



1. General

Country Ethiopia
UNDAF Outcome(s): **Enhanced Economic Growth**

By 2011, at national, regional, organizational and business levels, capacity strengthened and knowledge developed for increased incomes of the poor, through enhanced labour factor productivity and more intensive and widespread use of technology in at least on economic growth corridor, with potential interventions related to expansion and diversification in agriculture.

Outcome 1. "Productivity and competitiveness of private sector led agricultural production of oilseeds is enhanced".

Outcome 2. The capacity and competitiveness of the stakeholders for processing of edible oil seeds is enhanced".

Outcome 3. Access to local and international markets for edible oil producers is improved.

Prog/project Title: Edible oil Value Chain Enhancement Programme/project Duration (Start/end dates): <u>Sept 009 to Aug 2012</u> Fund Management Option(s): <u>pass-through</u> (Parallel, pooled, pass-through, combination) Managing or Administrative Agent: <u>UNDP</u> f/as applicable)	Total estimated prog/project budget: 2,999,956 Out of which: 1. Planned resources: <table> <tr> <td>UNIDO</td><td>1,156,724</td></tr> <tr> <td>FAO</td><td>1,061,062</td></tr> <tr> <td>ILO</td><td>782,170</td></tr> <tr> <td>Total</td><td>2,999,956</td></tr> </table> 2. Unfunded budget: None	UNIDO	1,156,724	FAO	1,061,062	ILO	782,170	Total	2,999,956
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Names and signatures of (sub) national counterparts and participating UN organizations

UN Organizations	National Partners (including sub national partners.)
<i>UN Resident Coordinator Mr. Fidele Sarassoro</i> <i>Signature</i> <i>Name of Agency: RC</i> <i>Date & Seal</i>	<i>Name of Head of Partner, H.E Ato Ahmed Shide, State Minister</i> <i>Signature</i> <i>Name of Institution: Ministry of Finance and Economic Development</i> <i>Date & Seal</i>
<i>Name of Representative Dr. David Tommy,</i> <i>Representative to AU and ECA and Director,</i> <i>Regional Office</i> <i>Signature</i> <i>Name of Agency: UNIDO</i> <i>Date & Seal</i>	<i>Name of Head of Partner, H.E. Tadesse Haile, State Minister</i> <i>Signature</i> <i>Name of Institution: Ministry of Trade and Industry</i> <i>Date & Seal</i>
<i>Name of Representative Mr. Mafa Chipeta, Sub</i> <i>regional Coordinator for East Africa &</i> <i>Representative in Ethiopia, to AU and ECA</i> <i>Signature</i> <i>Name of Agency: FAO</i> <i>Date & Seal</i>	<i>Name of Head of Partner, H.E. Ato Beshir Abdulahi , State</i> <i>Minister</i> <i>Signature</i> <i>Name of Institution: Ministry of Agriculture and Rural</i> <i>Development</i> <i>Date & Seal</i>
<i>Name of Representative Mr. George Okutho,</i> <i>Director ILO SRO</i> <i>Signature</i> <i>Name of Agency ILO</i> <i>Date & Seal</i>	<i>Name of Head of Partner, H.E. Hassan Abdela , Minister</i> <i>Signature</i> <i>Name of Institution: Ministry of Labour and Social Affairs</i> <i>Date & Seal</i>

Acronyms

BoFED- Bureau of Finance and Economic Development
BoARD – Bureau of Agriculture and Rural Development
BoTI – Bureau of Trade and Industry
BoARD- Bureau of Agriculture and Rural Development
CETU- Confederation of Ethiopian Trade Unions
ECCSA- Ethiopian Chamber of Commerce and Sectoral Associations
EEF- Ethiopian Employers Federation
EPOSPEA- Ethiopian Pulses and Oil Seeds Producers and Exporters Association
FAO – Food and Agriculture organization
FeMSEDA- Federal Micro and Small scale Enterprises Development Agency
ILO- International Labour Organization
HACT – Harmonized Cash Transfer
MFI- Micro Finance Institution
MoARD – Ministry of Agriculture and Rural Development
MoFED - Ministry of Finance and Economic Development
MoTI- Ministry of Trade and Industry
PASDEP – Plan for Accelerated Sustained Development to End of Poverty
PMC – Project management committee
PSC – Project steering committee
QSAE- Quality and Standards Authority of Ethiopia
SME - Small and micro enterprise
UNCT – UN Country Team
UNDAF- United Nations Development Assistance Framework
UNDP – United Nations Development Program

2. Executive Summary

As one of the centers of origins in the world for several oil crop plants [rapeseed, niger/neug seed, and castor beans] grown in diverse agro-ecological surroundings and soil types, Ethiopia holds several advantages for scaling up its production of oilseeds. The country has favorable agro-climatic conditions for cultivation; the nature of the sub-sector is labor intensive; the prevailing business environment conducive; and the substantial local demand provides sufficient room for crushers to work at full capacity. Despite this potential, however, both oilseeds commodity production and edible oil processing industry in Ethiopia remain to a large extent underdeveloped. The main constraints for such a state of affairs are low production and quality of oilseeds, inadequate trading infrastructure and facilities (storage, transportation, post harvest handling and packaging), poor edible oil processing facilities and weak business development services. Weak linkage among the chain's actors and lack of finance also constitute major obstacles.

The objective of this Joint UNIDO, FAO and ILO Programme (JP) therefore, is to “enhance the sustainable supply system of raw material at desired quantity and quality, promote efficient processing capacity and improve access to markets by the effective *integration and lead role of the private sector* in the entire value chain”. Hence this programme is not intended to primarily provide producer-oriented support for farmers’ production. The approach rather, advocated throughout this concept note, is one where we strive to integrate the private sector engagement in all aspects of the value chain, from production and processing of seeds, to marketing and business support services. The assistance is mainly targeted at small farmers and Small and Medium Enterprises active in the sub-sector, mainly, in Oromiya and Amhara Regions together with their supportive public bodies and private sector counterparts to be selected based on the significance of their relative contribution to and role in the oilseeds value chain. These are small farmers the great majority (eighty-six percent) of whom have land holdings of less than five hectares and/or, in any case, almost all fall under ten hectares, women holders accounting for an average of more than 50% in Tigray, close to 45% of women in Amhara, 20% in Oromiya and more than 32% in Benishangul Gumuz. Also included are small and medium edible oil processing enterprises employing less than ten workers. By pioneering private sector led supply of raw material, capacity building for enhanced processing technologies and linkage promotion for access to finance and local and international markets, this JP strives to contribute to the development efforts of the country as expressed in "The Plan for Accelerated and Sustained Development to End Poverty (PASDEP)" via commercialized agriculture, job- and income generation as well as economic empowerment of women.

To this end, the JP aims at achieving MDG:s 1 & 3 in particular (poverty reduction and economic empowerment of women.) Via the effective integration of this initiative under the UNCT's efforts in Ethiopia as expressed in the component of Enhanced Economic Growth and its accompanying Enhanced Economic Growth Corridor approach, the JP will build on existing UN and Government agreed priorities by choosing as its geographical area of coverage, close to the Economic Growth Corridors of the country, focusing on regions known for oilseeds crop cultivation, namely Oromiya, Amhara, Tigray, and Benishangul. Further, this program should be seen as an integral part to the coming implementation of the current Agro-Industries Master Plan that collaborating UN agencies currently is providing on the request of the Ethiopian Government.

3. Situation Analysis

The oilseeds value chain makes an important contribution to the Ethiopian economy, accounting for more than twenty percent of the total foreign exchange earnings of the country. It supports the livelihoods of many Ethiopians, particularly small farmers, traders, transporters, and oil millers. The enhanced competitiveness of the value chain hinges on improved efficiency and effective vertical and horizontal integration of different functions, including improved farm practices, input supply, processing, and marketing.

Ethiopia is known to be one of the centers of origins in the world for several oil crop plants [rapeseed, niger/neug seed, and castor beans] grown in diverse agro-ecological surroundings and soil types. Major oilseeds grown in Ethiopia include sesame seed, niger/neug seed, groundnuts, rapeseed, safflower, and linseed.

The natural comparative advantage Ethiopia has for oilseeds crop production provides ample opportunity to acquire them locally in sufficient quantities, as oilseeds grow in all regions of the country. A great deal needs to be done, however, to ensure a steady supply of the required quality and standard.

While the potential is there to adequately supply both domestic and export needs, chronic shortages in supply have been known to beset the operations of both the edible oil industry and the requirements of oilseeds exporters. In this regard, the Ethiopian edible oil industry is beset by substantial production capacity which remains unused for an excessively huge part in the midst of adequate resource base while exporters of oilseeds face serious problems of supply and quality in meeting their commitments.

Ensuring adequate and steady supply of oil seeds of the desired quality and competitiveness has proven to be a difficult task in the past, as this requires, among other things, an impeccable extension work with producers, peasants and commercial farms alike. It is important to note that work done in the past in respect of increased oilseeds production has not been particularly successful despite a long-running effort, an indication of the complexity of the task.

Mustering the required capacity to ensure a steady supply of raw materials in the desired quality and quantity, above all, demands setting right commodity production and the agricultural marketing system so that they would play a key role in determining the prices received by the farmers and those paid by the buyers, hence serving as an important incentive in the supply chain. The performance of the marketing system depends on the structure of the market and on the conduct of the various actors in the market, including the government. For, government intervention in agricultural markets impacts the structure and conduct and, in turn, the performance of the market.

Setting right the agricultural marketing system further requires, among other things, a thorough review of the current agricultural marketing policies and market structures as well as the identification of measures for improving marketing practices and performance, hence overall supply. In this exercise, standards, price incentives, input supply, and regulatory mechanisms become imperative in ensuring adequate and steady supply, in this case, of oilseeds of the desired quality and competitiveness.

Problem Description: The oilseeds value chain is currently beset by chronic shortages in the supply of the required qualities of oilseeds, rendering the edible oil industry uncompetitive in both local and international markets and leaving exporters of oilseeds in a state of serious problems of supply and quality in meeting their commitments. The main constraints of the sector includes: low production , poor quality of seeds, inadequate trading infrastructure and poor agro-processing facilities, weak business development services for upgrading the processors and limited access to local and international markets. Weak linkages among the chain's actors and lack of working capital also constitute the major obstacles.

Ethiopia currently exports oilseeds while importing more than half of the total domestic edible oil consumption. In addition, existing refining capacity in the industry is limited. Thus, Ethiopia remains a recipient of edible oil as food aid, despite having a global top-ten oilseed production.

Production of Oilseeds: Oil seeds are the third most important commodity in terms of production and export in Ethiopia. According to the Central Statistical Agency of Ethiopia (CSA), oil crops are currently (2008/09) cultivated in about 0.86 million hectares, involving close to four million smallholder producers in main producing areas of Oromiya, Amhara, Tigray, and Benishangul-Gumuz Regional States. The share of each of the main oilseeds producing Regional States in total production and a breakdown of the contribution of the various zones in each of the regions is provided as attachment (see Table 2). The main oil seed crops include sesame, niger seed and linseed, while groundnuts, safflower, sunflower, rapeseed, soybean, and cotton oilseed are also produced in small quantities. Though this production contributes to generating household income, it is constrained due to too small-scale and fragmented land holdings. In this regard, it is revealing to note that eighty-six percent of the sizes of holdings under oilseeds production fall in the range of less than five hectares. Holdings of greater than five and less than ten hectares account for twelve percent. Holdings of greater than ten hectares account for a mere less than two percent the total estimated area under oilseeds (see Table 3). Low use of agro-inputs and poor farm management as well as lack of market oriented production such as contract farming and high cost and limited availability of inputs (improved seeds, fertilizer and chemicals) further culminates in overall low productivity.

A review of major crops produced in Ethiopia over the past fifteen years reveals that, while still accounting for less than five percent of major crops, oilseeds exhibit a tremendous annual compound rate of growth of twelve percent (compared to 3.5 percent for major crops), the volume of production more than quadrupling from 140,000 tons in 1994/95 to 620,000 tons in 2007/08. Area under oilseeds over the same period increased by almost two and a half times from 337,000 hectares in 1994/95 to 824,000 hectares in 2004/05, mainly at the cost of land devoted to other grains, but began declining since to a level of 707,000 hectares in 2007/08 and rising again to 860,000 hectares in 2008/09. **Current production of oilseeds in the country is estimated at 656,000 tons (Table 1).** The decline in acreage witnessed beginning 2004/05 signifies that access to additional cultivable area is limited. Hence, availability of land imposes a major binding constraint in output growth for oil crops as production increase could not be expected from area expansion.

Under the circumstances, the most feasible and major opportunities and strengths in output growth must be based on increase in production through crop intensification and diversification, namely crop intensification through the use of improved technologies such as improved seeds, fertilizers, agro-chemicals, irrigation, and farm management; and crop diversification through horizontal crop diversification which relates to adding or broadening the existing crop pattern through multiple cropping coupled with other efficient farm management practices as well as

vertical crop diversification which involves the integration of crop production with agro-industries and agro-forestry.

Issues and priorities paramount in achieving the potential of the oilseeds sector in Ethiopia are varied and immense. These range from issues inextricably linked to the general level of growth of the country as a whole, requiring long-term solutions, to those that are specific to the sector. Issues and priorities of immediate and particular concern to the sector are clearly those that pertain to improved commodity production and marketing. At the forefront of issues relating to improved commodity production are: -

- transfer and adoption of suitable production technologies and farm practices;
- input supply and planting material at close proximity;
- appropriate post-harvest treatment and storage;
- availability of finance to farmers for commodity production and on-farm activities;
- diversification of production into non-traditional commodities;
- institutional and human capacity to meet challenges.

Agro-processing: The lion's share of domestic oil processing is constituted by an estimated 850 small-scale and micro oil processing plants, accounting for ninety-five percent of the manufacturing base of the edible oil branch. Capacity utilization in the industrial branch is seriously constrained both by the quantity and quality of oilseeds available. Many of the SMEs use obsolete equipment and technology and are not engaged in oil refining, making working conditions and the level of sanitary and hygienic standards the final product far below acceptable levels, so much so that many have been declared unfit for human consumption and ordered to stop operations. Currently, edible oil refining capacities are limited to some twenty-six medium and large industries, utilizing only about thirty percent of their capacities, often due to low and inconsistent supply of raw materials. The refined edible oils face a long value chain with too many intermediaries without real value addition.

Considering import–intensity, a technical coefficient that measures the share or magnitude of imported intermediate goods to produce a unit of final demand, the edible oil industrial branch, at less than two percent, reveals an opportunity/potential to be competitive both domestically and internationally given the domestic base of the raw material, oilseeds, and integration with the local economy.

The edible oil sub-sector, however, has not been performing well in all aspects of its operational parameters. Its contribution to employment and output, growth in production and productivity, as well as competitiveness (domestic and international) has been quite disappointing. The capacity utilization of the edible oil sub-sector has been by far the lowest among the food manufacturing sector industries and the average of the Ethiopian manufacturing industries over the past few years. This has been mainly because the sub-sector is engulfed in diverse and immense constraints. A serious problem has been the lack of market due to a host of factors including import liberalization, low product quality, high production cost of domestic enterprises, dumping, contraband, under-invoicing, poor market information, and monetization of food aid.

Marketing: Marketing and distribution of oil seeds is mainly done by small and medium scale traders with poor marketing facilities especially in collection, bulking, transportation and storage which cause high post harvest losses. A number of traders are estimated to be involved; each handling very small volume and as a result the marketing chain is long, characterized by many intermediaries without much value addition to the final product and high transaction costs. In addition, lack of access to packaging services for processed oils, poor access to financial services, and poor vertical and horizontal collaboration within as well as external to the chain, are factors

which affect negatively the viability of the sub-sector. In short, the sub-sector suffers from consistent shortages in the supply of oilseeds despite the underlying potential for a domestic mass market that could easily develop with increased agricultural production that would enhance industrial expansion and the internal link between agriculture and the manufacturing industry. As it stands now, Ethiopia exports oilseeds and remains an importer and receiver of oils. Addressing such a multi-faceted problem would call for an elaborate strategy and collaboration among all stakeholders.

