Guiding seed sector transformation

17 May 2019,
Addis Ababa

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ISSD Ethiopia

Integrated Seed Sector Development in Ethiopia Programme

Outline

The outline to this story is as follows:

- **Background to the Ethiopian seed sector**
- **Introduction to ISSD Ethiopia**
- **Recent opportunities for transformation**
- **Guiding sector transformation model**
- **Achievements and lessons learnt**

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Background

- **Until 2008, seed provision was only part of national extension program**
- **The amount hardly exceed 24k tonnes**
- **Extensive extension work has increased the demand for seed**
- **Until 2011 nearly all seed producers were out-growers of the government**
- **Between 2008-09, three more parastatal enterprises established**
- **In 2011, seed production nearly doubled that of 2009**

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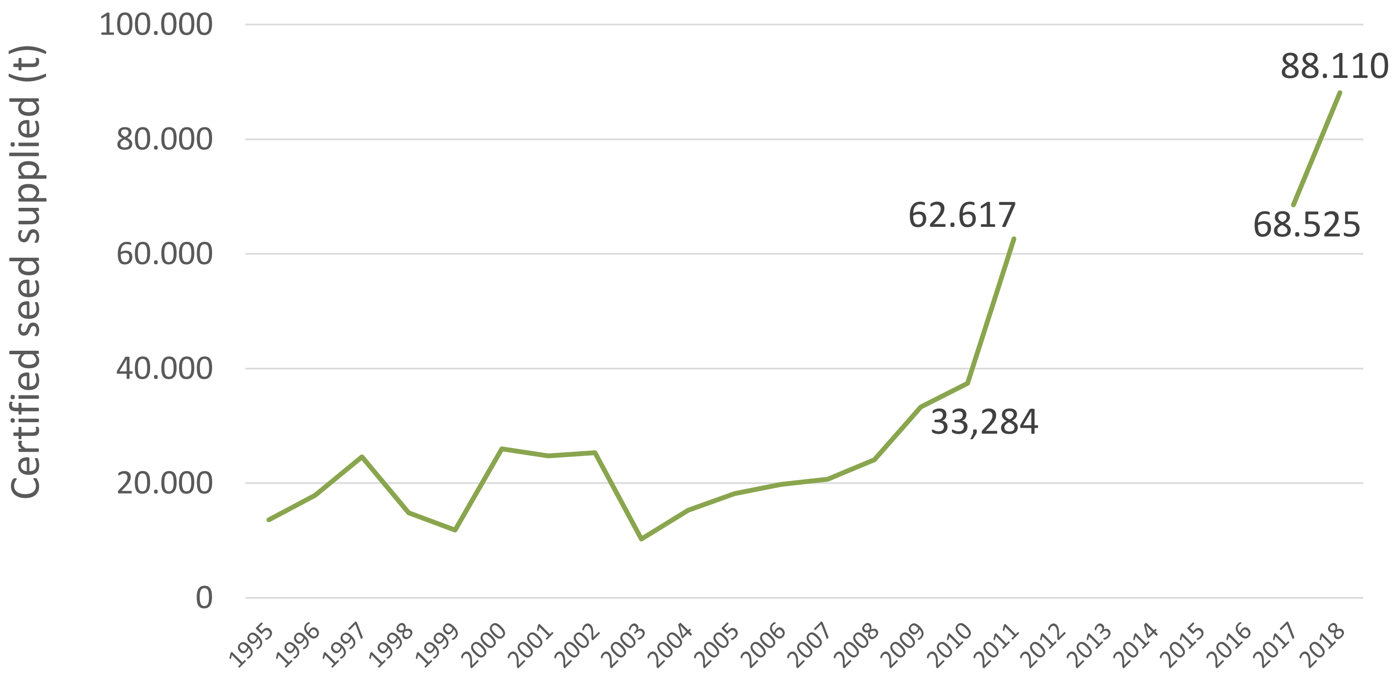
Background



