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## QUARTERLY REPORT 07 – October - December 2007

# ETHIOPIA AGRIBUSINESS AND TRADE EXPANSION PROGRAM

*“Increasing Rural Incomes and Employment”*



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### **USAID Agribusiness and Trade Expansion Program**

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## 1.0 Executive Summary

This is the seventh quarterly report for the Ethiopia Agribusiness and Trade Expansion Program (the project) covering the period October 1 to December 31, 2007. The project works with public and private sector partners throughout Ethiopia to improve agricultural sales and competitiveness and help create new employment. Areas of emphasis include improving agronomic practices, introducing value-added and productivity-enhancing technologies, promoting investments, establishing grades and standards, improving access to inputs, better transport, and other infrastructure upgrades. We also assist in creating linkages with buyers in East African, Middle Eastern, European, Japanese and US markets.

Major achievements this quarter include:

- \$5.4 million in client and partner investments leveraged to date in improved agricultural production and processing technologies (production systems, processing equipment, infrastructure, etc.). This represents more than 5 times the amount of Technology & Partner Fund dollars which USAID has invested.
- To date, over 18,000 farmers, processors, collectors, suppliers and MoARD extension agents have been trained by the project in technical areas related to production, postharvest handling and processing.
- Twelve coffee cuppers were certified in the 'Q' system of export certification following their training at ECEA. These are the first Ethiopians to achieve this qualification, making us the second country in Africa to achieve this export-grading certification. This opens up enormous opportunities for penetrating specialty coffee market worldwide through cupping performed in-country.
- The TAYTU group has achieved cumulative export sales of nearly \$30,000 following its recent tradeshows in September and October, with orders in the hundreds of thousands anticipated for next quarter. The consortium of 12 leather manufacturers also opened its office and showroom in Dembel, Addis Ababa.
- The inauguration of 30 raw hides and skins collection centres in the Addis Ababa area took place in November.
- Grades and standards were finalized for the 4 products to be traded under the Ethiopian Commodities Exchange – namely wheat, haricot beans, sesame and maize.
- Total cumulative investments by lead clients in the horticulture sector are \$2.3 million. These consist of infrastructure such as greenhouses, packhouses, irrigation systems, and plant breeding material.
- Ethiopia's first strawberry exports to UK supermarkets took place this quarter, with production scaling up rapidly to meet large new orders from satisfied buyers. Orders are averaging 56 tonnes worth \$187,000 per month.
- The project co-sponsored the first seafreight forum held in Ethiopia, to encourage investment in large scale horticulture which will provide the volumes to fill reefer containers out of Djibouti.
- Lead client Warka Trading PLC purchased and installed a new sesame cleaning machine with technical assistance from USAID-AATEP. This will improve the purity of finished product and commands higher prices in export markets.

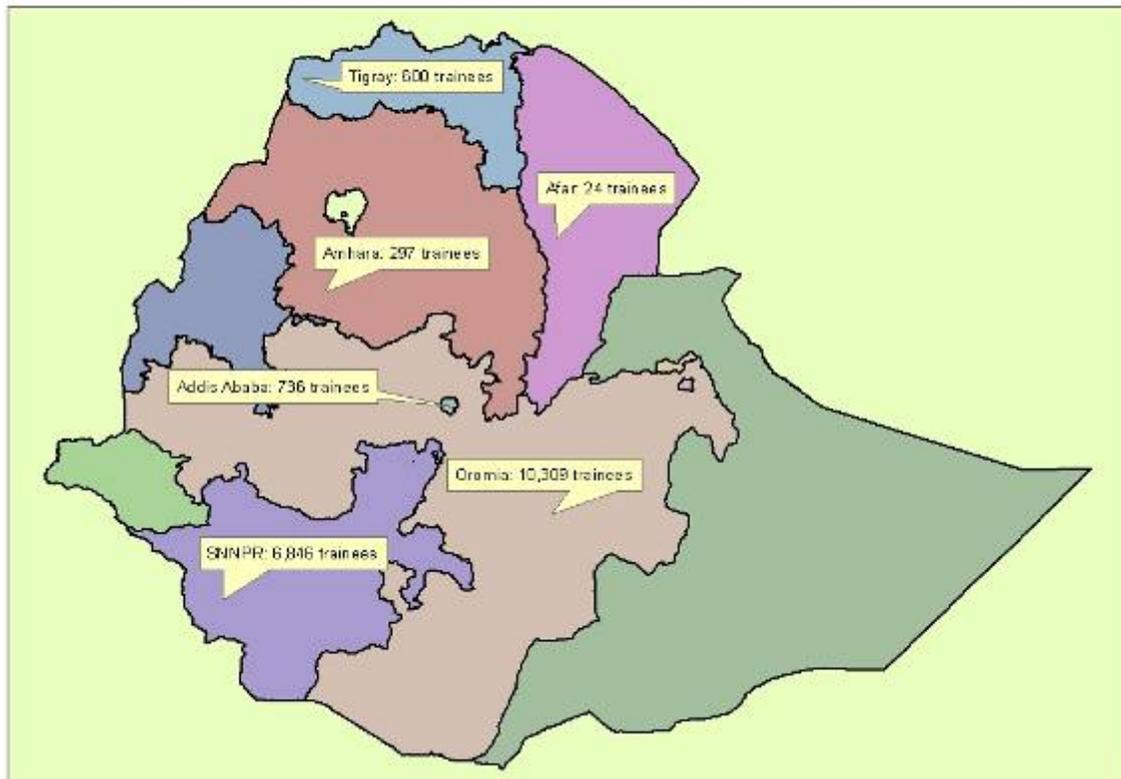
Project expenditures are on target. To date, \$5,960,883 or 57 percent of the project budget has been expended. The updated PMP is attached as an annex to this report. This document and all other project publications are available to USAID through the password-protected AATEP intranet site: [www.fintrac.com/ethiopia](http://www.fintrac.com/ethiopia).