Efficient and effective production and marketing chain from the commodity producer to the consumer is essential in enhancing healthy competition that would permit producers obtain a reasonable share of the price paid by the final consumer, hence creating the requisite incentive for increased production. All too often, however, attention is concentrated purely on production and the neglect of the importance of an efficient marketing system in the value chain, hence limiting expected results. In respect of oilseeds marketing, the following issues need the utmost attention:-

- instituting a mechanism to ensure the transmission of vitally needed market information across all market channels;
- instituting contractual trade and enforcement mechanisms that are simple among buyers and sellers;
- improving access to local village markets;
- availing crop finance/working capital to farmers and traders in commodity production and trading;
- institutional and human capacity to traders;
- instituting enforceable quality standards and national and regional capacity for testing and certification.

Table 1

Ethiopia: Peasant/Smallholder Oilseeds Production-2008/09

	Ethiopia			Oromiya				Amhara				Tigray				Benishangul-Gumuz				Other			
	Number of Holders	Area in Hectares	Production in Tons	Number of Holders	Area in Hectares	Production in Tons	As % of Total Production	Number of Holders	Area in Hectares	Production in Tons	As % of Total Production	Number of Holders	Area in Hectares	Production in Tons	As % of Total Production	Number of Holders	Area in Hectares	Production in Tons	As % of Total Production	Number of Holders	Area in Hectares	Production in Tons	As % of Total Production
	3,960,249	855,147	655,704	1,722,801	393,167	284,998	43.46	1,592,278	297,941	209,689	31.98	311,524	106,413	109,452	0.17	160,547	44,814	37,428	0.06	173,099	26,338	14,138	0.02
Neug	1,141,552	313,445	190,752	520,219	180,630	99,171	51.99	514,042	108,121	75,170	39.41	55,158	7,451	5,742	0.03	46,034	15,933	9,492	0.05	6,099	1,310	1,178	0.01
Linseed	1,173,480	180,873	156,079	565,175	130,900	117,232	75.11	388,237	31,725	17,934	11.49	134,869	15,303	18,805	0.12	9,558	497	250	0.00	75,641	2,447	1,858	0.01
Groundnuts	225,596	41,761	46,887	141,819	27,075	26,751	57.05	15,670	2,664	...	...	...	...	...	...	35,184	6,763	11,380	0.24	32,923	18,785	8,756	0.19
Safflower	152,080	7,853	6,581	32,286	1,728	936	14.23	103,446	5,828	5,483	83.31	4,769	...	...	...	980	25	...	...	10,599	272	162	0.02
Sesame	612,206	277,992	216,741	170,592	34,023	20,858	9.62	246,742	135,838	92,870	42.85	114,621	83,658	84,906	0.39	67,044	21,563	16,285	0.08	13,207	2,910	1,822	0.01
Rapeseed	655,335	33,223	38,664	292,710	18,811	20,050	51.86	324,141	13,765	18,232	47.15	2,107	...	...	...	1747	34	21	0.00	34,630	613	362	0.01

Source: CSA, *Agricultural Sample Survey 2008/0-2009, Report on Area and Production Crops, Private Peasant Holdings*, Addis Ababa, May 2009.

Table 2 Ethiopia: Smallholder/Peasant Production of Oilseeds: 2008/09							Holders as %*	
Region/Zone	Holders [No.]	%	Area [Ha.]	%	Production [Tons]	%	Male	Female
Oromiya	1,445,087	100.05	393,167	99.94	284,998	98.81	79.9	20.1
West Wellega	114,044	7.89	27,321	6.95	8,807	3.09	78.8	21.2
East Wellega	127,631	8.83	51,175	13.02	29,348	10.30	67.9	32.1
Illubabor	73,582	5.09	12,942	3.29	8,264	2.90	79.5	20.5
Jimma	180,629	12.50	20,043	5.10	8,920	3.13	79.8	20.2
East Shoa	19,410	1.34	466	0.12	423	0.15	80.3	19.7
West Shoa	161,987	11.21	50,859	12.94	34,889	12.24	77.2	22.8
North Shoa	68,061	4.71	12,994	3.30	8,653	3.04	74.0	26.0
S. West Shoa	80,121	5.54	16,651	4.24	10,547	3.70	85.3	14.7
Arsi	172,216	11.92	66,176	16.83	66,734	23.42	86.1	13.9
West Hararge	66,118	4.58	4,925	1.25	4,947	1.74	71.1	28.9
East Hararge	137,220	9.50	24,322	6.19	23,303	8.18	82.9	17.1
Bale	40,367	2.79	15,295	3.89	15,771	5.53	83.5	16.5
Borena	1,706	0.12	...	...	...	...	...	...
Guji	5,314	0.37	75	0.02	32	0.01	81.7	18.3
Kelem	47,391	3.28	6,775	1.72	4,780	1.68	83.7	16.2
Horoguduru	90,481	6.26	56,133	14.28	32,137	11.28	68.0	32.0
West Arsi	59,529	4.12	26,795	6.82	24,064	8.44	88.0	12.0
Amhara	1,293,552	100.00	297,941	100.00	213,250	100.00	55.8	44.2
North Gondar	239,923	18.55	132,734	44.55	83,564	39.19	68.1	31.9
South Gondar	199,371	15.41	33,153	11.13	17,506	8.21	38.2	61.8
North Wollo	67,725	5.24	4,912	1.65	3,248	1.52	43.9	56.1
South Wollo	117,218	9.06	6,752	2.27	4,846	2.27	48.3	51.7
North Shoa	139,214	10.76	11,391	3.82	8,548	4.01	67.9	32.1
East Gojjam	161,512	12.49	27,675	9.29	27,685	12.98	49.1	50.9
West Gojjam	209,564	16.20	36,119	12.12	28,578	13.40	56.5	43.5
Waghemra	37,838	2.93	4,559	1.53	4,135	1.94	54.9	45.1
Argoba Special	2,423	0.19	228	0.08	204	0.10	73.2	26.8
Awi	90,120	6.97	38,134	12.80	32,908	15.43	62.9	37.1
Oromiya Zone	28,645	2.21	2,285	0.77	2,028	0.95	83.3	16.7
Tigray	275,110	100.00	106,751	100.00	109,823	100.00	45.0	55.0
N. West Tigray	76,622	27.85	22,353	20.94	20,018	18.23	42.7	57.3
Central Tigray	62,207	22.61	7,973	7.47	11,990	10.92	34.2	65.8
East Tigray	31,288	11.37	2,902	2.72	3,919	3.57	29.5	70.5
South Tigray	48,469	17.62	7,627	7.14	8,343	7.60	53.6	46.4
West Tigray	56,524	20.55	65,896	61.73	65,553	59.69	76.8	23.2
Benishangul-Gumuz	108,181	100.00	44,814	100.00	37,431	100.00	67.8	32.2
Metekel	36,872	34.08	21,635	48.28	22,044	58.89	78.0	22.0
Asosa	41,653	38.50	12,437	27.75	6,050	16.16	62.4	37.6
Kemashi	18,565	17.16	5,636	12.58	4,142	11.07	81.4	18.6
Pawe Special	4,608	4.26	3,374	7.53	3,992	10.66	62.5	37.5
Mao Komo	6,483	5.99	1,733	3.87	1,202	3.21	68.7	31.3
Others	164,936	94.45	12,475	78.05	10,202	79.44	...	...
Afar	2,593	1.57	...	...	...	...	...	...
Somali	...	...	...	...	...	...	...	...
S.N.N.P	140,539	85.21	7,491	60.05	5,181	50.78	74.9	25.1
Gambella	3,036	1.84	123	0.99	140	1.37	74.8	25.2
Harari	9,618	5.83	2,123	17.02	2,783	27.28	58.5	41.5

Source: CSA, Agricultural Sample Survey 2008/0-2009, Report on Area and Production Crops, Private Peasant Holdings, Addis Ababa, May 2009.

Table 3

Estimated Area Under Oilseeds by Size of Holdings-2007/08

[Hectares]

Size of Holding	Area under Oilseeds	%	
<0.10	480	0.07	
0.10 - 0.50	15,540	2.20	
0.51 - 1.00	61,900	8.75	
1.01 - 2.00	197,000	27.86	
2.01 - 5.00	335,230	47.41	
5.01 - 10.00	85,100	12.04	
>10.00	11,800	1.67	
Total	707,050	100.00	
Source: CSA, <i>Statistical Abstract, 2008</i> , December, 2008, Addis Ababa.			

4. Strategies including lessons learned and the proposed Joint Programme

4.1 Background/ Context

Contribution of the JP towards achieving Development Goals: Ethiopia which is aspiring to be a middle income country by 2020, is strongly committed to achieve the MDGs. Within the PASDEP framework, the GoE envisages to achieve this by transforming the agricultural sector, encouraging private initiatives founded on small enterprise development and job creation and improving service delivery to the poor. Consequently, this JP – aiming at achieving greater commercialization of oilseed, enhanced private sector involvement and improved competitiveness of the entire edible oil value chain is expected to contribute towards the MDGs in Ethiopia, and especially to the goals 1 and 3 (that are reducing poverty by half and promotion of gender equality and empowerment of women, respectively). Due to the firm buy-in from Government and counterparts in this sub-sector, this JP also will strengthen the principles of ownership, harmonization and alignment as spelled out in the Paris Declaration on Aid Effectiveness. Lastly, but importantly, the development of the edible oils value chain falls in one of the five thematic areas of the Ethiopia UNDAF (2007-2011) namely the "Enhanced Economic Growth", under which joint private sector development programmes are planned. The proposed JP is fully aligned to the ongoing UNDAF Programme (UNDP, UNIDO, FAO, and ILO) which aims at supporting the development of "Economic Growth Corridors" (EGCs) in the country. The proposed programme areas of this JP and known for their substantial oil crops potential follow closely areas viewed by GoE and collaborating UN agencies, as well as the World Bank, as the most promising EGCs in the country.

Government Policy and support: The Government of Ethiopia (GoE)'s strategy paper PASDEP for the period of 2005-2010, recognizes the role of the private sector as an engine for rapid economic growth and hence identifies private sector development, especially the export and agro-processing sectors, as top priority. This is reflected by the commitment of the GoE to provide the required institutional support to PSD in general and its intensified efforts to attract private investors to engage in agro-processing businesses including the edible oil sub-sector in particular. To this end, the GoE pursues the Agricultural Development Led Industrialization (ADLI) as a deliberate strategy, under which agriculture is the primary focus of development, thus becoming a source of domestic market- and reliable material supply base for the manufacturing sector and serving to strengthen the inter-sectoral twinning of agriculture and industry. The Industrial Development Strategy (IDS), adopted and under implementation by the GoE since 2002, is another policy framework designed on the basis of the identified priority sectors, most importantly the agro-processing industry, for achieving rapid industrial development.

Under ADLI strategy, agriculture is to be the primary focus of the development effort in the short and medium terms. Agricultural production will be expanded through increased modern inputs such as fertilizers, improved seeds, pesticides, and improved extension services. This is further expected to impact positively on the incomes of the rural population, consequently augmenting the demand for industrial goods. Agriculture would, thus, become a source of domestic market and a reliable raw material supply base. This strategy is anticipated to strengthen the inter-sectoral linkages between agriculture and industry. Recently, the government has issued an industrial development strategy, which clearly identifies priority areas of government support such as textiles and garment industries, meat and leather product manufacturing, agro-processing industries, construction industries and micro and small scale enterprises.

As the edible oil sub-sector belongs to agro-processing industries, micro and small scale enterprises, covered in the strategy, it stands to benefit from the support schemes of the GoE. The strategy underlines that agro-processing involves the process of adding value to agricultural products and bringing them to the market. Industries of textiles, meat, hides and skins within certain limits might fall in this category alike the range from the food industry, sugar mills, edible oil processing to complex chemical industries which use agricultural products. The agro-processing industry is important in the production of industrial food products that are used for domestic consumption and plays a vital role in the expansion of small and medium scale enterprises

The strategy acknowledges that the agro-processing industry is essential for the growth of the agricultural and industrial sectors, fostering linkages between the sectors and also facilitating the extensive use of available labour force and efficient use of capital; it furthers competitiveness in the international export market; promotes rapid and continuous industrial development. The strategy further underlines that agro-processing industries enhance the production of numerous crops, ranging from pulses and oilseeds to other grains, hence, acknowledging the need for making every effort to support such industries.

The strategy's emphasis on industries that have geared their production for the export market would also benefit the edible oil sub-sector as the government's to improve the general environment for industrialization and the direct support aiming at the specific sectors would enhance its competitiveness. The areas of direct support are to be studied comprehensively in respect of each specific priority sector.

Relation to Ongoing Activities: in addition to putting in place the overarching strategies for the development of agro-industry, the GoE has introduced a number of measures to facilitate the flow of investment to the sector. As a result, several foreign and domestic investors have recently invested in commercial farming as well as agro-processing industries in different regions of Ethiopia. To efficiently guide rapid development of the agro processing industry, UNIDO, FAO and UNDP are providing assistance as per a government request to the elaboration of a “Agro-Industry sector Master Plan for Ethiopia” (Master Plan). The Master Plan will be a national strategy document that will guide the development of agro processing in Ethiopia and the progressing document has already identified the oil-seed value chain as a priority sector in the development of the Ethiopian economy next to coffee and cereals. This JP, which draws on data and priorities derived from the Master Plan, has great potential to help pioneer the translation of the Master Plan into action. Among other ongoing activities are the coordination of different stakeholders of the oilseeds value chain under an active Public Private Partnership Forum¹ on oilseeds dealing with i) sesame pest and disease prevention (Ethiopia government and Netherland), ii) oil quality improvement at oil production factories, iii) waterproof system for grading, weighing, sealing, transport and testing, iv) pilot project for chain integration; and v) Ethiopian Pulses, Oilseeds, Spices Producers Exporters Association (EPOSPEA) development of code of conduct.

4.2 Lessons learnt

SNV project on oilseeds value chain in Ethiopia provides actors along the value chain with platform for dialogues and coordination. However, since the platform is at federal level, farmers, and traders in the frontline have not been able to have communications and arrangements which are practically

¹ The SNV-BOAM, Business Organization and Access to Markets Programme.

useful for their business. The JP will enhance coordination and dialogues among various stakeholders in the value chain in the Oromiya and Amhara Regions at local level in order to catalyze improvement of productivity and competitiveness for sustainable growth. Moreover one of the key lessons from the Edible oil Value Chain Intervention by SNV is that any intervention in the sub-sector needs to focus on the whole value chain. Intervention either at processing, production or marketing would not help much. The JP will intervene at all level in order to bring about a meaningful impact at the end of the programme.

Another lesson from the past interventions on business development and commercialized agriculture in Ethiopia is the need of policy level linkages. Past interventions by various donors have been conducted without strong linkages to policies, even though right policies are indispensable for the conducive business environment that help the development of economic sectors. The JP will include development of policies and strategies as required under the framework of the existing government strategies (e.g. Investment promotion strategies). These policies will support the activities of the JP and the linkages of the JP to policy will be strengthened and ensured.

The ILO's work on women's entrepreneurship in Ethiopia shows that member-based associations are an effective way to promote the rights, responsibilities and entitlements of marginalized group of the society. The JP will learn from ILO's experience to address the unique challenges of SMEs in the value chain.

4.3 Edible oil Value Chain Strategic Areas of Intervention and Expected Outputs

Issues and priorities of the oilseeds sector, hence areas of strategic intervention, are varied and immense. These range from issues inextricably linked to the general level of growth of the country as a whole to those that are specific to the sector. Interventions addressing issues and priorities of immediate and particular concern to the oilseeds sector are clearly those that pertain to commodity production, processing and marketing. These have, as dealt with earlier in greater detail, been identified as those relating to improved production, processing and marketing.

Strategic interventions specific to these areas of concern are provided in what follows:

Outcome 1. "Productivity and competitiveness of private sector led agricultural production of oilseeds is enhanced".

1.1 The supply of farm inputs (seeds, fertilizers and chemicals) is improved.

- 1.1.1 Technical support given to seed producers/farmer associations to enhance quality/quantity in oil seed production.
- 1.1.2 Capacity building on entrepreneurship, business planning production and marketing provided to seed producers
- 1.1.3 Access to fertilizers facilitated by a government and private sector facility.
- 1.1.4 Support and incentives to enhance cooperatives and private sector participation in input supplies for oil seed producers.

