



The Agricultural Transformation Agency (ATA)

Eminent Speaker Series

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The Ethiopian Agricultural Transformation Agency: **Key Take-aways**



- *Major benefits have been seen in leveraging a dedicated strategy and delivery oriented government agency which is time-bound to accelerate the growth and transformation of Ethiopia's agriculture sector.*
- *Works in partnership with other public sector institutions, development partners, NGOs, as well as farmer groups and other key stakeholders.*
- *Focused on improving the livelihoods of smallholder farmers across the country using a highly collaborative systems approach to development.*
- *The ATA model can be adapted and contextualized for a country context such as Malawi based on the priorities and institutional structures of the country.*

Agenda



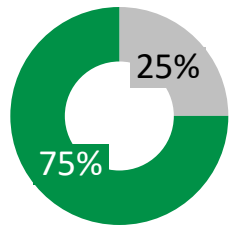
Origins of the Ethiopian ATA

Achievements and Success Factors of the ATA

Relevance for Countries such as Malawi

In 2009, agriculture was vital to Ethiopia's economy, even more so than today

Agriculture was (and is) the largest employer...



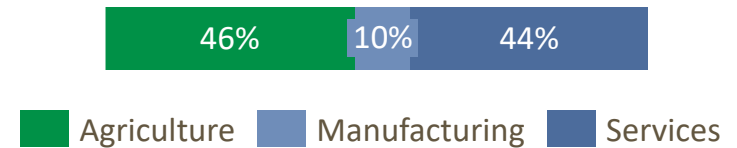
In 2009, agriculture accounted for **75% of the total employment** in the country¹

It is the livelihood of **17.5M** smallholder households²

...and a significant share of the economy...

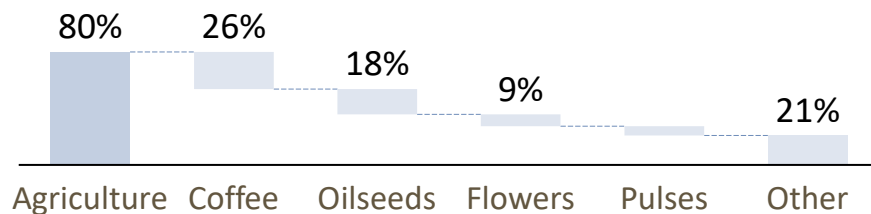
Agriculture was **46% of the economy**

Breakdown of GDP (2009)³



...producing 80% of Ethiopia's exports...

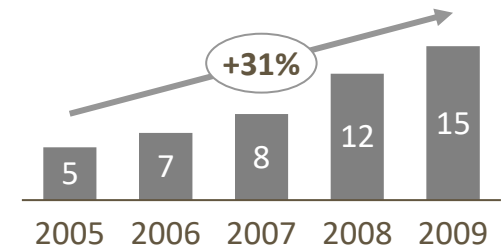
Share of total exports in 2009/10 (%)



Agriculture is a **critical foreign exchange earner**

...and growing rapidly year on year

The sector grew **Agriculture value added (USD, billion)** from 5 to 15 billion USD over 5 years, contributing significantly to poverty alleviation



(1) In 2020, the share of employment is 66%, (2) Including livestock and pastoral households, (3) As of 2018, agriculture makes up 33% of GDP due to the rise of manufacturing in Ethiopia
Sources: World Bank data, accessed September 2020, url: <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=ET>; Trading Economics, url: <https://tradingeconomics.com/ethiopia/indicators>; "2009/10 Annual Report", National Bank of Ethiopia; The Global Economy, url: https://www.theglobaleconomy.com/Ethiopia/value_added_agriculture_dollars/

But like many African countries, further growth of the Ethiopian agricultural sector was inhibited by several shortcomings

- 1 | Lack of focus and prioritization** >
 - Tendency to move quickly to nationwide implementation before piloting
 - A reluctance to prioritize and phase activities, leading to a lack of focus
- 2 | Disjointed policymaking process** >
 - Agricultural related policies formulated across different ministries with no common strategy
 - Many research centres, think tanks, and others providing standalone policy advice with no overarching framework
- 3 | Lack of analytical capabilities** >
 - A lack of capabilities within the sector—and in particular within the government—to use data-driven decision making in strategy and implementation, leading to a lack of rigor or an unsustainable reliance on external consultants for data analytics
- 4 | Low implementation capacity** >
 - Project management capabilities to successfully deliver on complex and large-scale projects are nascent when compared with global best-in-class
 - Limited number of professionals who can successfully scale projects
 - Governments have low capacity both in direct delivery and in providing oversight
- 5 | Lack of coordination and collaboration** >
 - Development partners' funding not wholly aligned to government priorities or with each other
 - Actors across agricultural value chains are not coordinated
 - Under-leveraging of the private sector
- 6 | Lack of an integrated approach** >
 - Agricultural development still has a heavy focus on production, when an integrated value chain approach is needed
 - Insufficient focus on nutrition, climate, and gender
- 7 | Disregard of soft enablers** >
 - Adapting mindsets and behaviors to a transformation is often neglected in favor of developing hard enablers such as initiatives and policies

At the request of the Prime Minister, a study was conducted to investigate institutional mechanisms to spur agricultural development