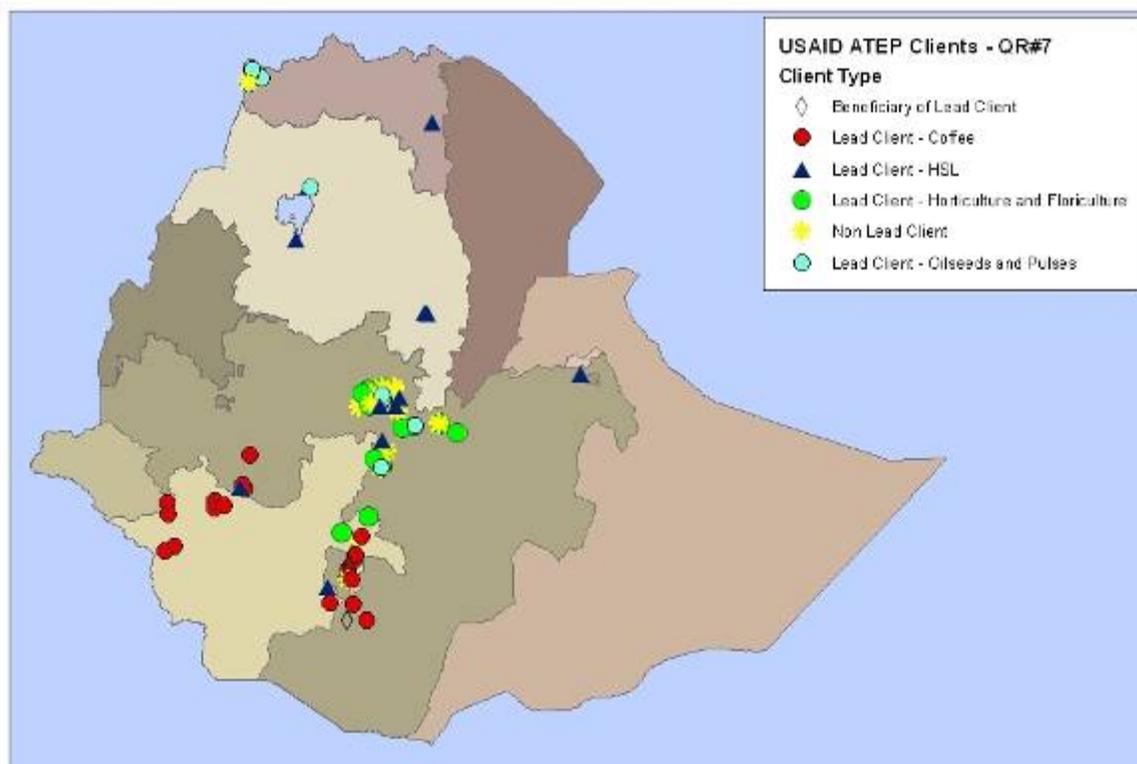
## 2.0 Introduction

The Agribusiness and Trade Expansion Program (“the project”) is a three-year initiative of the United States Agency for International Development (USAID) that is improving the productivity and sales of thousands of Ethiopian farmers, processors, traders and exporters. These clients produce and export a wide range of products, including horticulture, coffee, oilseeds, pulses, and hides, skins and leather goods.

USAID-ATEP technicians transfer technologies, train local trainers, and provide direct technical assistance to producers, traders, processors, and exporters, including over 66,000 smallholders cumulatively by the end of this quarter. In the 21 months since project inception, export quality from participating coffee, sesame, and hides producers has increased; model packhouses, collection centers, and cupping labs have been built; export programs for new fresh produce items have been established; and more buyers from around the world are sourcing Ethiopia’s agricultural products. In addition, the project addresses cross-cutting issues in policy, organizational development, BDS/partner alliances, gender mainstreaming, environmental management, and HIV/Malaria awareness and prevention. Its geographic coverage includes the regions of Tigray, Amhara, Oromia, and the SNNPR.

**USAID ATEP Training by Region - December 2007**





### 3.0 Progress to Date

This section provides a summary of activities carried out in each sector, pegged to the performance monitoring plan (PMP Version 14) approved by USAID and the Project Advisory Committee (Annex I).

#### 3.1 PMP Section 1: Startup, Communications, and Reporting

Three Monthly Bulletins were completed and distributed to USAID, Steering Committee members, and counterparts. The Performance Monitoring Plan was updated as of December 31<sup>st</sup> 2007. Financial reports on monthly expenditures against the obligated budget were submitted with each monthly invoice. These reports along with the updated inventory list, approved Partner and Technology Fund agreements and expenditures, and Level of Effort reports are all available at the project's intranet site: [www.fintrac.com/ethiopia](http://www.fintrac.com/ethiopia)

#### 3.2 PMP Section 2: Monitoring & Evaluation Activities

The project team continued to input information into the project's Client and Impact Results Information System (CIRIS), including technical assistance and training activities, and client sales and investments achieved to date. CIRIS reports can also be downloaded at the project's Intranet site: [www.fintrac.com/ethiopia](http://www.fintrac.com/ethiopia). The PMP is updated on a quarterly basis using data from CIRIS and other M and E reports coming in from the field, interviews with clients, etc.

### **3.3 PMP Section 3: Marketing and Investment Activities**

Clients are provided with market information, trade mission support, and assistance in preparing business plans and loan applications with the three private banks participating in the USAID Development Credit Authority (DCA) loan guarantee program in Ethiopia.

#### ***Market Information***

Bulletins are developed in cooperation with the four main counterpart associations for each targeted sector: The Ethiopian Horticulture Producers and Exporters Association (EHPEA), Ethiopian Coffee Exporters Association (ECEA), Ethiopian Leather Industry Association (ELIA), and the Ethiopian Pulses, Oilseeds & Spices Processors Exporters Association (EPOSPEA). We are currently re-planning the format of the Quarterly Market Bulletins for each of the four targeted sectors to more closely meet the needs of Association members. This will involve sending out information to members on line, as well as subscribing to trade and market research information publications such as "Oil World."

#### ***Business Planning & Loan Applications***

To date, the project has helped current and prospective clients develop a total of 48 business plans including feasibility studies for production and value-added processing activities. There have been 11 loan applications made on behalf of clients so far, leading to \$2.2 million in loans to our clients having been granted.

#### ***Trade Missions and Special Events***

During the quarter, the project co-financed the participation of the TAYTU consortium at a leather trade fair in Paris in October. We also co-sponsored a group of 12 floriculture exporters, members of EHPEA, to attend the Hortifair exhibition in Amsterdam in October.

Inward buyer missions in the horticulture sector included a senior buyer from Wellpak UK Ltd, leading strawberry suppliers to the supermarkets. This has resulted in Ethiopian strawberries appearing on British retail shelves for the first time. A European agroprocessing company has visited twice this quarter to investigate setting up a passionfruit juice facility in the Rift Valley area. The project plans to assist outgrowers with production for this factory. Vegpro Ltd Kenya, and Van Zanten Ltd Uganda also visited in search of investment opportunities in horticulture. The technical director of World Flowers Ltd, the UK's biggest supplier of cut flower to UK supermarkets also visited this quarter and inspected several of our client farms with a view to purchases in the future.

### **3.4 PMP Section 4: High-Value & Added Value Horticultural Program**

The project continued its intensive training and technical assistance activities with lead clients and beneficiaries in support of vegetable and diversified floriculture exports, as well as local market supply of vegetable crops to fresh and processing buyers.