1.2 Access to credit is facilitated for the small holder and commercial farms to enable easier procurement of inputs.

Spanish MDG Achievement Fund

Availability of finance is an important element in the quest for farmers to adopt improved farm practices and modern agricultural technologies, hence increased production. Access to and cost of credit, however, are of critical importance as these influence the readiness of the farmer in adopting improved agricultural practices.

While rural credit has been at the center of policy intervention in Ethiopia, particularly in relation to agricultural extension programmes for over a decade, availability still remains a major issue. This has been so because the banking system has traditionally remained unresponsive to the needs of small borrowers essentially as a result of the transaction costs and/or the real or perceived risks involved in lending to small operations generally. Consequently, exploring alternative ways of financing small operations including farmers has become the preoccupation of most development agents, primarily because the banking system has been hard to influence.

- Volume of credit the co-ops and finance inst., are currently providing to oil seed producers is USD 110,000

1.2.1 Credit facilities supported through financial intermediaries for procurement of farm inputs. (linked to 1.1.3)

1.3 Market-oriented farming is enhanced

1.3.1 Contract farming procedures between producers and agro-processors/ exporters are developed and implemented –linked to cluster zones approach (see3.1)

1.3.2 Capacity building and institutional support provided to cooperatives, small traders and other SMEs to improve their management skills and capabilities, to enhance their competitiveness and profitability

1.3.3 Pilot system in warehouse receipts linked to ECEX set up

1.4 Enhanced investment in the production of oilseeds

1.4.1 Investment enhancing strategy is developed verified

Outcome 2 The capacity and competitiveness of the stakeholders for processing of edible oil seeds is enhanced".

2.1 Storage, cleaning and grading of the oil seeds improved.

The introduction of appropriate storage and post-harvest treatment as an integral part of the supply chain is vital in ensuring the quality of the oil seeds and reducing the delivery time to the processors. For this to happen, assistance should be provided to voluntary collective material handling and storage facilities at the village level spearheaded by farmers' cooperatives, including the development of cereal banks where these are in demand and sustainable; introduce the use of affordable modern storage systems through farmer organizations/ cooperatives as well as encourage private sector participation in making available storage and treatment facilities at the different levels of the market

2.1.1 Cleaning and grading facilities (including storage) established in four market oriented cooperatives on a pilot basis

2.1.2 Results of the pilot effectively disseminated among other market-oriented cooperatives and processor

2.2 Improved processing efficiency in the targeted oilseed processing industries

2.2.1 Oil extraction technology modernized in targeted processing plants

2.3 Product safety and quality improved

2.6 Access to finance for the processors including processors cooperatives improved

The majority of the processors are small operators. Most small operators are marginalized from financial participation since they don't have credit history which convinces the financial institutions to lend them money for either working capital or long term investment. As a result, the processors have limited opportunities to expand their business to meet the local demand and improve qualities of their product.

2.6.1 Barriers to access financial services lifted

2.6.2 Processors are linked to financial service providers

2.6.3 Capacity of processors and financial institutions enhanced

2.7 Capacity of Business Development Service(BDS) providers enhanced to deliver relevant and effective services to the processors including processors cooperatives

Apart from finance, most processors lack adequate skills critical to the entry, survival, productivity, competitiveness of the processors. The non existence of commercial BDS providers who could offer trouble-shooting services to the processors, negatively affected the growth of the sector. In order to address the problem, the BDS service will target Small and Medium Enterprises processors active in the sub sector together with their supportive public bodies and private sector counterparts. Increased BDS availed to the processors and their supporting institutions will improve their competitiveness and profitability, which in turn contributes to enhancement of the value chain leading towards a higher quantity and better quality of crushed seed.

2.7.1 Capacity of relevant government institutions built to create conducive environment for new BDS providers and to strengthen the existing ones

2.7.2 BDS providers avail BDS that is demand driven and responds to the needs of SMEs and larger processors

2.8 The occupational safety and Health (OSH) practice of the large processors and cooperatives strengthened.

Ethiopia was the first country in Africa to ratify Convention No. 155 (1981) concerning occupational safety and health in 1991 and since then, it has progressively worked towards its application and implementation. Based on this Convention, a new OSH Directive has been drafted and is now awaiting enactment. The implementation of the directive calls up on active involvement of enterprises to put in place OSH programmes. Very few large crushing or refining companies have adequate safety and hygiene standards and their working environment is not safe at all i.e. slippery floors, no protection on belts etc. Most of the processors do not have guide for cleaner production which improves not only the environment outside the enterprises but also improves working condition thus reduces work related accidents and improve productivity.

2.8.1 The state of OSH practices and gaps in the processing industry identified

2.8.2 Enterprise level OSH programmes in place.

2.9 Processors organized to get economic of scale, representation and voice.

Micro and small enterprises (MSEs) represent majority of the economy in Ethiopia. Their integration to the value chain of the edible oil is critical in achieving poverty reduction and wider distribution of wealth and opportunities. An entry point for supporting MSEs in the value chain, especially for oil processors concentrated geographically is to organize them using association and/or cooperatives or Cluster development approach. Generally, due to their small size and isolation, MSEs experience difficulties in achieving economies of scale in the purchase of such inputs as equipment, raw materials, finance and consulting services and are often unable to take advantage of market opportunities that require large production quantities, homogenous standards and regular supply. Many of these obstacles can be overcome when small-scale firms are able to access external economies that lower their operating costs, and undertake joint actions that improve their competitiveness. Spatial proximity facilitates the achievement of such gains, as it is the case for firms operating within clusters. For example, there is a concentration of approximately 30 edible oil processors, in Nazareth, Oromia. They are facing such challenges as mentioned above, due to their size and isolation. These obstacles can be addressed jointly, through facilitation by a well-trained cluster broker in the beginning, to institute a mechanism to collectively act against their common threats and opportunities. Strengthening micro and small scale oil processors in spatial proximity is an efficient and effective way to upgrade poor oil producers to be competitive enough to participate in the larger value chain, so that their livelihoods are improved, as well as they bring benefits to other segments of the value chain.

2.9.1 Association and /or entrepreneurs' cooperatives formed which provides relevant and effective services to the processors(linked to 2.5 and 3.1)

2.10 Processors in the informal economy upgraded to graduate into the formal economy

According to 2007 Oilseeds business opportunities in Ethiopia, commissioned by the Netherlands Ministry of Agriculture, Nature and Food Quality, more than 1,000 small crushers are operational on village level. These local crushers have a very limited capacity and backward equipments, low hygiene standards and high risks of contamination with mineral oil. The occupational safety and health conditions are far from ideal. Upgrading the informal operators is imperative to improve their productivity, working condition and their contribution to the local economy.

2.10.1 key drivers of informality among the processors identified

2.10.2 Enabling capacity, system and infrastructure in place to facilitate the transformation. (Linked to 2.6 and 2.7).

Outcome 3. Access to local and international markets for edible oil producers is improved

At the local market level, edible oil producers face competition from the 'food aid oil', which is available in the market at cheaper prices. Limited knowledge of scientific book-keeping, technical skills and lack of working capital are persistent among those producers and marketing agents. In addition, there is negative competition among the enterprises in sourcing of raw materials as well as marketing which has been adversely affecting the profit margins. Since the middlemen control the operation of collection and marketing of seed, the prices tend to highly

fluctuate to the disadvantage of micro and small oil processors.

The edible oil producers in Ethiopia do not have access to international market. In order to access and penetrate markets abroad the marketing agents need to be aware of the expectations and requirements of the international markets. This knowledge is currently lacking and the export of edible oils is non-existent. As the first steps towards exporting it is proposed to develop marketing strategies and to organize national, regional and international study tours for marketing.

3.1 Vertical linkages between oil seed producers, traders and processors are improved through clustering

3.1.1. SME Networks formed and joint actions undertaken

3.1.2. Business Development Service (BDS) upgraded to offer services to SME oil processors

3.2 Linkages between the processors and marketing agents are enhanced

3.2.1. Joint marketing actions facilitated to networks of processors

3.3 Access to finance for the marketing agents and marketing cooperatives improved to enable bulk orders and bulk purchasing

Access to finance is another crucial issue not only for smallholder farmers and processors, but also for cooperatives and market agents. Lack of working capital prohibits for example bulk purchase. The strategy proposes to address this by on one hand provide training on business administration and book keeping etc for marketing agents and marketing cooperatives and on the other work with finance institutions with the purpose of increasing their services to include more marketing cooperatives and marketing agents.

3.3.1 Marketing agents and cooperatives are linked to financial service providers

3.3.2 Savings and credit cooperatives established

3.4 Marketing agents are enabled to access local, regional and international markets

3.4.1 Capacity of marketing agents strengthened to access new markets (linked to 2.3 and 2.4)

5. Result Matrix

JP Outcome 1: Productivity and competitiveness of private sector led agricultural production of oilseeds is enhanced									
Outcome indicators:									
1.1 Oilseed yield [tonnes/ha]. <u>Baseline (2008):</u> 0.72 tonnes/ha. <u>Target (2012):</u> 1,0 tonnes/ha									
1.2 Unit Price of oilseed [Birr/kg]. <u>Baseline (2008):</u> 4.7 Birr/kg. (To be fine-tuned after the baseline survey)									
1.3 Unit Cost of production [Birr/kg]. <u>Baseline (2008):</u> 5.77 Birr/kg (CSA Data). <u>Target (2012):</u> 5.19 Birr/kg (To be fine-tuned after the baseline survey)									
JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area within UNDAF), Agro – industry Master Plan)				Y1	Y2	Y3	Y 4	
1.1 The supply of farm inputs (seeds, fertilizers and chemicals) is improved. Indicators: Seed distribution per year; Fertilization distribution per year; Chemicals distribution per year; Baseline: Seed distribution 2008: 3% of demand Fertilization distribution 2008: 36kg/ha Target: Seed distribution 2008: 7% of demand Fertilization distribution 2008: 50kg/ha (Target is to be fine-tuned after the baseline survey)	1.1.1 Technical support given to seed producers/farmer associations to enhance quality/quantity in oil seed production. (Enhanced Economic Growth thematic area within UNDAF)	FAO	MoARD,	1.1.1.1 Provide seed producers with technical training for seed production (twice a year, targeting 30seed producers)	10,000	10,000			20,000
				1.1.1.2 Provide on-farm technical advise for 30 seed producers cooperatives	8,000	8,000	8,000		24,000
				1.1.1.3 Provide basic seed and fertilizer to 30 seed producers cooperatives	6,000	6,000	6,000		18,000
	1.1.2 Capacity building on entrepreneurship, business planning production and marketing provided to seed producers	FAO	MoARD,	1.1.2.1 Provide training on entrepreneurship, business planning, quality standards and marketing to 30 seed producers cooperatives	Cost to be covered by activity 1.1.1.1				0
				1.1.2.2 Assist in the development of business plan for seeds production	5,000	5,000	5,000		15,000
				1.1.2.3 Provide on-demand consultation and advice on entrepreneurship, business planning, quality standards and marketing	10,000	4,000	3,600		17,600

JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area-UNDAF)				Y1	Y2	Y3	Y4	
	1.1.3 Access to fertilizers facilitated by a government and private sector facility.	FAO	MoARD,	1.1.3.1 Develop voucher system for fertilizer, improved seed and other inputs	5,000				5,000
				1.1.3.2 Training in the voucher system (20 cooperatives and 40 private sector input providers)	10,000	5,000			15,000
				1.1.3.3 Implement the voucher system with monitoring and technical supports	100,000	15,000	10,000		125,000
	1.1.4 Support and incentives to enhance cooperatives and private sector participation in input supplies for oil seed producers.	FAO	MoARD,	1.1.4.1 Review of status and policies for farm input and propose a policy strategy on incentives for the private sector/cooperatives investments	2,000				2,000
				1.1.4.2 Provide seed fund to buyer cooperatives for input supply		90,000			90,000
				1.1.4.3 Monitor the policy strategy and provide technical assistance in implementation		21,000	10,000		31,000

JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
					Y1	Y2	Y3	Y4	
1.2 Access to credit is facilitated for the small holder and commercial farms to enable easier procurement of inputs. Indicators: Number of farmers with sufficient access to credit Number and volume of credit the co-ops and finance inst., are providing to oil seed producers Baseline: Number of oil seed farmers with sufficient access to credit: 0 Volume of credit the co-ops and finance inst., are providing to oil seed producers: 0 Target: Number of farmers with sufficient access to credit: 2,000HH Volume of credit the co-ops and finance inst., are providing to oil seed producers: USD 110,000 (Target is to be fine-tuned after the baseline survey)	1.2.1 Credit facilities supported through financial intermediaries for procurement of farm inputs. (linked to 1.1.3)	FAO	MoARD,	1.2.1.1 Develop implementation strategy for facilities through dialogue with commercial banks and cooperatives (Including the dissemination workshop)	10,000				10,000
				1.2.1.2 Provide seed fund for credit service	110,000				110,000
				1.2.1.3 Monitor the implementation of credit facilities and provide technical assistance in implementation	2,000	4,000	4,000		10,000

JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area-UNDAF)				Y1	Y2	Y3	Y4	
1.4 Market-oriented farming is enhanced Indicators: Number of farmers marketing oilseeds to formal market in the project area; Amount of oilseeds marketed by farming HH; Number of farms contracted by processors to grow oilseeds; Baseline: Number of farmers marketing oilseeds to formal market in the project area; 0 Amount of oilseeds marketed by farming HH; 70kg/ HH Number of farms contracted by processors to grow oilseeds; 0 HH Target: Number of farmers marketing oilseeds to formal market in the project area; 3,000HH Number of farms contracted by processors to grow oilseeds; 1,000 HH (Target is to be fine-tuned after the baseline survey)	1.3.1 Contract farming procedures between producers and agro-processors/ exporters are developed and implemented –linked to cluster zones approach (see3.1)	FAO	MoARD,	1.3.1.1 Review the experiences from other countries, legal and technical practice and procedures regarding contract farming, and develop a package for contract farming	4,000				4,000
				1.3.1.2 Organize workshops to facilitate the package on contract farming implementation and contract agreements (2 workshops for farmers and 1 for processors)	15,000				15,000
				1.3.1.3 Facilitate implementing the package for contract farming	12,000	8,000	5,000		25,000
				1.3.1.4 Monitor the contract farming and provide technical assistance		3,000	3,000		6,000
	1.3.2 Capacity building and institutional support provided to cooperatives, small traders and other SMEs to improve their management skills and capabilities, to enhance their competitiveness and profitability	FAO	MoARD,	1.3.2.1 Provide continuous training on entrepreneurship, business management (financial management and order administration) given to the buyer cooperatives and the small traders. (targeting on 80 private sector stakeholder such as traders, exporters, wholesalers etc and 20 buyer cooperatives)	16,000	16,000	8,000		40,000

JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area-UNDAF)				Y1	Y2	Y3	Y4	
	1.3.3 Pilot system in warehouse receipts linked to ECEX set up	FAO	MoARD,	1.3.3.1 Develop a warehouse receipt system for oil seed producers and traders in close consultation with government authorities, ECEX, traders and other private sector	5,000				5,000
				1.3.3.2 Upgrading of warehouse and other facilities	40,000				40,000
				1.3.3.3 Pilot test the warehouse receipt system with hands-on training	100,000	15,000	10,000		125,000
				1.3.3.4 Monitoring the operation of warehouse receipts system and provide technical assistance	4,000	3,000	3,000		10,000
				1.3.3.5 A dissemination workshop for promotion			10,000		10,000
1.4 Enhanced investment in the production of oilseeds Indicators: Number of processors, refineries and oilseeds producers in the value chain Amount of processed products: Amount of refined oil: The amount of money newly	1.4.1 Investment enhancing strategy is developed verified	FAO (In collaboration with UNDP)	MoARD,	1.4.1.1 Develop a promotion strategy (clustering, policy measures and strengthening BDS: linked to 2.6.2)to enhance private investment in the oil seeds sector	4,000				4,000
				1.4.1.2 A dissemination workshop on investment promotion strategy (Government officials, investors development bank and donors)	10,000				10,000

invested in the oilseed value chain Baseline: Processors 850 Refineries 26 Producers: 2,738,639 HH Amount of processed products 2008: Amount of refined oil 2008: New investment 2008 : (Data to be acquired at the beginning of the project through baseline survey) Target: Processors: 30 % increase Refineries: 30 % increase Producers: 10 % increase Amount of processed products: 50% increase Amount of refined oil: 50% increase New investment 2008: 30% increase (Target is to be fine-tuned after the baseline survey)				1.4.1.3 Pilot test the strategy in one economic growth corridor.		100,000	80,000		180,000
Outcome Total					488,000	313,000	165,600		966,600