Jan 2009: Initiation by Prime Minister Meles

Invited the Gates Foundation and partners to investigate ways to drive agricultural transformation

Feb 2009 – Aug 2010: In-depth diagnostics

- The studies and recommendations were developed with considerable input from key stakeholders in the sector as well as field work
- The initial diagnostic focused exclusively on the extension system
- Following the positive reception of the first study, Prime Minister Meles requested further diagnostics into seven other aspects of the sector, as well as support with the implementation of the recommendations

Sep 2010: Report submission

The final reports and recommendations were submitted to the Prime Minister, including the recommendation to establish an Acceleration Unit

Implementation then followed

- Oct 2010: Prime Minister Meles requests seed funding to establish the recommended organization
- Dec 2010: Legislation creating the Ethiopia ATA was passed

A key result of the study is the recommendation to establish an Acceleration Unit to support transformation

Key findings of the diagnostic study

Seven technical reports provided detailed findings and recommendations for sub-sectors

A Summary Report consolidated key findings and recommended an institutional structure to support implementation – it highlighted several critical issues:

- **Lack of an integrated approach to engage the substantial funding and resources committed to Ethiopia's agriculture sector**
 - Some large-scale program by the World Bank aimed to coordinate development assistance
 - But donor activities in Ethiopia had continued to lack integration
- **Lack of a robust mechanism to link development assistance to government priorities**
 - Government of Ethiopia produced numerous strategy and policy documents
 - But development assistance was not leveraged well to translate these into delivery

Recommended features of the Acceleration Unit

To coordinate and drive implementation, an Acceleration Unit was recommended to perform key functions

- Prioritizing interventions, planning, problem solving, monitoring, and performance management
- Mobilizing resources (both human and financial) to support capacity and capability building of partners
- Direct implementation of high priority interventions

Drawing on international best practice, the study also detailed some necessary conditions for the new organization

- Independent and new public entity with its own corporate structure
- Governed through a Board of Directors chaired by the Prime Minister with the Minister of Agriculture serving as the Deputy Chair
- Be able to secure dedicated funding and high calibre human resources
- The ability to deploy staff at the regional level to drive lower-level implementation

The recommended Acceleration Unit was modelled on “Nodal Agencies”, which have been successfully used to drive delivery

Nodal Agencies can coordinate and lead a sector, working with the full spectrum of stakeholders

- Public sector institutions
- Civic groups
- Development partners
- Research and technical expertise (local and international)
- Multilateral institutions
- Private sector
- NGOs

Nodal Agency

Consolidation | Contextualization |
Prioritization | Planning | Coordination
and Alignment | Direct Delivery |
Analytics | Monitoring and Evaluation

Coordinated delivery of national strategies and plans

Implementing Ministries and Actors

A Nodal Agency can be used to spearhead transformation in different sectors

Many countries and sectors have utilized Nodal Agencies to drive delivery

Notable Nodal Agencies include:

- Ministry of International Trade and Industry in Japan
- Economic Planning Board in Korea
- Economic Development Board in Singapore

They share five critical characteristics to be effective

1. Elevated positioning within government
2. Insulation from normal bureaucracies
3. Authority to serve as a catalyst
4. Collaborative with public and private sector
5. High level of organizational competence

The Ethiopian ATA was subsequently set up as an independent agency with four mandate areas, focused on two complementary approaches

The mandate areas and approaches to transformation of the Ethiopian Agricultural Transformation Agency (ATA) are outlined in its regulations

Mandate Areas



Identify systemic constraints of agricultural development and recommend solutions for sustainability and structural transformation by conducting **studies**



Recommend and follow-up the implementation of specific recommended solutions as **projects**

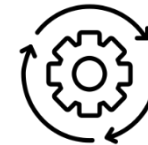


Provide **implementation support and capacity building** to others for the recommended solutions from studies



Conduct **linkages and coordination** among agricultural and related institutions and projects in order to ensure the effectiveness of agricultural development activities

Approaches to Transformation



Systemic Interventions
Support the identification and implementation of interventions to address systemic bottlenecks through the Agricultural Transformation Agenda



Geographic programs
Coordinate agricultural and related projects in specific geographies to catalyse agricultural transformation

Agenda



Origins of the Ethiopian ATA

Achievements and Success Factors of the ATA

Relevance for Countries such as Malawi

Since inception, the Ethiopian ATA has achieved significant progress, proving the model's ability to catalyze agricultural transformation

Introduced a new approach to agricultural development

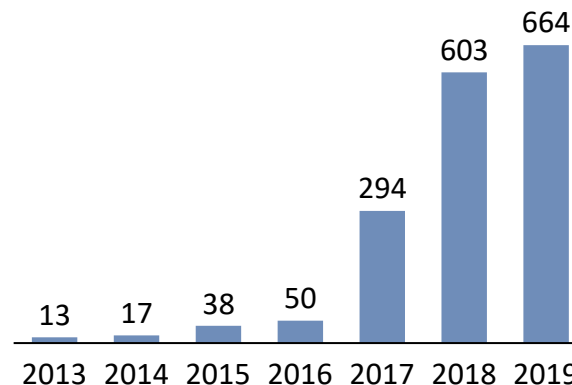
Shifted the government's perspective on agriculture from a production problem to a holistic systems approach – including leveraging the private sector and market mechanisms

