



7TH  AGRIFIN
LEARNING
EVENT

7th & 8th November
Nairobi, Kenya

**Key steps to leverage technology in
increasing access to information and
financial Services for Agro-Producers' -
The case of Ethiopia**

#ALE2023 #AgriFinALE2023

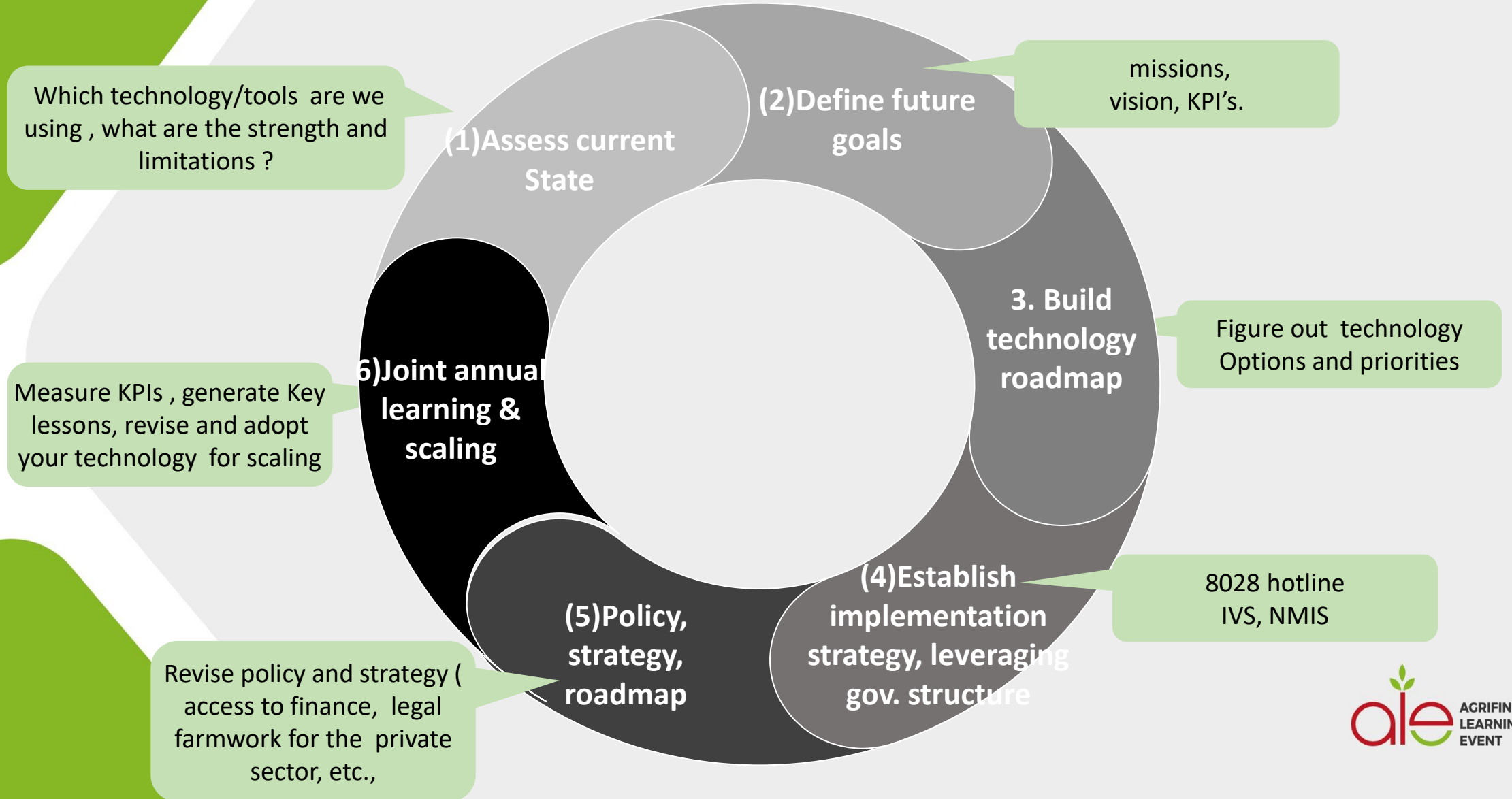
Presentation outline

- Introduction
- Key steps to leverage technology in increasing access to information, and finance
- Key Benefits realized by farmers
- Main challenges
- Conclusion