JP Outcome 2: Capacity, capacity utilization and quality of the end product the targeted oilseed processing plants is enhanced

Outcome indicators:

2.1 Oil production [tonne/year] - Baseline (2008): 20,000 tonne/year. Target (2012): 40,000 tonne/year

2.2 Capacity utilization [%] – Baseline 2008: 30%. Target 2012: 60%

2.3 Quality [% of production meeting standards] – Baseline 2008: 30% of the production meet quality standards. Target (2012): 50 % of the production meet quality standards

	Participating UN organization-specific Outputs	Participating UN org,	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				
JP Outputs	(Enhanced Economic Growth thematic area within UNDAF), Agro –industry Master Plan				Y1	Y2	Y3	Y4	Total
2.1 Storage, cleaning and grading of the oil seeds improved. Indicators: Number of cleaning and grading facilities used; Estimated post harvest losses % Baseline: 2008: No storage, cleaning and grading facilities for oilseeds exist; Post harvest losses are estimated to 20%; Raw material for processors often of poor quality; Targets: 4 Cleaning and grading facilities operational; Post harvest losses in targeted cooperatives drop to less than 6%;	2.1.1 Cleaning and grading facilities (including storage) established in four market oriented cooperatives on a pilot basis	UNIDO	MoTI, MoARD	2.1.1.1. Develop selection criteria for the market oriented cooperatives based on geographical impact, size of harvest, linkages to processors etc.					
				2.1.1.2 Install the equipment in the selected cooperatives and provide subsequent training on it.	110,000				110,000
	2.1.2 Results of the pilot effectively disseminated among other market-oriented cooperatives and processors			2.1.2.1 Engage extension workers in disseminating the positive effects of cleaning and grading facilities (such as better price per kg oilseed) among other market-oriented cooperatives	20,000				20,000
				2.1.2.2 Conduct a roundtable meeting with the processors, presenting the positive results (such as improved quality and quantity of raw material) from the participating processors		10,000			10,000
2.2 Improved processing efficiency in the targeted oilseed processing industries Indicators: Extraction efficiency % Baseline: 2008: Outdated processing plants produce less than 200 kg oil per tonne oilseeds (<20%)	2.2.1 Oil extraction technology modernized in targeted processing plants	UNIDO	MoTI,	2.1.1.1 Develop selection criteria for 4 edible oil processing plants to be upgraded in terms of extraction efficiency, product safety and quality (linked to 2.3) and packaging line (linked to 2.4)					
				2.1.1.2 Assess the required extraction capacity in the targeted processing plants and calculate the total cost of upgrading the extraction technology.	30,000				30,000

JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area within UNDAF), Aro – industry Master Plan				Y1	Y2	Y3	Y4	
Target: Extraction efficiency of 400 kg oil per tonne installed in targeted factories (40%)				2.1.1.3 Assist the targeted processing plants in developing business plans and in acquiring funding for the upgrading (linked to 2.6)	10,000	10,000	9,200		29,200
2.3 Product safety and quality improved Indicators: Number of HACCP certified processing plants Baseline: Only one edible oil factory in Ethiopia is HACCP certified and employ quality standards. Targets: 4 processing plants upgraded and employ international safety and quality standards	2.3.1 Selected processing plants upgraded to improve overall quality and food safety	UNIDO	MoTI, QSAE	2.3.1.1 Conduct a gap analysis	20,000				20,000
				2.3.1.2 Upgrade the technology in order to improve the quality and food safety (linked to 2.6)		100,000			100,000
	2.3.2 Selected processing plants HACCP certified (ISO 22000)			2.3.2.1 Provide the necessary training on quality management (HACCP) to the employees of the processing plants		20,000			20,000
				2.3.2.2 Arrange for an internal audit		10,000			10,000
				2.3.2.3 Arrange for an external audit and certification of ISO 22000		10,000	10,000		20,000
2.4 The packaging of the final product is made more attractive for the market Indicators: Number of processing plants using	2.4.1 Packaging lines of selected processing plants in Oromiya and Amhara Regions upgraded	UNIDO	MoTI, BOTIS, QSAE	2.4.1.1 Assess the implications of using different sorts of packaging materials such as availability, environmental concerns, cost effectiveness, possibilities for recycling etc.	15,000	10,000			25,000

JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total	
	(Enhanced Economic Growth thematic area-UNDAF)				Y1	Y2	Y3	Y4		
modern packaging lines Baseline: Only one edible oil factory has a modern packaging line installed Targets: processing plants upgraded and have modern packaging line installed				2.4.1.2 Upgrade the packaging lines (linked to 2.3 and 2.6)				150,000		150,000
2.5 Edible oil producers capacity and competitiveness enhanced through PPP Indicators: Number of studies commissioned Number of PPP forums organized Number of study tours made Number of trained personnel Baseline: Agro-industry master plan under finalization No specific PPP forum organized on oil seed sub-sector No study visit made focused on oil seeds Targets: - 2 analytical studies conducted on selected areas - 3 PPP forums organized - 2 study tours made to a selected country - Type and location of training need to be identified to determine the number of people trained	2.5.1 Working group on edible oil with in PPP structure established and capacity to dialogue strengthened	UNIDO (in partnership with UNDP)	MOTI, MoARD,	2.5.1.1 To organize working group sessions on edible oil sub-sector within PPP structure 2.5.1.2 To commission analytical works based on the recommendations of the working group focused on production and improved marketing schemes	20,000	20,000	10,000			50,000
	2.5.2 Knowledge and best experience gained from other countries on edible oil sub sector		MOTI, MoARD,	2.5.2.1 To organize study tours to good practice areas to benefit from their experience 2.5.2.2 To provide short term training for selected technical personnel	50,000	35,000				85,000
	2.5.3 Agro-industry master plan promoted through PPP		MOTI	2.5.3.1 To adopt relevant recommendations of agro-industry master plan related to edible oil sub-sector	15,000	10,000				25,000

JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area within UNDAF)				Y1	Y2	Y3	Y4	
2.6 Access to finance for the processors including processors cooperatives improved Indicators: Number of processors benefiting from financial institutions, Number of financial institutions providing loans to the processors. Number of special loan windows negotiated. Baseline: Number of oil seed processors with access to financial services less than 5% Target: Number of processors benefiting from financial institutions increased by 25% Number of financial institutions providing service to the edible oil processors increased by 40% <i>(baseline and target is to be modified after the baseline survey)</i>	2.6.1 Barriers to access financial services lifted	ILO	MoTI,	2.6.1.1 Conduct a desk review and needs assessment to identify key barriers to access finance and to develop financial products(lending, savings, insurance) suitable for the target group	5,000				5,000
				2.6.1.2 Conduct series of high level roundtable meetings with the processors and financial institutions to address the key barriers and to develop mitigation strategy	5,000	5000			10,000
	2.6.2 Processors are linked to financial service providers	ILO	MoTI, MoARD,	2.6.2.1 Develop selection criteria to identify suitable financial service provider.					
				2.6.2.2 Assess and select financial service providers suitable for the processors based on the selection criteria (linked to 2.6.1.1).					
				2.6.2.3 Conduct consultations to negotiate special loan windows (emphasis on access and cost) with the selected financial service providers to reach with agreements on special finance windows (linked to 2.6.1)	5,000	10,000			15,000

JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area-UNDAF)				Y1	Y2	Y3	Y4	
	2.6.3 Capacity of processors and financial institutions enhanced	ILO	MoTI, MoARD,	2.6.3.1 Provide trainings to the processors on business management, bookkeeping and inventory management	7,000	10,000			17,000
				2.6.3.2 Provide training to financial institutions to diversify their service to processors at all level, to improve processes relating to loan review, risk rating/ loan classification, credit policy, internal controls and loan workout (linked to 2.6.1)	5,000	5,000			10,000
				2.6.3.3 Adapt/develop and disseminate guidelines and/or manuals to facilitate access to finance.	5,000	5000			10,000
				2.6.3.4 Continuous follow up and support to the processors to effectively utilize the loans		3000			3,000
2.7 Capacity of Business Development Service(BDS) providers enhanced to deliver relevant and effective services to the processors including processors cooperatives Indicators: -Number of processors reached by BDS providers -Number of improved services offered by the BDS Providers Baseline: 15% of processes are benefiting from BDS	2.7.1 Capacity of relevant government institutions built to create conducive environment for new BDS providers and to strengthen the existing ones	ILO	MOTI	2.7.1.1 Conduct demand and supply assessment of the Business Development Service (BDS) and analyze the assessment findings	10,000				10,000
				2.7.1.2 Provide the necessary support to attract the existing BDS providers to expand their services to the target groups and attract new BDS providers (linked to 2.7.2.2)					
				2.7.1.3 Conduct consultations to introduce the BDS providers to the beneficiaries.	4,000				4,000
	2.7.2 BDS providers avail BDS that is demand driven and responds to the needs of SMEs and larger processors	ILO		2.7.2.1 Conduct Capacity building (ToT workshops) to BDS providers to improve their service delivery to the processors, based on the assessment (linked to 2.8.3.1)	10,000	10,000	5,000		25,000

JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area-UNDAF)				Y1	Y2	Y3	Y4	
Target: 50% of the processors benefited from improved BDS <i>(baseline and target is to be modified after the baseline survey)</i>				2.7.2.2 conduct training to Federal and Regional Micro and Small Scale Development Agencies to assist BDS providers	5,000	7000			12,000
				2.7.2.3 Provide technical assistance to BDS providers		5,000			5,000
2.8 The occupational safety and Health (OSH) practice of the large processors and cooperatives strengthened. Indicators: Number of large processors, and cooperatives with OSH management system Number of Safety and Health Committee in the large processing companies. Baseline: 0 large processing company and cooperatives have comprehensive OSH systems in place. 2 large crushing or refining companies have adequate safety and hygiene standards. Target: 15 processing industries have comprehensive OSH programmes <i>(baseline and target is to be modified after the baseline survey)</i>	2.8.1 The state of OSH practices and gaps in the processing industry identified	ILO	MoLSA	2.8.1.1 Identify the state of OSH practices and gaps in the processing industry		7,000			7,000
				2.8.1.2 Conduct workshop to discuss the gaps and problems related with OSH and prepare action plan to address the gaps and problems.		5,000			5,000
	2.8.2 Enterprise level OSH programmes in place.	ILO		2.8.2.1 Develop selection criteria for identifying processing industries to initiate OSH programmes (linked to 2.8.1.1).					
				2.8.2.2 Provide technical assistance to the selected processing industries to implement enterprise level OSH programmes		17,000			17,000
				2.8.2.3 Conduct training to BDS providers on OSH issues in order to provide OSH related services to the processors (linked to 2.7)		5,000			5,000

JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area-UNDAF)				Y1	Y2	Y3	Y4	
2.9 Processors organized to get economic of scale, representation and voice. Indicators: Number of new associations formed that provide relevant and effective services to the processors Number of processors accessing information Market information through the association Increase membership of processors cooperative unions or association Baseline: one association, the Ethiopian Pulses, Oilseeds and Spices Processors Exporters Association (EPOSPEA) providing limited service. Target: 2 associations formed 50% of the members accessed information through the Association. No of members of each cooperative unions/associations	2.9.1 Association and /or entrepreneurs' cooperatives formed which provides relevant and effective services to the processors(linked to 2.5 and 3.1)	ILO	MOTI, MOLSA	2.9.1.1 organize consultations and provide training to processors to enable them form an association	10,000	5,000			15,000
				2.9.1.2 Provide capacity building training to the leadership (how to manage associations and design of by-laws) and link members to different service providers (linked to 2. 6, 2.7 and 2.8).	7000	10,000	7,000		24,000
				2.9.1.3 Provide demand driven technical, materials and equipment support for the capacity building of the association (based on project proposal received from individuals, associations or cooperatives	12,000	13,000			25,000
				2.9.1.4 Develop/Adapt manual that facilitate association/cooperatives building, membership extension and retention, information sharing mechanism	5,000				5,000

JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area-UNDAF)				Y1	Y2	Y3	Y4	
<i>(baseline and target is to be modified after the baseline survey)</i>				2.9.1.5 Provide demand driven support to facilitate experience sharing with similar sectoral associations	10,000	15,000			25,000
2.10 Processors in the informal economy upgraded to graduate into the formal economy Indicators: Number of informal processors registered as SME or cooperatives, No of informal processors benefiting from BDS service Baseline: 1000 village operators Target: 100 informal processors registered as SME or cooperatives 40% accessed BDS services <i>(baseline and target is to be modified after the baseline survey)</i>	2.10.1 key drivers of informality among the processors identified	ILO	MOTI,MOLSA	2.10.1.1 Conduct a comprehensive study to identify the key drivers of informality among processors.	5,000				5,000
				2.10.1.2 Provide technical assistance to informal operators to formalize them (registration ..etc) in partnership with the local authorities	5,000	7,000			12,000
	2.10.2 Enabling capacity, system and infrastructure in place to facilitate the transformation. (Linked to 2.6 and 2.7).	ILO		2.10.2.1 Review rules, regulations, and policies of the formal sector and develop a strategy to enable the informal processors to join the formal sector.	5,000	4000			9,000
				2.10.2.2 Implement and follow up the strategy		6,000	4,000		10,000

JP Outputs	Participating UN organization-specific Outputs	Participating UN organization	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area-UNDAF)				Y1	Y2	Y3	Y4	
				2.10.2.3 Upgrade technical skill of associations/cooperatives and Provide demand driven technical assistance and material support to the selected informal processors to improve productivity, to facilitate registration, BDS provision, access to finance, access to work spaces, access to infrastructural services to support the transformation process 9(linked to 2.6 and 2.7)	10,000	40,000	15,000		65,000
Outcome Total					420,000	429,000	210,200		1,059,200

4

JP Outcome 3: Access to local and international markets for edible oil producers is improved % of producers with international markets access– Baseline

2009 0 access international market Target 2012: 10% increase

3.2 % Local market share , Baseline 2009 100 % Target 2012: 90 % (baseline and target is to be modified after the baseline survey)

JP Outputs	Participating UN organization-specific Outputs	Participating UN org.	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area-UNDAF)				Y1	Y2	Y3	Y4	
3.1 Vertical linkages between oil seed producers, traders and processors are improved through clustering Indicators: Number of networks undertaking joint actions, Number of BDS offering adapted services to small scale oil processors Baseline: Not available (depending on selected clusters) Target: At least one cluster of oil processing SMEs has enhanced its business performance	3.1.1. SME Networks formed and joint actions undertaken	UNIDO	MoTI	3.1.1.1 Identify and select clusters, along the value chain, with high concentration of SMEs where, with appropriate actions, poverty reduction effects can be expected	20,000				20,000
				3.1.1.2 Create awareness on benefits of greater linkage and cluster strategies	20,000				20,000
				3.1.1.3 Appoint cluster brokers and provide training on cluster development approach	25,000				25,000
				3.1.1.4 Support the brokers in mobilizing private and public sector actors around an action plan for enhancing business opportunities for the local oil seed processors and related enterprises	25,000	25,000	25,000		75,000
				3.1.1.5 Implement the action plan to improve the processing capacities of local processors, local employment opportunities, innovation in the manufacturing processes and cluster organization and foster responsible business practices	10,000	10,000	10,000		30,000
	3.1.2. Business Development Service (BDS) upgraded to offer services to SME oil processors			3.1.2.1 Identify potential networks and strengthen BDS providers to support SME oil processors	10,000				10,000
				3.1.2.2 Monitoring and Evaluation activities in the clusters					
3.2 Linkages between the processors and the marketing agents are enhanced. Indicators: Amount of transactions between the processors and the marketing agents Baseline: Not available Target: 10% increase	3.2.1. Joint marketing actions facilitated to networks of processors	UNIDO	MoTI	3.2.1.1 Assess the market structure and distribution of marketing agents		10,000			10,000
				3.2.1.2 Incorporate activities in the action plan (see 3.1.2.2) on market access (e.g. joint participation in trade fairs, formal sales agreements, etc.) for the benefit of processors' networks		10,000	10,000	X	20,000
				3.2.1.3 Monitoring and Evaluation activities in the clusters					