#### ***Clients***

To date, 25 lead clients including producers, farmer groups, exporters, etc. and 470 beneficiary farmers (working directly with lead clients) are receiving ongoing technical assistance and training from the program's field technicians. Export crops include Bobby beans, snow peas,

sugar snap peas, baby corn, chillies and courgettes, as well as smallholder flowers. New crops added to the program include raspberries and table grapes. Major crops produced for the domestic market include tomatoes, potatoes, onions, chillies and cabbage.

### ***Technical Assistance***

Six international seed companies have now supplied our horticulture sector with new hybrid seed for vegetable trials for both export and domestic crops. This will allow our clients to source higher yielding, disease resistant crop varieties. Many of the new varieties are being planted at our trial site at Melkassa Agricultural Research Station in time for the open field day we are planning to hold in March. These include baby corn, French beans, cabbage, carrots, chillies, courgettes, aubergines, onions, peas, peppers, tomatoes, and melons. We have identified 26 new demonstration sites where these will be planted.

For smallholder development, agreements have been made with 3 partners, Hararghe Catholic Secretariat (HCS) in Harerge; Common Fund for Commodities (CFC) in Mojo; and International Development Enterprises (IDE) in Ziway, all of who will be provided with agronomy advice in the coming season.

The project has carried out 1,045 technical assistance visits to horticulture client farms to date. These have focused on land preparation, mulching, seedling production, drip irrigation, pest and disease control including IPM, use of hybrid seeds, and other agronomic areas for crops under production, as well as postharvest handling and analysis of production costs and margins.

### ***Training***

Field days continued for farmers with training in improved production, postharvest handling and GAP protocols. A total of 104 on-farm training events covering horticulture crops have been carried out to date for 820 participants. Trainings this period included strawberry and grape production, as well as BRC, Food Safety systems, and GobaGAP. Counterpart EHPEA is also progressing with training on the National Code of Practice for floriculture, which includes IPM recommendations for which the project has already provided training and is coordinating further efforts.

A total of 477 farmers have also been trained in safe use of chemicals to date.

### ***Marketing***

During this quarter, a feasibility study was carried out for passion fruit, with Umran Kaggwa from Uganda assessing the potential benefits to smallholders for this new crop. Growing conditions are good, and there is existing knowledge on the agronomy, and a willingness by stakeholders such as MARC, HCS/CRS, MoARD to co-operate with us.

Five inward buyers (mentioned above) were also hosted this quarter

## **3.5 PMP Section 5: Coffee Program**

Coffee activities this quarter focused on ensuring correct harvesting techniques as the annual crop started to come in.

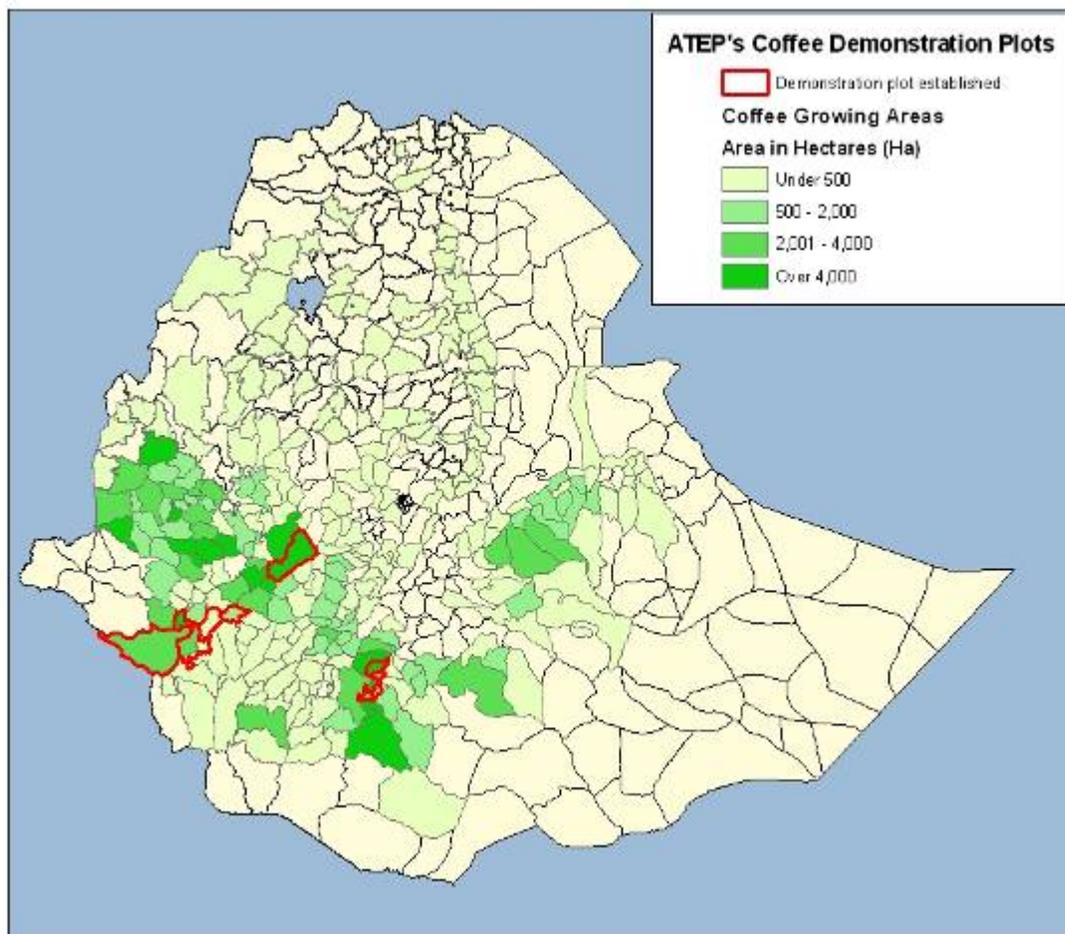
The seventh and eighth Coffee Industry Forum meetings were arranged and carried out by the

project, as we continued to get stakeholder buy-in to agreeing on future strategy. This focused on the training at farmer level to improve yields, harvesting, and post harvest handling, with a new training initiative planned for next quarter.

Reports from exporters about the Millennium training conducted in August show already an improvement in the overall quality of cherries delivered at mills improved with reduced rejection rates.

### ***Clients***

The project works with 24 lead coffee partners (as well as 7 non lead clients), comprised mostly of millers/exporters, and 16,037 beneficiary farmers. Thirty-five training demonstration sites (see map below) have been established in the western and southern producing areas for training of local farmers at field days and events such as the Millennium Campaign.



The project has also leveraged \$768,805 of new client and counterpart investments in the coffee industry, consisting of mills, processing equipment, drying tables, etc.

### ***Technical Assistance and Training***

The majority of technical assistance for coffee farmers is provided through group trainings at cooperative farms and coffee mills. To date, a total of 275 technical assistance visits have been

made to lead client farms. Training emphasis was on harvesting and postharvest practices at the farm level (picking cherries at proper ripeness, use of clean packing and storage materials, etc.).