Introduction

- Agriculture is the backbone of the Ethiopian economy contributing
 - 33% of the GDP,
 - 70% of the export earnings, and
 - 80% of the employment
- Subsistence farming, rainfed based production system, Climate change and variability, low input- out marketing, poor access to finance, limited private sector engagement are among the major problems
- At present, different initiatives are being taken by Gov, to transform the agriculture sector of which home-grown economic reform agenda, ACC , low land irrigated wheat production, 10 in 10 program , የሌሎች ትሩፋት, green legacy are among the major ones for A Pathway to Prosperity.
- To feed the growing population & transform Ethiopian Economy to digital economy,
 - leveraging technology for improved access to information & financial services and climate Risk management must become a reality

Key steps to leverage technology



DAEAS Roadmap 2030 prepared:

Objectives to improve Ethiopian agricultural sector by providing high-quality, customized and cost-efficient data and advisory information

DAEAS ROADMAP to deliver impact across three key dimensions of the digital agriculture ecosystem

Solutions Pipeline

Accelerate development of digital innovations for **priority farmer use cases**

Digital Stack

Establish Digital Data hubs **to support product development** and utilization
(hardware and connectivity, software, database, ...)

Enabling Environment

Develop **policies, human capital and private sector** to enable digitalization of the sector

30 actions have been identified across 6 pillars



Highest priority within roadmap

I Solutions Pipeline



1 Competitive incubation / product dev. environment with forum

2

Partner with Mobile Network Operator (MNO) to create a farmer facing DAEAS

3

Support market entry of international products into Ethiopia (in partnership with local players)

II Hardware and Connectivity



- 4 Device access for Development Agents (DAs)
- 5 Free access for DAs to key apps
- 6 Phone payment plan for farmers
- 7 Free access for farmers to key apps
- 8 Telco service targets and incentives for rural areas
- 8 Off-grid electricity access expansion in rural areas
- 10 Internet kiosk at woreda office/FTC run by women/youth groups

III Data and analytics



- 11 Farmer profiles
- 12 Input demand & supply tracking
- 13 Integrated ag. data access point (decentralized data hub)
- 14 Data sharing incentives
- 15 Ag. data quality standards and assurance system

IV Governance and Policy



- 16 Fast-track pluralistic extension and ag. data sharing policies ratification
- 17 DAEAS National Forum linked to PMO
- 18 Streamline content approval process
- 19 Working space and targeted training for ag techs

V Human Capital



- 20 Digital training platform for DAs
- 21 Digital skills at ATVETs
- 22 Improve DA management
- 23 Financial and digital literacy for farmers
- 24 Expand dig. capacity MoA extension team
- 25 MoA ICT human capacity building
- 26 Digital training platform for MoA / BoA

VI Business Environment



- 27 Digitize payments at rural service points
- 28 Scale warehouse receipt financing
- 29 Digital contract farming platform
- 30 Support innovative digital finance products targeting farmers

Solutions Pipeline

Digital Stack

Enabling Environment

The Roadmap is aligned with both internal and external policies and national targets for Ethiopia

Internal (MoA) alignment

Ministry of Agriculture

Category 1: Existing policies, strategies, or plans

- Agricultural Extension Strategy of Ethiopia
- ICT Strategy of MoA
- Gender Equality Strategy for Ethiopia's Agriculture Sector
- **10 Years Plan of Ministry of Agriculture**

Category 2: Upcoming policies, strategies, laws, or plans

- Agricultural & Rural Development Policy of Ethiopia
- Pluralistic Agricultural Extension Proclamation
- Enabling Effective Private Sector Participation in Agriculture



