed.

In the previous year's **Value Chain Alliances (VCAs)** platforms were used to raise critical issues on the availability of inputs are raised and addressed by different value chain actors and the ACC Inputs projects are strengthening the production and distribution of inputs. But due to the shortage of funds, the VCAs have not been conducted in the 2014 fiscal year.

Extension services are another critical driver of production and productivity. In 2014, **89%** of ACC farmers had access to Development Agents. These DAs go through intensive capacitation not only on agronomic practices that improve productivity but also on the use of mechanization, marketing, the adoption of CSA farming practices and gender engagement. Similarly, extension access through **8028** has reached more than double its annual target, and over **67%** of ACC farmers accessed information through the hotline which is 10% greater than the 2013 achievement.

Production and distribution of agrochemicals are not the primary focuses of the program due to the ACC's emphasis on environmentally friendly farming techniques. The ACC and complete package place a priority on integrated pest control, from land preparation and cultivation techniques to crop rotation, among other strategies. Access to agrochemicals is indeed facilitated, when necessary, for example through One Stop Shops. As a result, neither broad access to agrochemicals nor data on it have been encouraged or pushed through the program's initiatives.

The data for this output was normally collected using the ACC/FPC survey, however because the ATI was unable to conduct the survey in 2014 owing to budget constraints, the data utilized was collected by DAs, therefore there may be concerns with accuracy and completeness.

In 2013 there was low IVS input credit collection performance in SNNP due to the lack of capacity of OMO microfinance and officials' interference in implementing the IVS system as per the guidelines and manuals which led to the freeze of input credit provision. In 2014 IVS conducted a detailed diagnostics study on the severe problems in SNNP and in collaboration with our regional partners began implementing recommendations. Since two regions have been separated from SNNP, IVS implementation modality for the new region will be developed and implemented accordingly in 2015

Rural Financial Services aims to facilitate direct and indirect access to credit and in 2014 78 RuSACCO unions supported with project interventions (training, IT equipment, etc….) and this, in turn, assisted SACCO unions to improve their operation and service delivery to smallholder farmers. During the reporting year, these SACCO Unions mobilized **1,219,590,574.00** ETB saving and provide/dispersed credit service of amount **3,685,742,837.00** ETB for **677,585** (47% female) smallholder farmers. In addition, RuSACCOs leadership training provided by the project supported RuSACCOs to get additional membership of 682,938 (42% female) smallholder farmers in RuSACCOs.

Achievements from contributing projects

Farmer Production Clusters (FPCs) is scaling up the clustering of farmers to increase their scale and improve their agronomic practices. The expansion of this initiative is prioritized to ensure a larger share of ACC farmers are registered and using the full package technologies. In 2014, ATI targeted to include **50%** of total farmers in ACC woredas and succeeded in registering **53%** of ACC farmers planting priority commodities**.** Due to the expansion of **FPC**, the area of land under full package recommendation has reached 1,385,994 hectares and the production and productivity of farmers has improved robustly. The FPC registration

Horticulture Farmer Production Clusters reached its second year of implementation and the monitoring mechanism for the entire horticulture component has been put in place and regular PMO progress update has been provided throughout the year. With the exception of contracts signed on market linkage all the pilot targets on registration, area of land, input access and production are met.

Inputs and financial Services

ATI and the ACC continue to work to strengthen the production and distribution of seeds:

The first phase of the **Cooperative Based Seed Production** project has been completed and. 14 unions successfully transformed through Physical and soft skill capacity bolstered along seed value chain. To strengthen physical capacity construction of 8 office, 29 seed storage, 12 mini seed

laboratories, 7 seed cleaning shades, 3 diffused-light stores, nine knowledge canters completed. In addition, 13 seed processing plants, 7 tractors, 7 field vehicles, 5 trucks, and 17 motorbikes provided on cost sharing approaches (70% ATI: 30% unions). For softs kill development training provided for 13,500 (2,613 female) farmers and 4,000 training modules published in local language (Amharic, Afan Oromo, and Tigrigna) and distributed to seed unions. Annual seed production and supply of unions reached 103,210qtl per year.

Phase two of the project has been designed but due to the lack of funding it has not been implemented. The second phase of the CBSP project will be predominantly focused on assisting the private sector in the seed business, with implementation contingent upon the availability of funds.

For efficient input distribution and wide availability to smallholder farmers, new **Agricultural One Stop Shop and Service Centers** were built in partnership with local entrepreneurs. However, due to the budgetary constraints, only 29 of the targeted 50shops were built. All things considered, the AOSS sales has increased by 84% since 2013 registering 1.47 billion Birr in 2014 sales from 166 AOSS established AOSS centers/shops in Oromia, Amhara & SNNPR Regions

RuSACCo Capacity building works to enhance RuSACCos and increase their ability to provide financial services to smallholder farmers. ATI initiatives also aim to develop rural finance institutions by expanding input credit and providing timely access to inputs. The **Input Voucher System (IVS)** works with local microfinance institutions (MFIs) or Rural Saving and Credit Cooperatives (RuSACCos) to qualify farmers for loans and give cash or credit vouchers redeemable at neighboring cooperative businesses.

Key achievements:

- In 2014, about **180K quintals of seed** and **10M quintals of fertilizers** were distributed to farmers in the ACC program and of which farmers in **FPCs** have accessed **103.8K quintals of seed** and **5.7M quintals of fertilizer**.
- In Amhara, Oromia and SNNP/Sidama regions, **166 Agricultural One Stop Shops** have supplied different agricultural inputs and services to **2,822,760M farmers** at a value of more than **1.47 billion Birr.**
- **173** employees of **RuSACCOs** and supporting government sector (Cooperative agencies) trained with the capacity building diagnostic tools and techniques. As a result of this training, **297** Rural saving and credit primary cooperatives (RuSACCOs) implemented capacity building diagnostic tools and techniques to improve their financial service delivery to member smallholder farmers.
- In 2014, **7.7M** smallholder farmers have utilized the **Input Voucher Sales (IVS)** system to purchase **12.3 M quintals** of fertilizers, seeds, and chemicals that are worth **22.4B Birr**.

507,000 (**82%** Female headed households) smallholder farmers in Amhara region have accessed input credit Worth **1.6 billion ETB** for the purchase of b quintals of inputs such as fertilizers, seeds, and agrochemicals by the end of the fiscal year.
A total of **507,000** (**82%** Female headed households) mainly adults were received financial literacy training by the end of the fiscal year.

Extension services

The **8028 Farmers' Hotline** has continued to provide farmers and extension workers (DAs) with best practice information on production, productivity, market access and sustainable agricultural practices. The hotline has also expanded its helpdesk to **70 additional ACC woredas** in Amhara, Oromia and SNNP/Sidama regions. While serving as a reliable source of information, the system is also being leveraged to broadcast surveys to DAs on various topics including desert locusts, crop diseases, and emergency responses. The system has also been instrumental in conducting push messaging to farmers and DAs with content on production, productivity, access to markets, and nutrition.

Key achievements:

- In 2014, the system registered **300,000 new users** on the Hotline, which resulted in a total of **2,215,956 users** and received **3.3M calls** in the service. **595** agricultural experts, development agents, and helpdesk responders including agricultural researchers from **17** research institutes have been trained on the hotline, IVR survey module, and on how to answer the 8028 helpdesk queries as a secondary responder. These include experts from the Somali region. Livestock such as Camel Husbandry and **10** selected crop advisory contents are included to 8028 FHL and made it available to users in Somali region in Somali language in collaboration with Mercy corps Ethiopia and Somali region BoA. The number of users in Somali language from the region has surpassed 9,000. 8028 also conducted IVR (voice) or SMS based surveys on different topics including low land irrigation wheat rust and worked with MoA, EIAR, and CIMMYT to generate 45 advisory messages and sent push messages following cropping calendar, early warning messages on wheat rust and Deseret locust, and nutrition for about 1,000,000 farmers.

Output 1.2: Increased adoption of improved production practices

Indicator 1.2a

	Output	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement[1]	Difference
ACC Results Framework	Increased adoption of improved production practices	Hectare of land under full recommendation packages (improved seed, fertilizer, agro-chemical, agronomic practices)	(C)	Semi-annually	Ha	N/A	1,802,617	**1,404,592[1]** (78% of target)	-398,026

Source: [1]ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

At the heart of the ACC's strategy to increase production and productivity is the clustering of farmers to access the full package of technologies, which not only includes access to inputs and extension services but also improved agronomic practices including land preparation, time of sowing, plant populations, time of fertilizer application & weeding, time of harvesting, threshing, etc. Established and revisited with a group of value-chain stakeholders and based on climate-smart agricultural practices, the full package has enabled **FPC** farmers to reach an average yield **52% higher than non-FPC, ACC farmers**.

As highlighted previously to the Technical and National Steering Committees, the initial assumptions for land size per farmer were overestimated when the Results Framework was first designed. As such, while the number of farmers under production clusters continues well above target, the area of land committed to planting is lower than established in the Results Framework.

Achievements from contributing projects

Horticulture Farmer Production Clusters had a highly successful second year of implementation in 2014, with **over 1800 hectares** planted, above the target. Performance targets for the second year of implementation, from end-to-end of the production cycle (from planting, input, and access, production) were well above the target with the exception of contract farming to sales. The project is targeted to expand exponentially in 2015.

From 2013 to 2014, the number of farmers that are in **Farmers Production Clusters (FPCs)** (crop and horticulture) has increased by **18%**, from **1.7 M to 1.9M**, whereas the area of land planted has increased by **29%,** from **1M hectares to 1.4M hectares** of land.