To date, a total of 15,044 coffee farmers, traders, processors and other stakeholders have received training at 147 project events.

### ***Cupping Activities***

At the 5 regional cupping labs, we are now seeing coffee farmers paying for cupping services, which is a good indicator towards the future sustainability of these remote grading facilities. Our consortium partner Boot Ltd provided further training to the cuppers in these labs through Daniel Mulu.

Coffee Quality Institute (CQI) president Ted Lingle and his team came in from the US during November and trained the first group of Q graders at ECEA. All 12 candidates graduated with certificates making them the first Ethiopians to achieve certification in the Q system of grading coffee. Ethiopia is the second country in Africa (after Kenya) to have achieved Q-grader status.

### ***Certification***

In total there are 15,600 hectares of coffee land that have been certified in various protocols. Of this, 5,206 hectares have been organically certified by BCS. Rainforest Alliance certification of coffee farms also continues, with over 10,394 hectares certified to date. There is an additional 4,237 hectares of land that has been audited by RA that now needs to be certified.

## **3.6 PMP Section 6. Hides, Skins & Leather Program**

Clients in the HSL sector include all members of the value chain: farmers, abattoirs, tanners, traders and finished product manufacturers. The project continues its field-based training of rural livestock technicians in order to improve the quality of skins supplied to the industry, adding value to farmer sales in the process. The project is also working with abattoirs, tanners and traders in improving the quality and sales of HSL products on an industry level.

### ***Clients***

As of the end of this quarter, 50 lead clients/partners are receiving technical assistance and training representing thousands of beneficiary farmers. Collectively, donor partners and clients have made investments totaling \$881,269 in the sector, including new and upgraded production and processing facilities.

### ***Technical Assistance and Training***

The project's training of Woreda-level technicians in ectoparasite control and improved skinning/flaying techniques is enabling rural producers improve the quality of their hides and skins, leading to reduced product rejection rates at tanneries and increased volumes sold. To date, the project has held 27 trainings for 524 technicians in the area of ectoparasite control, and 33 trainings for 548 slaughterhouse staff, and 563 collectors and traders in skinning/flaying and post-slaughter care. From the Lalogera project, after 3 rounds of ectoparasite treatments the quality of skins has improved dramatically as reported last quarter. For the first time farmers have been prepared to pay for this third round treatment on 2,500 animals (B0.50 per animal)

which shows good potential for sustainability on this activity in the future.

Plans are underway for the next round of the ectoparasite control campaign in Lalogera, Amhara Regional State.

Our assistance to improve training at LLPTI continued with finalization of the needs assessment in conjunction with the University of Northampton, UK. A Rotary scholarship (\$42,000) for a Masters Degree in Advanced Leather Technology was agreed for an LLPTI staff member to study at Northampton.

### ***Supply Chain***

The 30 raw skin collection centres have now been built and commissioned in Addis Ababa. They centers will recover hides and skins and create employment opportunities for up to 150 individuals, while the improved marketing network for HSL products is expected to benefit an estimated 30,000 households. ELIA are currently negotiating contracts with local collectors to manage these centres. The improvement in the quality of raw material destined for tanneries will also support the project's goal of fewer rejections and increased supplier revenues while also creating employment at the collection centers. It is anticipated that 186,000 skins will be marketed through the system, corresponding to around 10 percent of Ethiopia's skins produced in rural areas.

### ***Export Market Development***

In October, the project promoted the TAYTU "Made in Ethiopia" brand of leather apparel and accessories at Paris Sur Mode exhibition. An initial trial order worth \$3,500 was obtained, which, added to the September orders amounts to nearly \$30,000 in new sales of high-end leather goods. Additional queries from a new buyer in the US are significantly higher, at \$200,000 per quarter. The first order for the new buyer will be processed and sold next quarter.

In November, the leather sector manager and consortium partner ECG participated in The Competiveness Institute (TCI) meeting in Portland, Oregon, where the success of the Ethiopian leather cluster was presented. A meeting was held with Nike with view to come to Ethiopia to invest in leather manufacturing.

## **3.7 PMP Section 7: Oilseeds and Pulses Program**

The oilseeds and pulses team is helping farmers improve yields and quality in order to qualify for higher grades and increase farm sales and employment.

### ***Clients***

The project is working with 24 lead clients engaged in oilseeds production, processing and marketing, including four large Farm Cooperative Unions (FCUs); a commercial farmers association; three investors; five smallholder farmers; and six exporters. These groups represent over 50,446 beneficiary client producers.

Lead client Zi-Andeta Farm completed its trial of new haricot bean varieties and is proceeding with planting 70 hectares of Awash 1 variety for export in the coming season. This client is also directly involved with the haricot bean initiative at Melkassa Agricultural Research Center.

### ***Technical Assistance and Training***

1,500 sesame outgrowers under lead client Kaleb PLC started a training program in organic sesame production led by our agronomist in Humera.

To date, 22 field-based trainings have been carried out for 1,224 beneficiary farmers in the areas of production, Integrated Pest Management (IPM), weed control, proper use of pesticides, quality standards and marketing of sesame in the Humera and Metema areas in northwest Ethiopia.

The first stage of the seed multiplication work at Melkassa Research Centre has been completed and plans are underway to distribute the improved haricot bean seed to 15,000 to 20,000 farmers in the Rift Valley area. We will work with Ethiopian Seed Enterprise, CRS and other commercial farms on this.

We have employed a local STTA in Dire Dawa to complete the Harerge business development initiative for farmer groups in 3 Woredas (Meta, Kersa, Gorogutu). 2,193 households are expected to benefit from this initiative.



### ***Processing***

Following its successful loan application, processing client Prosper International has ordered the delivery of its new hulling plant for sesame seed. The equipment is expected to be operational in the second quarter of 2008 due to delays in delivery.

We provided technical advice to Warka Trading in purchasing new sesame cleaning machinery which will help add value to exports.

### ***Warehouse Receipts***

The project's Warehouse Receipts specialist is on secondment to the Ethiopian Commodities Exchange (ECX) and is helping formalize systems for paper trading in preparation for its anticipated opening on 5<sup>th</sup> March.

Four products have been selected for trading when the exchange opens: sesame, haricot beans, maize and wheat. Guidelines have been developed for management of warehouses belonging to Ethiopian Grain Trade Enterprise (EGTE), equipment has been purchased, and grades and standards for each of the 4 products have been finalized.

Five of the EGTE warehouses, those at Nazareth, Shashemene, Nekempt, Bure, and Addis Ababa have been inspected for readiness by the warehouse receipts specialist. They are all now able to offer services to depositors on weighing, sampling, grading, spraying for postharvest pests, fumigating, loading and un-loading. Storage fees for depositors have also been established and documentation such as scale tickets, goods received notes, goods issuance notes, and warehouse receipts have been produced. Laboratory and office layout has been planned at each warehouse, positions have been agreed on, and recruitment for running the warehouses has commenced.

