



Feed the Future Innovation Lab for Livestock Systems

Ethiopia: Enabling Policies for Livestock Brief

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The Management Entity at the University of Florida



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1. Introduction

The Federal Government of Ethiopia (GoE) has developed a number of policies and strategies focused on agricultural and livestock development. These include the Growth and Transformation Plan (GTP), the Agriculture Growth Program (AGP), the Policy and Investment Framework (PIF), the Food Security Program (FSP). Ethiopia also participates in the Comprehensive Africa Agriculture Development Program (CAADP)¹ which strives to increase economic development through agriculture-led growth. Table 1 lists Ethiopia's policies and networks in the agriculture-nutrition sector.

Table 1. Ethiopia's Policies and Networks in the Agriculture-Nutrition Linkages

Policies
Growth and Transformation Plan II (GTP II)
National Nutrition Programme (NNP)
National Nutrition Strategy (NNS)
Agricultural Sector Policy and Investment Framework (PIF)
Networks
Nutrition Development Partners' Forum (NDPF)
Nutrition Technical Working Group (NTWG)
Agriculture Task Force (ATF)
Comprehensive Africa Agriculture Development Programme (CAADP) network
Agricultural Growth Programme (AGP) National Steering Committee

Source: Beyero et al. (2015)

With the long-term economic goal of transforming Ethiopia into a middle-income country by 2025, Ethiopia's GTP and PIF are the strategic framework for prioritizing and planning investments in order to drive the nation's agricultural growth and development (FDRE 2010; USAID 2011). In the following, we focus on the GTP II, PIF, as well as the government's specific plan for livestock development, the Livestock Master Plan (LMP).

2. Growth and Transformation Plan II

In 2003, as per CAADP, the GoE allocated 10% of its national budget to promoting agriculture and agricultural growth is emphasized in the 2010-2015 GTP (FDRE, 2012). Agriculture sector in this context includes all forms of agriculture, livestock, fisheries, forestry, irrigation and natural resource management. Ethiopia's Growth and Transformation Plan (GTP) is the first of a three five-year national plans to improve the country's economy through investments in agriculture and rural development. Table 2 outlines the GoE's production targets for red meat, poultry meat and eggs, and milk.

Table 2. Livestock Interventions, Indicators, Actual Production, and Growth Targets

Area of Intervention	Performance Indicator	Actual Production in 2014/2015		Growth Target 2015-2020 (GTP II)
1. Crossbred dairy cow development	Increase in national cow milk production.	Total milk production	3.072 million L	93% 5.929 million L
		Surplus milk production	N/A	2.501 million L

2. Red meat/milk and feedlot development	Increase in total red meat production	Total red meat production	1.275 million MT	52% 1.933 million MT
	3. Poultry development	Increase in chicken meat production	Total chicken meat production	147% 405,080 MT
Surplus chicken meat production			18,000 MT 467% 102,000 MT	
	Increase in chicken egg production.	Total egg production	3.9 billion	728% 32.3 billion
		Surplus egg production	537 million	477% 3.1 billion

Source: MoA and ILRI 2015, CSA 2015

The 2010-2015 GTP aimed to generate \$1 billion from livestock exports by 2015. As of 2014, however, the formal export values from livestock were only about 25% of this target (Eid, 2014). The authors attribute this shortfall to the informal (i.e., unrecorded and unofficial cross-border livestock trade [CBLT]) between the Somali region of Ethiopia and the Republic of Somaliland, policy investments being skewed towards crop production rather than livestock, and low private sector investments in commercial livestock farms in nonpastoral areas. In the pastoral areas, the GTP focuses on livestock development by emphasizing the availability of water, forage development, irrigation, improving the livestock marketing system, and strengthening implementation capacity (FDRE, 2010a). Agricultural Development Led Industrialization (ADLI) is the most important component of economic policy in the recently completed Plan for Accelerated and Sustained Development to End Poverty (PASDEP) and in the GTP (FDRE, 2010a). Since 1994, ADLI has been the government's development strategy that focuses on productivity growth on small farms, as well as labor-intensive industrialization (Diao et al., 2010). Ethiopia's AGP is strategically aligned to the fundamentals of ADLI and to the main principles of the CAADP (Berhane et al., 2011). Grounded in the GTP and in PASDEP, the AGP aims to achieve a greater balance between targeted support to the poorest rural households and support investments and technologies in areas with high potential (FDRE, 2010a).

3. Agricultural Sector Policy and Investment Framework (PIF)

Table 3 outlines the overall objectives of PIF, which align with various national policy instruments and are articulated with four main themes, each with its own Strategic Objective. The four CAADP pillars correspond to the PIF's four strategic objectives and provide a framework for the investments needed over the next ten years (FDRE, 2010a).