External alignment

Category 1: Existing policies, strategies, laws, or plans

Ministry of Innovation and Technology

Digital Ethiopia 2025

Prime Minister Office

Homegrown Economic Reform Agenda
National ID Program

Ministry of Planning and Development

Ten Years Perspective Plan 2030

National Bank of Ethiopia

National Digital Payments Strategy
Electronic Transaction Proclamation

Category 2: Upcoming policies, strategies, laws, or plans

Ministry of Innovation and Technology

National Open Data Policy

Personal Data Protection Proclamation

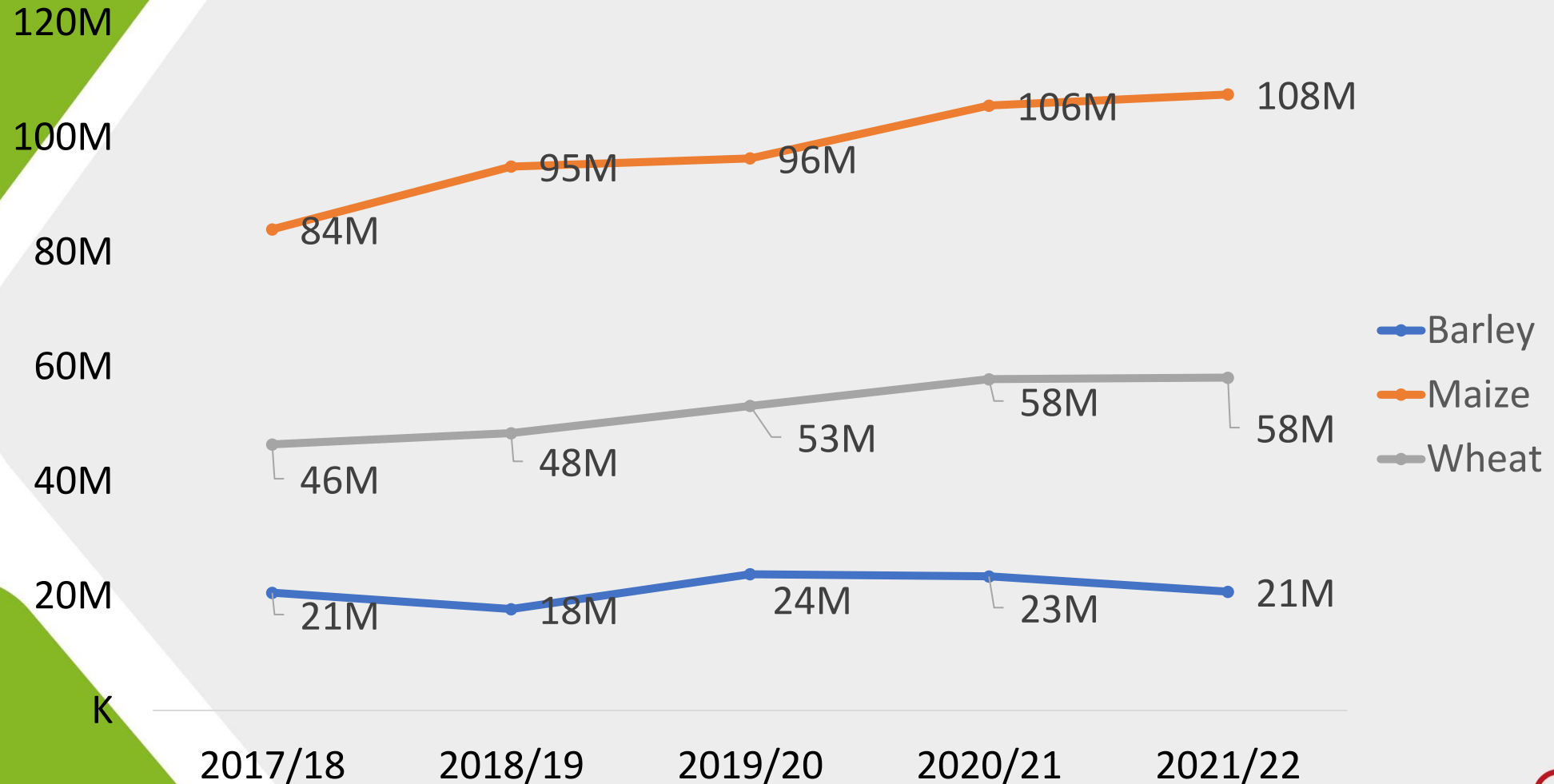
Start-up Business Proclamation

Key Benefits at framer's level

- Improved farmers advisory services using 8028 farmers hotline
- Improved access to finance for Agri input (IVS)
- Customized and efficient out put market information to SHF (NMIS)-enhanced bargaining power
- Increased farmers' production and productivity