### **3.8 PMP Section 8: Policy Intervention Activities**

The project continues to identify and develop strategies to address critical policy constraints in the targeted sectors through technical advocacy, and by using a cluster approach to increase Ethiopia's agribusiness competitiveness.

In order to strengthen capacity in SPS in the horticulture sector, meetings were held with USDA Nairobi and programs arranged for Ethiopian experts to visit the US for further training in an effort to boost exports were organized for February 2008.

The first seafreight seminar was co-sponsored between USAID-AATEP, the Royal Netherlands Embassy, EHPEA, and Maersk Ethiopia to encourage further investment in the horticultural sector. As volumes of export quality produce, particularly fruit, continue to increase, options for reefer service out of Djibouti were underscored. Seafreight should, in the future, offer large volume exporters more capacity at lower prices than current airfreight options.

Further progress was made at the Coffee Forum meetings on improving legislation, infrastructure and quality control procedures with all stakeholders including the government. One of these meetings was organized and hosted by ECEA for the first time, another encouraging sign that the Forum is becoming sustainable and supported by the industry itself.

In the oilseeds sector, research was conducted in the north Gonder area with a view to starting an industry cluster there, being the center of the main sesame producing region in the north west of the country.

A presentation was made to the Amhara Region President and Vice President on the Fintrac approach to training and developing smallholders on how to increase incomes from cash crops. As a result, we will be working in Amhara region next year on new horticulture and coffee

initiatives in the region.

### 3.9 PMP Section 9: Other Cross Cutting Activities

Cross-cutting activities include Technology and Partners Fund awards, gender mainstreaming, environmental activities, and HIV/Malaria.

#### *Organisational capacity development*

Business planning training has now started, supervised by our Trade and Investment team, for farmer groups in Harerge. Training together with partner CRS will help the 9,000 small-scale farmers in this area to co-ordinate production of horticulture and pulses. There has been a dependence on donor food aid so far, and this initiative will allow them to become more self sufficient in cash crop production and income generation. An estimated 2,193 households will benefit from this business development training.

#### *Technology and Partners Funds*

The project continues to identify and fund activities that support project objectives through the Technology and Partners Funds grant awards. To date, the project has budgeted a combined \$924,923 in these cost-sharing grants, leveraging partner commitments (including commercial loans obtained) of \$3,556,363, or \$3.85 for each dollar invested.

In terms of actual expenditures to date, the project has expended \$655,502 in partner and technology funds, leveraging client investments of \$1,473,120 (which represents \$2.27 for each USAID dollar invested).

**Table 1: Technology Fund Awards through December 31, 2007**

Award	Budgeted	Expended	Balance
01 Ectoparasite control materials and training	\$67,057.85	\$66,348.99	\$708.86
02 Coffee eco-pulping equipment	\$12,500.00	\$12,500.00	\$0.00
03 Cupping equipment for five regional coffee labs	\$21,230.00	\$21,219.36	\$10.64
04 Planting material for mangetout, sugar snap and chilli export trials	\$6,384.00	\$6,384.00	\$0.00
05 Modern drip irrigation systems installation and training	\$108,580.00	\$107,611.52	\$968.48
06 Improved coffee sun-drying beds	\$13,846.00	\$8,177.37	\$5,668.63
07 Planting material for fine bean and peas export trials	\$10,700.00	\$6,634.85	\$4,065.15
08 Modern drip irrigation pumping equipment	\$3,290.00	\$0.00	\$3,290.00
09 Eco-friendly coffee sun-drying beds	\$6,255.17	\$6,144.14	\$111.03
10 Materials for construction of crocodile ponds	\$18,264.37	\$18,039.69	\$224.68
11 Organic certification for coffee cooperatives	\$10,696.11	\$10,696.11	\$0.00
12 Upgrading hides and skins capacity of Legedadi Abattoir	\$14,857.15	\$10,869.99	\$3,987.16
13 Hides and skins collection and storage centers for Wondi Skins	\$17,143.00	\$8,500.21	\$8,642.79
14 Training for sesame producers in Amhara and Tigray	\$8,040.00	\$7,075.39	\$964.61
15 Planting materials for summer flower export trials	\$5,100.00	\$3,840.49	\$1,259.51

**Table 1: Technology Fund Awards through December 31, 2007**

Award	Budgeted	Expended	Balance
16 Modern irrigation systems for summer flower export trials	\$11,920.00	\$11,920.00	\$0.00
17 Coffee eco-pulping equipment for Limu Kossa	\$13,000.00	\$13,000.00	\$0.00
18 Oilseeds processing with Prosper International	\$50,000.00	\$50,000.00	\$0.00
19 Haricot seed propagation with Melkassa Research Station	\$15,414.58	\$0.00	\$15,414.58
20 Sun-drying coffee beds	\$13,379.69	\$13,363.16	\$16.53
21 Upgrading hides and skins at Suluta Abattoirs	\$16,125.00	\$8,061.43	\$8,063.57
22 Strawberry IPM for Ilan Tot	Horticulture	\$14,688.00	\$14,688.00
23 Humera Sesame Training	Oilseeds	\$15,117.00	\$0.00
24 Alpine Flower Production with Marginpar	Horticulture	\$16,182.00	\$0.00
25 RA Certification for Moredocafe	Coffee	\$5,392.44	\$0.00
<b>Total</b>	<b>\$495,162.36</b>	<b>\$405,074.70</b>	<b>\$90,087.66</b>

**Table 2: Partner Fund Awards through December 31, 2007**

Award	Budgeted	Expended	Balance
01 Inward and outward trade missions	\$58,950.00	\$15,635.35	\$43,314.65
(a) Coffee: Roundtable 2006	\$8,500.00	\$9,523.26	
(b) Horticulture: Buyer mission expenses	\$130.00	\$1,281.13	
(c) All: CCA meetings and presentation	\$3,360.00		
(d) HSL: Pan African Leather Industry Tradefair	\$6,500.00	\$4,830.96	
(e) Coffee: Roundtable 2007-08	\$9,000.00	\$0.00	
(f) All: TBD	\$31,460.00	\$0.00	
02 HSL collection centers with ELIA	\$38,220.00	\$37,722.87	\$497.13
03 HSL radio campaign for proper harvesting and handling	\$8,691.00	\$8,634.73	\$56.27
04 CQI Coffee Corps activities	\$62,812.00	\$51,489.23	\$11,322.77
05 Q-Grading program with CQI/ECEA	\$82,000.00	\$19,722.51	\$62,277.49
06 EAFCA trade show expenses	\$13,162.00	\$11,886.16	\$1,275.84
07 Hortiflora trade show expenditures	\$45,000.00	\$42,512.60	\$2,487.40
08 Coffee sector trade missions with ECEA	\$45,282.00	\$25,248.86	\$20,033.14
09 Capacity building for TAYTU	\$40,644.00	\$15,252.14	\$25,391.86
10 Coffee training in 81 woredas	\$35,000.00	\$15,688.74	\$19,311.26
<b>Total</b>	<b>\$429,761.00</b>	<b>\$243,793.19</b>	<b>\$185,967.81</b>

***HIV/Malaria***

Agreements have been made with Pathfinder and PSI to assist with HIV and malaria awareness programs at the same time project technicians are conducting farmer trainings on agronomy and harvesting. These activities will start in early 2008.