Elevated the status of agriculture among key decision-makers

- Enables their engagement with the sector in a structured way
- Provides actionable recommendations based on data and analysis

Increased overall GDP by more than \$1.6 billion USD

ATA contribution to overall GDP (million USD)



Based on preliminary results from an independent 10-year impact assessment conducted by the FAO

Built public sector capacity and capabilities

Directly introduced critical capabilities into the public sector

- Analytics team significantly reduced reliance on consultants
- Project management has enabled country-led implementation of critical projects

Supported and developed the capabilities and processes of other public sector organizations

Acted as a Centre of Excellence

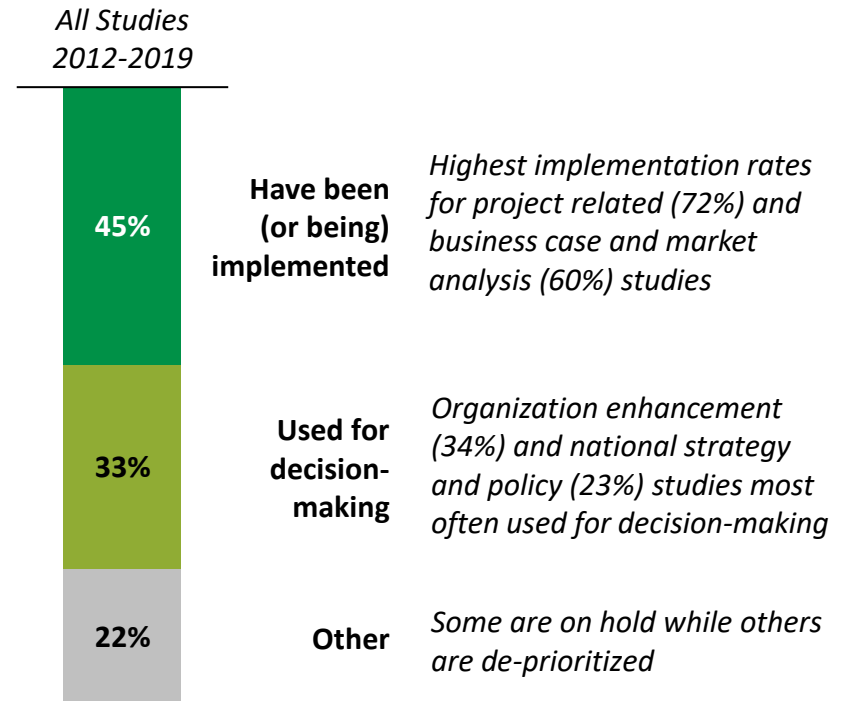
On top of these macro-level achievements, the Ethiopian ATA has also achieved tangible outcomes by mandate area

Studies: Conducted 250+ action-oriented strategic studies, of which nearly 80% have been implemented or used for decision-making

Key Achievements of the Ethiopian ATA

- Established a **highly effective Analytics Unit** at the ATA headquarters in Addis Ababa, significantly reducing the government's reliance on external analytical resources and capabilities
- **Conducted best-in-class, regionally prominent studies** in three areas:
 1. Policy and regulatory enhancements
e.g., Barley Sourcing Policy Analysis
 2. Sector and value chain strategies
e.g., Wheat Strategy, Seed Sector Strategy, Food & Beverage Strategy, National Agricultural Extension Strategy
 3. Project design and scale up
e.g., Case studies for Livestock and Fisheries Development Project, Mechanization Service Centers Project Design

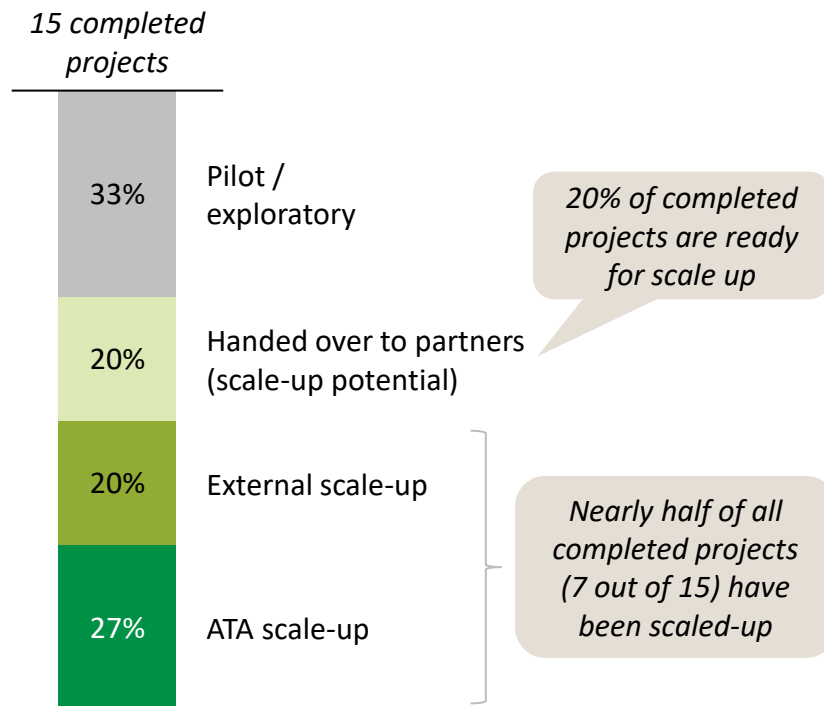
- **250+ studies completed to date**, with the majority of these implemented or utilized by stakeholders for decision-making