Key achievements:

- In 2014 planting season, **1.9M smallholder farmers** were registered in **80.2K clusters** and **1.4M hectares of land** was covered under the **Farmers Production Clusters (FPCs)** Project.
- The **Horticulture Farmers Production Clusters'** second year of implementation in 2014 showed positive results. Under this project, **78K smallholder farmers** were registered in **1380 cluster**s and 18**K hectares of land** was covered.

Output 1.3: Improved adoption of pre- and post-harvest technologies

Indicator 1.3a and Indicator 1.3b

	Output	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement[1]	Difference
ACC Results Framework	Improved adoption of pre- and post-harvest technologies	% Of farmers using improved on-farm storage	(C)	Annually	Farmers using modern gotera and/or bags (%)	36.90%	38.15%	**33%**[1] (86.5% of target)	-5.85%
		% Of farmers using mechanization services (by farm operation)	(C)	Annually	Farmers who have access to mechanization (%)	7.40%	8.40%	**23%**[1] (273.8% of target)	+14.6%

Source: [1] ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

In 2013, a new project on **Post-harvest Management,** to reduce post-harvest loss as well as to drive value addition was designed. Storage solutions with the highest potential for loss reduction and value addition, such as harvesters, Zero Energy Cooling Chambers, shellers and hermetic bags was meant to be piloted in 2014 but due to the budget cutoff the project was not implemented.

The **10 MSCs** in the three regions that were planned to complete the construction in 2014 couldn't be finalized because of the lack of funds. Construction is ongoing on nine out of ten centers of which 3 have reached 94% and above, whereas 3 are between 83% and 86%; the remaining 3 are between 24% and 67%. The tenth one is paused due to the conflict and there is no information about its status.

Achievements from contributing projects

To avoid farmer distress selling and decrease post-harvest losses, the **Horticulture Farmer Production Cluster** pilot has supported farmers in using modern storage and packaging technology for their produce. These efforts will be expanded and integrated with the Post-harvest Management project, piloting several innovative solutions aiming at loss reduction and value addition. Under the **Mechanization Service Center Pilot Project, 10 service centers** are under construction. Even though the centers are under construction, the project is providing regular technical support for **MSC**s in relation to the physical infrastructure development and business skill development. This project supported and promoted the adoption of environmental-friendly machineries in the service centers.

Key achievements:

In 2014, more than 30,000 smallholder farmers got access to mechanization services on a fee basis across the whole value chain

Challenges and mitigation

No.	Challenges	Mitigation	Next Steps
PROGRAM-LEVEL			
1	**Security challenges** (Tigray, Amhara, and Oromia)	The damage to project infrastructure was assessed, and a recovery plan was prepared and approved with development partners; the situation in the region is still being continuously watched.	- Continuously monitor the situation both on the ground and federally from HQ - Engage closely with the public sector for direction on how to operate in the region - Brief development partners on the changing geopolitical scenario in the region monthly, for alignment on way forward
2	**Sesame** continues to underperform due to a series of challenges across this value chain: • Shortage of improved sesame seeds • Low level of mechanization throughout the production process • Significand amount of post-harvest loss Security issues in Tigray and Amhara which are the largest producers of sesame	A detailed study on the sesame value chain was conducted by the ATI Analytics team, and several solutions are currently being piloted in Amhara, for future rollout in other regions	- Finalize pilot of sesame solutions - Assess the results of different value chain interventions - Roll solutions out to sesame clusters in all regions
PROJECT-LEVEL			
3	The AOSS businesses are being challenged by a market shortage of desired inputs and an increase in illegal traders.	• Effective consultation workshops and integration works have been done with concerned government officials • To solve the input availability challenge, AOSSs are establishing a share company in	- Continue to engage closely with government officials to ensure a fair marketplace for inputs - Coordinate the establishment and operations of share companies established by AOSSs. Provide support in human resources and MoA

		each region to import inputs	engagement to facilitate forex access
4	The budget constraint affected the operationalization of 42 AOSS, although ATI entered into an agreement in 2013 EFY.	• Contact donors to request a refund for the commitment activities.	- Secure budget from donors and begin operations
5	Construction material cost escalation (steel iron & Cement)	• Encourage contractors to speed up construction as there is no room for unit price revision	- Advise MSC to push contractors per their contract agreement
6	Variation on construction work and cost emerging from design and specification discrepancy, topography of construction site	• Verification and validation of variances of three MSCs (Gibe Dedessa, Bure Damot, Galema, Wolaita Damota) is ongoing by ATI civil engineers	- Verification for three MSCs (except wolaita) finalized waiting for action by MSCs
7	Procurement of workshop internal facility not finalized despite repeated bidding process	• No potential suppliers appeared despite various efforts made	- Revisiting the technical specification

Outcome 2: Improved Access to Markets

Indicator 2a

	Outcome	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Share of marketable surplus target	Achievement	Difference
ACC Results Framework	Improved access to markets	% increase in the share of marketable surplus	(C)-Increase from the baseline	Every 2 years and 5 years	Tef	23.40%	6.22%	29.62%	**30%**[1]	0%
			(C)-Increase from the baseline	Every 2 years and 5 years	Maize	32.03%	8.74%	40.77%	**42%**[1]	1%
			(C)-Increase from the baseline	Every 2 years and 5 years	Sesame	37.95%	2.01%	39.96%	**88%**[1]	48%
			(C)-Increase from the baseline	Every 2 years and 5 years	Malt Barley	26.48%	6.22%	32.70%	**39%**[1]	6%
			(C)-Increase from the baseline	Every 2 years and 5 years	Wheat	22.52%	8.32%	30.84%	**31%**[1]	0%
			(C)-Increase from the baseline	Every 2 years and 5 years	Tomatoes	75.40%	7.79%	83.19%	**83%**[1]	0%
			(C)-Increase from the baseline	Every 2 years and 5 years	Onion	84.80%	3.64%	88.44%	**84%**[1]	-4%
			(C)-Increase from the baseline	Every 2 years and 5 years	Avocado	56.60%	6.85%	63.45%	**91%**[1]	28%
			(C)-Increase from the baseline	Every 2 years and 5 years	Banana	56.40%	7.37%	63.77%	**95%**[1]	31%
			(C)-Increase from the baseline	Every 2 years and 5 years	Mango	47.20%	10.00%	57.20%	**79%**[1]	22%

Source: [1]ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

Indicator 2b

	Outcome	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement[1]	Difference
ACC Results Framework	Improved access to markets	% increase in share of outputs sold through prior arrangement (with agreement before harvest)	(C)	Every 2 years and 5 years	% of share output sold	5.60%	11.2%	**18%**[1] (160.71% of target)	+6.8%

Source: [1]ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

During the third year of full-scale implementation, the ACC Program remains committed to commercializing smallholder farmers through market-oriented agricultural techniques and end-to-end value chain interventions. With production and productivity targets attained, it is vital to establish and strengthen market links for farmers to sell their increased output, resulting in a direct impact on their incomes. FPCs and their scaled-up, aggregated production are a powerful tool for commercialization since they facilitate buyer interaction and contract signing. Collectively, FPCs can meet the needs of large-scale buyers while also streamlining sales operations. Field days, in which buyers and farmers are brought together to develop market links, benefit all ACC producers.

The ACC program was designed to work in tandem with the Integrated Agro-Industrial Parks. Despite the IAPIs' construction being halted because to budget issues, ATI regional offices are working closely to assess their demand for ACC priority commodities and start supplying them in the upcoming production season. At the federal level, the program leadership continues to diligently participate in strategic meetings with the steering committees on the way forward.

Despite the deferral of the IAIPs, the Federal ACC team continues to reach out to private and institutional buyers, industry, cooperatives, and others in order to establish new market channels for ACC farmers and provide reliable outlets for the consumption of their growing production with the resources available at the time.

ACC 2013 E.C* Production Season Achievement: Grain crops

Indicator	Unit/Details	Crop	Target (Set at regional level)	Achievement[1]	% Achievement
Quantity of commodities sale contract signed	Qt	Wheat	3.8M	2.9M	**76%**
		Maize	6.2M	2.8M	**45%**
		Malt Barley	546.4K	1.5M	**275%**
		Sesame	146.2K	724.4K	**495%**
		Tef	1.3M	825.4K	**63%**
		Total	11.9M	8.75M	**73%**
Value of crop sale contract signed	Birr	Wheat	9.0B	8.0B	**89%**
		Maize	7.5B	5.2B	**69%**
		Malt Barley	1.5B	4.9B	**327%**
		Sesame	682.1M	3.8B	**557%**
		Tef	5.0B	3.4B	**68%**
		Total	23.6	25.3B	**107%**
Quantity of marketable surplus sold	Qt	Wheat	10.5M	10.3M	**98%**
		Maize	22.6M	22.0M	**97%**
		Malt Barley	1.6M	1.6M	**100%**
		Sesame	521.6K	1.0M	**192%**
		Tef	3.4M	3.3M	**97%**
		Total	38.6M	38.2M	**99%**
Value of marketable surplus sold	Birr	Wheat	24.7B	32.1B	**130%**
		Maize	27.2B	44.7B	**164%**
		Malt Barley	4.3B	6.3B	**147%**
		Sesame	2.4B	6.9B	**288%**
		Tef	13.2B	13.6B	**103%**
		Total	71.8B	103.6	**144%**
Share of marketable surplus sold	%	Wheat	31%	28%	**90%**
		Maize	41%	13%	**32%**
		Malt Barley	33%	98%	**297%**
		Sesame	40%	71%	**178%**

* Equivalent to 2021/2022 G.C

		Tef	30%	25%	**83%**

The share of marketable surplus sold across all five crop commodities has met the annual target, indicating the success of the program's efforts to commercialize smallholder farmers. These detailed targets are set with each region based on the percentages established in the ACC Results Framework.