**3.10 PMP Section 10: Global Results Targets**

National export sales for the four targeted agricultural sectors since the start of our program

showed an overall increase in value of \$402,296,000 over 2005 figures.

Client and counterpart investments to date have reached \$5,393,065. These have consisted of on-farm investments in infrastructure and technologies (drip irrigation systems, planting materials, packhouses, tractors, IPM materials, etc.) as well as improvements and upgrades to processing facilities such as abattoirs, oilseed plants, coffee mills, etc.

#### **4.0 Planned Activities for Next Reporting Period**

##### **Horticulture**

- Development of export programs with UK and Dutch produce companies for European import season commencing January 2008.
- Continue other vegetable export trials with lead clients;
- Develop eastern corridor and Rift valley initiative with smallholders for Djibouti as well as local markets. This will involve working with CFC, IDE, and the Harerge smallholders with HFC.
- Follow up with processing companies, including tomato and juice processing companies and evaluation of smallholder contracting programs with these groups.
- Scale up and contract international consultants on fruit development work on fruit crops including strawberries, table grapes and passionfruit.
- Focus on establishing and obtaining results from export vegetable variety trials to enable us to recommend the right varieties to our clients.

##### **Coffee**

- Carrying out further training on cupping and export quality certification for Q grader and “Star Cuppers” and regional cupping lab and Coffee Liquoring Unit (CLU) staff;
- Continue training lead clients on improved harvest and postharvest techniques as the harvesting season is completed and help with processing and marketing, especially for the specialty market.
- Completion of coffee harvest and auction/sales for previous 2006-07 season;
- Work with lead client millers on improved processing practices, especially on sun drying and eco friendly processing in the washing stations.
- Plan next coffee training campaign following success of Millenium Coffee Campaign through the Coffee Forum.
- Planning for the Second Coffee Roundtable conference to be held in Jimma in February, as well as prepare samples for the Electronic auction to be held in May.

##### **HSL**

- Continue with training program for veterinarians (ekek control) and skinner/flayers (reducing damage);
- Continue with Lalogera eradication campaign in close co-operation with Pittards, which has committed financial support for this initiative.
- Provide additional technical support to ELIA with the hides/skins collection centers.
- Plan Fifth Competitiveness Cluster Meeting for late January 2008.
- Follow up on TAYTU sales enquiries from New York and Paris tradeshows.
- Contract expert to do feasibility study for MoTI on the US footwear market.
- As part of the continuing cluster development work, contract Addis Ababa University to do survey of industry all along the value chain.
- With TAYTU plan to design and manufacture 2008 collection for displays at trade fairs in New York and Los Angeles.





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		Q2	Q3	Q4	J	F	M	A	M	J	J	A	S	O	N	D	Q1	Q2	Q3	Q4	Q1			Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind			
3.6	Support high-potential producers and/or processors participating in international trade shows and fairs			6				2		2					2		4		2		20	producers/processors participate in international trade shows and fairs	regular project reporting	38	(18)	X					Lyon 4, Cairo 5, EAFCA 8, Hortiflora 2, SCAA Long Beach 2, SCAJ Japan 2, The Train Fashion Show New York 2, Hortifair Holland 12, Middle east marketing conference 1	
3.7	Support inward buyer/ investor missions across sectors		1	2				2									2		1		10	buyers provided support for inward buying and investment missions	regular project reporting	30	(20)		X				Various buying missions and conferences	
3.8	Strategy and action plan for sustained access of market information developed			1																	1	action plan and strategy developed	Copy of plan	1	-	X						
3.9	Develop partnerships with local BDS partner(s) to provide market information services (at least one for each sector)			1				1									1				4	BDS partnerships developed/Partner fund agreements operationalized	CIRIS, Copy of agreements	1	3				X		EHPEA	
3.10	MOARD, four main trade associations and other organizations' staff trained in agribusiness market information systems and export analyses		2	2	2												2		2		12	workshops	CIRIS	13	(1)		X					
			20	20	20													20		20		120	people trained in market analyses	CIRIS	176	(56)		X				
3.11	Training support to domestic market price reporting systems MOARD		1	1				1													6	domestic market price reporting systems training	regular project reporting	2	4			X			Central Statistics Authority (CSA) has a system to monitor prices (for the calculation of inflation).	
4	<b>High-Value and Added-Value Horticulture Program</b>																															
4.1	Initial selection of Lead Partners (exporters, farmer groups, processors, individual farmers) & development of partner-specific activity workplans		10	15				10									5		10		75	lead partners identified and partner-specific activity workplans developed	CIRIS (lead partner data & workplans)	25	50			X			25 partners with agreements signed	
4.2	Beneficiaries of lead partners identified and representative M&E data collected		0	70	25			25									50		25		355	beneficiary farmers supported directly through lead partners	CIRIS	417	(62)		X				Eteco: 30, Zi-Andeta:300, Ethioflora: 67, Dibandiba 20	
4.3	Product-specific and technology-specific technical manuals, bulletins and other technical materials produced and disseminated (production, postharvest, processing)	2	7	9	4			4									4		4		50	technical manuals, bulletins and other technical materials produced and disseminated	copies of materials	22	28			X			These in draft form, not yet finalized	
4.4	On-Farm Extension Program		100	270	50	50	50	50	75	75	90	90	90	90	90	90	270	270	270	270	270	2610	On-farm extension visits made by program agronomists	CIRIS extension logs	1,045	1,565			X			
4.5	On-Farm Group Training Events		10	27	5	5	5	6	6	8	9	9	9	9	9	9	27	27	27	27	27	261	training events	CIRIS training logs	104	157		X				
			50	135	25	25	25	30	30	40	45	45	45	45	45	45	135	135	135	135	135	1305	participants at training events	CIRIS training logs	820	485		X				
4.6	Training in postharvest handling			50																	500	participants in postharvest training events	CIRIS training logs	173	327		X				Training in postharvest management and food safety	
4.7	Technical assistance to packhouses and micro- to large-scale horticultural processors (layout and design, equipment recommendations & sourcing, new technology demos, etc.)			5				2													40	packhouses and processors assisted	TA logs (CIRIS)	6	34			X			Trainings and technical assistance provided by Jonathan Parkin and Benjamin Mwangangi to Tabor Herbs, Jordan Herbs, Prins Vegetables, Upper Awash, Ethiovegfru and Iian Tot	