JP Outputs	Participating UN organization-specific Outputs	Participating UN org.	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area-UNDAF)				Y1	Y2	Y3	Y4	
3.3 Access to finance for the marketing agents and marketing cooperatives improved to enable bulk orders and bulk purchasing Indicators: positive cash flow, Number of marketing agents and marketing cooperatives benefiting from financial services No of savings are credit cooperatives established Number of SACCO members Baseline: 20 % of marketing agents and marketing cooperatives have access to finance and knows the rules and regulations to access fun and repay loans. Target: Number of marketing agents and marketing cooperatives benefiting from financial institutions increased by 50% 1 savings and credit cooperative established. Number of SACCO members <i>baseline and target is to be modified after the baseline survey)</i>	3.3.1 marketing agents and cooperatives are linked to financial service providers	ILO	MoTI	3.3.1.1 Develop a strategy document to identify financial institutions and finance scheme or window suitable for marketing agents and marketing cooperatives and implement the strategies (linked to 2.6.1)	10,000	0	0		10,000
				3.3.1.2 Provide trainings to the marketing agents and marketing cooperatives on business management, bookkeeping and inventory management	8,000	10,000	5,000		23,000
				3.3.1.3 Conduct training to financial institutions to diversify their service to grassroots producers, improve processes relating to loan review, risk rating/ loan classification, credit policy, internal controls and loan workout	5,000	10,000	3000		18,000
	3.3.2 Savings and credit cooperatives established	ILO	MoTI	3.3.2.1 Conduct community mobilization activities and carry out Consultations with producers to form cooperatives	15,000	5,000			20,000
				3.3.2.2 Conduct ongoing trainings on Cooperative education, conduct training on SACCOs management and design of by-laws, accounting.	10,000	15,000	5,000		30,000
				3.3.2.3 provide seed fund to start up the savings and credit cooperatives	25,000	35,000	12,000		72,000

JP Outputs	Participating UN organization-specific Outputs	Participating UN org.	Implementing Partner	Indicative activities for each Output	Resource allocation and indicative time frame*				Total
	(Enhanced Economic Growth thematic area-UNDAF)				Y1	Y2	Y3	Y4	
3.4 Marketing agents are enabled to access local, regional and international markets Indicators: No of new export destinations No of study tour organized. Baseline: -0 access to international market, -insufficient international, regional and market orientation, -limited knowledge of the expectations and requirement of the international market Target: 4 study tours organized 2 new export destinations identified. <i>(baseline and target is to be modified after the baseline survey)</i>	3.4.1 Capacity of marketing agents strengthened to access new markets (linked to 2.3 and 2.4).	ILO	MOTI	3.4.1.1 conduct and disseminate market assessment for regional and international markets	8,000				8,000
				3.4.1.2 Identify potential markets for the products including destination countries requirements for export, international and local best practice (linked to 3.4.1.1)					
				3.4.1.3 Develop marketing strategies to diversity market and provide technical assistance to implement the strategies.	10,000				10,000
				3.4.1.4 Train marketing agents and traders on marketing techniques		10,000			10,000
				3.4.1.5 Negotiate between individual producers or their association or cooperatives and Fair Trade Agencies (Twin Trade UK and TransFair USA) to generate demand	5,000	20,000	10,000		35,000
				3.4.1.6 Train associations to promote joint marketing (linked to 2.9 and 3.2.1))		10,000	10,000		20,000
				3.4.1.7 Organize study tours nationally, regionally and internationally to facilitate greater access to markets	25,000	70,000			95,000
M & E and baseline	- Base line survey -Updating existing - Midterm and final independent evaluation and impact assessment	UNIDO	MoTI, MoARD, FAO, ILO	- Recruitment of consultants to undertake the base line survey - Recruitments of consultants for mid-term and final independent evaluation	30,000	20,000	30,000		80,000
JP preparation	-JP formulation, inception workshop	UNIDO	MoFED, MoTI, MoARD	- Consultants recruited and inception workshop organized	20,000				20,000
Outcome Total					281,000	260,000	120,000		661,000

Budget for the whole period by category and participating UN Organization

		Participating UN Organization		
		FAO	UNIDO	ILO
1.1	Supplies, commodities, equipment and transport	258,000	360,000	162,000
1.2	Personnel (staff, consultants, travel and training)	301,000	284,200	154,000
1.3	Training of counterparts	237,600	275,000	390,000
1.4	Contracts	170,000	95,000	0
1.5	Other Direct Costs	25,000	66,850	25,000
	Total Direct Costs	991,600	1,081,050	731,000
2	UN Agency Indirect Cost	69,412	75,674	51,170
	Total per Agency	1,061,012	1,156,724	782,170
		Grand Total		2,999,956

6. Management and coordination arrangements

The Management and coordination arrangements will follow the *MDG Achievement Fund Guidance Note*.

The UNCT Resident Coordinator (RC) is entrusted with leadership of the overall programme design, ongoing programmatic oversight of the Fund's activities by co-chairing the National Steering Committee meetings, at the highest level of government-donor forum. The RC's role is to facilitate collaboration between Participating UN organisations to ensure that the programme is on track and that envisaged results are being delivered. He will also be the main interface between the MDG Achievement Fund Secretariat and the Multi donor Trust Fund Office on one hand and the UNCT on the other equivalent to a program Management Committee(s) (PMC), as indicated in the *MDG Achievement Fund Guidance Note*.

While the overall lead role of the JP lies with UNIDO, participating agencies will be responsible for management of their respective outcomes and outputs they share with each other.

FAO will take lead role in the implementation of outcome 1, "*Productivity and competitiveness of private sector led agricultural production of oilseeds is enhanced*". FAO has strong technical expertise in crop production, farm inputs supply, farm finance and credit services, agribusiness capacity building, support to marketing linkages between producers and input suppliers, and market integration of producers with other chain actors, which are main components for the first outcome of the JP. FAO will bring to the JP its 'best practices' from experience gained in other countries, especially the sub-region, as regards value chain development and facilitation of agribusiness linkages and capacity building in management and entrepreneurship for farmers associations and traders. Regarding attracting needed investment for improved production of seed, FAO will also collaborate closely with in particular UNDP, who has mandate and knowledge in the area of investment promotion.

UNIDO will take the lead in the second programme outcome: "*The capacity and competitiveness of the stakeholders for processing of edible oil seeds is enhanced*". UNIDO's approach to PSD in Ethiopia is focused on overcoming the constraints for SMEs in production and marketing, through promoting partnerships, cluster and networking development, creation of SME associations and the promotion of rural and women's entrepreneurship. UNIDO will contribute to the JP by bringing in technical advisory services for upgrading laboratories to international accreditation; development of metrology capacity; certification and inspection and technology promotion.

ILO will lead the component "*Access to local and international markets for edible oil producers is improved*". The ILO is the lead international organization in employment and entrepreneurship development. It will bring to the programme the capacity of addressing sectoral skills gaps to improve employability of SMEs and integrating SMEs into higher national and global value chains, thus promoting more equitable access of the poor to enjoy market opportunities. Gender equality is one of the ILO's mainstreamed strategies in order to promote equality of opportunities between men and women. The ILO can bring in its accumulated knowledge from the Women Entrepreneurship Development for Gainful Employment (WEDGE) project and value chain upgrading in the traditional weaving sector presently implemented in the country

National Steering Committee

The National MDG Steering Committee comprises: a) the UN Resident Coordinator b) government of Ethiopia represented by State Minister of MOFED and c) a local representative from the Government of Spain represented by the Ambassador of the Kingdom of Spain. The Co-chairs are the UN Resident Coordinator and the state Minister of MOFED. The NSC will have a key oversight role throughout the life of this and the other joint programs. It is responsible for overall coordination of the joint program and provides guidance to project implementation through its bi-annual meetings. It will provide strategic guidance and oversight and approve the PROGRAM Document including subsequent revisions, Annual Work Plans and Budgets. The NSC meets biannually and the co-chairs can invite UNIDO, FAO, ILO and MoTI as observers. Decisions of the NSC will be made through consensus. The primary responsibilities of the NSC include the following:

- Provide oversight and strategic guidance.
- Review and adopt the Terms of Reference and Rules of Procedures of the NSC and/or modify them, as necessary.
- Approve the JP document before submission to the Fund Steering Committee
- Approve the strategic direction for the implementation of the JP within the operational framework authorized by the MDG-F Steering Committee.
- Provide recommendations for attaining the anticipated outcomes as necessary.
- Approve the annual work plans and budgets submitted by MoTI to ensure their conformity with the requirements of the Fund as well as ensuring the quality of the PROGRAM documents.
- Review the Consolidated Joint Program Report from the MDTF secretariat office and provide strategic comments and decisions as well as communicate it to key stakeholders and participating UN agencies.
- Offer remedial action for emerging strategic and implementation problems.
- Ensure proper consultation with key stakeholders and other donors working on related programs on the country level to avoid duplication of efforts.
- Approve the communication and public information plan prepared by the PMC
- Ensure alignment of the MDG-F funded activities with the UN Strategic Framework or UNDAF approved strategic priorities.

Programme Management Committee

A Programme Management Committee (PMC) will be established to provide technical assistance and to closely monitor and evaluation of f the joint programme. The PMC will comprise of the representatives of the participating agencies namely UNIDO, FAO and ILO as well as the representatives of the Ethiopian Government counterparts including MoTI, MoARD, MoLSA, and MoFED and a representative of the project management team. The RC or his or her representative and a senior representative of MoTI will co-chair the PMC. The Joint programme management and experts can be invited to PMC meetings as needed.

The PMC will meet on a quarterly basis and will hold additional meetings where the PMC is needed to address issues directly related to management and implementation of programme.

The primary responsibilities of the PMC include the following:

- Follow up on the implementation of the project and ensure operational coordination,
- Approve the appointment of the project management team,
- Ensure resources are used to achieve outcomes and output defined in the programme,

- Ensure alignment of the MDG-F funded activities with the UN Strategic Framework or UNDAF approved strategic priorities,
- Establish the programme baseline to enable sound monitoring and evaluation,
- Establish adequate reporting mechanisms in the programme,
- Ensure integration of works plans, budgets, reports, and other programme related documents,
- Ensure that budget overlaps or gaps are addressed,
- Provide technical substantive leadership regarding the activities envisaged in the Annual Work Plan and provide technical advice to the NSC,
- Review and endorse progress report before it is submitted to the MDTF secretariat office on 28th February of each year,
- Offer recommendations on re-allocations, budget revisions and public information plans,
- Address emerging management and implementation problems, and Identify emerging lessons learned.
- Establish communication and public information plans.

The day to day activities of the project will be managed and coordinated by the Project Management Team (PMT) established under MoTI. One fulltime Program Coordinator will be assigned from MoTI at Federal level and resides in the MoTI premises. He/she is responsible for daily management of the joint program such as developing action plans, monitoring activities, and producing reports. He/she will be accountable to MoTI who is the co-chair of the PMC. UNIDO, as the lead agency, also assigns or recruits one program coordinator to coordinate and facilitate the day to day communication between the participating agencies and the implementing partners(MOTI & MoARD). He/she will be accountable to UNIDO and work closely with the program coordinator at the MoTI

At regional level, the JP Management Team (JPMT) will be established and led by a designated representative of BOTI. This is a technical and management team that will closely monitor programme implementation through technical backstopping support to target project sites implementing agencies. The Regional JPMT team will be composed of technical experts drawn from BoTI and BOARD and other relevant governmental bureaus. In addition to these technical functions the JPMT will consolidate regional level project performance reports. A fulltime project officer and an account employed for this purpose will run the day-to-day activities of the project.

7. Fund management arrangements:

In order to attain the objective of the JP, each of the three outcomes is to be led by the one agency with the respective competence, and to be implemented in accordance with the guidance provided by the PSC. Although each of the three agencies holds the overall responsibility of one outcome, as shown in the result matrix, Section V, there are possibilities of involvement of the agencies in the implementation of certain outputs within the other two outcomes as well. This is to maximize the competencies of all agencies across the whole chain. Common use of tools (list of rosters, interviews, knowledge/facts bases and networks of collaborating partners etc) will be used to furthest extent possible for cost efficiency. The estimated budget for the JP is USD 2,999,956 (including M&E and support costs).

Each organization assumes complete programmatic and financial responsibility for the funds disbursed to it by the Administrative Agent and can decide on the execution process with its partners and counterparts following the organization's own regulations.

Each participating UN organization establishes a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent. Participating UN organizations are requested to provide certified financial reporting according to the budget template. Participating UN organizations are entitled to deduct their indirect costs on contributions received according to their own regulation and rules, taking into account the size and complexity of the particular programme.

Subsequent installments will be released in accordance with Annual Work Plans approved by the NSC. The release of funds is subject to meeting a minimum commitment threshold of 70% of the previous fund release to the participating UN Organizations combined commitments (commitments are defined as legally binding contracts signed, including multi-year commitments which may be disbursed in future years.) If the 70% threshold is not met for the programme as a whole, funds will not be released to any organization, regardless of the individual organizations performance.

On the other hand, the following year's advance can be requested at any point after the combined disbursement against the current advance has exceed 70% before the end of the twelve month period, the participating UN organizations may upon endorsement by the NSC request the MDTF to release the next installment ahead of schedule. The RC will make the request to the MDTF Office on NSC's behalf.

Any fund transfer is subject to submission of an approved Annual Work Plan and Budget to the MDTF Office.

Coordination Mechanism: Once the JP has been developed and agreed jointly by the participating UN organizations, the arrangements for management, review, and coordination will be documented, including role and responsibilities of the AA. The JP coordination mechanism shall include all signatories to the joint programme document.

7.1 Cash transfer modalities

Cash transfer modalities will refer to the participating agencies transfer of funds to the implementing partners. This will be based on national GoE aligned systems and implementation procedures in areas such financial rules and regulations, auditing and procurement arrangements. Ministry of Finance and Economic Development (MoFED) is the national coordinating body and assumes ultimate responsibility for overall management and coordination of UN programming and Bureau of Finance Economic Development (BoFED) at regional level. Based on Harmonized Cash Transfer systems (HACT) and the respective Country Programmes/Country Programme Action Plan as applicable of the participating UN agencies, project funds will be channeled at Federal and Regional levels through public financial institutions.

UNIDO, FAO and ILO will channel JP funds to the federal IPs upon receipt of fund release authorization from MoTI (PMT) for federal level activities and to Regions for regional level implementation based on AWP to BoFED, who will then disburse funds to Regional Sector Bureaus for regional level activities and Woreda Office of Finance and Economic Development (WoFED) for Woreda level activities. The WoFED in turn will effect payment for activities implemented by the Woreda sector Offices based on the AWP. BoFED and WoFED are responsible for channeling funds to implementing partners and coordinating and reporting on fund flow whereas MoTI and its

respective Regional Bureaus and district (Woreda) offices, as the national implementing partners assume full responsibility and accountability for preparing their JP AWP and for the effective use of JP fund and the effective management and delivery of outputs as outlined in JP annual work plans

On the implementing partners' side, MoTI, MoARD and MoLSA will be accountable to MoFED and the Donor for quality, timeliness and effectiveness of services provided to the ultimate beneficiaries and activities carried out, as well as for the utilization of funds.