Although the performance against contract farming indicators has improved considerably from the previous year, the program has not fully met its targets. This resulted from not conducting VCA forums and RTC due to the unavailability of budget. Regardless, the team was able to create market linkages by leveraging the already established ones and using various methods such as contacting buyers through the phone

In **Sesame,** the data shows the effectiveness of promoting contracting, particularly in FPCs. Due to the overall challenges, **Maize and Tef** underperformed in contract farming. We expect the strengthening of Maize and Tef production and commercialization overall to improve performance against this indicator as well.

ACC 2013 E.C* Production Season Achievement: Horticulture

Indicator	Unit/Details	Crop	Target (Set at regional level)	Achievement[1]	% Achievement
Quantity of commodities sale contract signed	Qt	Tomatoes	452.2K	285.8K	**63%**
		Onion	191.3K	23.7K	**12%**
		Avocado	197.1K	112.1K	**57%**
		Banana	1.4M	1.14M	**81%**
		Mango	43.3K	43.2K	**100%**
		Total	2.3M	1.6M	**70%**
Value of crop sale contract signed	Birr	Tomatoes	567.6M	430M	**76%**
		Onion	12.4M	47.1M	**381%**
		Avocado	274.1M	114.7M	**42%**
		Banana	1.4B	1.14B	**81%**
		Mango	52.1M	51.8M	**100%**
		Total	2.3B	1.8B	**77%**
Quantity of	Qt	Tomatoes	2.8M	1.8M	**65%**

* Equivalent to 2021/2022 G.C

marketable surplus sold		Onion	328.3K	1M	**307%**
		Avocado	1.3M	1.2M	**94%**
		Banana	14.5M	13.8M	**95%**
		Mango	384.8K	307.1K	**80%**
		Total	19.3M	18.2M	**94%**
Value of marketable surplus sold	Birr	Tomatoes	3.3B	7.36B	**223%**
		Onion	65.7M	2.1B	**3203%**
		Avocado	1.23B	1.23B	**100%**
		Banana	14.7B	15.2B	**104%**
		Mango	493.7M	384M	**78%**
		Total	19.8M	26.3B	**133%**
Share of marketable surplus sold	%	Tomatoes	77.03%	16%	**20%**
		Onion	24.37%	2%	**10%**
		Avocado	83.77%	9%	**11%**
		Banana	90.98%	8%	**9%**
		Mango	77.43%	14%	**18%**

Source: [1]ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

Horticulture value chains are considerably less developed than crop commodities particularly when it comes to their market channels. To overcome these challenges, the ACC had constructed 5 market sheds that are operating and 4 market sheds that were supposed to start operations in 2014 but due to budget issues they have seized construction. Additionally, the robust scaling up of **Horticulture FPC** have strengthen farmers ability to commercialize their produce through FPC's proven boost of marketing capability. The development of the commercialization components of these value chains is being driven by intensive work under the ACC project. The identification of top buyers demands and supply; negotiation and contract agreement signing, regular supervision, backstopping and technical support has also been progressing. In 2014, approximately 78,100 horticulture farmers clustered in 1380 the HFPC have surpassed commercialization targets (volume and value of marketable surplus sold), at 147% and 148% The scaling up of horticulture FPC will bring this strong performance to more farmers producing horticulture commodities.

Onion, Tomato and Mango underperformed in contract farming, though since the horticulture component of ACC is delayed in comparison with crop commodities, the program team is learning continuously on where priorities and efforts should be allocated. In addition, market linkage forum has not been conducted due to budget constraints and has led to the underperformance in commercialization KPIs. Though these commodities are underperforming on contractual agreements, the value of marketable surplus sold especially in Onion is overperforming. This is due to price inflation which has increased exponentially compared to last year.

Output 2.1: Increased level of farmer aggregation

Indicator 2.1a

	Output	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement[1]	Difference
ACC Results Framework	Increased level of farmer aggregation	# of established FPCs (clusters) in production clusters	(C)	Annually	# of FPC clusters	N/A	84,598	81,552[1] (97% of the target)	-3,046
		Hectare of land under production clusters	(C)	Annually	Ha	N/A	1,802,617	**1,404,592[1]** (78% of target)	-398,026

Source: [1]ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

FPCs continue to be key drivers of commercialization, ensuring product quality by adopting high-quality inputs and enhanced farming practices, and enabling clusters to access markets together serve larger buyers, strengthen negotiating power, and benefit from economies of scale. In 2014, crop commodity farmers in approximately **81,552 registered clusters** (exc. Tigray) sold Birr **29.3 billion** worth of crop commodities[5], more than half of the entire ACC's registered sales while covering approximately **53%** of the area planted under the program. The clustering approach also enhances contract farming, since farmers can negotiate as a cluster and supply to large buyers. The **FPC** project facilitated the signing of contracts for the sale of **6.8M** quintals of commodities, **66%**of the total contract sales signed under the entire ACC program[3].

The results of the **Horticulture FPC** pilot are encouraging and strengthen the evidence that FPC's clustering approach is an effective driver of commercialization and value chain development, nearly meeting or surpassing all the ambitious targets set for horticulture produce commercialization, even as the results in the overall, non-FPC horticulture component were considerably behind those of crop commodities[3].

[5] *Source: ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office*

[3] *Source ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office*

Achievements from contributing projects

As part of establishing farmers-owned companies, **Farmer Production Clusters** are expected to pass through different stages including **pre-basic, basic, intermediate,** and **advanced**. Clusters in the initial pre-basic stage where **100%** of farmers adopted all the package's recommendations, implemented climate-smart agricultural practices, ensured women participated in decision-making at the cluster level and achieved high levels of commercialization have graduated from pre-basic to basic. While at basic stage, FPCs receive specialized, business-oriented capacity building and extension.

The registered FPCs are assessed each year for cluster transition using evidence-based criteria. Transition of FPCs from pre-basic to basic stage is conducted based on their application of full package recommendation including CSA practices, their land under cultivation, cluster management, degree of commercialization and coordination. In addition to the components assessed for the transition of pre-basic to basic stage, the transition of FPCs from basic to intermediate also includes the storage methods and mechanization usage by the FPCs.

The criteria for cluster transition are deliberately strict, as only very high-performing clusters are expected to perform well at higher stages and able to operate independently at company level. Yet, for FPCs that were not able to transit to the next stages, the main challenges are identified, and next steps analyzed and being rolled out by the ATI.

This year the transition assessment was not conducted due to budget constraints therefore we are unable to determine FPCs with good performance. However, the assessment will be conducted in anticipation that this challenge will be solved.

Output 2.2: Improved access to market information and outlets

Indicator 2.2a, Indicator 2.2b

	Output	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement	Difference
ACC Results Framework	Improved access to market information and outlets	% of farmers who perceive they have access to sufficient market information	(C)	Every 2 years and 5 years	% of farmers	18.70%	34.00%	**66%**[1] (194.12% of target)	+32%
		# of smallholder farmers who accessed validated market information	(C)	Quarterly	# of farmers	N/A	483,000	**402,184**[1] (83% of target)	-74,816

Source,[1]NMIS Report

Through the ACC Governance Platforms, farmers, cluster leaders, public sector officers, and market actors can monitor and make commercialization-related decisions that benefit farmers, drive income, and enhance market linkages.

The **National Market Information System** is available in **36%** of ACC woredas, disseminating relevant market information to farmers in real-time. According to data compiled by the ACC Program Management Office, while **FPC** farmers were able to sell it for **95%** of the targeted value,[2] evidencing the impact of accurate, timely market information for commercialization and smallholder farmer income. From **58.6M quintals** of crops and oil seeds sold by FPCs,**10.3M quintals** were sold through prior agreements and contracts[2].

[2] Source: ACC Program Management Office

Achievements from contributing projects

The **National Market Information System (NMIS)** project has in place a market information system for agricultural commodities. The project upgraded the current system and expanded the project to ensure timely, accurate market information is available to smallholder farmers and value chain actors. The project provided data which is collected from reliable sources and has been validated. To create awareness and increase the use of the system, advertisement, promotion, and awareness creation workshops were conducted with stakeholders.

When it comes to opening and reinforcing marketing and sales channels for ACC farmers, the **Agriculture Trade, and Investment Promotion (ATIP**) project continued to create an enabling environment in which smallholder farmers can have diversified opportunities to market their outputs and be effectively linked to local and global supply chains. The project worked on creating market linkages between processors and SHFs in selected ACC prioritized commodities and the project supported regions and coordinated the promotion of ACC commodities in national and international platforms.

Key achievements:

- In 2014, **NMIS** continued to operate in **157 woredas** of which 110 woredas are in the ACCs. Refresher training was given **to 142 existing data enumerators**, and stakeholders awareness creation workshops were held to raise awareness of **301** key federal and regional project stakeholders.
- **NMIS** has also validated more than **28 thousand** market information was distributed to all users in Amharic, Afan Oromo, Tigrigna, and English via voice (6077 short-code), website, and email and over **2 million calls** were received from over **228 thousand registered users** to access market information from the system.

1. **ATIP** has worked on the implementation of the Food and Beverage Processing and Auxiliary Industries strategy to create market linkage between Industrial Input Supply Enterprise, National Disaster prevention and protection commission and Federal Cooperative Agency for supply of Wheat, Teff, Maize and Soyabean. A supply gap assessment was also conducted in three IAIPs to craft future supply strategy and integration with ACC project
2. **ATIP** had also started coordination resources among ATA, Ethiopian Horticulture Producers and Exporters Association, and Agriculture Research council to organize the Ethio Horticulture Expo but due to budget constraints it has been conducted.
3. **ATIP** has also facilitated a joint-venture arrangement for a green field Corn processing plant located at Bure Integrated Industry Park is being facilitated between foreign investors and Bahirdar Agro-processing. The project has a direct link with **creating market for Small Holder Farmers** engaged in **Maize** production in the region.