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		Q2	Q3	Q4	J	F	M	A	M	J	J	A	S	O	N	D	Q1	Q2	Q3	Q4	Q1			Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind											
<b>5 Coffee Program</b>																																								
5.1	Initial selection of Lead Partners (processors, exporters, cooperatives, other farmer groups) & development of partner-specific activity workplans	2	9	9																								30	lead partners identified and partner-specific activity workplans developed	CIRIS (lead partner data & workplans)	22	8		X						
5.2	Beneficiaries of lead partners identified and representative M&E data collected	300	1350	1350																								4,500	beneficiary farmers supported directly through lead partners	CIRIS	16,037	(11,537)		X				Includes outgrowers, individual farmers and cooperative associations		
5.3	Technical manuals, bulletins and other technical materials produced and disseminated		2	1	1																							10	technical manuals, bulletins and other technical materials produced and disseminated	copies of materials	3	7				X		Processing and Harvesting, Agronomical practices, Mulching		
5.4	On-Farm Extension Program (improved production practices- pruning, weeding, composting, harvesting)		30	90	40	40	40	40	40	40	40	40	40	40	40	40	120	120	120	120	120							1,200	On-farm extension visits made by program agronomists	CIRIS extension logs	275	925				X				
5.5	On-Farm or Mill Group Training Events (improved management practices)		10	30	10	10	10	10	10	10	10	10	10	10	10	10	30	30	30	30	30							310	training events	CIRIS training logs	147	163				X				
			250	750	250	250	250	250	250	250	250	250	250	250	250	250	750	750	750	750	750							7,750	participants at training events	CIRIS training logs	15,044	(7,294)		X						
5.6	Demonstration sites established at cooperatives/private farms for improved production, pulping technology, washing, drying and grading of beans			3	2																							12	demonstration sites established	Technology Fund Investment reports; CIRIS	35	(23)		X				Max 3 per client		
5.7	Establishment of low-cost cupping labs				5																							5	low-cost cupping labs established	Technology Fund Investment reports; CIRIS	5	-	X					Teppi Coffee Farmers Union, Wotoma Bultuma Cooperative, Bench-Maji Coffee Forest Union, Gololcha Cooperative, Koga Cooperative/Viracheffee		
5.8	Training to develop improved local skills in cupping to determine specialty grades, defects, etc.			5	3																							23	trained in cupping techniques	CIRIS training logs	32	(9)	X					19 cappers at low-cost cupping labs locations and 12 private cappers trained in Q Grading in Addis Ababa		
5.9	National preselection and international cupping & promotional events supported, support inward buyer missions			1	1																							3	events supported	regular project reporting	4	(1)	X					Coffee Roundtable 2006, EAFCA 2006, SCAA Long Beach 2007, SCAJ Tokio 2007		
5.10	Training in Rainforest Alliance third party certification process				1																							2	trained in third party certification process, Wellega and Kafa	CIRIS training logs	1	1				X		Training local certifiers to ensure sustainability.		
5.11	Land area certified: Organic, RA, FairTrade, UtzKapeh																												Y1: 12,500 ha Y2: 22,500 ha Y3: 32,500 ha	Hectares certified starting from baseline of 1,831 ha in 2005	CIRIS	15,600					X		Including Organic and Rainforest Alliance certifications. RA=10,394 ha, Organic= 5,206 ha.	
<b>5.12 Coffee Program-Specific Impact Targets</b>																																								
5.12.1	Total value of overall coffee exports increases																												\$209,000,000	value of increase in annual coffee exports	Trade and industry statistics	\$165,803,000	\$43,197,000				X			Export data taken from MOTI. Cumulative increase in sales (Jan 06 to Dec 07) over 2005 baseline figure.
5.12.2	Total value of specialty coffee exports increases																												\$57,000,000	value of increase in specialty coffee exports	Trade and industry statistics	\$56,740,271	\$259,729				X			Base year (2005/06): \$51,997,798; Year 1 (2006/07): \$71,221,076; Incremental Sales over base year July-Dec 07: \$37,516,993
5.12.3	New Client investment in new processing and cupping technology																												\$1,600,000	value of client and counterpart investments	CIRIS	\$768,805	\$831,195				X			Confirmed investment
5.12.4	Average yield and/or sales increases by program-supported farmers																												Y1: 10% Y2: 20% Y3: 25%	average yield increase for assisted farmers	CIRIS	121%					X		Increase in sales of \$10,347,162 for 26 program-supported farmers, from baseline \$8,554,818 to \$20,577,147	