Projects: Implemented 44 innovative and large-scale strategic projects since inception

Key Achievements of the Ethiopian ATA

- **Implemented 44 projects** over the last 10 years
- **15 projects are completed**, with the other 29 projects currently ongoing at ATA (broadly as planned)



Examples of ATA projects

- **Direct Seed Marketing**
 - Shortened the seed supply chain
 - Supported 3,000 businesses and cooperatives
 - 32K tonnes of timely and quality seeds delivered
 - 4M farmers accessing improved seeds
 - Over 4,000 direct jobs created
 - Channel through which 60% of improved seeds in Ethiopia is now sold
- **8028 Farmer Hotline**
 - Provided agronomic advice to 5M registered users registered
 - 4.5M texts and voice broadcasts
 - 41M interactive voice calls
- **One Stop Shop**
 - Established 100 agro-shops
 - Enabled 980K smallholders to access agricultural inputs
 - Created 500 direct jobs

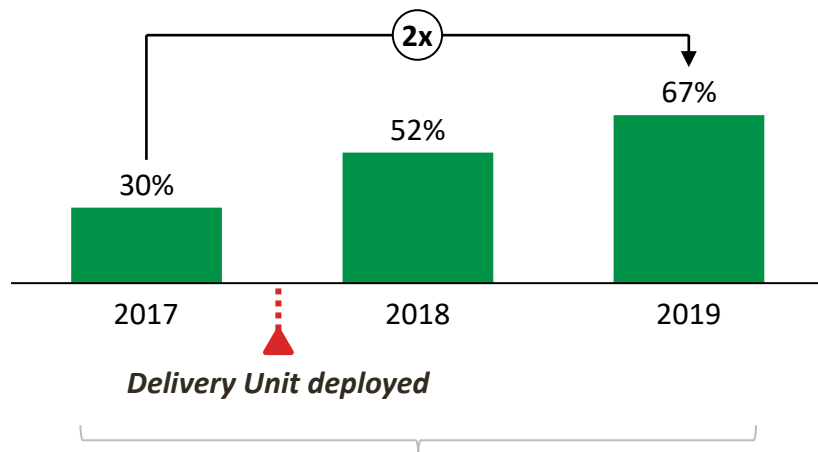
Implementation Support: Supported the Ministry of Agriculture to improve the performance of the Agricultural Transformation Agenda

Key Achievements of the Ethiopian ATA

- Designed and supported the establishment of a **Delivery Unit at the Ministry of Agriculture**, in order to improve delivery performance of the Agricultural Transformation Agenda

Overall performance of the Transformation Agenda

% of sub-deliverables that are on-track



The Delivery Unit helped to more than double the number of sub-deliverables that were on-track within two years

Agricultural Transformation Agenda outcomes includes:

➤ **Mechanization**

- 1.4M smallholder farmers have access to mechanization technologies
- Agricultural machinery users increased from 3% to 10%

➤ **Ethiopian Soil Information System**

- Soil survey of 748 woredas (districts) completed
- Soil fertility status maps and preliminary fertilizer type recommendations developed
- National soil archive constructed, and national soil database created
- Spurred nearly US\$4B investment in the fertilizer industry from the private sector

➤ **Cooperative Capacity Building and Seed Production**

- Completed and handed over 44 large warehouses
- Installed 14 seed cleaning machines which have processed and distributed 21.9K tonnes of seed to smallholder farmers in the last two years

Linkages and Coordination: Provided effective linkages and coordination at both strategic and operational levels

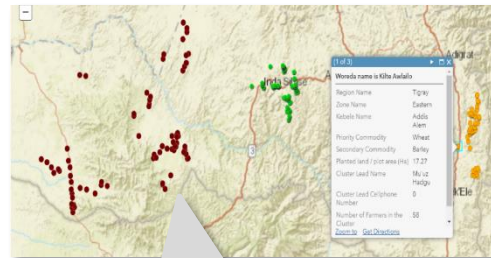
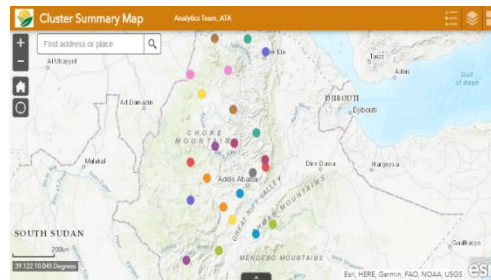
Key Achievements of the Ethiopian ATA

Strategic

- Created value chain platforms at local levels with the local government, private sector, farmer unions, and development partners
 - Used effectively to problem-solve and address issues
 - Facilitated linkages between suppliers and buyers
- Facilitated Regional Transformation Councils and National Steering Committees – bringing together stakeholders to discuss and address critical issues
- Coordinated command-post meetings with the Ministry of Agriculture, **bringing together national decision-makers**