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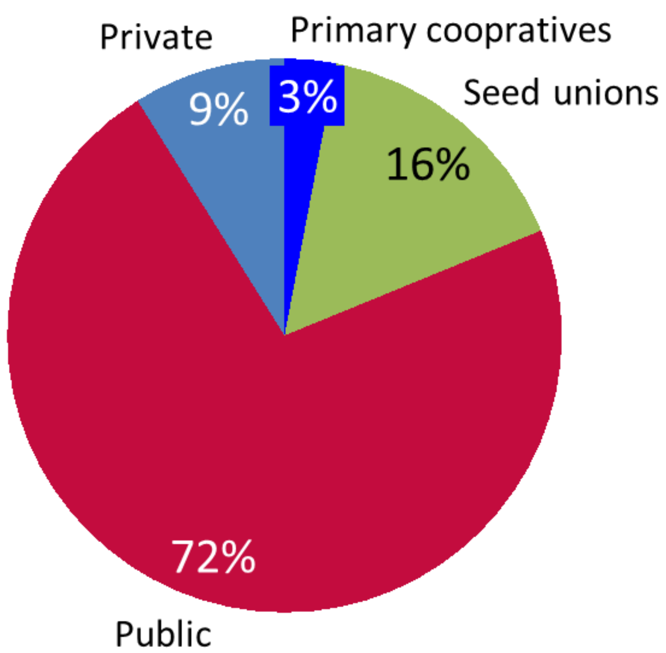
Background



- **At present, formal seed systems supply is 20-25% of the seed sown by farmers**
- **There are over 40 private seed producers**
- **Private companies have a mere 9% of market share**
- **However, for hybrid maize, the share is as high as 40%**

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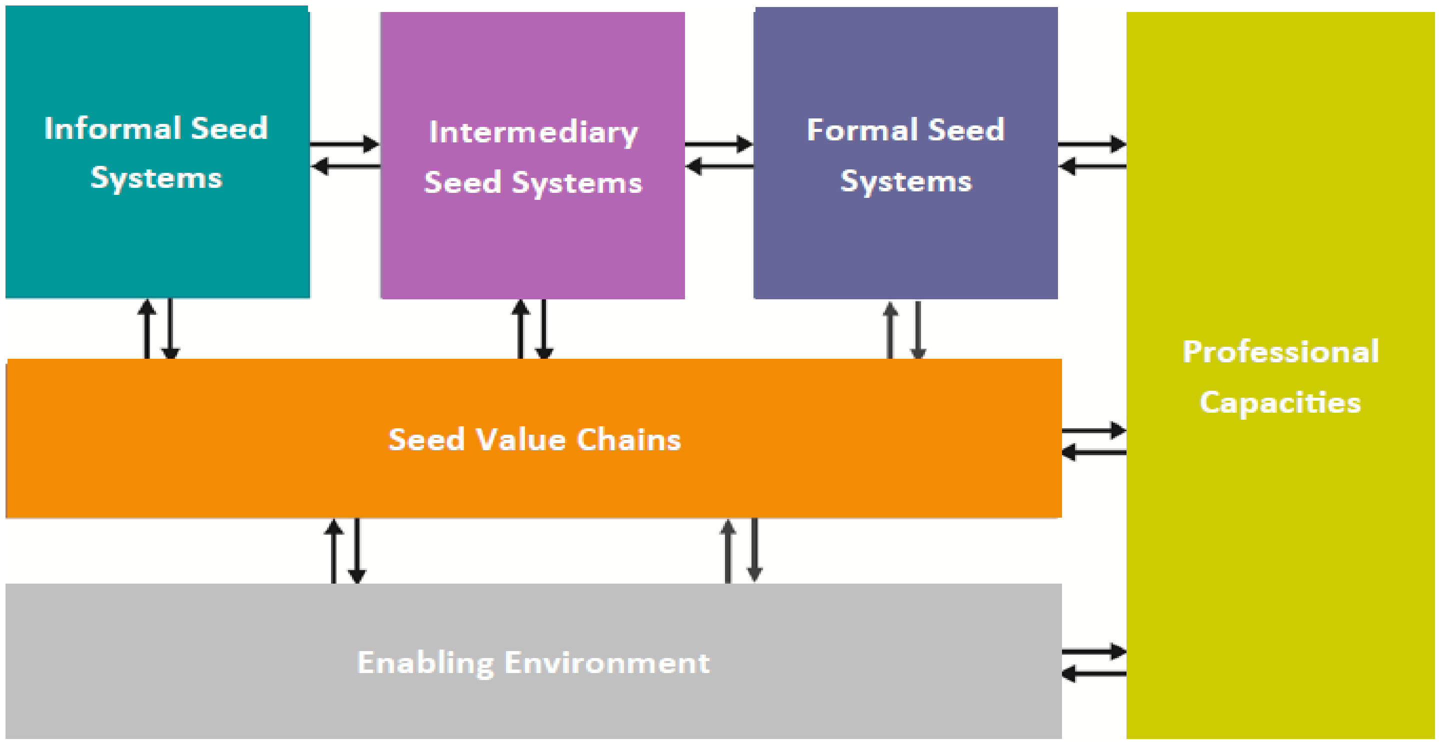
Challenges