Output 2.3: Improved value addition practices

Indicator 2.3a, Indicator 2.3b

	Output	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year3 Target	Achievement	Difference
ACC Results Framework	Improved value addition practices	% of farmers practicing value addition at household level	(C)	Annually	% of farmers	64.20%	66.20%	**53%**[1]	-11.2%
		# of SMEs have been institutionally strengthened to deliver competitive products or services, through various methodologies adapted to their size and needs	(C)	Annually	# of SMEs	170	289	**214**[2] (74% of target)	-75

Source: [1]ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office ,[2]AgriHub report

Agri-Hub works to capacitate SMEs and support their professionalization and financing, strengthening the agriculture private sector and improving value-addition practices. To date, **Agri-Hub** has focused on supporting enterprises directly related to ACC projects, such as AOSSs and MSCs, ensuring these small businesses can provide critical services to farmers, secure funding and enhance their business skills. The project aims to expand, build on its experience, and start supporting SMEs that are unrelated to ATI projects, but still provide much-needed services to farmers such as processing and value-addition.

Achievements from contributing projects

After production, it is crucial to ensure that products are stored well, sorted, cleaned, graded, and processed to increase their market value. Having storage to keep products safe has been a priority in **horticulture clusters**.

Moreover, ATI through the **Agriculture Trade and Investment Promotion (ATIP)** project worked on attracting investments into Ethiopia's Food Processing and Auxiliary Industry. In 2014, the ATIP project has worked to facilitate linkages between buyers and cooperatives.

The **Agri-Hub** project strengthened SMEs to deliver competitive products and services. The project supported the SMEs by providing training and support related to business skill development.

Key achievements:

4. **Agri-hub** provided training and installed Sage **50** Accounting, Inventory, and CRM Software for **48 selected enterprises** in Oromia, Amhara, and SNNP regions and conducted a group networking and experience-sharing workshop for the owners and managers of **52 newly established** AOSS in Amhara, Oromia, and SNNP regions
5. **Agri-hub** provided business advisory services for **16 Capacity Booster and Accelerator tier** MSMEs in Amhara, Oromia, and SNNP regions
6. **Agri-hub** is supporting **265 MSMEs** supplying agricultural inputs and mechanization services and expanding its scope to 47 value addition and exporting MSMEs.
7. **Agri-hub** worked to deliver a 6 module Level-1 and Level-2 **business skills development training** for **224 MSMEs** (179 AOSS, 17 DIM, 14 CBSP, 9 MSC, 5 Horticulture Seedling Producers Youth Associations)
8. **Agri-hub** facilitated partnerships with banks. 11 commercial banks had shown their interest upon the request for expression of interest (REOI) to partner with Agri-hub for access to finance and 5 top banks were selected.

Challenges and mitigation

No.	Challenges	Mitigation	Next Steps
PROGRAM-LEVEL			
1	Delay in **construction of agro-industrial parks due to budget constraints**	Engage potential buyer and leverage the already existing market linkage as the program's commercialization approach going forward	- Collaborate with IAIPs in each location to be ready to supply them as soon as operations begin. - Continue to work with buyers from the private sector, cooperatives, and other organizations to provide a diverse range of market channels for farmers.
2	VCA forums and regional transformation councils were also not conducted due to budget constraints	Communicate with donors to secure budget and continue operations	- Secure budget and standardize activities across regions. Follow the detailed, annual calendar of market linkage and buyer outreach activities
PROJECT-LEVEL			
3	The current security situation and organizational budget constraints have had an impact on the implementation of major project activities such as refresher training, awareness creation workshops, system upgrading, and promotion for **NMIS**	Looking for alternative methods to carry out project activities and carry out activities that require minimum budget	- Continue searching for alternative methods to cover the project activities.
4	Lack of willingness with commercial banks to accept AFD guarantee scheme arrangement in terms of guaranteed letter and to pay 1% of the guaranteed scheme as an origination fee and 1.7% of any outstanding loans as a commercial fee after lending.	AFD is planning to conduct study on how to easily access finance for **Agri-hub** supported MSMEs.	- Conducting study to find ways on how to access finance for **Agri-hub** supported MSMEs. The donor is facilitating to recruit international consultant to conduct the study.

5	Time taking reviews and endorsements in the procurement process of ATI and AFD has significantly delayed implementations	Making close follow-up and frequent communication with AFD and ATI procurement team; and as flagging significant delays timely to hasten the process	- Arranging framework agreement for procurements required until end of the project lifetime
6	The ATIP team has difficulty conducting Agro-processing forum and direct Market Linkage with ACC farmers	Coordinate with Federal Cooperative Commission for organizing the event and create market linkage	- Continue to plan and engage with different buyers to create market linkages and organize forums
7	Lack of budget to organize Ethio-Horti Expo and organize a consultative meeting for tomato value chain	Solicit budget and coordinate to utilize resource from partner organization	- Secure budget and continue with organizing the Expo and consultative meeting to create linkages for horticulture crops
8	Delay in **construction of roadside market sheds**	The anticipation of potential delays, as well as close alignment with Procurement is crucial for construction-related initiatives	- Complete constructions in the coming year - From a total of 10 roadside market sheds, the construction of 4 of them is completed and they are starting to operate, 5 are under construction and a final one is in Tigray, which for currently its status is not known

Outcome 3: Improved Environmentally Sustainable Farm Practices

Indicator 3a

	Outcome	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement	Difference
ACC Results Framework	Improved environmentally sustainable farm practices	% of farmers adopting climate-smart agriculture practices	(C)	Every 2 years and 5 years	% of farmers	27.46%	37.07%	N/A	Not applicable

The ACC/FPC survey was not conducted in 2014 because of the lack of funds so it is not possible to track this output.

In 2013, **90,850** farmers have benefited from climate-smart seed distribution and **14,420** quintals climate smart seeds that are drought and disease tolerant were produced by the **Cooperative Based Seed Production** project. These seeds not only drive a higher yield and are climate-smart, but also generate grains that have higher nutritional value. Climate-smart agriculture is included in all ACC programs, and climate-sensitive practices and technology are prioritized for projects and interventions.

1. The whole package adopted by farmers is established and updated yearly under Farmer Production Clusters and Horticulture Farmer Production Clusters to incorporate climate-smart agricultural practices such as crop rotation, composting, and supplemental irrigation. Other programs, such as CBSP (multiplying drought-resistant crops) and AOSS (distributing climate-smart inputs), work to improve climate sustainability throughout the ACC value chain.
2. Projects such as **Integrated Shallow Groundwater Irrigation Development** address water use efficiency and management specifically, introducing irrigation techniques to maximize water use (amount, timing, technology).
3. All other ACC projects and interventions, across agricultural systems and different stages of the value chain, have been designed to prioritize climate-sensitive technologies and awareness creation, and have CCI addressed throughout project cycle:
    a. Planning, including detailed goal setting and budget allocation
    b. Execution via capacity building and checklists
    b. Monitoring and evaluation using performance management procedures

Output 3.1: Improved soil (health) management practices

Indicator 3.1a

	Output	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement	Difference
ACC Results Framework	Improved soil (health) management practices	% of farmers adopting integrated soil management practices	(C) % of farmers	Every 2 years and 5 years	% of farmers	57.60%	60.61%	**N/A**	Not applicable

Source: [2]FPC/ACC Survey 2021

The ACC/FPC survey was not conducted in 2014 because of the lack of funds so it is not possible to track this output.

Achievements from contributing projects

Several actions were carried out in Farmer Production Clusters to enhance soil management methods. An extension package for better and climate-smart acidic soil and vertisol management has been designed, validated by federal and regional specialists, and is currently being implemented. A commercial strategy for acidic soil reclamation was investigated and supported.

Key Achievements:

- With close consultation and led by the MoA-Natural Resources Directorate – Soil Fertility & Heath Department package booklets on vertisol and acid soils were prepared.
- The planned/request by MoA's is 680 copies (200 copies for vertisol and 480 copies for acid soils) while we published/printed more copies which equals to a total of 2158 copies of soil package booklets.

Output 3.2: Improved water management practices

Indicator 3.2a, Indicator 3.2b

	Output	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement	Difference
ACC Results Framework	Improved water management practices	# of farmers applying/using sustainable household irrigation practices	(C)	Quarterly and annually	# of farmers	N/A	444,422	**49,548**[1] (11.14% of target)	-394,874
		Ha of land under high value crop using improved irrigation technology	(NC)	Quarterly and annually	Hectares	N/A	12,500	**24,774**[1] (198.2% of target)	+12,274

Source: [1]ISGWID report

The Integrated Shallow Ground Water Irrigation Development project is still growing, with the goal of improving smallholder farmers' access to groundwater-based irrigation. It tries to boost vegetable, field crop, and fodder output and productivity, as well as to assist smallholder farmers to adapt to climate change by lowering reliance on increasingly irregular rainfall. In 2013 a new pilot on **Power Access led by the Ministry of Water, Irrigation and Electricity** and supported by the Rockefeller Foundation was designed and it is now in the implementation phase. DREAM is a 3-year (2022-2024) pilot project that is going to be implemented in 9 pilot sites across 3 regions of Oromia, Amhara, and SNNP. The project has two components i.e., Power generation (Mini grid) led by SNV, and Irrigation component led by ATI. The main objective of the project is to demonstrate that mini grid based electrified irrigation is commercially viable. It is expected to replace 500 diesel pumps with electrified ones to increase SHF's income up to 230%.