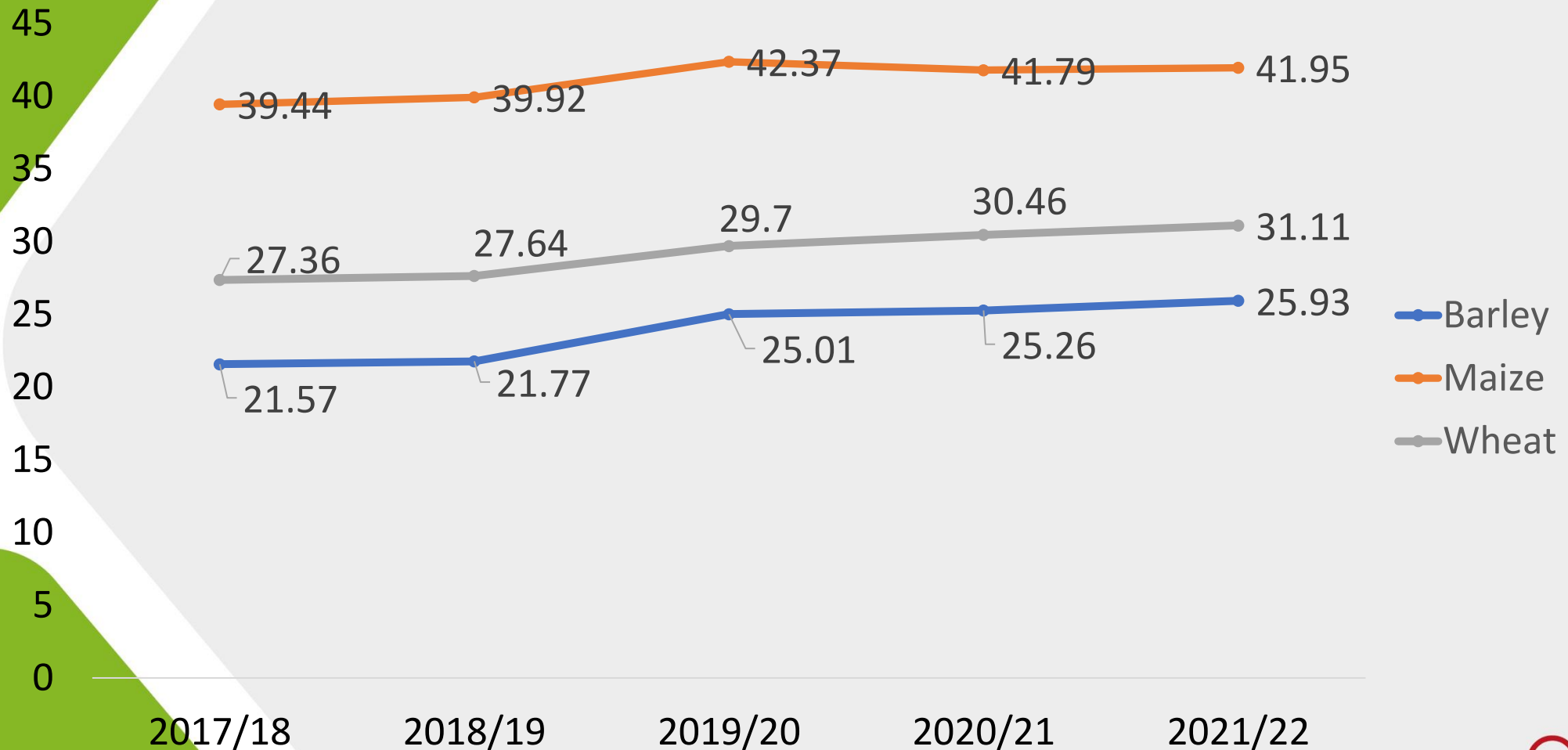
The last 5 years National Major Cereals Crop Production(Qt)

National Crop Production Trend(Qt)