- **While seed production is increasing, seed value chain development has lagged behind**
  - **EGS supply is limited and institutional arrangement does not fit to the production level**
  - **No seed marketing but inefficient distribution**
  - **Seed quality assurance is weak**
- **Important developments this past decade include:**
  - **Piloting direct seed marketing**
  - **Establishment of three regional regulatory authorities**
  - **Joint planning, task division & contractual EGS supply**
  - **Ad hoc coordination structures**
    - regional Seed Core Groups,
    - National Seed Advisory Group, and
    - Seed Units of MoA and BoAs

Introduction to ISSD Ethiopia



A vibrant, pluralistic and market oriented seed sector in Ethiopia

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Recent opportunities for transformation

Recent political turmoil and reforms in Ethiopia

- **Cabinet change in 2017**

- **Greater levels of inclusiveness by government**

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Recent opportunities for transformation

- **Organizing seed unit for strategic guidance**
- **Establishment of National Seed Advisory Group**
- **Monthly meetings with the state-/minister**
- **Convening the National Seed Platform**
- **Interest to change, but no internal motivation**

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Recent opportunities for transformation

- **Yet another change**
- **New state-/minister assigned in September 2018**
- **Good rapport with state minister**
- **Strengthened National Seed Advisory Group coalition**
- **Planned to move from a piecemeal to holistic approach**

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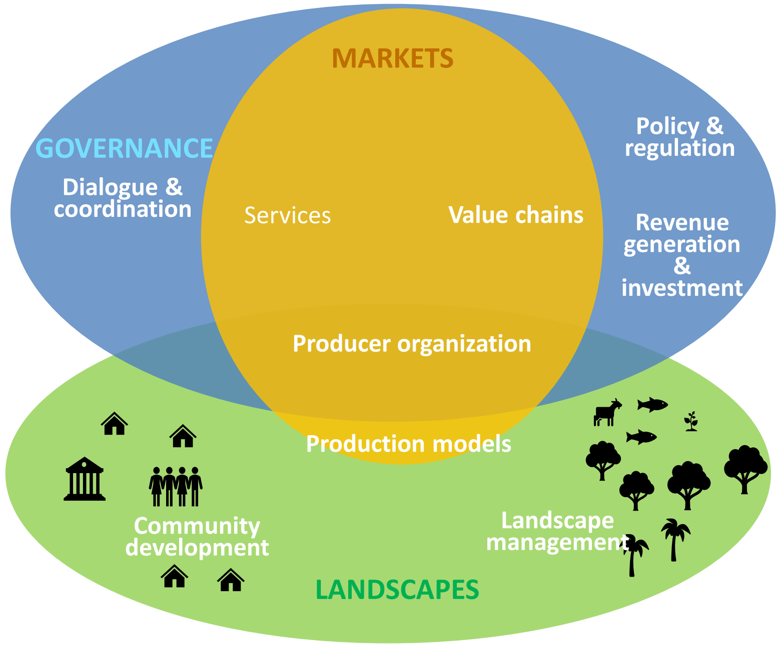
Guiding sector transformation

Three spaces to transform sectors:



Landscapes
- Viable **production models**, embedded in **landscapes** and **communities**

Markets
- Effective **producer organizations** to access services and markets
- Viable and scalable **service delivery models** to support value chains
- Transparent and fair **value chains** to incentivize good performance

Governance
- Conducive **regulation** and sector-wide **investments** for a level playing field
- **Coordination** and alignment of investments in sustainability

aidenvironment

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In 2040, the seed sector contributes to increased productivity, food security and income. It is self-sufficient, economically viable and efficient in ensuring availability, accessibility and affordability of high quality seed. It is internationally competitive and regionally harmonized. The sector is market-oriented, able to adapt and innovate continuously and is inclusive of different actors' needs. Biodiversity is maintained through conservation of genetic resources and seed provision of diverse crops and varieties. The sector is environmentally sustainable. Furthermore, it is well-organized, -coordinated and –regulated, independent and transparent.