The participating UN agencies will transfer Cash to implementing partners using the following modalities:

- i) Cash transferred directly to the Implementing Partner. It can be prior to the start of activities (direct cash transfer), or after activities have been completed (reimbursement);
- ii) Direct payment modality may be applied when the Implementing Partner requests the UN participating Agency. This includes: Direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; or Direct payments to vendors or third parties for obligations incurred by UN agencies in support of activities agreed with Implementing Partners

8. Feasibility, risk management and sustainability of results

Feasibility

Ethiopia has big potential in oilseeds production, and the number of private sector in the value chain has been increasing due to the government efforts to improve business environment. As a result, the oilseeds value-chain in Ethiopia functions to some extent, although there are some bottlenecks to be removed. The supports to be provided by the JP is to remove these bottlenecks in order to improve already existing economic activities which is likely to be successful. Due to the government policy prioritizing oilseeds sector and private sector development as well as production potential and improved business environment which are mentioned earlier, it is fair to say that the feasibility of JP is very high.

Risk Management

The JP may face the issue of legal enforcement in contract farming. This issue will be addressed by training/ awareness raising for farmers as well as strengthening the vertical linkages particularly between farmers and traders through workshops joint planning and provision of the platform for dialogue.

Investment promotion, credit service facility, warehouse receipt, and enhancement of use of agricultural inputs require stable policy back-up provided by various Ministries. The JP will enhance the coordination and dialogue between UNCT and the Government as well as among Ministries so that the JP will receive adequate policy support for the successful implementation.

Sustainability of Results

Achieving the project objectives requires continuous capacity building of stakeholders and service delivery, both beyond this programme and after its completion. Sustainability of results will be ensured by establishing a regulatory framework, strengthening existing infrastructures and build the capacity of implementing partners and beneficiaries through training and other interventions. A central principle of the programme, and key to sustainability, is to utilize and further build national capacity. The joint programme approach allows to pull in staff with high levels of regional experience and sectoral knowledge from FAO, ILO, UNIDO and UNDP. These staff will work with local counterparts from Government, private sector, CSO and communities to ensure their skills are transferred effectively.

Being one of the cross-cutting issues identified and clearly highlighted by assessments is the weak capacity for partners to effectively implement the programme. Capacity building is the central element hence the programme will address this problem with specific activities aimed at capacity building at both the local and national levels

Once the capacity of the target groups in the value-chain is strengthened through the JP, it is envisaged that the acquired capacity will be maintained and even further enhanced after it is completed. Also, activities in the JP include the development of strategies in various areas which farmers, traders, processors as well as the public and private sector build on and utilize even after the JP. Therefore, the results of the JP are expected to sustain to a great extent.

The JP envisages establishment of various systems such as credit facilities and warehouse receipts system., modern storage systems, quality and standards services. With the view to sustain the JP results, these will be established in connection with existing institutions so that the operation will be taken over by relevant Government institutions at the end of the JP. For instance, establishment of pilot warehouse receipt will complement the Common Fund for Commodity program in Ethiopia which provides officers in Ethiopia Commodity Exchange (ECEX) with the training on warehouse receipts. The staff of ECEX will manage and operate warehouse receipts and it will continue after the JP. The pilot warehouse receipts system is a show case for banks and investors to join the warehouse receipts business. Together with the government promotion program, the showcase will attract more investment on the warehouse receipts system and it will replicate the system for other parts of the country. Likewise, the credit facility is connected to farmers' cooperatives which have been providing credit service particularly for input purchase. The credit facility is to provide seed funds and capacity building for up-scaling these existing cooperatives which have difficulties in expanding its operation. The operation and management will be continued by cooperatives even after the JP as the credit service has been provided by them. Similarly, services for quality and standards for the sub-sector will be established within the Quality and Standards Authority of Ethiopia (QSAE) and the services will be part of the regular activities of the Authority when the JP pulls out.

9. Monitoring, evaluation and reporting

At the beginning of the joint programme, a baseline data survey will be conducted. This will be complemented by data collected through various studies planed in the programme, and the joint program will set the baseline of the indicators against which the project achievement will be evaluated at later stages.

The M&E shall be conducted throughout the duration of the JP, following M&E guidelines of the MDG-Fund as well as UNDAF M&E plan. The JP work plan shall be reviewed quarterly and annually. Each UN lead agency for the designated output would report into an integrated reporting system results achieved, lessons learnt, and contributions made to the JP based on UNDG guideline 'Note on Joint Program' reporting format. In addition, there shall be a final evaluation and mid term review. The mid term review will be organized by the MDG-F Secretariat.

M&E data shall be assembled on a monthly basis at the Program management units of MoTI. Data shall be checked for completeness and accuracy and are then submitted monthly to the PMT. Data on program performance shall be maintained, processed, and performance analyzed on a quarterly basis to gauge program performance and impact.

During implementation, joint monitoring visits will be undertaken by a team from MoFED, MoTI, MoARD, UNIDO, FAO and ILO to project implementation sites and site-visit reports in accordance with above mentioned M&E system prepared and documented. The monitoring reviews will be adapted to the UNDAF Monitoring and Evaluation Calendar and serve as inputs to UNDAF annual, mid-term and final reviews. As for evaluation, annual reviews by the same team and, as appropriate, one or several donors active in the field of edible oils, will be done. An independent mid-term evaluation as well as final evaluation will also take place. In addition, the JP will produce semi-annual reports and work plans to be reviewed by the PSC as per below arrangements.

The indicators for the M & E of the JP are meant to track the performance in each of the outcomes and outputs, for example, seed crushing performance (quality and quantity), process refining (utilized capacities and level of capacities,) and market access (accreditation, access to finance/, export levels,) etc. Another important dimension of the creation of the M&E system will be to align it with the UNDAF Monitoring and Evaluation Plan.

The program-monitoring framework for the JP is given in Table ... , outlining expected results from the result framework, corresponding indicators, methods of collecting indicators, responsible agency, and risks and assumptions.

Reporting

The MDTF office is responsible for the annual Consolidated Joint Programme Progress Report, which will consist of:

AA Management Brief: The management brief consists of analysis of the certified financial report and the narrative report. The management brief will identify key management and administrative issues, if any, to be considered by the NSC.

Narrative Joint Programme Progress Report: This report produced through an integrated Joint programme reporting arrangement. The report should be reviewed and endorsed by the PMC before it is submitted to the MDTF office on 31 of March each year.

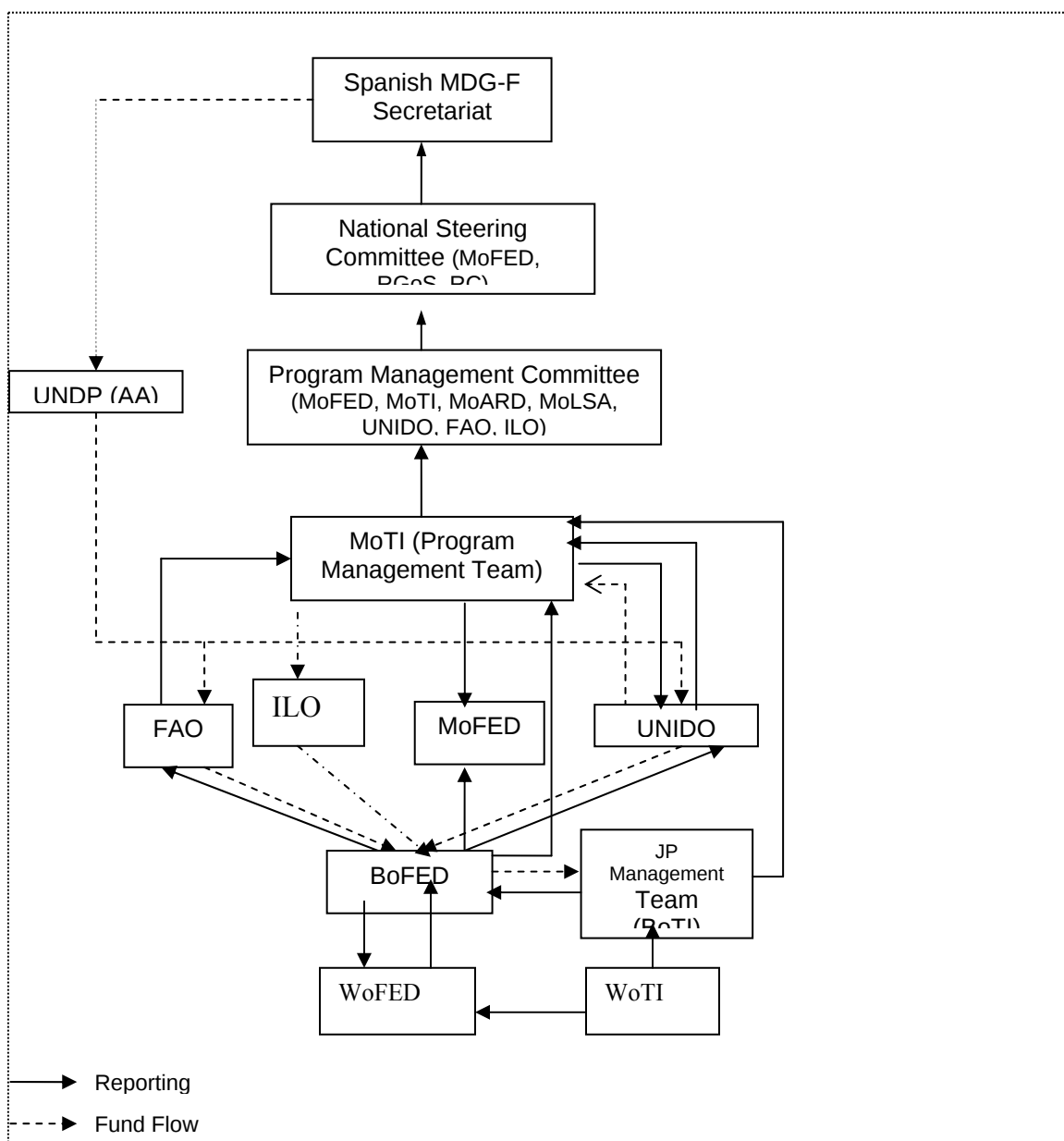
Financial Progress Report: Each participating UN organization will submit to the MDTF Office a financial report stating expenditures incurred by each programme during the reporting period. The deadline for this report is 30 April.

The PMT will prepare and submit the quarterly progress and annual reports to the Program Management Committee which will prepare one annual Joint Program narrative report according to the MDG-F reporting template. The PMC reports annually to the NSC and the final clearance stands with the NSC.

With regard to reporting, implementing partners at different levels will undertake the following responsibilities:

- BoFED will be responsible to provide quarterly financial and physical reports to UNIDO, FAO, ILO, MOFED and MoTI (Program Management Team), which will be the basis for releasing subsequent advances/funds;
- MoTI (PMT) will provide quarterly reports to UNIDO, and MOFED, while Regional Bureaus at regional level are responsible to prepare similar quarterly reports and submit to BoFED.
- At Woreda level, WoFED is responsible to provide quarterly financial reports to BoFED whereas Woreda Sector Offices are responsible to prepare similar quarterly physical reports and submit to WoFED and Regional Sector Bureaus.
- Regional Sector Bureaus will be responsible to provide financial and physical reports to BOFED, which will be the basis for releasing subsequent advances/funds.

Coordination, Fund Transfer and Reporting Arrangement



10. Programme Monitoring Framework

	Expected results (Outcomes and outputs)	Indicators (with baseline and indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risk and assumption
	Outcome 1. Productivity and competitiveness of private sector led agricultural production of oilseeds is enhanced (Lead Agency FAO)	Outcome indicators: Oilseed yield [tonnes/ha]. Unit Price of oilseed [Birr/kg]. Unit Cost of production [Birr/kg] Baseline: Oilseed yield: 0.72 tonnes/ha. Unit price of oilseeds: 4.7 Birr/kg. Unit cost of production: 5.77 Birr/kg (CSA Data). Target (2012): Yield: 1,0 tonnes/ha Unit Price of oilseed: 5.2 Birr/kg Unit Cost of production: 5.19 Birr/kg	Survey at the end of the project CSA data (Targets To be fine-tuned after the baseline survey)	Terminal report	FAO	The macro-economic conditions and political climate remains stable; The government and other partners remain committed to Program priorities;
1.1	The supply of farm inputs (seeds, fertilizers and chemicals) is improved. (FAO)	<u>Indicator:</u> Amount of seeds produced in the project area Amount of seeds supplied in timely manner. Amount of imported inputs (chemical and fertilizer) supplied in timely manner <u>Baseline:</u> Not available	Periodic progress reports Gap analysis report Cooperative licenses, membership list Participants list Documentation of proceedings	Quarterly/ annual/ mid-term/ terminal report	FAO	Capacity limitation, Delay in getting returns from the field, Delay in disbursement of fund,

Expected results (Outcomes and outputs)	Indicators (with baseline and indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risk and assumption	Expected results (Outcomes and outputs)
1.2	Access to credit is facilitated for the small holder and commercial farms to enable easier procurement of inputs. (FAO)	- Number of credit service beneficiaries - Number of women benefited from the credit service	Survey to credit service providers	annual/ mid-term/ terminal report	FAO	Capacity limitation Delay in disbursement of fund,
1.3	Market-oriented Farming is developed (FAO)	Number of contract farmers in project areas Pilot Warehouse receipt system developed Number of SMEs, cooperatives and traders trained in business management Baseline: Baseline conducted by SNV BOAM	Project report list of participants ,training proceedings	Quarterly/ annual/ mid-term/ terminal report	FAO	Capacity limitation Business environment Enforcement of contract, Delay in disbursement of fund, willingness of farmers
1.4	Enhanced investment in the Production of oilseeds (FAO in collab. with UNDP)	Investment promotional materials/ strategy developed Investment in oilseeds sector	Investment materials /strategic document	mid-term/ terminal report	FAO	Delay in disbursement of fund

	Expected results (Outcomes and outputs)	Indicators (with baseline and indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risk and assumption
	Outcome 2: Capacity, capacity utilization and quality of the end product the targeted oilseed processing plants is enhanced	Indicators: Oil production [tonne/year] - Capacity utilization [%] Quality [% of production meeting standards] Baseline: Oil production: X tonne/year. Capacity utilization: 55%; Quality: 30% meets the standards; Target (2012): Oil production: 2*X tonne/year Capacity utilization: 80%; Quality: 80% meets the standards	(The exact level of current oil production will be determined at project start-up) Survey at the end of the project	Terminal report	UNIDO	The macro-economic conditions and political climate remains stable; The government and other partners remain committed to Program priorities;
2.1	Storage, cleaning and grading of the oil seeds improved.	Indicators: Number of cleaning and grading facilities used; Estimated post harvest losses % Baseline: No storage, cleaning and grading facilities for oilseeds exist; Post harvest losses are estimated to 20%; Raw material for processors often of poor quality; Targets: 4 Cleaning and grading facilities operational; Post harvest losses in targeted cooperatives drop to less than 6%;	Seed cleaning equipment procured Report on effects on post harvest losses for dissemination purposes prepared	Quarterly/ annual/ mid-term/ terminal report	UNIDO	The targeted cooperatives are able to improve their income by selling oilseeds of a higher quality

	Expected results (Outcomes and outputs)	Indicators (with baseline and indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risk and assumption
2.2	Improved processing efficiency in the targeted oilseed processing industries	Indicators: Extraction efficiency % Baseline: 2008: Outdated processing plants produce less than 200 kg oil per tonne oilseeds (<20%) Target: Extraction efficiency of 400 kg oil per tonne installed in targeted factories (40%)	Business plans prepared; Equipment procured and installed;	Quarterly/ annual/ mid-term/ terminal report	UNIDO	The processors are able to increase their volume of procurement of oilseeds and are willing to expand their businesses; Effective and full cooperation from financial institutions
2.3	Product safety and quality improved	Indicators: Number of HACCP certified processing plants Baseline: Only one edible oil factory in Ethiopia is HACCP certified and employ quality standards. Targets: 4 processing plants upgraded and employ international safety and quality standards	Gap analysis; HACCP training reports; Internal Audit reports; External Audit reports; Certificates;	Quarterly/ annual/ mid-term/ terminal report	UNIDO	The processors are able market products of higher quality without losing market shares caused by increased costs of production

	Expected results (Outcomes and outputs)	Indicators (with baseline and indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risk and assumption
2.4	The packaging of the final product is made more attractive for the market	Indicators: Number of processing plants using modern packaging lines Baseline: Only one edible oil factory has a modern packaging line installed Targets: 4 processing plants upgraded and have a modern packaging line installed	Report on packaging material; Progress reports on upgrading of packaging lines;	Quarterly/ annual/ mid-term/ terminal report	UNIDO	The processors are able market products of higher quality without losing market shares due to increased costs
2.5	Edible oil producers capacity and competitiveness enhanced through PPP	Number of studies commissioned Number of PPP forums organized Number of study tours made Number of trained personnel	Study reports List of participants	Quarterly/ annual/ mid-term/ terminal report	UNIDO	Delay in disbursement of fund

	Expected results (Outcomes and outputs)	Indicators (with baseline and indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risk and assumption
2.6	Access to finance for the processors including processors cooperatives improved. (ILO)	Indicators: Number of processors benefiting from financial institutions, Number of financial institutions providing loans to the processors. Number of special loan windows negotiated. Baseline: Number of oil seed processors with access to financial services less than 5% Target (2012): Number of processors benefiting from financial institutions increased by 25% Number of financial institutions providing service to the edible oil processors increased by 40%	Survey reports; training and workshop participants lists, list of guidelines developed, list of financial institutions (baseline and target is to be modified after the baseline survey)	Participants lists collected at workshops and trainings: Inception survey 2010; end-of-project survey 2012	ILO	-Effective and full cooperation from financial institutions -stability of the financial sector -The political and the macro-economic situation remains stable -Ability and willingness of the processors to utilize the financial institutions.