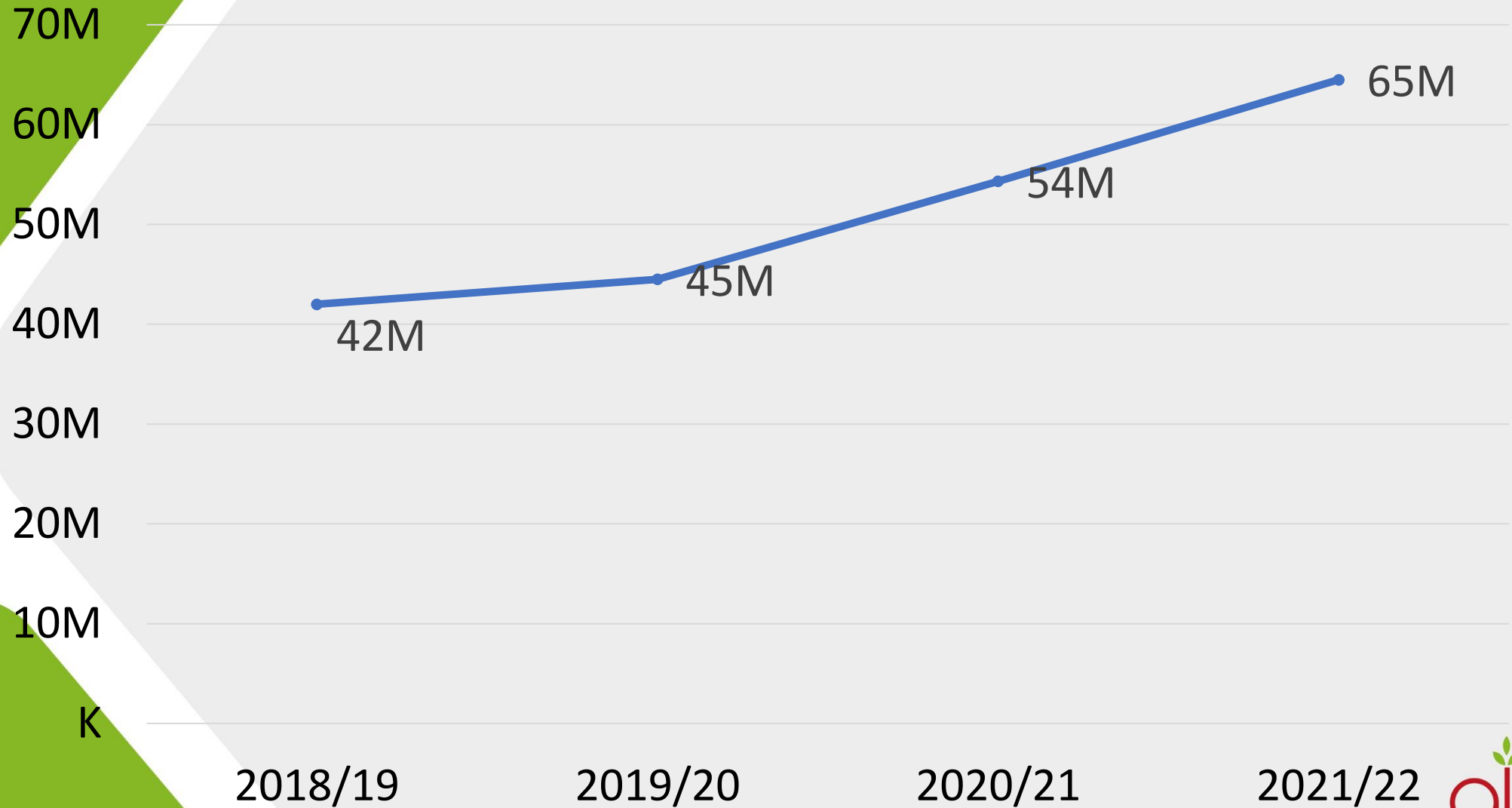


The last 5 years National Major Cereals Crop Productivity(Qt/Ha)

National Crop Productivity Trend(Qt/Ha)



