

PRIVATE SECTOR PEER LEARNING: PARTNERSHIP PROFILES

Appropriate Solutions for Mechanisation of Agriculture in Ethiopia, Facility for Sustainable Entrepreneurship and Food Security

Description: The partnership [Appropriate Solutions for Mechanisation of Agriculture in Ethiopia](#) falls under the Facility for Sustainable Entrepreneurship and Food Security of the Netherlands Enterprise Agency. The facility encourages public-private partnerships to combine the expertise of different partners and find innovative solutions that improve food security and strengthen the private sector in developing countries, with expected positive effects on sustainable development and poverty alleviation. The public and private sectors, non-governmental organisations and knowledge institutions can form a collaborative venture with the Dutch Ministry of Foreign Affairs and thus be eligible for a subsidy.

Development Assistance Committee member: Netherlands
Budget: EUR 2.1 million
Duration: 2013-18
Location: Ethiopia
Sector: Food security and mechanised farming
Activities: Various
Beneficiaries: Ethiopian farmers

Objective: The partnership's objective is to enable smallholder farmers and farmers' co-operatives in Ethiopia to increase agriculture productivity and income by making use of affordable and appropriate two-wheel tractors and implements that help cultivate their difficult soil by taking care of all related aspects, including testing, distribution, training, maintenance, repairs and spare parts.

Partners: The Ethiopian company TGT Enterprise will introduce two-wheel tractor mechanisation in partnership with the Dutch tractor manufacturer, Rumpstad Machinery, and Alterra, part of Wageningen University and Research. The partnership has been brokered by Agri-Profocus. The Netherlands Enterprise Agency will contribute financially with a subsidy of up to 50% of the required funding and provide coaching and advice, and Wageningen University and Research will supply research and expertise on sustainability aspects. TGT will establish a network of rural outlets that can address issues related to distribution, training, maintenance, repairs and spare parts. Local assembly is planned, which should reduce the price of tractors by 20% and make them more affordable. TGT's business model focuses on existing tractor hiring services and leasing arrangements for individual farm households and co-operatives. Other partners are research group Alterra, regional co-ordinators of the Netherlands and Ethiopia's CASCAPE (Capacity building for scaling up of evidence-based best practices in agricultural production in Ethiopia) project and local non-governmental organisations.

Key activities: Priorities include the identification of drivers for change, testing, demonstration and distribution of tractors, training and after-sale and leasing services. The partnership will also identify possibilities for local production of components for tractors and implements.

Results: A first batch of tractors and implements has been imported, tested and demonstrated. Trial results show positive results and the research team has made recommendations for tractor hiring services and solicited feedback from the community on their recommendations. Feedback from farmers has been positive. Machine operators and mechanics have been trained and a module has been developed for training providers of tractor hiring services.

Online agri-network AgriProFocus Ethiopia's 2014 Annual Report indicated that the partnership's progress was limited in 2014 due to currency issues. TGT could not get the foreign exchange from the bank needed to import more two-wheel tractors for tests, pilots and demonstrations. The report highlighted that: "This example is to remind ourselves that partnerships and investments require most attention after the deal is made."

Monitoring and evaluation: No information specifically on this partnership was found. However, beneficiaries of Facility for Sustainable Entrepreneurship and Food Security grants must provide details on the implementation of projects using the facility's monitoring and evaluation plan, which covers outputs, outcomes and sustainability indicators.

Insights: A lesson from this partnership is the need to ensure adequate investment in risk management. Government partners could have invested more in risk management, particularly in relation to the availability of foreign exchange at various stages of the project. There is also scope for greater clarification on the role of the Netherlands' embassy in Ethiopia in supporting the partnership.

SOURCES:

AgriProFocus Ethiopia (2014), "Annual report 2014", AgriProFocus Ethiopia, Addis Ababa, http://agriprofocus.com/upload/AgriProFocus_Ethiopia_Annual_Report_20141434630934.pdf.

BoP Innovation Center (n.d.), "TGT Enterprise: Gender perspective on farm mechanization leads to new markets" (brochure), BoP Innovation Center, Utrecht, www.bopinc.org/files/documenten/women_as_ib_partners_-_tgt.pdf (accessed 1 July 2016).

Larive International (2014), "Facility for Sustainable Entrepreneurship and Food Security (FD0V)", www.larive.com/fdov.

Netherlands Embassy in Skopje, Macedonia (n.d.), "Facility for Sustainable Entrepreneurship and Food Security (FD0V)", <http://macedonia.nlembassy.org> (accessed 1 July 2016).

Netherlands Enterprise Agency (n.d.), "Facility for Sustainable Entrepreneurship and Food Security (FD0V)", <http://english.rvo.nl/subsidies-programmes/facility-sustainable-entrepreneurship-and-food-security-fdov> (accessed 1 July 2016).

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