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		Q2	Q3	Q4	J	F	M	A	M	J	J	A	S	O	N	D	Q1	Q2	Q3	Q4	Q1			Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind								
<b>6 Hides, Skins &amp; Leather Program</b>																																					
6.1	Initial selection of Lead Partners (producers, abattoirs, traders, tanners, manufacturers) & development of partner-specific activity workplans		15	15	5				5																		45	lead partners identified and partner-specific activity workplans developed	CIRIS (lead partner data & workplans)	50	(5)	X					50 partners in the HSL industry, including ELIA
6.2	Coordinate and collaborate with existing industry support programs (i.e. UNIDO) and relevant government offices.		15	2																							17	Ongoing collaborations to ensure synergy		19	(2)		X				
6.3	Training of trainers for existing ectoparasite programs; direct training where gaps exist	1	3	3	1				1																		11	Training Programs	CIRIS (lead partner data & workplans)	27	(16)	X					
		30	90	90	60				60																		450	Technicians trained		524	(74)	X					
6.4	Training activities in quality improvement in tanning and curing to abattoirs (training of trainers)		3	3	1				1																		8	Training Programs	CIRIS (lead partner data & workplans)	33	(25)	X					
			150	150	50				50																		400	Technicians trained	CIRIS (lead partner data & workplans)	1,111	(711)	X					Total number of trainees on quality improvement, including technicians, abattoir employees, collectors and traders
6.5	Training activities in standardization, coding, QC, to collectors and traders		1	3	1				1																		13	Training Programs	CIRIS (lead partner data & workplans)	32	(19)	X					Collectors and traders are trained together with technicians and abattoir employees
			15	45	15				15																		195	Technicians trained	CIRIS (lead partner data & workplans)	563	(368)	X					Broken down from activity 6.4
6.6	Develop pilot traceability program to improve raw material supply to leather processors		1		1																						3	Pilot traceability programs established	CIRIS (lead partner data & workplans)	3	-			X			Lalagera ectoparasite control campaign on its 3rd round. Support systems for farmers and traders in SNNPR and Oromia regions
6.7	Explore enhancing recovery of raw stock through improved marketing																										1	Collection Center System developed	CIRIS (lead partner data & workplans)	1	-			X			24 out of 30 collection centres in Addis are operational
6.8	Assist manufacturers in business and investment planning																										4	Manufacturers assisted	CIRIS	3	1			X			Jonzo Leather, Atlas PLC and Cro Leather business plans supported
6.9	Supporting inward missions				1																						5	Inward missions supported through cost share.		6	(1)		X				Includes outward missions. Lyon, Moscow, Brazilian and Hungarian missions, The Train Fashion Show (New York), Paris Sur Monde
6.10	Partner agreement with U of Northampton and LLPTI to improve lab, train technicians and standards training																										1	Needs Assessment and Financing strategies developed			1			X			Needs Assessment report completed. Sponsors' Forum will take place on next quarter. One Msc. in Advanced Leather Technology to be financed by a UK Rotary Club
6.11	Develop HSL competitiveness cluster		1																								1	Competitiveness cluster developed	CIRIS, industry sources	1	-	X					
<b>6.12 HSL Program-Specific Impact Targets</b>																																					
6.12.1	Reduction in number of skins affected by ectoparasites																										15%	reduction in skins affected	Industry surveys	0%	15%				X		Three random sample tests with average 588 skins per sample show decrease in damage from 75% to 40%. Country-wide survey planned for February 2008
6.12.2	Client and counterpart investments																										\$ 5,000,000	value of new client and counterpart investments	CIRIS	\$ 881,269	\$ 4,118,731				X		Confirmed investments
6.12.3	Increased value of hide, skin and leather exports from Ethiopia																										\$ 48,000,000	value of increased exports	Trade and Industry Statistics	\$ 44,994,000	\$ 3,006,000				X		Export data taken from MOTI. Cumulative increase in sales (Jan 06 to Dec 07) over 2005 baseline figure.

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		Q2	Q3	Q4	J	F	M	A	M	J	J	A	S	O	N	D	Q1	Q2	Q3	Q4	Q1			Achieved to Date	Balance Remaining	DONE	Ahead	On	Behind								
<b>7 Oilseeds and Pulses Program</b>																																					
7.1	Initial selection of Lead Partners (processors, exporters, cooperatives, other farmer groups) & development of partner-specific activity workplans			3				2	2	2					3	3	4									19	lead partners identified and partner-specific activity workplans developed	CIRIS (lead partner data & workplans)	24	(5)		X					
7.2	Beneficiaries of lead partners identified and representative M&E data collected			300				200	200	200					300	300	400									1,900	beneficiary farmers supported directly through lead partners	CIRIS	50,446	(48,546)		X				Beneficiaries of lead clients (cooperative members, association members, etc.)	
7.3	Technical manuals, market information bulletins and other technical materials produced and disseminated			2	1			1							1											11	technical manuals, bulletins and other technical materials produced and disseminated	copies of materials	8	3		X				Sesame seed bug, Sesame production, Warehouse receipts, Bruhid control, Grade/standard manuals for maize, wheat, haricot beans, sesame	
7.4	On-Farm Extension Program (improved production practices)							10	10	10	40	40	40													270	On-farm extension visits made by program agronomist	CIRIS extension logs	62	208			X				
7.5	On-Farm Group Training Events (improved production practices)							10	10	10	10	10	10													90	training events	CIRIS training logs	22	68			X				
								250	250	250	250	250	250													2,250	participants at training events	CIRIS training logs	1,224	1,026			X				
7.6	Support Organic Certification of Farms through Partnership Alliances			1	1			2							2											10	Farmer groups certified					X			Technology fund for certification of Bio Ecoland Trading to be approved in January 2008		
7.7	Introduction of new processing technologies -- design, business plans, financing, etc.			3	2			2							2											21	projects supported	CIRIS, other project reporting	10	11			X				
7.8	Inbound investment missions supported			1				1																		3	mission supported	project reporting	2	1			X				
7.9	International market linkages developed			1	1			1							1	1	1	1	1							10	deals made for international sales	CIRIS	1	9				X			
<b>7.10 Warehouse Receipts</b>																																					
7.10.1	Coordinate warehouse receipts activities with EGTE, MOARD, CBE other donors and projects																										Comprehensive national program using 8 EGTE warehouses	CIRIS training logs	coordination meetings held				X			Discussion and meetings are going on	
7.10.2	Develop technical bulletins and other training materials on general program and disseminate to cooperative partners, private traders and exporters, trainings conducted			2	1	1																				7	Workshops	CIRIS	4	3			X			Four trainings held on WHRS and manuals disseminated to the participants	
7.10.3	Develop materials and training package on simplified grades/standards for oilseeds/pulses, conduct workshops and distribute via cooperatives, traders and exporters			1	3	1	1	1																		7	Workshops, need approval from MOARD taskforce	CIRIS	1	6				X		Workshop took place in Nairobi and South Africa	
7.10.4	Develop materials and initiate activities in support of a commodity exchange program																										Work at PIU with other donors and MOARD	CIRIS					X			Office established at ECEX	
<b>7.11 Oilseed Program-Specific Impact Targets</b>																																					
7.11.1	Increased value of oilseed exports																										\$ 71,000,000	value of increased exports	Trade statistics	\$106,520,000	(\$35,520,000)			X			Export data taken from MOTI. Cumulative increase in sales (Jan 06 to Dec 07) over 2005 baseline figure.
7.11.2	Client and counterpart investments in new value-added processing																										\$ 1,000,000	value of new investment	CIRIS	\$1,396,828	(\$396,828)			X			Investment in cleaning and hulling machines, training
<b>8 Policy Intervention Activities (Cross Cutting)</b>																																					
8.1	Identification of policy constraints through investment and competitiveness activities			2	2			2							2												12	Issues identified and prioritized	regular project reporting	7	5			X			Airport coldstorage, Central Bank, Coffee Law, WR Tax, Pesticide Approval, Import Taxes, hybrid seeds for commercial production
8.2	AGOA and other trade protocol training conducted	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	3	3	3	3					X			AGOA and WTO training for ministry personnel, participation in Diaspora Investment Conference
8.3	Address constraints where policy interventions are needed/assist with issues paper development			1	1			1							1												6	Issue papers developed, presented at Ministerial level	CIRIS	2	4			X			Airport cold storage official visit to Kenya, Reefer Business Forum
8.4	Support to national-level conferences and consultative groups supported to address policy constraints			1	1										1												6	project support to national-level conferences and consultative groups	CIRIS	15	(9)			X			Coffee Stakeholder meetings 8, HSL Cluster meetings 5, EHPEA Strategy meetings 2