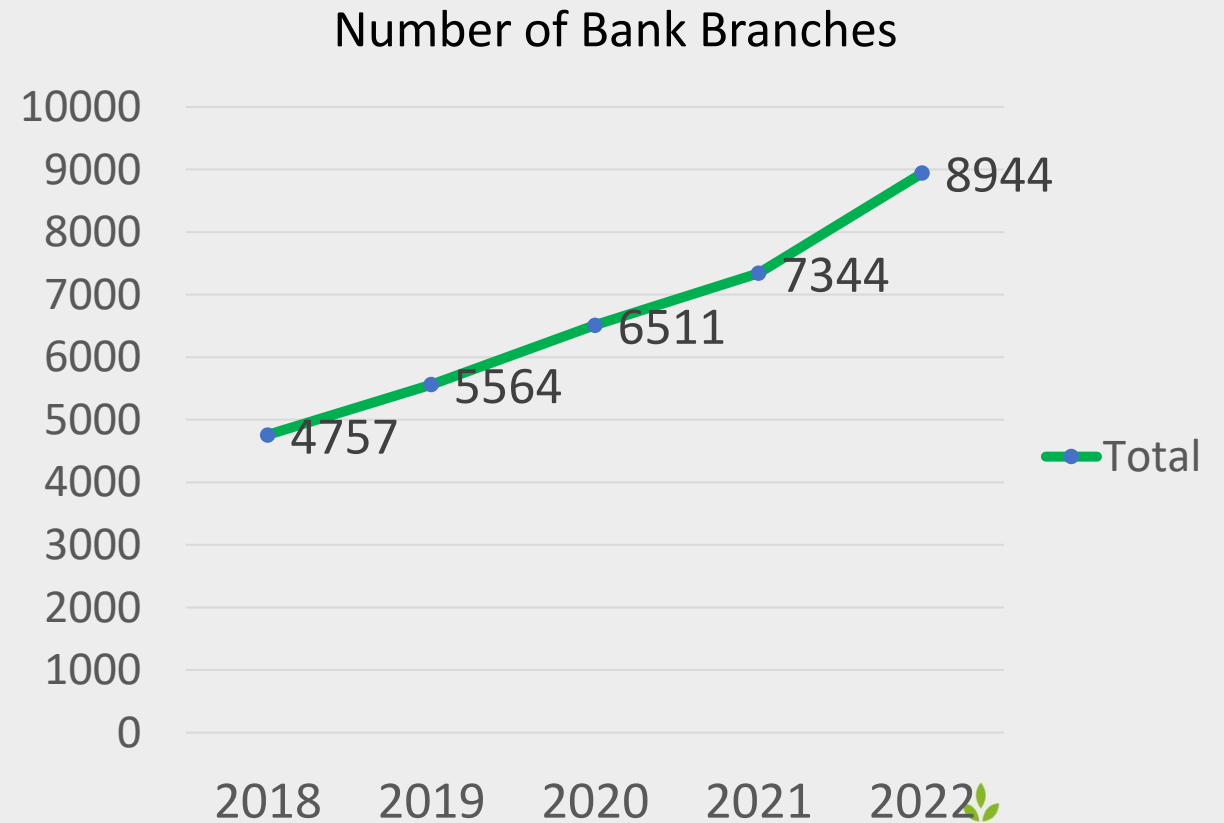
Number of Mobile Voice Subscribers over the past four years



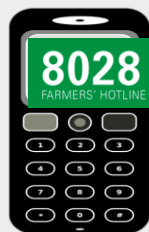
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Growth of bank branches over time

Financial Institution	Total Number
Commercial banks	30
Insurance companies	18
Microfinance institutions	54
Capital goods Finance/Lease companies	6
Payment instrument issuers/system operators	8
Development bank	1
Re-insurance company	1



Institutional collaborations and key achievements



IVS/ e-
voucher

NMIS



Improved advisory
services

6.2 M



Enable farmers access
to loans for inputs

7.5 M



Provide accurate &
time market data

1.2M



What gaps exists



Hardware and connectivity

- Poor infrastructure and facilities
- High device and connectivity cost



Data and analytics

- Hesitancy for data sharing
- Lack of integrated data access point



Governance and policy

- Incentives for private startups and players
- Weak coordination & collaboration



Human Capital

- Limited digital and financial literacy of SHFs
- Limited digital and soft skills of DA's , SMSs



Business Environment

- Limited digital payment options for farmers
- low literacy level

Public, private and development actors actively working With ATI to digitize the agriculture sector

Public sectors

Private Sectors

Development partners



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MINISTRY OF AGRICULTURE



Ethiopian **ATI**
Agricultural Transformation Institute
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ETHIOPIA COMMODITY EXCHANGE
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Conclusion : To leverage technology in increasing access to information and financial Services

- Enhancing collaborations to scale digital solutions
- More opportunity for climate financing and risk management
- Ensure woman and youth engagement in agriculture and climate risk management
- More chances to the growth and development of the Privat sectors



Thank You!