Table 3. Policy Alignment, Thematic Area, and Strategic Objectives of the PIF

National Policies*	Focus areas	PIF Thematic Area	PIF Strategic Objectives (SOs)	Indicative Cost of SOs (in US\$)	MoARD Priority Investment Areas
GTP, RDPS, and CAADP Pillar IV	Increase agricultural sector productivity and production	Productivity and Production	SO1: To achieve a sustainable increase in agricultural productivity and production	\$4.71 billion	<ul style="list-style-type: none"> ▪ Irrigation development ▪ Skill development (including DAs & farmers) ▪ Seed and fertilizer supply ▪ Soil fertility management ▪ Livestock development ▪ Research

GTP, ADLI, and CAADP Pillar II	Increase farmers' incomes from agriculture and rural enterprises	Rural Commercialization	SO2: To accelerate agricultural commercialization and agro-industrial development.	\$0.69 billion	<ul style="list-style-type: none"> ▪ Market system and infrastructure ▪ Cooperative development ▪ Agricultural credit ▪ Private sector support
GTP, MDG7, and CAADP Pillar I	Manage, conserve and utilize natural resources sustainably	Natural Resource Management	SO3: To reduce degradation and improve productivity of natural resources.	\$2.34 billion	<ul style="list-style-type: none"> ▪ Natural resources development ▪ Rural land administration and use
MDG1 and CAADP Pillar III	Disaster Risk Management and Food Security	Disaster Risk Management and Food Security	SO4: To achieve universal food security and protect vulnerable households from natural disasters	\$1.19 billion	Productive Safety Net Programme and Food Reserve

Source: FDRE 2010, FDRE, 2010b, and Chanyalew et al., 2010

* Abbreviations: Ministry of Agriculture and Rural Development (MoARD), Growth and Transformation Plan (GTP), Rural Development Policy and Strategy (RDPS), Comprehensive Africa Agriculture Development Program (CAADP), Agriculture Development-Led Industrialization (ADLI), Millennium Development Goal (MDG).

Table 4 shows the outcomes for PIF strategic objectives and the relevant livestock sector milestone indicators. Table 5 outlines the PIF's priority investments relevant to the livestock sector. These investments, also known as platform programs, are jointly funded and managed by GoE and its development partners. USAID Feed the Future programs play a key role in supporting Ethiopia's PIF and its platform programs through direct participation and funding.

Table 4. Progress of the Ethiopia PIF relevant to the Livestock Sector

Country Policy Alignment	Strategic objectives (SOs)	Outcome that PIF is expected to influence	Milestone indicators showing progress towards SO*	Policy and Institutional Considerations
<ul style="list-style-type: none"> ▪ Increase agricultural sector productivity and production. (GTP, CAADP Pillar IV, and RDPS) ▪ Major investment projects: AGP, PSSIDP, RFIP 	SO 1: To achieve a sustainable increase in agricultural productivity and production	Production of food, cash crops and livestock increased	At least 8% increase in annual crop and livestock production levels	Alignment of policy and budget allocations between disaster risk management/food security and production/productivity initiatives. Need to improve cooperative and private sector participation in supply of agricultural inputs.
		Agricultural productivity increased	4% annual change in total value productivity (value outputs/value inputs) per crop and livestock unit.	
		Use of agricultural inputs and improved agricultural practices increased.	<ul style="list-style-type: none"> ▪ 6% annual increment of farmers using agricultural inputs and improved practices. ▪ Number of new agricultural technologies generated, tested and released. 	

* All indicators to be gender disaggregated.

Abbreviations: Participatory Small-scale Irrigation Development Programme (PSSIDP), Rural Financial Intermediation Programme (RFIP).