Operational

- Created a marketing platform linking Farmer Production Clusters to buyers



Currently linking 4,000 FPC clusters to buyers

- Successfully attracted international malting companies to Ethiopia

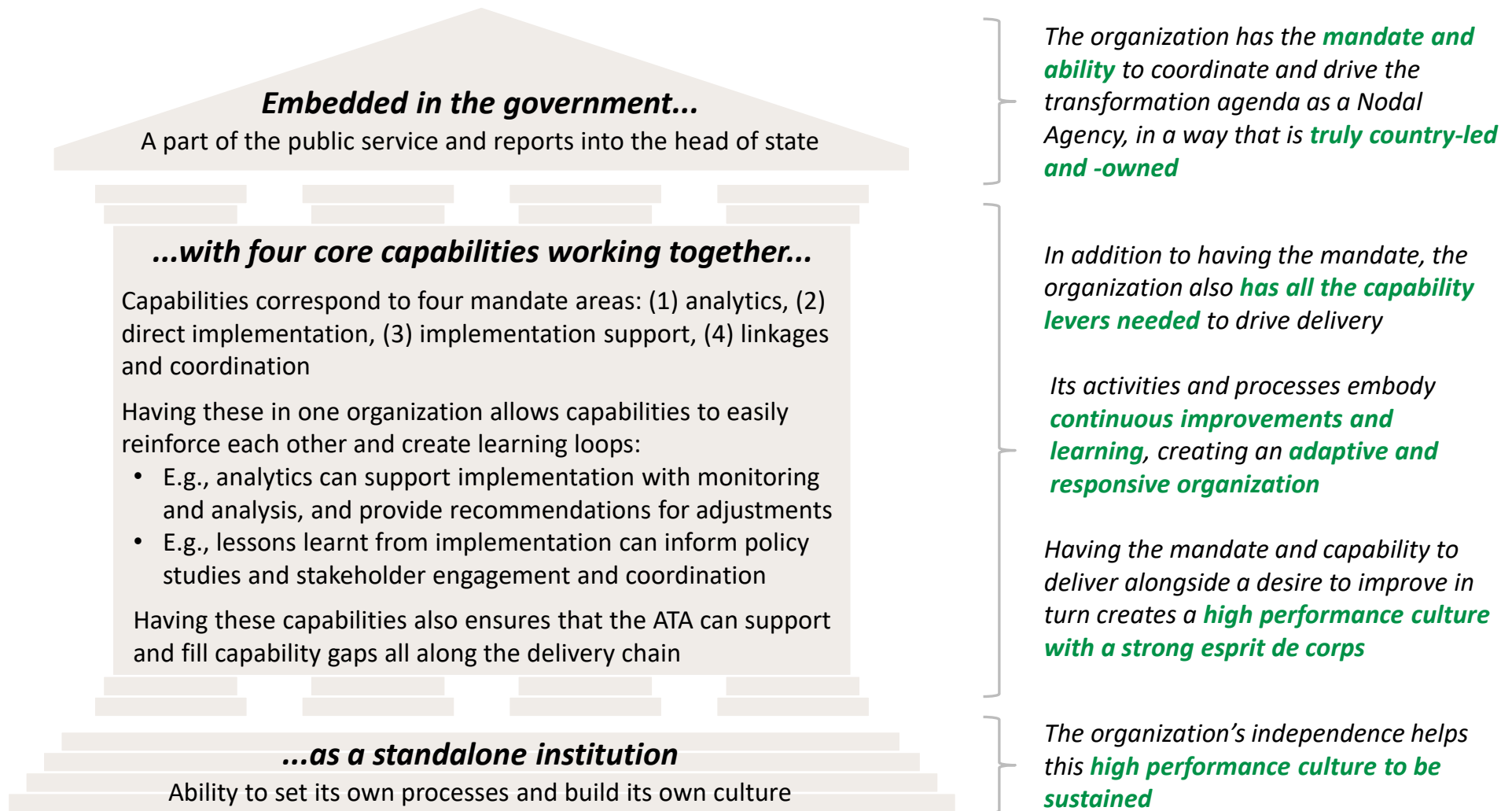
Boortmalt is a top 5 global producer that made a US\$60M investment and is working with 20K smallholders – expected to produce 60K tonnes of malt p.a.

Soufflet made a US\$50M investment and is working with 40K smallholders – expected to produce 110K tonnes of malt p.a.

