Guiding seed sector transformation

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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
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
Background

Certified seed supplied (t)

0 20,000 40,000 60,000 80,000 100,000


33,284 62,617 88,110
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%.
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
A vibrant, pluralistic and market oriented seed sector in Ethiopia
Recent opportunities for transformation

Recent political turmoil and reforms in Ethiopia
• Cabinet change in 2017

• Greater levels of inclusiveness by government
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
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
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
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.

<table>
<thead>
<tr>
<th>Services</th>
<th>Production</th>
<th>Markets</th>
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<tbody>
<tr>
<td>• Quality assurance is independent</td>
<td>• Seed companies develop varieties</td>
<td>• Market demand governs crop, variety, package, price and channel offered</td>
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<td>• Quality assurance partners with and not only polices producers’ in quality control</td>
<td>• Public investment in neglected crops</td>
<td>• Markets play an important role in determining policies and regulation</td>
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<td>• Quality assurance may be voluntary, whilst random checks are carried out</td>
<td>• Royalties are paid for public varieties</td>
<td>• Marketing infrastructure is improved</td>
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<td>• Quality assurance charges fees to cover some costs, also obtains public funds</td>
<td>• Seed is produced by public enterprises, private companies and PPPs</td>
<td>• Agro-dealers penetrate rural areas and actively participate in seed marketing</td>
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<td>• Private entities are state accredited in carrying out quality inspection</td>
<td>• Public enterprises establish EGS depts.</td>
<td>• Agro-dealers collect real demand data</td>
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<td>• QDS is applied to intermediary system</td>
<td>• Private companies produce own EGS and focus mainly on hybrids</td>
<td>• Competition in quality, price and method of payment is created</td>
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<td>• Rural agri-financial service is expanded</td>
<td>• Through PPPs, low profit margin seed is produced for neglected crops</td>
<td>• Margins generated by each actor in the chain are agreed upon through contracts</td>
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<td>• Producers get tailored financial products</td>
<td>• 60% of the market share captured by private companies and PPPs</td>
<td>• Government builds trust between actors</td>
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<td>• Services of machinery hire affordable</td>
<td>• Companies engage in marketing</td>
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<th>Revenue generation &amp; investment</th>
<th>Sector coordination</th>
<th>Regulation &amp; management</th>
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<td>• Tariffs and levies are charged on the import and export of seed respectively</td>
<td>• Platform(s) accommodate all seed actors</td>
<td>• Seed marketing is liberalized</td>
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<td>• Fees for variety release, business registration and CoCs are charged</td>
<td>• Regional participation in national dialogue is facilitated</td>
<td>• Playing field for seed marketing is level</td>
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<td>• ESA collects for strategic investment</td>
<td>• Coordinating bodies are embedded in government and deal only with seed</td>
<td>• Small-, medium-, and large-scale enterprise is enabled</td>
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<td>• Revenue collection improved by ICT</td>
<td>• Coordinating bodies are well staffed</td>
<td>• Government analyses statistics on crop production and shares data on climate, market and consumer behaviour trends</td>
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<td>• Development of improved varieties for food and nutrition security is funded</td>
<td>• Leadership is competent, effective and accountable to higher bodies</td>
<td>• Monopoly is prevented by government</td>
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<td>• Research for mechanization, irrigation and plant protection is funded</td>
<td>• Respective mandates, roles and responsibilities in the sector are clear</td>
<td>• Seed reserve system is introduced</td>
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<td>• Human resources are developed</td>
<td>• M&amp;E system measures performance</td>
<td>• Standards are equivalent internationally</td>
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<td>• Promotion campaigns are paid for</td>
<td>• Coordinating bodies are transparent source of relevant sector information</td>
<td>• Improved legal frameworks for contractual agreements are developed</td>
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<td>• Coordination convening costs covered</td>
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<td>• Accountability is enforced</td>
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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.
Achievements and lessons learnt

- Drafted Amendments to the 2013 Seed Proclamation
- Finalized the draft seed policy
- Regions developed - shared vision created - governance road map

Timeline:

- January 2019: Current Status, Major Challenges and Strategic Options for Transforming the Ethiopian Seed Sector: A Guiding Document
- February 2019: Finalized the draft seed policy
- April 2018: Drafted Amendments to the 2013 Seed Proclamation
- November 2018: Regions developed - shared vision created - governance road map
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