Table 5. PIF Priority Investments Relevant to Livestock Systems Innovation Lab

PIF Platform Programs	Goal	Geographic Scope	Duration, Funds	Supporting Donors
Agricultural Growth Program (AGP)	Seeks to increase agricultural productivity and market access for key crop and livestock products, leveraging the potential of the productive highlands.	83 districts in “Productive Ethiopia”: approximately 25% of the productive highlands	Five years (2011-2015), \$320 million program	World Bank; USAID; Canadian International Development Agency [CIDA]; Spain; Netherlands; Finland; UNDP; Global Agriculture and Food Security Program [GAFSP]
Ethiopian Land Administration and Land Use Development Program (LALUDEP)	Achieve sustainable land management by enhancing the tenure security of smallholder farmers, pastoralists and agro-pastoralists through efficient and effective land policies, legislation, certification and administration	National	Five years (2012-2016), \$150 million program	World Bank; USAID; Finland
Productive Safety Net Program (PSNP)	Provide food and cash transfers to chronically food insecure households as a means to prevent asset depletion and build productive assets at the community level.s	300 districts (food insecure parts plus parts of Pastoral Ethiopia)	Five years (2010-2014), \$1.8 billion program	USAID, World Bank, CIDA, Swiss International Development Agency, Irish Agency for International Development [Irish AID], United Kingdom Department for International Development [DfID], Denmark, EU and World Food Program [WFP]
Household Asset Building Program (HABP)	Help chronically vulnerable populations build resiliency through improved risk management and building up household assets	300 districts (food insecure parts plus parts of Pastoral Ethiopia)	Five years (2010-2014), \$648 million	World Bank, Irish AID, DfID, CIDA and USAID

Source: USAID 2011

4. Livestock Master Plan (LMP)

In order to provide guidance on future priorities for livestock research and development activities and to address food safety issues, the GoE released a five-year Livestock Master Plan (LMP) in July 2015. An official summary brief of the LMP released by the Ministry of Agriculture and ILRI is available at https://cgspace.cgiar.org/bitstream/handle/10568/67200/LMP_1.pdf?sequence=5. The Ethiopia LMP is the result of a collaborative effort between the Livestock Resources Development Sector (LRDS), the Ministry of Agriculture (MoA), and the International Livestock Research Institute (ILRI). The LMP development process was funded by the Bill & Melinda Gates Foundation (BMGF), with supplementary contributions from ILRI and the Canadian Department of Foreign Affairs, Trade, and Development (DFATD). The LMP is projected to meet most of the government’s key GTP II (2015-2020) objectives through continued transformation of the country’s livestock sector. Tables 6 and 7 outline the proposed investment and policy interventions in the LMP, along with their corresponding desired outcomes.

Table 6. LMP Priority Investment Interventions to Improve Ethiopia’s Livestock Sector

Investment Areas	Required Investment Interventions	Desired Outcomes
Dairy cattle improvement Local breed animals' productivity enhancement	Breeding and artificial insemination programs Genetic selection (recording schemes, etc.), vaccinations, and parasite control programs	<ul style="list-style-type: none"> ▪ Higher income and animal productivity. ▪ Increased productivity.
Improvement of feed and animal management	Range and pasture lands rehabilitation programs	<ul style="list-style-type: none"> ▪ Reduced young and adult stock mortality.
Promote importation and dissemination of improved semi-scavenging poultry breeds.	<ul style="list-style-type: none"> ▪ Investments by private sector, public-private partnerships. ▪ Improving capacity of animal health services. ▪ Promotion of extension services in improved feeding. 	<ul style="list-style-type: none"> ▪ Genetic and health enhancements. ▪ Increase in number of animals.
Enhancement of specialized commercial production units.	Adoption of appropriate genetic, health, and feed technologies	<ul style="list-style-type: none"> ▪ Achievement of GTP II objectives.

Source: MoA 2015 as presented in GAIN (2015).

Table 7. LMP Proposed Policy Interventions to Develop Ethiopia’s Livestock Sector

Proposed Policy Areas	Required Policy Interventions/Measures	Desired Outcomes
Provision of Veterinary Service	<ul style="list-style-type: none"> ▪ Streamline public-private roles in veterinary service rendering. ▪ Expand public oversight and quality regulations. 	Provision of clinical services by private sector
Promote private sector establishment of flour and oil mills to produce feeds using agroindustry by-products	Introducing protective policies against importation of flour and cooking oil	<ul style="list-style-type: none"> ▪ Increased number of flour and oils mills. ▪ Increased production of animal feed.
Promote land lease and offer tax incentives for animal production.	Provide land at subsidized rates and tax benefits to incentivize private entrepreneurs.	Increased animal production by the private sector
Promote feed production efficiency.	<ul style="list-style-type: none"> ▪ Eliminate double taxation and excessive customs duties on feed mill ingredients. ▪ Introduce quality control measures 	Enhanced production efficiency of feed mills
Promote livestock exports to attractive markets.	<ul style="list-style-type: none"> ▪ Introduce livestock traceability system. ▪ Design food safety and animal health programs by monitoring of abattoirs and disease surveillance. 	Increased livestock exports to lucrative markets
Promote increased private sector investment in livestock sector	<ul style="list-style-type: none"> ▪ Support value added processing by creating enabling environment for agribusiness investment. ▪ Streamline regulations and procedures 	Increased investment and transformation of the livestock sector

Source: MoA 2015

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