Services
- Quality assurance is independent
- Quality assurance partners with and not only polices producers' in quality control
- Quality assurance may be voluntary, whilst random checks are carried out
- Quality assurance charges fees to cover some costs, also obtains public funds
- Private entities are state accredited in carrying out quality inspection
- QDS is applied to intermediary system
- Rural agri-financial service is expanded
- Producers get tailored financial products
- Services of machinery hire affordable

Production
- Seed companies develop varieties
- Public investment in neglected crops
- Royalties are paid for public varieties
- Seed is produced by public enterprises, private companies and PPPs
- Public enterprises establish EGS depts.
- Private companies produce own EGS and focus mainly on hybrids
- Through PPPs, low profit margin seed is produced for neglected crops
- 60% of the market share captured by private companies and PPPs
- Companies engage in marketing

Markets
- Market demand governs crop, variety, package, price and channel offered
- Markets play an important role in determining policies and regulation
- Marketing infrastructure is improved
- Agro-dealers penetrate rural areas and actively participate in seed marketing
- Agro-dealers collect real demand data
- Competition in quality, price and method of payment is created
- Margins generated by each actor in the chain are agreed upon through contracts
- Government builds trust between actors

Revenue generation & investment
- Tariffs and levies are charged on the import and export of seed respectively
- Fees for variety release, business registration and CoCs are charged
- ESA collects for strategic investment
- Revenue collection improved by ICT
- Development of improved varieties for food and nutrition security is funded
- Research for mechanization, irrigation and plant protection is funded
- Human resources are developed
- Promotion campaigns are paid for
- Coordination convening costs covered

Sector coordination
- Platform(s) accommodate all seed actors
- Regional participation in national dialogue is facilitated
- Coordinating bodies are embedded in government and deal only with seed
- Coordinating bodies are well staffed
- Leadership is competent, effective and accountable to higher bodies
- Respective mandates, roles and responsibilities in the sector are clear
- M&E system measures performance
- Coordinating bodies are transparent source of relevant sector information

Regulation & management
- Seed marketing is liberalized
- Playing field for seed marketing is level
- Small-, medium-, and large-scale enterprise is enabled
- Government analyses statistics on crop production and shares data on climate, market and consumer behaviour trends
- Monopoly is prevented by government
- Seed reserve system is introduced
- Standards are equivalent internationally
- Improved legal frameworks for contractual agreements are developed
- Accountability is enforced

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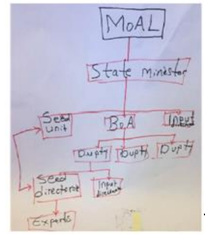
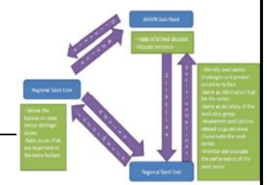
Achievements and lessons learnt

November 2018

April 2018



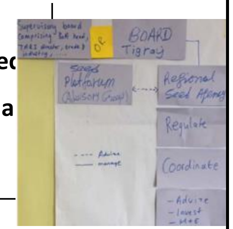


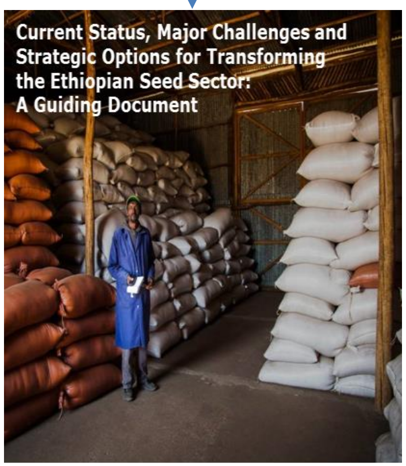
January 2019

Regions developed

-shared vision created

-governance road ma




Current Status, Major Challenges and Strategic Options for Transforming the Ethiopian Seed Sector: A Guiding Document

National Seed Advisory Group
Federal Ministry of Agriculture,
Addis Ababa
January 2019

February 2019

Finalized the draft seed policy

February 2019

Drafted Amendments to the 2013 Seed Proclamation

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Achievements and lessons learnt

Embrace systemic change

- **Take the vision of the future as a port of departure and not today's problems**
- **Focus the narrative on root causes of the problem and not its symptoms**

Manage adaptively

- **Timing is everything, grab opportunities when the present themselves**
- **Be inclusive in managing stakeholder participation**
- **Be aware that you are policy entrepreneur**

Invest in social capital

- **Be present in the field as well as the boardroom**
- **Sector transformation is a long game, so be willing to make long term commitments**

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