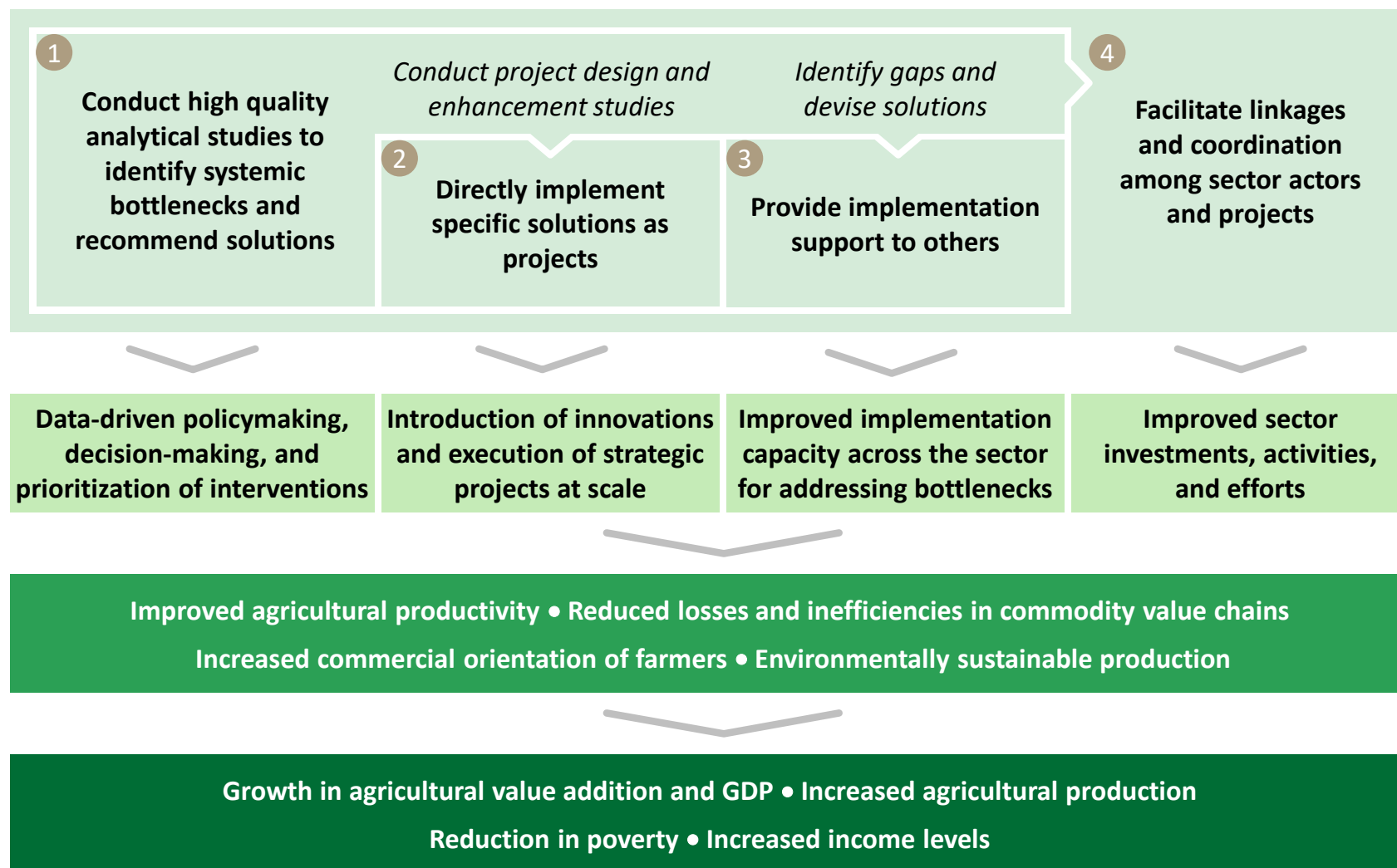
“Aiming to expand barley and malt production in Ethiopia, ATA had designed a business plan to encourage malting companies around the world to come to Ethiopia; and Soufflet was convinced to come and invest.”

The Reporter Ethiopia

The ATA's success lies in its unique combination of capabilities in one embedded and standalone public sector institution



The ATA's capabilities work together to drive delivery and enable impact



It is the combination of capabilities that has allowed the Ethiopian ATA to address the specific issues constraining agricultural transformation

7 main issues ...

...are all addressed by the unique combination of capabilities

Lack of focus and prioritization

- The ATA conducted [studies](#) to identify and recommend solutions to systemic bottlenecks; in parallel, it engaged with and [coordinated](#) actors to align around the set of recommended solutions
- This resulted in a focused and prioritized set of interventions—the Transformation Agenda Deliverables—that served as the overarching strategy and plan for agricultural development in Ethiopia

Disjointed policymaking process

- Through the Transformation Council, the ATA [linked and coordinated](#) policymakers around a common framework
- This is supported by the ATA's ability to conduct policy [studies](#) to inform the decisions of the Council

Lack of analytical capabilities

- Built an in-house analytics team to conduct [studies](#) using iterative problem-solving approaches; the team has been used extensively by government and has generated demand for more analytical capabilities to be built

Low implementation capacity

- Built project management capabilities to [lead the implementation](#) of critical projects where needed
- Provides [project implementation support](#) to others using innovative mechanisms, e.g., delivery units
- Conducts [studies](#) to monitor and evaluate performance, allowing improvements to be made continuously

Lack of coordination and collaboration

- Facilitated the National Transformation Council to [link and coordinate](#) policymakers; regional and value chain platforms enable agricultural actors, including the private sector, to work together on opportunities and issues

Lack of an integrated approach

- [Leads the implementation](#) of strategic programs (e.g., Agricultural Commercialization Clusters) utilizing integrated value-chain approaches that also mainstreams cross-cutting concerns; the ATA also acts as the system integrator for these programs to [link and coordinate](#) donors, implementers, the public sector, farmers, and businesses