Currently, a preliminary irrigation scheme design is done by Keller Bliesner engineering (US company) and further detailed design will be done after the completion of test well drilling in each site. As a next step, ATI will procure an IESP (Irrigation Engineering Service Provider) responsible for the construction, installation, commissioning, operation, maintenance, and billing of the scheme. Additionally, irrigation equipment will be procured directly by the ATI through the DART (Odyssey) platform. To make the project successful and has buy-in, ATI has will start socializing the project with regional authorities and build the capacity of the pilot site SHF.

24,774 ha of land covered by high-value horticultural crops such as onion, garlic, tomato, potato, pepper, carrot, and cabbage in Amhara, Oromia and SNNP regions and 1,927,956 quintals of high value crops (onion, potato, tomato, garlic, pepper, carrot, and head cabbage) produced using shallow ground water and marketed with different potential buyers including traders.

Achievements from contributing projects

The **Integrated Shallow Groundwater Irrigation Development** project has continued to operate in 30 woredas where SGW mapping has been completed and prospective irrigation command areas have been identified, as well as SGW-based sustainable home irrigation is being encouraged. The project aimed to build 36 structures for recharge, retention, and reuse in four locations to improve water quality and quantity for family irrigation.

Key achievements:

- Promotion of 3R (recharge, retention, and reuse) and groundwater monitoring awareness for sustainable groundwater exploitation for household irrigation have been provided for SNNP (8 woredas) and Oromia region (1 woreda).
- Training on HVC assessment tools, and localized crop calendar preparation conducted on Oromia and Amhara regions. A total of 103 (14F) experts from SNNP, Oromia and Amhara region, zone and woredas participated.
- Training on Irrigation water management, irrigation agronomy and HVC crop protection conducted in SNNP, Amhara and Oromia regions. So far, a total of 84 (10 F) experts from region, zone and woredas participated.
- ATI climate and Environmental expert participated in consultative meeting held in Addis Ababa that was organized by MoA and World Vision Ethiopia to set goal and strategy of the alliance to scale up Farmers Managed Natural Regeneration(FMNR)s land restoration technic in Ethiopia, develop common result framework (CRF) and National Action plan(NAP), assign nation alliance working group(core group) representing the member organizations including ATI(Nov.30- Dec.1, 2021), participate in the advocacy tour at national level from December(24-28, 2021).
- ATI climate and Environmental expert held first discussion with MoA, extension directorate to write CSA extension manual to ACC, Oct. 13, 2021.
- ATI climate and Environmental expert participate to kick-start implementation of a project entitled 'Preventing Forest loss, Promoting Restoration and Integrating Sustainability into Ethiopia's Coffee Value Chains and Food Systems (FOLUR), organized by MoA, the Environment Protection Authority (EPA) of Ethiopia. EPA, in collaboration with the United Nations Development Programme (UNDP), 11 May 2022.

Challenges and mitigation

No.	Challenges	Mitigation	Next Steps
PROGRAM-LEVEL			
1	Lack of a well-articulated, **coordinated CSA vision** across program components, and strong alignment between interventions through planning, monitoring, and reporting	Development of a comprehensive CSA plan including definition and standards for CSA practices and technologies, implementation strategy and targets.	- CSA strategy and rollout plan to be developed - Assess the potential for a standalone climate- and environment-related project to help meet the targets of the Results Framework
PROJECT-LEVEL			
2	Inability to implement all planned activities due to budget constraints.	Integrate with other projects having secured budget sources	- Search different budget sources through writing concept notes

Outcome 4: Improved Engagement of Women and Youth

Indicator 4a and Indicator 4b

	Outcome	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement	Difference
ACC Results Framework	Improved Engagement of Women and Youth	% of women engaged in agricultural production and marketing decision making (along the VC)	(C)	Every 2 years and 5 years	% of leadership forum members (VCAs, FPCs)	N/A	14.00%	**N/A-**	Not applicable
		# of youth engaged in agricultural production and marketing services	(C)	Every 2 years and 5 years	Cumulative # of jobs created	N/A	61,272	**N/A-**	Not applicable

The ACC/FPC survey was not conducted in 2014 because of the lack of funds so it is not possible to track this output.

ATI in collaboration with the Ministry of Agriculture and Save the Children prepared a nutrition content that focuses on nutrition sensitive agriculture (NSA). The message will be disseminated to farmers through IVR system and 8028 farmers hotline.

Similar to climate-smart agriculture, all ACC projects and interventions, across agricultural systems and different stages of the value chain, are designed to prioritize gender, youth inclusion, and nutrition agriculture, and have CCI addressed throughout the project cycle:

a. Planning, through specific target setting and budget allocation
b. Implementation, through capacity building and checklists
c. M&E, through performance management mechanisms

Key Achievements

- ATI in collaboration with Ministry of Agriculture and Save the Children prepared a nutrition content that focus on nutrition sensitive agriculture (NSA). The message will be disseminated to farmers through IVR system and 8028 farmers hotline.
- ATI as a co-chair of the Ethiopian Network for Gender Equality in Agriculture supported the network in facilitating the updating process of the network list and revision of the network by-law (ToR).

Output 4.1: Improved engagement of women in decision making

Indicator 4.1a and Indicator 4.1b

	Output	Indicator	Cum (C) or Non-Cum (NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement[1]	Difference
ACC Results Framework	Improved engagement of women in decision making	% of women engaged in decision-making in production practices	(C)	Every 2 years and 5 years	% of women engaged in food crop production decisions	53.80%	67.54%	**N/A-**	Not applicable
		% of women engaged in decision-making in marketing practices	(C)	Every 2 years and 5 years	% of women engaged in decisions on crop sale/marketing	53.90%	66.84%	**N/A-**	Not applicable

The ACC/FPC survey was not conducted in 2014 because of the lack of funds so it is not possible to track this output.

All ACC projects promote women's participation and empowerment via their design, planning, and monitoring, in accordance with the ATI's Crosscutting Issues approach. Farmer Production Clusters require each cluster to choose at least one-woman farmer as one of its four cluster leaders. In 2014 the FPC registration process was redesigned but due to an insufficient budget, the redesign couldn't be implemented.

Achievements from contributing projects

- Under **Farmer Production Clusters,** each cluster must appoint at least one woman farmer among its four cluster leaders. The project continued to give special focus to registering women farmers depending upon the practical circumstances of each region, woreda, kebele and cluster, encouraging participation and identifying the challenges in engaging women farmers.
- Increasing female access to multiple inputs boosts production and productivity. Given these advantages, ATI initiatives are designed to supply all required agricultural inputs, including funding, to female farmers via cooperatives, unions, microfinance institutions, and private agents.

Key achievements:

- **Mechanization Service Center** project provided access to **1,250 female farmers** which is **33%** of the total farmers with access
- **Input Voucher System** project access to financial credit to **507K female farmers**.
- The **8028 IVR/SMS** project provided service for 921.8k farmers out of which **294.9K are female farmers**
- **NMIS** project provided **411.1k** farmers with access to validated market information out of which **83.4k** were women.

Output 4.2: Reduced labor for women in agriculture

Indicator 4.2a and Indicator 4.2b

	Output	Indicator	Cum (C) or Non-Cum (NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement[1]	Difference
ACC Results Framework	Reduced labor for women in agriculture	% share of women time spent in agriculture	(C)	Every 2 years and 5 years	% women's time spent	21.43%	-	**N/A-**	Not Applicable
		Number of women labor-saving technologies introduced to ACC farmers	(C)	Every 2 years and 5 years	# of technologies	N/A	6	**8[1]**	+2

Source: MSC Project report

The ACC/FPC survey was not conducted in 2014 because of the lack of funds so it is not possible to track indicator 4.2a.

Achievements from contributing projects

In 2014, 6500 female farmers 2714 from Oromia, 731 from Amhara, and 3055 from SNNP got access to land preparation, weeding, and harvesting technologies.

Output 4.3: Increased job creation in agriculture

Indicator 4.3a and Indicator 4.3b

	Output	Indicator	Cum (C) or Non-Cum (NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement[1]	Difference
ACC Results Framework	Increased job creation in agriculture	# of women benefiting from jobs created in agriculture	(C)	Quarterly	# of women	N/A	91,571	**11,000**[1]	-80,571
		# of youth benefiting from jobs created in agriculture	(C)	Quarterly	# of youth	N/A	91,572	**34,000**[1]	-57,527

Source: 1ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

On agriculture-related jobs, **11,000 women** from a target of 92,000 and **34,000 youth** from a target of 92, 000 were reported in 2014. During the 2014 fiscal year a total of 44,000 jobs were created in Oromia, Amhara, and SNNP.

Achievements from contributing projects

In Ethiopia, agriculture generates more employment opportunities than any other sector. It is a particularly strong source of work opportunities for women and youth. Most ACC projects, including **Farmers Production Clusters (FPC), Agricultural One Stop Shop (AOSS), Input Voucher System (IVS), Integrated Shallow Groundwater Irrigation Development (ISGWID),** and **Horticulture** have created both permanent and temporary jobs.