	Expected results (Outcomes and outputs)	Indicators (with baseline and indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risk and assumption
2.7	Capacity of Business Development Service(BDS) providers enhanced to deliver relevant and effective services to the processors including processors cooperatives	Indicators: Number of processors reached by BDS providers; Number of improved services offered by the BDS Providers; Baseline: 15% of processes are benefiting from BDS Target: 50% of the processors benefited from improved BDS; Timeframe: 2010-2012	Baseline survey and impact assessment study in 2012, Workshop and training reports, Quarterly progress reports Final customer survey among processors (baseline and target is to be modified after the baseline survey)	Participants lists collected at workshops and trainings Quarterly/ annual/ mid-term/ terminal report	ILO	-The political and the macro-economic situation remains stable -Willingness and commitment from all stakeholders. -
2.8	The occupational safety and Health (OSH) practice of the large processors and cooperatives strengthened.	Indicators: Number of large processors, and cooperatives with OSH management system; Number of Safety and Health Committee in the large processing companies; Baseline: 0 large processing company and cooperatives have comprehensive OSH systems in place; 2 large crushing or refining companies have adequate safety and hygiene standards; Target: 15 processing industries have comprehensive OSH programmes;	Assessment reports, Workshop reports; Quarterly progress reports, Final customer survey among processors, list of processing industries with OSH system (baseline and target is to be modified after the baseline survey)	Participants lists collected at workshops and trainings Quarterly/ annual/ mid-term/ terminal report	ILO	Willingness and commitment of processors, Continued interest of leaders in large processing industries

	Expected results (Outcomes and outputs)	Indicators (with baseline and indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risk and assumption
2.9	Processors organized to get economic of scale, representation and voice.	Indicators: Number of new associations formed that provide relevant and effective services to the processors Number of processors accessing information Market information through the association Increase membership of processors cooperative unions or association Baseline: one association, the Ethiopian Pulses, Oilseeds and Spices Processors Exporters Association (EPOSPEA) providing limited service. Target: 2 associations formed 50% of the members accessed information through the Association. No of members of each cooperative unions/associations <i>(baseline and target is to be modified after the baseline survey)</i>	Manual for developing associations in place Quarterly progress reports Member lists of newly established associations <i>(baseline and target is to be modified after the baseline survey)</i>	Interviews, Quarterly/ annual/ mid-term/ terminal report	ILO	Commitment and willingness of the processors to be organized.

	Expected results (Outcomes and outputs)	Indicators (with baseline and indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risk and assumption
2.10	Processors in the informal economy upgraded to graduate into the formal economy	Number of informal processors registered as SME or cooperatives, No of informal processors benefiting from BDS service Baseline: 1000 Target: 100 informal processors registered as SME or cooperatives 40% accessed BDS services (baseline and target is to be modified after the baseline survey);	Workshop report; Strategy in place; Quarterly progress reports; List of formally registered operators; Survey among informal processors regarding access to and value of BDS services; (baseline and target is to be modified after the baseline survey)	Quarterly/ annual/ mid-term/ terminal report Government statistics of licensed enterprises	ILO	-Informal operators are willing to actively participate and collaborate on the programme. -The political and the macro-economic situation remains stable

	Expected results (Outcomes and outputs)	Indicators (with baseline and indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risk and assumption
	Outcome 3: Access to local and international markets for edible oil producers is improved	Indicators: % of producers with access to international markets Local market share [%] Baseline: 0 % of producers with access to international markets Local market share [X %] Target (2012): 10 % of producers with access to international markets Local market share [90%]	Survey at the end of the project (baseline and target is to be modified after the baseline survey)	Terminal report	ILO	The macro-economic conditions and political climate remains stable; The government and other partners remain committed to Program priorities;
3.1	Vertical linkages between oil seed producers, traders and processors are improved through clustering	Indicators: Number of networks undertaking joint actions, Number of BDS offering adapted services to small scale oil processors Baseline: Not available (depending on selected clusters) Target: At least one cluster of oil processing SMEs has enhanced its business performance	Monitoring by cluster development agents (CDAs) assigned in the target clusters	Quarterly/ annual/ mid-term/ terminal report	UNIDO	Support and commitment of local government

	Expected results (Outcomes and outputs)	Indicators (with baseline and indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risk and assumption
3.2	Linkages between the processors and the marketing agents are enhanced.	Indicators: Amount of transactions between the processors and the marketing agents Baseline: Not available Target: 10% increase	Monitoring and surveys by cluster development agents (CDAs) assigned in the target clusters	Quarterly/ annual/ mid-term/ terminal report, supplementary surveys (at the start and end of project)	UNIDO	Oil processors are willing to cooperate in marketing
3.3	Access to finance for the marketing agents and marketing cooperatives improved to enable bulk orders and bulk purchasing	Indicators: positive cash flow, Number of marketing agents and marketing cooperatives benefiting from financial services No of savings are credit cooperatives established Number of SACCO members Baseline: 20 % of marketing agents and marketing cooperatives have access to finance and knows the rules and regulations to access fun and repay loans. Target (2012): Number of marketing agents and marketing cooperatives benefiting from financial institutions increased by 50% 1 savings and credit cooperative established.	Strategy document, list of financial institutions , Workshop and training reports, Quarterly progress reports, Final customer survey among processors (baseline and target is to be modified after the baseline survey)	Participants lists collected at workshops and trainings ,Quarterly/ annual/ mid-term/ terminal report	ILO	-instability of the financial sector The political and the macro-economic situation remains stable -Effective and full cooperation from financial institutions

	Expected results (Outcomes and outputs)	Indicators (with baseline and indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risk and assumption
3.4	Marketing agents are enabled to access local, regional and international markets	Indicators: No of new export destinations No of study tour organized. % of total imports by the targeted beneficiaries Baseline: -0 access to international market, -insufficient international, regional and market orientation, -limited knowledge of the expectations and requirement of the international market	Participants list, marketing strategy, list of countries exported to. Study tour reports; (baseline and target is to be modified after the baseline survey)	Quarterly/ annual/ mid-term/ terminal report Interviews study tour participants	ILO	-instability of the financial sector The political and the macro-economic situation remains stable -No new external shocks (global economic crisis, natural disasters) Countries to be visited are open to provide information.

11. Ex-ante Assessment of cross-cutting issues

Environment

In Ethiopia, the degradation of farmland has been the crucial issue for economic activities as well as decent livelihood. Even though the JP will not mainly focus on this issue, it will still address the issue of farm land degradation for oilseed producers through capacity strengthening particularly in activity 1.1.1 because seed for oilseed crops should be produced in an environmentally sound manner in order to sustain the benefit from the development of oilseed value-chain. Providing training on sustainable land management and soil conservation, the JP will contribute to prevent oilseeds farm land from degrading any further.

HIV/AIDS

HIV/AIDS has been one of the developmental challenges in Ethiopia. The adult HIV/AIDS prevalence of the country is 2.1% and the number of deaths due to AIDS in 2007 is estimated at 71,902. The pandemic is highly affecting the productive segment of the society. It has also been documented that the HIV/AIDS epidemic affects every workplace, with prolonged staff illness, absenteeism, death impacting on productivity, employee benefits, occupational health and safety, production costs and workplace morale. Recent simulation of the ILO shows that, in Ethiopia, the economy lost over US 234 million (7% of GDP) annually from 1992-2002 due to labour losses some of which are attributed to HIV/AIDS. The programme will mainstream HIV/AIDS in all activities. Specifically it will focus on ensuring access to knowledge and education to communities and on the application of the “train the trainer” method to reach as many programme beneficiaries and stakeholders as with HIV/AIDS information.

Gender

There are a number of women involved in the production, processing and trade of oilseeds. Although the JP targets not only women but also men, it will, for certain, benefit women in the oilseeds value chain and contribute to improve their livelihood.

12. Legal Context or Basis of Relationship

Participating UN Organizations	Agreement
FAO	The participation of FAO in this Joint Programme is governed by its founding constitution known as the “Basic Text” interpreted for operational purposes through Field Programme Circular B. In Ethiopia, FAO operations are governed by the Host Country Agreement signed on January 30, 2008 for the establishment of the FAO-Sub regional Office for Eastern Africa (SFE).
UNIDO	This Joint Programme Document together with the CPAP signed by the Government and UNDP, which is incorporated by reference constitutes the Project Document - the instrument referred to as such in Article I of the Standard Basic Assistance Agreement (SBAA) between the Government of Ethiopia (GoE) and the United Nations Development Programme, signed by the parties on 26 February 1981.
ILO	The participation of ILO in this Joint Programme is governed by the Host Country Agreement between the Federal Democratic Republic of Ethiopia and International Labour Organization signed on 8 September 1997. In accordance with its Article 10, the agreement entered into force on 4 June 2001, date of receipt by the organization of the approval of the Government.

Anex 1: Annual Workplan for "Edible Oil Value Chain Enhancement"

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implement-ing Partner	PLANNED BUDGET		
				Q1	Q2	Q3	Q4		Source of Funds	Budget Description*	Amount US\$
Outcome 1. "Productivity and competitiveness of private sector led agricultural production of oilseeds is enhanced". (Lead Agency FAO)											
JP Output 1.1 Supply of farm inputs (seeds, fertilizers and chemicals) is improved. (FAO)											
1.1.1	Technical support given to seed producers/farmer associations to enhance quality/quantity in oil seed production.	FAO	1.1.1.1 Provide seed producers with technical training for seed production (twice a year, targeting 30seed producers)	X	X			MoARD,	MDG F	Personnel Supplies Training	12,000 4,000 8,000
			1.1.1.2 Provide on-farm technical advise for 30 seed producers								
			1.1.1.3 Provide basic seed and fertilizer to 30 seed producers								
1.1.2	Capacity building on entrepreneurship, business planning production and marketing provided to seed producers	FAO	1.1.2.1 Provide training on entrepreneurship, business planning, quality standards and marketing to 30 seed producers	X				MoARD,		Training	15,000
			1.1.2.2 Assist in the development of business plan for seeds production								
			1.1.2.3 Provide on-demand consultation and advice on entrepreneurship, business planning, quality standards and marketing								
1.1.3	Access to fertilizers facilitated by a government and private sector facility.	FAO	1.1.3.1 Develop voucher system for fertilizer, improved seed and other inputs	X	X	X		MoARD,		Contract	115,000

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implement-ing Partner	PLANNED BUDGET			
				Q1	Q2	Q3	Q4		Source of Funds	Budget Description*	Amount US\$	
1.1.4	Support and incentives to enhance cooperatives and private sector participation in input supplies for oil seed producers.	FAO	1.1.3.2 Training in the voucher system (20 cooperatives and 40 private sector input providers)	X	X			MoARD,		Training	2,000	
			1.1.3.3 Implement the voucher system with monitoring and technical supports									
			1.1.4.1 Review of status and policies for farm input and propose a policy strategy on incentives for the private sector/ cooperatives investments									
			1.1.4.2 Provide seed fund to buyer cooperatives for input supply									
			1.1.4.3 Monitor the policy strategy and provide technical assistance in implementation									
JP Output 1.2 Access to credit is facilitated for the small holder and commercial farms to enable easier procurement of inputs.. (FAO)												
1.2.1	Credit facilities supported through financial intermediaries for procurement of farm inputs. (linked to 1.1.3)	FAO	1.2.1.1 Develop implementation strategy for facilities through dialogue with commercial banks and cooperatives (Including the dissemination workshop)	X	X	X		MoARD,		Contract	122,000	
			1.2.1.2 Provide seed fund for credit service									
			1.2.1.3 Monitor the implementation of credit facilities and provide technical assistance in implementation									

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implement-ing Partner	PLANNED BUDGET		
				Q1	Q2	Q3	Q4		Source of Funds	Budget Description*	Amount US\$
JP Output 1.3 Market-oriented farming is enhanced											
1.3.1	Contract farming procedures between producers and agro-processors/ exporters are developed and implemented –linked to cluster zones approach (see3.1)	FAO	1.3.1.1 Review the experiences from other countries, legal and technical practice and procedures regarding contract farming, and develop a package for contract farming	X	X			MOARD		Personnel Contract Training	11,000 8,000 12,000
			1.3.1.2 Organize workshops to facilitate the package on contract farming implementation and contract agreements (2 workshops for farmers and 1 for processors)								
			1.3.1.3 Facilitate implementing the package for contract farming								
			1.3.1.4 Monitor the contract farming and provide technical assistance								
1.3.2	Capacity building and institutional support provided to cooperatives, small traders and other SMEs to improve their management skills and capabilities, to enhance their competitiveness and profitability	FAO	1.3.2.1 Provide continuous training on entrepreneurship, business management (financial management and order administration) given to the buyer cooperatives and the small traders. (targeting on 80 private sector stakeholder such as traders, exporters, wholesalers etc and 20 buyer cooperatives)	X				MoARD ,		Training	16,000

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implement-ing Partner	PLANNED BUDGET			
				Q 1	Q2	Q3	Q4		Source of Funds	Budget Description*	Amount US\$	
1.3.3	Pilot system in warehouse receipts linked to ECEX set up	FAO	1.3.3.1 Develop a warehouse receipt system for oil seed producers and traders in close consultation with government authorities, ECEX, traders and other private sector	X	X			MoARD,		Contract	149,000	
			1.3.3.2 Upgrading of warehouse and other facilities									
			1.3.3.3 Pilot test the warehouse receipt system with hands-on training									
			1.3.3.4 Monitoring the operation of warehouse receipts system and provide technical assistance									
			1.3.3.5 A dissemination workshop for promotion									
JP Output 1.4 Warehouse receipt system piloted (FAO)												
1.4.1	Investment enhancing strategy is developed verified	FAO	1.4.1.1 Develop a promotion strategy (clustering, policy measures and strengthening BDS: linked to2.6.2)to enhance private investment in the oil seeds sector		X	X		MOTI MOARD		Personnel	14,000	
			1.4.1.2 A dissemination workshop on investment promotion strategy (Government officials, investors development bank and donors)									
			1.4.1.3 Pilot test the strategy in one economic growth corridor.									

