

Agro-BIG Inception Report/ Summary

The Agro-business Induced Economic Growth (Agro-BIG) Programme in Amhara Region is using the Value Chain Approach to develop agricultural value chains in the TanaBeles Growth Corridor. The idea is to address the value chain constraints of specific selected agricultural commodities. A Value Chain Analysis will be made for each selected value chain to, among others, map out the actors and stakeholders and their relations, identify their constraints and needs, identify potentials and prospects for value chain development and suggest Programme interventions.

Activities started in early January 2013, in the form of an Inception Period, during which time a number of specific activities and outputs were completed. The team of technical advisors arrived and procurement of equipment necessary for the establishment of an operational office took place. A financial agreement was signed with the donor, launching workshops took place, at regional and woreda levels, and the basic programme structure, with the establishments of a Supervisory Board, Technical Committees, focal persons etc., was put in place.

With these basic arrangements in place, activities got underway, with a focus on getting the Programme prepared for the implementation of a two year pilot phase. Although it had been assumed that the Programme should work with the value chains of onion and honey, it was quickly discovered that honey was not favoured, by the Regional Government. A lot of discussions then took place over which product should replace honey. It was eventually decided that the Programme should work with onions and potatoes. These two value chains have been extensively analysed and mapped during the Inception Period.

The one assumption that has caused delays and confusion is that BoFED according to the Programme Document should provide Agro-BIG with office space, provision of office furniture and basic equipment such as telephones, in addition to cover running costs of the offices. However, BoFED has not been in the position to allocate such funds to this donor-supported intervention and the donor has been reluctant and restrictive in allowing such costs to be covered from the Programme Budget. Consequently, the Programme has during the Inception Period been without funding for a number of key areas.

This budget problem also delayed the arrival of the Programme Director. In order to enable the Programme Director to operate, the TA-budget has been utilized to procure basic office furniture, communication equipment and even to finance workshops. With no vehicle having been allocated either, it is TA-vehicles that have provided transport for the Programme Director. The late arrival of the Programme Director also meant that a moratorium was put on the recruitment of technical advisors. The TA-team has operated at below the planned capacity.

However, in spite of the difficulties, the Programme has been going forward. The two value chains for onion and potato have been analysed in depth. Technical and economic aspects have been enriched with special studies on gender and seed aspects and on issues related to environment and climate change. A Results Based M&E System has been designed. The original Programme Document has been revised and improved, so that it now contains updated

information on many general issues, like facts and figures, but above all the document has been reinforced with data that has been collected, related to the two value chains.

The main changes made in relation to the update of the Programme Document include:

- The Programme Document itself has been restructured to follow a format set up by MFA, which has meant a shortening of the text to adhere to a suitable length. During the editing process, repetitions have been removed, contradictions sorted and consistency has been followed.
- The Budget has been thoroughly revised to reflect the projected actual expenditure during 2013 and in consideration of a reallocation of funds for 2014 and 2015 from the implementation budget to allow for an increase of the PSU and TA budgets, to cover identified requirements underestimated in or left out of the original budget. At the same time, the work plan has been updated.
- As aspects of M&E are not clearly described in the original Programme Document, where there are references to various M&E teams that do not exist in monetary terms, this has been brought up to date and given a realistic space in the revised Programme Document. A comprehensive Results Based M&E System has been identified that will be introduced and used during the life time of the Programme. Special attention has been given to arrive at a set of useful and measureable indicators to be able to determine programme results and success.
- To enable stakeholders to have easy access to funds and financial services, a set of detailed guidelines for how to operate three specific funds have been prepared, in parallel to the preparation of similar guidelines for financial management and procurement.
- Attention has been given to a better analysis of the “actors and stakeholders” who are expected to participate in the Programme, considering specific constraints to gender, youth, age and disability.

Based on the above, the following issues now need to be considered:

- Operational funds must be made available for the office of the Programme Director
- A proper M&E System, which ideally should be results based, is required. To start-up and operate such a system requires the services one full time TA, for one initial year.
- With ten long term TAs in place, in addition to a number of short term consultants, will require more stand-by transport than what is specified in the original PD:
- The process of recruiting short term consultants need to be simplified, considering that these consultants will be employed by the international consulting company who is fully responsible for their performance.

In line with the above, and considering that the budget allocated for the Programme during this first year has been far from fully utilized, certain reallocations can now be made to enable the programme to utilize the available funds effectively.

The recommendations to the Agro-BIG Supervisory Board, at this time after a lengthy and well documented inception period, is to approve the revised Programme Document, including the revised Programme Budget, so that implementation can start.