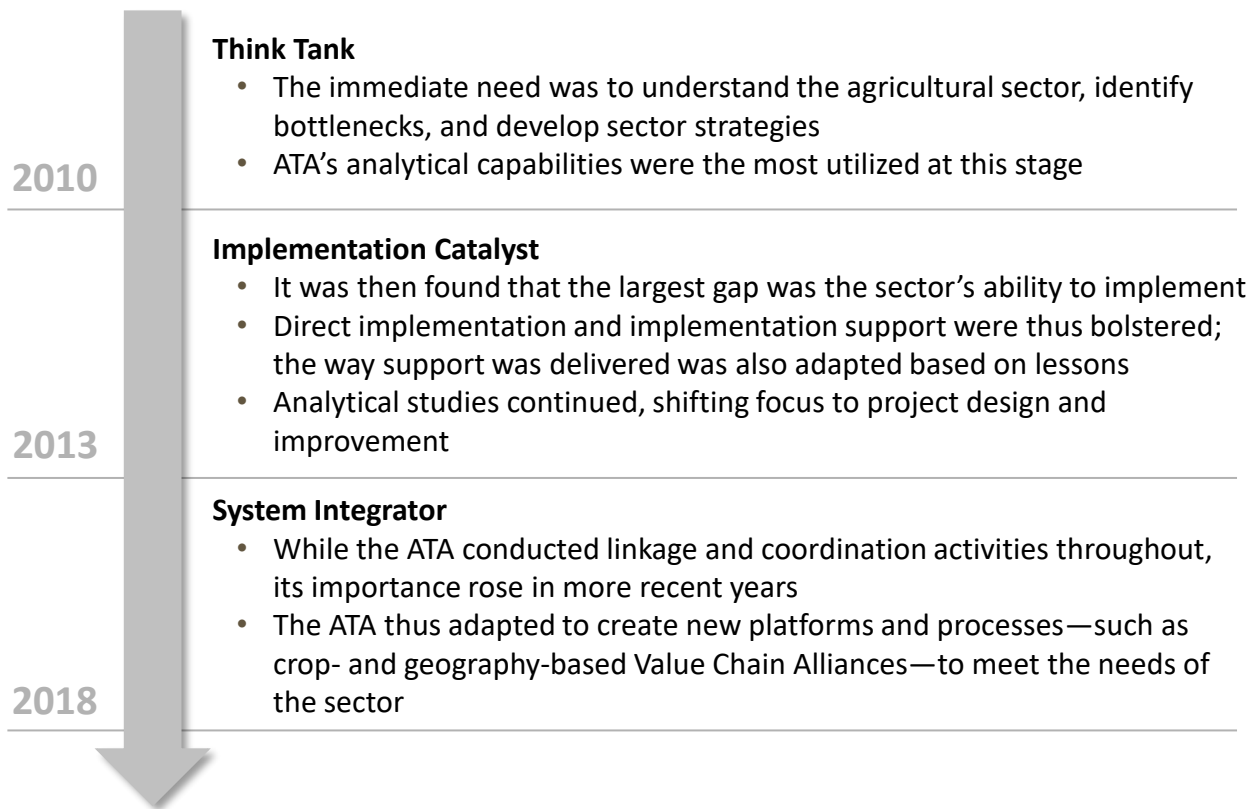
Disregard of soft enablers

- Has built soft skills alongside technical aspects when it [supports partners in implementation and capacity building](#), e.g., delivery unit support for the Ministry of Agriculture also built soft skills within Ministry staff along the delivery chain

The ATA's success is also driven by its ability to be an adaptive and learning organization that is responsive to changing needs

Interpretation of its mandate evolved over time to be most impactful

The ATA has continuously adapted and evolved in how it prioritizes and operationalizes its mandate areas, responding to the needs of the sector and country



Also responsive to political needs

The ATA served under **three Prime Ministers and four Ministers for Agriculture**

- Different ways of working
- Different political needs

There were also on-going tensions and changing dynamics with **other public sector institutions**

To achieve impact, the ATA had to be **politically astute** while **maintaining focus** on the drivers of impact for smallholder farmers

- Active management of institutional politics

Agenda



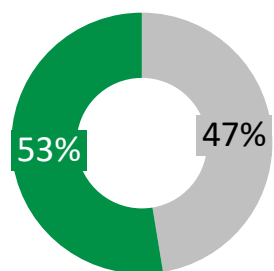
Origins of the Ethiopian ATA

Achievements and Success Factors of the ATA

Relevance for Countries such as Malawi

Agriculture similarly remains vital to many African countries

Employment



Agriculture currently accounts for **53% of total employment** in Sub-Saharan Africa

It is the livelihood of **175M** people across the continent

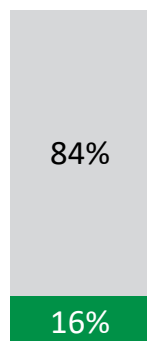
Food Security

27.4%

Africa is a net food importer and 27.4% of people are classified as **food insecure**, which is expected to worsen substantially due to COVID-19

Growth in agriculture is crucial for achieving food security

Share of Economy



The sector makes up **16% of GDP** in Sub-Saharan Africa

But dependency on agriculture ranges from **2% of GDP in Botswana to 59% of GDP in Sierra Leone**

Structural Development

Agriculture has long been recognized as a **strategic sector for economic development**, with large potential to...