Employment opportunities have been created for women and youth in producing and distributing agricultural inputs for horticulture as part of the **Horticultural clusters**. Manual well drilling groups have been capacitated in the **Integrated Shallow Groundwater Irrigation Development** project. Other employment opportunities have been created in the **Input Voucher System, Mechanization Service Centers,** and **Rural Savings and Credit Cooperatives**

Key achievements:

- From the 44,716 jobs created 61% were temporary (Limited to ≤ 3 month), 39% were permanent.
- From the 44,716 jobs created 45% were direct jobs, 55% were indirect jobs. Direct jobs are jobs that are a primary output of the project. Indirect jobs are jobs that are ancillary to the project

Output 4.4: Improved practices of nutrition-sensitive agriculture

Indicator 4.4a and Indicator 4.4b

	Output	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement	Difference
ACC Results Framework	Improved practices of nutrition-sensitive agriculture	HHs Dietary Diversity (HDD) Score as per the recommended DD index	(C)	Quarterly	DD index	5.9	6.8	**Not available**	Not applicable
		# of farmers with access to nutrition information (8028)	(C)	Quarterly	# of farmers	N/A	2,760,000	**400,000**[1] (14.49% of target)	-2,360,000

Source: [1]8028 Project Report

The HHs Dietary Diversity Score (HDD) is an indicator that cannot be tracked or reported through the program's M&E mechanisms and will be monitored during the mid-term evaluation.

Key achievements:

In 2014, **400,000 IVR messages** and **400,000 SMS message**s were disseminated via the **8028 Farmers Hotline.** This is about 438% increase from last year. Last year's achievement was low is because the system had stopped for various reasons and was rejuvenated in the quarter 4 of last year

Challenges and mitigation

No.	Challenges	Mitigation	Next Steps
PROGRAM-LEVEL			
1	Female farmers continue to have a lower proportion of access to climate-wise agriculture technology and practices through training, seminars, and awareness campaigns.	Encourage female targeted push message both by 8028 Farmers Hotline Project and public extension structure	- Project teams to work closely with regional and woreda level officials and farmer institutions to mobilize more females to participate in ATI projects
PROJECT-LEVEL			
2	Lower percentage of women leaders in both GFPC and HFPC (only 34% in GFPC).	Ensure that project teams understand that the appointment of female leaders is a top priority for the FPC implementation.	- Introduce the registration of couples (husband & wife) in GFPC & HFPC.

Outcome 5: Enhanced Institutional Capacity and Enabling Environment for Agricultural Commercialization

Indicator 5a, Indicator 5b and Indicator 5c

	Outcome	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement[1]	Difference
ACC Results Framework	Enhanced Institutional Capacity and Enabling Environment for Agricultural Commercialization	ACC value chain approach is integrated in appropriate sectors and national programs	(NC)	-	Specific Programs	N/A	AGI III	**Gov/MoA, IADP and BENEFIT SNV**	-
		Established strategic and functional platforms to integrate interventions	(NC)	-	# of platforms in total	N/A	36	**92[1]** (255.78% of target)	+56
		# of policies/strategies/regulations recommended through ACC (by commodity)	(NC)	-	# of recommendations per year	N/A	2	**0**	-2

Source: [1]ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

As a systems integrator, the ATI collaborates closely with other national programs to ensure there is no duplication of effort and that resources are used efficiently to transform the country's agriculture sector. The government of Ethiopia has incorporated the ACC (clustering) approach in its 10-year development plan as its strategy to transform the agricultural sector.

The ACC owns the wheat and sesame value chains; however, based on previous experience working together and the joint development of a value-chain approach, the ACC coordinates closely with the AGP program on coordination and experience sharing when implementing commodity programs.

Key achievements:

- During the third year of implementation, the ACC governance platforms were critical in providing program guidance, facilitating decision making, and correcting course when necessary; these platforms also help integrate interventions and geographies and ensure implementation effectiveness and efficiency. The Regional Transformation Councils monitor cluster performance and progress while addressing regional issues.

Output 5.1: Improved institutional capacity

Indicator 5.1a, Indicator 5.1b and Indicator 5.1c

	Output	Indicator	Cum (C) or Non-Cum(NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement	Difference
ACC Results Framework	Improved institutional capacity	# of public institutions staff trained/capacitated based on standard modules	(NC)	Annually	# of staff	N/A	500	**1134**[1]	+111
		Number of regional government offices established enhancing systems and processes including delivery units and implementation management platform (IMP)	(NC)	Annually	# of offices	N/A	4	**4**[1]	0
		# of SMEs trained/capacitated on input provision, marketing, agro-processing and other agricultural services (eg machinery maintenance, spare parts supply, etc.)	(NC)	Annually	# of SMEs	N/A	143	**254**[2]	+230

Source: [1]ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office [2]AgriHub Project Report

As part of its capacity building initiative for **254** ATI-supported Agri-MSMEs, the Agri-Hub project conducted a business skill development training (BSDT) in collaboration with Devoted Consulting plc. Enterprise owners, managers, technical advisors, accountants, cashiers, and dispensers from **214 AOSSs**, **12 CBSPs**, **9 MSCs**, **14 DIMs**, and **5 HSGEs** attended the trainings. The trainings had **1134** participants from four regions (**435** from **Oromia**, **399** from **Amhara**, and **300** from **SNNP** and **Sidama**). The trainings were profession-specific, with modules and delivery methods tailored to the needs of each profession. The training also took into account business advancement/tier of project support, and three levels of training were prepared and delivered based on the enterprise's assigned tier/current stage of development.

Achievements from contributing projects

RuSACCOs and the assisting government sector (Cooperative agencies) were trained in capacity building diagnostic tools and techniques. As a result of this training, several saving and credit primary cooperatives (RuSACCOs) implemented capacity building diagnostic tools and techniques to improve the delivery of financial services to their member smallholder farmers. Startup activities (concept notes) were completed to improve SACCO financial service delivery through digitalization and the development of demand-driven financial products/services.

Through project implementation, ATI has worked to build institutional capacity of stakeholders, staff, and others. The assistance provided ranges from training to institution strengthening, construction to finance, procurement, and distribution of useful equipment. Cooperative Based Seed Production (**CBSP**), Agricultural One Stop Shops (**AOSS**), Mechanization Service Center (**MSC**), **RuSACCO** Capacity Building, Integrated Shallow Groundwater Irrigation Development (**ISGWID**), Farmer Production Cluster (**FPC**), and Agricultural Trade Investment Promotion (**ATIP**) projects have all worked to strengthen the capacity of public institutions, regional government offices, and other stakeholders.

Key achievements:

- 1085 project staffs received capacity-building programs, and 37,377 SHFs received awareness-raising programs (short training & farm demos).
- 78 **Rural Savings and Credit Cooperatives (RuSACCOs)** engaged in centralization of services through digitalization.

Output 5.2: Improved planning, monitoring, and evaluation

Indicator 5.2a and Indicator 5.2b

	Output	Indicator	Cum (C) or Non-Cum (NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement[1]	Difference
ACC Results Framework	Improved planning, monitoring, and evaluation	ACC planning and M&E system established and functional covering ACC woredas (ICT or automated)	(NC)	-	M&E system established	N/A	Established and functional	**Established and functional**	-
		ACC planning and M&E system integrated in to national and regional system and processes	(NC)	-	M&E system integrated	N/A	Integrated and functional	**Integrated and functional**	-

Source: [1]ATI M&E Team

The fully **integrated Implementation Management Platform (IMP)** is still used for planning, monitoring, and facilitating automated reporting. Projects and programs, targets are added at the output and workstream levels, which are then disaggregated by project, region, and gender. Depending on the nature of the projects, these reports are generated on a monthly, quarterly, and annual basis, with performance measured within the Results Framework's structure.

The Federal ACC team conducts various monitoring and governance platforms with various stakeholder groups, ensuring meticulous program management and consistent planning, monitoring, and reporting. Monthly PMO meetings, ACC Quarterly meetings, ACC Leadership meetings, and Steering Committee meetings are among them.

Within the scope of the ACC program, all planning, monitoring, and reporting activities fully integrate achievements and progress from the woreda level up to the Federal level are included in the program. The ACC Program Management Office monitors progress through monthly governance meetings, collaborates with public-sector partners on priority alignment during planning, and supports the program's monitoring and decision-making.

Achievements from contributing projects

Through the platforms mentioned above, the ATI closely monitors the performance of each project. **Farmers Production Clusters** are evaluated in order to assess their performance and stage.

Key achievements:

- Transition criteria for pre-basic, basic, and intermediate were redesigned and approved in **Grain Farmers Production Clusters**, and a transition criterion for advanced and company level was designed. An encoder will be hired to digitize the paper based FPC registration data by converting it to an excel file.

In 2014, a transition criterion for pre-basic, basic, intermediate, advanced and company level were redesigned and approved for **Horticulture Farmers Production Clusters.**

Challenges and mitigation

No.	Challenges	Mitigation	Next Steps
PROGRAM-LEVEL			
1	Capacity building training sessions have been put on hold due to budget constraints	Look for alternative solutions (linking with other projects)	Capacity building training sessions such as business management will be provided to the farmers

Outcome 6: Enhanced Value for Money Approach

Indicator 6a

	Output	Indicator	Cum (C) or Non-Cum (NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement[1]	Difference
ACC Results Framework	Enhanced Value for Money Approach	A system is in place that better articulates costs and results for making more informed, evidence-based choices	-	Annually	-	N/A	Established and functional	**Established and functional**	-

The Enhanced Value for Money strategy makes sure that resources are used efficiently, cheaply, and without waste, and that the ATI is getting the best results possible over the course of a project in comparison to the overall cost of managing and resourcing it. The ATI has made investments in a number of tools and systems that have improved control, streamlined operational processes, and automated processes that save time and money in order to guarantee the success of the strategy.

The ATI continued to make improvements over the past 12 months to further increase the effectiveness and efficiency of the various systems already in place. The suggested adjustments will make sure that reporting standards are more in line with expectations from donors and that data is available in real-time for informed decision making.