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implementing Partner	PLANNED BUDGET			
				Q1	Q2	Q3	Q4		Source of Funds	Budget Description*	Amount US\$	
Outcome 2. " The capacity and competitiveness of the stakeholders for processing of edible oil seeds is enhanced". (Lead Agency UNIDO)												
JP output 2.1 Storage, cleaning and grading of the oil seeds improved.												
2.1.1.	Cleaning and grading facilities (including storage) established in four market oriented cooperatives on a pilot basis	UNIDO	2.1.1.1. Develop selection criteria for the market oriented cooperatives based on geographical impact, size of harvest, linkages to processors etc.	X				MoTI	MDG F	Equipment	110,000	
			2.1.1.2 Install the equipment in the selected cooperatives and provide subsequent training on it.				X					X
2.1.2	Results of the pilot effectively disseminated among other market-oriented cooperatives and processors	UNIDO	2.1.2.1 Engage extension workers in disseminating the positive effects of cleaning and grading facilities (such as better price per kg oilseed) among other market-oriented cooperatives				X	MoTI	MDG F	Training	20,000	
			2.1.2.2 Conduct a roundtable meeting with the processors, presenting the positive results (such as improved quality and quantity of raw material) from the participating processors									
JP output 2.2 Improved processing efficiency in the targeted oilseed processing industries (UNIDO)												
2.2.1.	Oil extraction technology modernized in targeted processing plants	UNIDO	2.2.1.1 Develop selection criteria for 4 edible oil processing plants to be upgraded in terms of extraction efficiency, product safety and quality (linked to 2.3) and packaging line (linked to 2.4)	X				MoTI, QSAE	MDG F	Equipment	40,000	

No.	UN organization JP Outputs and specific Annual targets	UN organiza tion	Key Indicative Activities for Each Output	TIME FRAME				Implement -ing Partner	PLANNED BUDGET		
				Q1	Q2	Q 3	Q4		Source of Funds	Budget Descriptio n*	Amount US\$
JP Output 2.3.1	2.3 Product safety and quality improved Selected processing plants upgraded to improve overall quality and food safety	UNIDO	2.2.1.2 Assess the required extraction capacity in the targeted processing plants and calculate the total cost of upgrading the extraction technology.		X	X					
			2.2.1.3 Assist the targeted processing plants in developing business plans and in acquiring funding for the upgrading (linked to 2.6)				X				
			2.3.1.1 Conduct a gap analysis		X	X					
			2.3.1.2 Upgrade the technology in order to improve the quality and food safety (linked to 2.6)								
			2.3.2.1 Provide the necessary training on quality management (HACCP) to the employees of the processing plants								
2.3.2	Selected processing plants HACCP certified (ISO 22000)	UNIDO	2.3.2.2 Arrange for an internal audit					MoTI	MDG F		
			2.3.2.3 Arrange for an external audit and certification of ISO 22000								
			JP Output 2.4 The packaging of the final product is made more attractive for the market								
2.4.1	Packaging lines of selected processing plants in Oromiya and Amhara Regions upgraded	UNIDO	2.4.1.1 Assess the implications of using different sorts of packaging materials such as availability, environmental concerns, cost effectiveness, possibilities for recycling etc.				X	MoTI	MDG F	Personnel	15,000

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implement -ing Partner	PLANNED BUDGET		
				Q 1	Q2	Q3	Q4		Source of Funds	Budget Description*	Amount US\$
JP Output 2.5 Edible oil producers capacity and competitiveness enhanced through PPP											
			2.4.1.2 Upgrade the packaging lines (linked to 2.3 and 2.6)								
2.5.1	Working group on edible oil with in PPP structure established and capacity to dialogue strengthened.	UNIDO/U NDP	2.5.1.1 To organize working group sessions on edible oil sub-sector within PPP structure		X			MoTI, MoARD	MDG F	Training Personnel	10,000 10,000
			2.5.1.2 To commission analytical works based on the recommendations of the working group focused on production and improved marketing schemes			X					
2.5.2	Knowledge and best experience gained from other countries on edible oil sub sector	UNIDO/U NDP	2.5.2.1 To organize study tours to good practice areas to benefit from their experience		X			MoTI, MoARD	MDG F	Personnel	50,000
			2.5.2.2 To provide short term training for selected technical personnel			X					
2.5.3	Agro-industry master plan promoted through PPP	UNIDO/U NDP	2.5.3.1 To adopt relevant recommendations of agro-industry master plan related to edible oil sub-sector			x		MoTI, MoARD	MDG F	Training	15,000

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implement -ing Partner	PLANNED BUDGET				
				Q1	Q2	Q 3	Q4		Source of Funds	Budget Description n*	Amount US\$		
JP Output 2.6 Access to finance for the processors including processors cooperatives improved. (ILO)													
2.6.1	Barriers to access financial services lifted	ILO	2.6.1.1 Conduct a desk review and needs assessment to identify key barriers to access finance and to develop financial products(lending, savings, insurance) suitable for the target group	x	x	x		MoTI, MoARD,	MDG F	Personnel Training	4,000 6,000		
			2.6.1.2 Conduct series of high level roundtable meetings with the processors and financial institutions to address the key barriers and to develop mitigation strategy	x	x	x							
2.6.2	Processors are linked to financial service providers	ILO	2.6.2.1 Develop selection criteria to identify suitable financial service provider.	x	x			MoTI, MoARD,	MDG F	Personnel	5,000		
			2.6.2.2 Assess and select financial service providers suitable for the processors based on the selection criteria (linked to 2.6.1.1).		x	x							
			2.6.2.3 Conduct consultations to negotiate special loan windows (emphasis on access and cost) with the selected financial service providers to reach with agreements on special finance windows		x	x	x						

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implementing Partner	PLANNED BUDGET			
				Q 1	Q2	Q3	Q4		Source of Funds	Budget Description*	Amount US\$	
2.6.3	Capacity of processors and financial institutions enhanced	ILO	2.6.3.1 Provide trainings to the processors on business management, bookkeeping and inventory management			x	x	MoTI, MoARD,	MDG F	Training Personnel	12,000 5,000	
			2.6.3.2 Provide training to financial institutions to diversify their service to processors at all level, to improve processes relating to loan review, risk rating/ loan classification, credit policy, internal controls and loan workout				x					
			2.6.3.3 Adapt/develop and disseminate guidelines and/or manuals to facilitate access to finance.				x					x
			2.6.3.4 Continuous follow up and support to the processors to effectively utilize the loans				x					x
			JP output 2.6 The management capacity and Occupational Safety and Health (OSH) systems and practices of the processors, including processors cooperatives are strengthened. (ILO)									
2.7.1	Capacity of relevant government institutions built to create conducive environment for new BDS providers and to strengthen the existing ones	ILO	2.7.1.1 Conduct demand and supply assessment of the Business Development Service (BDS) and analyze the assessment findings		x	x		MOTI,	MDG F	Personnel Training	10,000 4,000	
			2.7.1.2 Provide the necessary support to attract the existing BDS providers to expand their services to the target groups and attract new BDS providers (linked to 2.7.2.2)		x	x						x
			2.7.1.3 Conduct consultations to introduce the BDS providers to the beneficiaries.		x	x						x

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implement-ing Partner	PLANNED BUDGET			
				Q 1	Q 2	Q3	Q4		Source of Funds	Budget Description*	Amount US\$	
2.7.2	BDS providers avail BDS that is demand driven and responds to the needs of SMEs and larger processors	ILO	2.7.2.1 Conduct Capacity building (ToT workshops) to BDS providers to improve their service delivery to the processors, based on the assessment (linked to 2.8.3.1)			x	x	MOTI,	MDG F	Training	15,000	
			2.7.2.2 conduct training to Federal and Regional Micro and Small Scale Development Agencies to assist BDS providers			x	x					
			2.7.2.3 Provide technical assistance to BDS providers			x	x					
			JP Output 2.8 Processors in the informal economy upgraded to graduate into the formal economy And association and /or entrepreneurs' cooperatives developed to provide service the cooperatives, SMES and large processors . (ILO)									
2.8.1	The state of OSH practices and gaps in the processing industry identified	ILO	2.8.1.1 Identify the state of OSH practices and gaps in the processing industry					MOTI,	MDG F	Contract, personnel and training		
			2.8.1.2 Conduct workshop to discuss the gaps and problems related with OSH and prepare action plan to address the gaps and problems.									
2.8.2	Enterprise level OSH programmes in place.	ILO	2.8.2.1 Develop selection criteria for identifying processing industries to initiate OSH programmes (linked to 2.8.1.1).					MOTI,	MDG F	Contract, training, personnel		

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implementing Partner	PLANNED BUDGET			
				Q1	Q2	Q3	Q4		Source of Funds	Budget Description*	Amount US\$	
JP Output 2.9 Processors organized to get economic of scale, representation and voice												
			2.8.2.2 Provide technical assistance to the selected processing industries to implement enterprise level OSH programmes									
			2.8.2.3 Conduct training to BDS providers on OSH issues in order to provide OSH related services to the processors (linked to 2.7)									
2.9.1	Association and /or entrepreneurs' cooperatives formed which provides relevant and effective services to the processors(linked to 2.5 and 3.1)	ILO	2.9.1.1 organize consultations and provide training to processors to enable them form an association			x	x	MOTI,	MDG F	Training Equipment	20,000 24,000	
			2.9.1.2 Provide building training to the leadership (how to manage associations and design of by-laws) and link members to different service providers (linked to 2.6, 2.7 and 2.8).			x	x					
			2.9.1.3 Provide demand driven technical, materials and equipment support for the capacity building of the association (based on project proposal received from individuals, associations or cooperatives.			x	x					

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implement-ing Partner	PLANNED BUDGET		
				Q1	Q 2	Q3	Q4		Source of Funds	Budget Descript ion*	Amount US\$
JP Output 2.10 Processors in the informal economy upgraded to graduate into the formal economy											
2.10.1	key drivers of informality among the processors identified	ILO	2.9.1.5 Provide demand driven support to facilitate experience sharing with similar sectoral associations			x	x	MOTI	MDG F	Personne l	10,000
			2.10.1.1 Conduct a comprehensive study to identify the key drivers of informality among processors.			x	x				
			2.10.1.2 provide technical assistance to informal operators to formalize them(registration ..etc)in partnership with the local authorities			x	x				
2.10.2	Enabling capacity, system and infrastructure in place to facilitate the transformation. (Linked to 2.6 and 2.7).	ILO	2.10.2.1 Review rules, regulations, and policies of the formal sector and develop a strategy to enable the informal processors to join the formal sector.			x	x	MOTI	MDG F	Personne l. Training, Supplies, Equipme nt	4,000
			2.10.2.2 Implement and follow up the strategy			x	x				4,000
			2.10.2.3 upgrade technical skills of associations/ coop-eratives and provide demand driven technical assistance and material support to the selected informal processors to improve productivity, to facilitate registration, BDS provision, access to finance, access to work spaces, access to infrastructural services to support the transformation process 9(linked to 2.6 and 2.7)								7,000

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implement-ing Partner	PLANNED BUDGET			
				Q1	Q2	Q3	Q4		Source of Funds	Budget Description*	Amount US\$	
Outcome 3. " Access to local and international markets for edible oil producers is improved. (Lead Agency ILO)"												
JP output 3.1 The packaging of the final product is made more attractive for the market. (UNIDO)												
3.1.1	SME Networks formed and joint actions undertaken	UNIDO	3.1.1.1 Identify and select clusters, along the value chain, with high concentration of SMEs where, with appropriate actions, poverty reduction effects can be expected	X	X			MoTi	MDG F/	Personnel Training	50,000	
			3.1.1.2 Create awareness on benefits of greater linkage and cluster strategies		X	X					50,000	
			3.1.1.3 Appoint cluster brokers and provide training on cluster development approach				X					
			3.1.1.4 Support the brokers in mobilizing private and public sector actors around an action plan for enhancing business opportunities for the local oil seed processors and related enterprises				x					
			3.1.1.5 Implement the action plan to improve the processing capacities of local processors, local employment opportunities, innovation in the manufacturing processes and cluster organization and foster responsible business practices				x					
3.1.2	Business Development Service (BDS) upgraded to offer services to SME oil processors	UNIDO	3.1.2.1 Identify potential networks and strengthen BDS providers to support SME oil processors		x	x	x	MoTi	MDG F/ local government	Training.	10,000	

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implement-ing Partner	PLANNED BUDGET			
				Q1	Q 2	Q3	Q4		Source of Funds	Budget Description*	Amount US\$	
JP output 3.2 Linkages between the processors and the marketing agents are enhanced. (UNIDO)												
			3.1.2.2 Monitoring and Evaluation activities in the clusters			x	x					
3.2.1	Joint marketing actions facilitated to networks of processors	UNIDO	3.2.1.1 Assess the market structure and distribution of marketing agents					MoTI	MDG F/ local government	Personnel		
			3.2.1.2 Incorporate activities in the action plan (see 3.1.2.2) on market access (e.g. joint participation in trade fairs, formal sales agreements, etc.) for the benefit of processors' networks									
			3.2.1.3 Monitoring and Evaluation activities in the clusters									
JP Output 3.3 Access to finance for the marketing agents and marketing cooperatives improved to enable bulk orders and bulk purchasing . (ILO)												
3.3.1	Marketing agents and cooperatives are linked to financial service providers	ILO	3.3.1.1 Develop a strategy document to identify financial institutions and finance scheme or window suitable for marketing agents and marketing cooperatives and implement the strategies (linked to 2.6.1)			x	x	MoTI	MDG F	Training, Personnel,	10,000 13,000	
			3.3.1.2 Provide trainings to the marketing agents and marketing cooperatives on business management, bookkeeping and inventory management									

No.	UN organization JP Outputs and specific Annual targets	UN organization	Key Indicative Activities for Each Output	TIME FRAME				Implementing Partner	PLANNED BUDGET			
				Q1	Q2	Q3	Q4		Source of Funds	Budget Description*	Amount US\$	
			3.3.1.3 Conduct training to financial institutions to diversify their service to grassroots producers, improve processes relating to loan review, risk rating/loan classification, credit policy, internal controls and loan workout				x					
3.3.2	Savings and credit cooperatives established	ILO	3.3.2.1 Conduct community mobilization activities and carry out Consultations with producers to form cooperatives		x	x	x	MoTI	MDG F	Contract, Training	30,000 20,000	
			3.3.2.2 Conduct ongoing trainings on Cooperative education, conduct training on SACCOs management and design of by-laws, accounting.		x	x	x					
			3.3.2.3 provide seed fund to start up the savings and credit cooperatives		x	x	x					
JP Output 3.4 Marketing agents are enabled to access local, regional and international markets . (ILO)												
3.4.1	Capacity of marketing agents strengthened to access new markets (linked to 2.3 and 2.4).	ILO	3.4.1.1 conduct and disseminate market assessment for regional and international markets and Provide training and advisory follow-up on compliance with national and international labor standards to enhance competitiveness.	x	x			MOTI	MDG F	Personnel Training	40,000 8,000	
			3.4.1.2 Identify potential markets for the products including destination countries requirements for		x	x	x					

			export, international and local best practice (linked to 3.4.1.1)										
			3.4.1.3 Develop marketing strategies to diversity market and provide technical assistance to implement the strategies.		x	x	x						
			3.4.1.4 Train marketing agents and traders on marketing techniques		x	x	x						
			3.4.1.5 Negotiate between individual producers or their association or cooperatives and Fair Trade Agencies (Twin Trade UK and TransFair USA) to generate demand		x	x							
			3.4.1.6 Train associations to promote joint marketing (linked to 2.9 and 3.2.1))		x	x	x						
			3.4.1.6 Organize study tours locally , regionally and internationally to facilitate greater access to markets				x						
	Baseline survey conducted and existing data updated	UNIDO	Consultants for conducting base line survey for updating existing base line data and preparing new at the beginning of the JP.	x	x			MDG F			Personnel	30,000	
	Preparation of JP Document	UNIDO	Consultants, inception workshop	x				MDG F			Personnel	20,000	

Budget for the first year by category and participating UN Organization

		Participating UN Organization		
		FAO	UNIDO	ILO
1.1	Supplies, commodities, equipment and transport	124,000	165,000	31,000
1.2	Personnel (staff, consultants, travel and training)	37,000	210,000	91,000
1.3	Training of counterparts	67,000	105,000	99,000
1.4	Contracts	260,000	0	30,000
1.5	Other Direct Costs	10,000	50,000	10,000
	Total Direct Costs	498,000	530,000	261,000
2	UN Agency Indirect Cost	34,860	37,100	18,270
	Grand Total	532,860	567,100	279,270