- Reduce **poverty and inequality**
- Boost intra-Africa **trade and investment**
- Underpin and enable rapid industrialization and **economic diversification**

Also, recognition of complex issues have increasingly required integrated and systemic approaches to agricultural development

Climate

Climate change is emerging as one of the major threats to development, particularly with rain-fed agriculture

- Warmer temperatures
- More extreme weather patterns
- Shortened growing seasons
- Higher frequency of drought

Climate-smart agriculture is a complex field, and includes a variety of integrated approaches

- Natural resource management
- Water use and management
- Ecosystem management
- Food system considerations

Gender

Female farmers systemically face higher barriers

- Less access to labour and technologies
- Social norms constraining the time available to work

Significant benefits can be realized if gender gaps were closed

- 8-30% increase in production
- Empowerment of women

But gender initiatives need to be integrated with changes in social norms and family dynamics

Nutrition

19.9% are predicted to be undernourished in Africa

Agriculture and nutrition are closely intertwined

- Agriculture grows the food
- It is also where the beneficiaries of nutrition programs are

Yet there is often a disconnect

Systemwide integration is needed, from production to processing, transport, consumption, and waste management

These issues require more systemwide and integrated interventions than the predominant productivity- and economics-driven approaches for agricultural development

Many actors currently provide support, but often countries have trouble turning these into impact at scale

Many organizations are active in providing support

Many organizations dedicate their work to agricultural development



Areas of support include:

- Technical cooperation
- Policy and strategy advice
- Design and implementation of specific projects and programs

However, receiving countries often lack a national body that can drive delivery

Support is often provided along disjointed frameworks and initiatives

- Many overlapping agricultural strategies and frameworks exist at continental, regional, and country-levels
- Development partners often devise programs with their own frameworks
- Funding and implementation of specific interventions are fragmented and uncoordinated with each other

Tools and advice can also lack country specificity

- A lot of excellent research is produced for the continent, but many lack the context-specific details needed to inform decisions
- Countries usually lack the knowledge and expertise to contextualize 'best practice' tools and approaches

Additionally, international organizations often do not have local on-the-ground experience to advise and support on actual implementation

Many countries do not have an institution that can translate existing support into impact that is realized at scale nationally

Additionally, COVID-19 has disrupted development, and has highlighted both an urgency and opportunity to act

Actions are needed to counteract the damages caused by COVID-19

COVID-19 and its control measures are affecting food systems worldwide

- Movement restrictions hindering labour
- Constrained transport of food to markets
- Food markets and processing plants forced to close
- Farmers burying perishable produce and dumping milk

The impact on livelihoods and food security has been immense

Programs in the agricultural sector, which could counteract the impact, are themselves affected

- Disruptions to program activities
- Some are paused

Investments into the sector are needed precisely now, to regain losses and prevent further slippage

And opportunities also exist to improve agriculture

The current crisis provides a turning point to rethink our approaches for agricultural development

- Particularly around climate, nutrition, and inclusive growth
- We can invest in recovery to build a green, inclusive and resilient sector

This also presents an opportunity to leverage new technologies being developed

- Lockdowns have spurred the development of new digital solutions

Solutions require integrated responses, with opportunities to more deeply engage with actors across the sector

Despite the challenges, now is also a time to try bold new ideas

Preliminary analysis indicates that replication of the Ethiopian ATA model is replicable to other contexts such as Malawi

Critical Success Factors of the Ethiopian ATA

- Hands on engagement and support from the **head of state**
- **Flexibility** to adapt its business model and ways of working based on learning
- Being **targeted and focused** in the areas that it works in
- Ability to bring **new capabilities** into the sector
- Building an **esprit de corps** among its staff

Some Key Enabling Conditions Required

- Basic **building blocks for agricultural transformation** in the country
- **Broad base of partners in both the public and private sector**
- Ability to secure **flexible funding** arrangements, including for core funding
- Providing an attractive proposition for **international calibre talent**
- **External support to intervene** with senior policymakers during critical moments

It is possible to meet each of these factors given sufficient commitment, the right approach, and a suitable country context

Leveraging the ATA model in Malawi would require adaptations and contextualization for the local context

Contextualization of the institutional structure will be needed

Malawi will have different...

- Political contexts
- Institutional arrangements
- Sectoral structures
- Levels of private sector involvement
- Sets of capability gaps

Therefore, the ATA model will need to be contextualized, including around:

- Institutional positioning
- Federal versus state offices
- Relative focus of the four capabilities
- Relationship with different public sector institutions

Priorities of the ATA would also require close alignment with national priorities

As a public institution, the priorities of the ATA should be wholly aligned to national agendas

In Ethiopia, the capabilities and resources of the ATA was used for the **benefit of smallholder farmers**, with a view towards commercialization

The ATA model and its capabilities can also be used to deliver on other national priorities, including around:

- Agriculture driven wealth creation
- Food security
- Nutrition and sustainable food systems
- ...and others



Thank you





Innovations to help our country grow