To support the comprehensive redesign that was completed in the previous reporting cycle, additional reporting advancements were completed throughout the last year using the **Enterprise Resource Planning (ERP).** Changes to the tool's Finance module now allow for more data disaggregation, greater tracking and reporting capabilities, and the ability to provide real-time data for budget decision makers. In addition, time was spent gathering needs for the next system update, which will provide greater interaction between modules (HR, Finance, Procurement, and Sub-grants), as well as full automation of certain operations that presently require user involvement.

During the previous reporting period, the **PowerBI** tool was also operationalized, providing real-time data to leadership for informed decision making. In the current period, the system has been extended to program teams in order to include project data, including FPC data. The program data has been organized and uploaded to PowerBI to generate data visualization for better decision making. The data collected and shared includes plan and progress, metrics categories, metrics baseline, crop-based reports, and a data spotlighting dashboard.

The **Implementation Management Platform** (IMP) is now in full implementation though several changes and system enhancements were made to the system in the current reporting period as reported above. The IMP is designed to track project through close monitoring of activities and project milestones. The revision in the system now allows tracking against targets which gives project managers and leadership an opportunity to track and report against the results framework. Additional enhancements are planned to further improve planning, tracking, and monitoring, to ensure accurate information is gathered and shared at the regional and federal levels.

The ATI continued to delegate activities to the regions during the current reporting period. The Institute's improvements to its systems and tools allow it to delegate responsibilities even farther while maintaining tracking and monitoring. Furthermore, regional finance and procurement teams were given extended tasks to support the ATI's implementation arm, thereby sustaining the capability of regional offices. The technology used to ensure tracking and reporting systems to monitor project activities in a timely way aid in the devolution of roles and responsibilities.

The systems in place better articulate cost and result for making evidence-based decisions.

Outputs 6.1: Economy

Indicator 6.1a and Indicator 6.1b

ACC Results Framework

Output	Indicator	Cum (C) or Non-Cum (NC)	Freq. of reporting	Unit/ Details	Baseline	Year 3 Target	Achievement[1]	Difference
Economy (Right Price for Quality Input	ATI (and implementing partners) are buying inputs (staff/personnel, consultants, raw materials) of the appropriate quality at the right price	(NC)	Monthly	Cost saving and quality control approach	N/A	Cost saving and quality control approach in place and operational	**In place and operational**	-
	Cost controlling procedures are in place	(NC)	Quarterly	Cost controlling procedures	N/A	Established and functional	**Established and functional**	-

The devolution of operational tasks to regions continues to be carried out the 2014, nonetheless, additional resources and manpower were not added due to the budget constraints. Regardless, both the federal and regional teams were consistent in their delivery. This assures that ATI will continue to plan cost effectively when obtaining goods and services in the future; the decision is also expected to enhance delivery time,

The Agency's procurement principle is right price, right quality, right quantity, right time, and right place. Recognizing that the lowest price does not always imply the best value for money, the Procurement Endorsement Committee carefully examines and selects vendors in accordance with Donor and Government criteria, as well as the organization's principles.

Investments in Service Level Agreements, the use of the ERP for tracking, and devolution to regional offices have improved procurement response time. While there are still some system delays, they should be remedied by the additional devolved activities and responsibilities.

In this fiscal year, an external audit was hired to audit the 3-year progress of the program. After audit, a report was generated with approximately 50 overarching issues that needed attention revolving in different teams and functions such as: cash management, sub-grant management, procurement, reporting/communication, and IT and monitoring. ATI then organized 3 different taskforce that work to solve problems in the following areas: advance settlement, cash management, and system enhancement. The advance settlement taskforce will focus on clearing out all receivable and settle outstanding with aging period of more than 3 months. The cash management taskforce will focus on fixing all the complexity and abnormality of cash management identified during the Audit. The system enhancement taskforce will address system enhancement requests and recommendation provided by the donor and the external audit report. ATI is working to solve these problems in the coming 5 months with the objective of having a well-established system that supports the success of the program.

In addition, these task forces will work closely with the **Internal Audit Team** to ensuring that cost controlling mechanisms are in place and working. The independent team is tasked with reviewing existing practices and making recommendations for improvement.

In the upcoming fiscal year, ATI will work to solve these problems with the objective of having a well-established system that supports the success of the program. In addition, the team is expected to devolve to the regions providing additional support to regional offices as more roles and responsibilities in operations are trickled down. The inclusion of these team members will ensure that the ATI's financial and risk management governance, as well as its internal control processes are operating effectively.

Outputs 6.2: Efficiency

Indicator 6.2a and Indicator 6.2b

	Output	Indicator	Cum (C) or Non-Cum (NC)	Freq. of reporting	Unit/Details	Baseline	Year 3 Target	Achievement	Difference
ACC Results Framework	Efficiency (how well inputs are converted to outputs)	Cost per unit of results/outputs for key output indicators	(NC)	Quarterly	Cost per unit of results/outputs	N/A	Measured and efficient	**Not available**	Not applicable
		A system is in place to ensure project timelines and milestones are met	(NC)	Quarterly	%	N/A	100%	**100%**	0

All investments in technology (IT) and the rest of the operational procedures must be considered when examining efficiency. There was plenty of opportunity to revisit internal procedures throughout the current reporting period to further improve outputs and expedite gains. The increasing enhancement will allow areas to respond faster while still receiving consistent advice and monitoring from the headquarters.

The IMP, as previously stated, is in place to track deadlines and milestones for all ACC projects. Additional expenditures made during the current reporting period have increased the system's reporting functionality, making it a useful tool for measuring progress against results. The system will be improved further in fiscal year 2015, with more elements included to better assess outcomes against the results framework.

The further refinement of the IMP will ensure that the ACC Program Office (ACC PMO) has the right tools supporting it for improved reporting and decision making. Additionally, a planning, monitoring, and reporting team (PMO team) was established within analytics. The PMO team conducts monthly meetings to track the progress and follow up with the ACC/FPC team and projects as well. During the fiscal year the ACC PMO team has facilitated the annual planning and target setting of the ACC/FPC team in each region. In addition, the ACC PMO was redesigned with the primary goal of aligning projects to each ACC result framework and reporting monthly progress. The new enhance PMO leads data collection process from projects, tracks performance and generate insights, support cross-collaboration across projects within the program, proactively diagnose the programs result framework and facilitated the execution of proposed solution and support ATI's and the program's leadership on strategic areas of the program.

Outputs 6.3: Effectiveness

Indicator 6.3a, Indicator 6.3b and Indicator 6.3c

	Output	Indicator	Cum (C) or Non-Cum (NC)	Freq. of reporting	Unit/Details	Baseline	Year 3 Target	Achievement	Difference
ACC Results Framework	Efficiency (how well inputs are converted to outputs)	Outcome level changes are measured and recorded (comparison against baseline, milestones)	(NC)	Quarterly	%	N/A	90%	**95%**	+2%
		% of outputs and outcomes which are on track	(NC)	Quarterly	% of outputs and outcomes on track	N/A	90%	**58%**	-32%
		% of farmers satisfied in the services provided or programs delivered	(NC)	Every 2 years and 5 years	% of farmers	N/A	80%	**N/A**	Not applicable

The ACC/FPC survey was not conducted in 2014 because of the lack of funds so it is not possible to track indicator 6.3c.

From **79** output and outcomes reported in this report, **46** (**58%)** met or surpassed their Year Two targets.

The FPC survey as well as the mid-term evaluation was not conducted this year due to budget constraints - therefore, we are unable to track the % of farmers who are satisfied with the services provided or programs delivered.

Challenges and mitigation

No.	Challenges	Mitigation	Next Steps
PROGRAM-LEVEL			
1	Delays in implementation and diminishing of the ATA reputation with third-party implementors occurred due to gaps in ATI's grant management system In addition, 50+ gaps/issues have been identified through external audit in the grant/finance management across a period of three years	• The identified 50+ gap areas have been bucketed into 9 areas. Then the processes in each area was mapped to identify potential solutions. • Quick fix enhancement and medium to long term enhancements were identified to solve the gaps identified	• Three task forces are organized to solve the issues identified. • The advance settlement taskforce will clear out all receivables and settle outstanding with aging period of more than 3 months • The cash management taskforce will fix all the complexity and abnormality of cash management identified during the audit • The system enhancement taskforce will address system enhancement requests and recommendations provided by the DANIDA and the external audit report
2	Inconsistent project management practices and missing documentation	Continue to standardize project management practices (i.e., set-up documentation guidelines and processes which have been applied to all active projects)	• Continue to verify that future and existing projects follow the established project management practice. • Continue to refine and update the repository, with current reports and status updates. The SharePoint site has easy access to concept notes, progress information and close out data for reporting and knowledge sharing

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Impact Indicators

	Impact Indicator	Cum (C) or Non-Cum (NC)	Frequency of reporting	Unit/Details	Baseline	Year 3 Target	Achievement
ACC Results Framework	Efficiency (how well inputs are converted to outputs)	(C)	Every 2 years and 5 years	Annual % increase from the baseline	29,484.20	61.00%	-
	% Of priority commodity demand of the Integrated Agricultural Industrial Parks (IAIPs) supplied by ACC farmers	(C)	Every 2 years and 5 years	% of IAIP total demand supplied	N/A	50.00%	-
	Area of ACC woreda under climate smart agricultural (CSA) practices (hectares)	(C)	Annually	Hectares	N/A	1,073,954	**1,960,873** (183%)
	Total number of agriculture related jobs created	(C)	Annually	Jobs created	N/A	261,630	**44,716** [1] (17%)
	Number of agricultural systems with enhanced market mechanisms	(C)	Annually	# of TAD program areas	N/A	7	**5**[1] (71%)

Source: [1] ATI Regional Centers with the support of Cluster Coordinators compiled by PMO office

As the program approaches the mid-span of its lifeline, the program's impact is expected to be seen and documented in time. As the government of Ethiopia has also adopted the clustering approach, not only will the project's impact the direct beneficiaries but will have a nation-wide influence. The mid-program review scheduled for 2014 E.C. was not conducted therefore a thorough, rigorous assessment of the impact of the program couldn't be provided. In addition, areas requiring increased focus and change of direction were also not identified. However, the mid-term evaluation is aimed to take place in 2015 upon discussion with donor and budget availability. The mid-term evaluation if conducted will follow the same methodology used for the baseline survey and will provide the most accurate, complete overview of the progress of the program.

Nonetheless, after three years of program implementation, some of its outcomes are already observable, and we can report on three of the five Impact Indicators in the ACC Results Framework: **total number of agriculture-related jobs created**, **area of ACC woreda under climate smart agricultural practices** and **number of agricultural systems with enhanced market mechanism**.

In 2014, 44,716 agricultural-related jobs were generated from a target of 261,630. As previously stated, the difficulties of technique mismatch between target setting and reporting are causing apparent underperformance under this metric. However, we are seeing a roughly 268 % rise from the 12,123 recorded in 2013, owing to the continued development of the program's horticultural component. The area of land under Climate Smart Agricultural practices, fully embedded in Farmer Production Clusters, is equal to the area of land planted under FPCs, or **1,960,873.**

Governance

In the past year, the ACC program had gone through an external audit process due to observed inconsistencies during spot-checks. The audit report highlighted **50+ gaps/issues** in the grant/finance management across a period of three years. The identified issues were found to be recurring and revolving across different teams and functions: Cash management, sub-grant management, procurement, reporting/communication, IT and monitoring.

Three taskforces were established to solve the issues identified through the audit

1. Advance settlement task force clears out all receivables and settle outstanding with aging periods of more than 3 months. So far, this team has collected and settled a total of 43.3 Mn ETB on overdue sub-grant settlement and collected and settled a total of 97 Mn ETB on overdue procurement settlement.
2. Cash management task force fixes all the complexity and abnormality of cash management identified during the Audit. This team has cleared out most of the major accounts and the remaining are on the process, finalized cash balance analysis per donor and drafted net available cash balance in ETB & USD is identified subjected to replenishments of inter-bank and intra donors.
3. System enhancement task force addresses system enhancement requests and recommendations provided by DANIDA and the external audit report. This team has identified major enhancement areas from the DANIDA recommendations and the audit findings, and currently process mapping and solution identification is being carried out. In addition, Potential ERP changes are identified from across all teams and detailed requirement is being developed.

The enhancement areas have been identified and group into 9 main areas. To solve the gaps identified the first step taken was to map the processes across the enhancement areas and identify issues and potential solutions that were classified either as quick fixes or medium/long-term solutions. The 9 enhancement areas are as follows:

- Bank account/cash management
- JV processing and management
- Budget management
- Accounting System
- Petty cash management
- Irregular account
- Reporting and communication
- Procurement management
- Subgrant management

Lastly, detailed implementation plan including detailed activities, timeline and owner with budget requirement is prepared for all recommendations under the 9 enhancement areas. The plan will be implemented in two phases. Phases one includes quick fixes and internal ERP enhancements while phase two is process updates and outsources ERP enhancements.

Risks review

A thorough, forward-looking analysis of the program's risks was prepared with input from numerous stakeholders to guide the preparation and implementation of the 2015 ACC Annual Plan. It reassesses the original implementation and effect risks indicated when the program was established, while also noting additional risks and mitigation strategies.

As the risk scenario unfolds, the ATI is closely monitoring problems through several governance platforms, such as Value Chain Alliances, the Regional Transformation Council, and the ACC Program Management Office, as well as Technical and National Steering Committees with development partners.

Risk	Likelihood	Potential Impact	Mitigation Measures
1. Geopolitics			
The ongoing conflict in the Tigray region	High	High	• Continue to monitor security situation and work closely with government officials to assess the evolving possibility of resuming activities in the region • Respond quickly to changes in the local scenario, allowing us to move forward with recovery efforts step by step • The ATI proposed 250,000 dollars' worth of activities in case there is a chance that the projects can continue in the region

Risk	Likelihood	Potential Impact	Mitigation Measures
Conflicts in some other parts of the country primarily in Amhara and Oromia regions	High	High	• Monitor political landscape closely to identify areas of possible concern and devise mitigation strategies in advance • Confirm security clearance before any field support and vehicle deployment • Closely align and seek security accurate information from trusted government bodies and act accordingly
2. Inputs			
The lack of sustainable input supply	Medium	High	• Develop a system to collect C2 seeds from farmers • Improving seed enterprises collecting capacity by creating awareness for the farmers. • Support the engagement of interested FPCs in seed production • Help secure finance for seed aggregation from BoFEC through BoA guarantees
3. Natural Calamities			

Risk	Likelihood	Potential Impact	Mitigation Measures
Shortage and irregularity of rainfall	Medium	High	• Using supplementary irrigation if there is a river around the farm • Drill more wells and use shallow ground water resource • Implement the 3R (recharge, retention and reuse) • Improving metrological data distribution system to DAs and farmers • Using drought resistant varieties of crop where available • Planting early maturing varieties and make available seeds of these early maturing varieties and water harvesting to fill gaps for irregular availability of moisture • Advise intercropping and grow short period planting crops
Disease incidences such as wheat rust, tomato blights, white scale on mangos and others	Medium	Medium	• Close follow-up of farmers for regular disease monitoring and equip them with disease controlling means including prior supply of agro-chemicals • Strengthen zonal and woreda agriculture office disease and rust control capacity through the provision of sprayers • Closely work with research institutes and plant clinics to identify and implement mitigation measures Create awareness on sanitation and disease control methods among small hold farmers to combat the white scale disease in mango
Incidence of insect pests such as fall army worm, army worm and stock borers	High	High	• Continuously assess farmers' field and train farmers on how to control pests mechanically • Timely supply of chemicals closer to woredas where needed

Risk	Likelihood	Potential Impact	Mitigation Measures
4. Markets and Commercialization			
Limited commodity uptake from Integrated Agro-industrial Parks (IAIPs) due to the stage of their operations	Medium	Low	• Continue to create varied market linkage channels for ACC farmers, including large buyers, industries, primary cooperatives and international markets, ensuring strong commercialization • Closely work with IAIPs and link them with ACC farmers to ensure quality and quantity of product meet raw materials demands of the IAIP
Inability of farmers to influence on pricing of commodities (price taking)	High	Medium	• Link FPCs with buyers directly • Help Cooperatives to aggregate members produce and facilitate Market linkage forums with buyers
5. Credit			
Limited availability of input credit for farmers	High	Small	• Engage with public sector to understand limitations to credit provision • Create awareness and educate farmers on the importance of paying loans • Monitor data to ensure limited credit access is not having a strong impact on farmer's ability to access inputs • Escalate issues to RBoAs for solutions with the mandated financial institutions • Link model farmers and FPCs with banks and support them in preparing business proposals Using avocado trees as collateral to get credit for fertilizer and improved seed
6. Commodity-specific challenges			
End-to-end challenges with Sesame value chain, from input availability to post-harvest loss	High	Medium	• Provide long-term support to research on improved seeds • Avail mechanization and technologies that could reduce postharvest loses • Liaison AOSS with growers for trusted agro-chemicals supply

Risk	Likelihood	Potential Impact	Mitigation Measures
7. Budgetary Challenges			
Lack of funding for the projects	High	High	• Closely work with our development partners to address concerns of the donor community to release funds, mostly related to the country's political situation • We expect the situation to improve as the government is taking measures to address the conflict in the country in peaceful manners • Moreover, ongoing system enhancement initiatives will improve internal processes which will address audit findings identified previously and subsequently improve fund management and donor confidence

Annex

List of ACC projects

In 2014, **12** projects have been implemented under the ACC:

	Project
1	8028 Farmer Hotline (IVR/SMS)
2	Agricultural One Stop Shop (AOSS)
3	Agriculture Trade & Investment Promotion (ATIP)
4	Agri Hub
5	Cooperative Based Seed Production (CBSP)
6	Farmer Production Clusters (FPC)
7	Horticulture
8	Input Voucher Sales (IVS) System
9	Integrated Shallow Ground Water Irrigation Development (ISGWID)
10	Mechanization Service Center (MSC)
11	National Market Information System (NMIS)
12	RuSACCO Capacity Building

Performance status of ACC projects

Based on an assessment of the yearly KPIs or Milestones specified for each project in ATI's annual plan at the end of 2014, 33.3% (4) of these projects were On Track (Green), 33.3% (4) were Slightly Delayed (Amber), and 33.3 % (4) were Significantly Delayed (Red). Farmer Production Clusters and Horticulture were recorded as part of the activity of each regional office and are not combined as projects for parliamentary reasons. However, the performance of those programs is detailed in the accompanying Planting, Production, and Commercialization Season reports.

The overall status of the projects is presented below.

	Project	Status
1	Input Voucher Sales (IVS) System	100%
2	Horticulture	98%
3	Farmers Production Clusters	89%
4	National Market Information System (NMIS)	85%
5	Agriculture Trade & Investment Promotion (ATIP)	75%
6	8028 Farmer Hotline (IVR/SMS)	73%
7	Mechanization Service Center (MSC)	68%
8	Agri-Hub	60%
9	Agricultural One Stop Shop (AOSS) project	54%
10	RuSACCO Capacity Building	51%
11	Integrated Shallow Ground Water Irrigation Development (ISGWID)	44%
12	Cooperative Based Seed Production (CBSP)	38%