

Key note address Made by

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**At the 39th Session of the Food and Agriculture Organization
9 June 2015**

Rome, Italy

Honourable Ministers & Ambassadors,
Excellency Director General of the FAO
Honourable Delegates,
Ladies and Gentlemen

It gives me a great pleasure and honour to be with you on this 39th session of the Organization to give you highlights on Ethiopia's agricultural performance.

As it can be noted very well, agriculture is the backbone of the Ethiopian economy accounting for approximately 80 to 85 percent of total employment, 80 percent of total exports and 43 per cent of GDP. The Ethiopian economic development as well as the livelihoods of the majority of Ethiopians depends on the agricultural sector. Ethiopia has a consistent set of policies and strategies for agriculture and rural development that reflect the importance of the sector.

The policy framework is based on the concept of the strategy of Agricultural Development-Led Industrialization (ADLI), it has been the central pillar of Ethiopia's development vision, envisages an economically transformed society within which agriculture will grow rapidly.

Given the agrarian nature of the Ethiopian economy, the Agricultural Development Led Industrialization Strategy (ADLI) adopted in 1993 is presumed to have been a necessary step that could lead to reducing poverty, enhancing industrial development, and ensuring a dynamic and self-sustaining growth. Based on ADLI the Agricultural and Rural Development Policies and Strategies was developed and being implemented.

As the main objective of the Ethiopian Government is poverty eradication and improvement in the well-being of its people, since the last two decades, as part of the global and national initiatives, the Government of Ethiopia has put in place a poverty reduction strategy in order to achieve broad-based and sustained economic growth.

Ethiopia started the Poverty Reduction Strategy the first three-year Sustainable Development and Poverty Reduction Program (SDPRP), which covered the years 2002 to 2005.

The SDPRP's strategy was built on four pillars or building blocks:

1. Agricultural development-led industrialization and food security;
2. Justice system and civil service reform;
3. Governance, decentralization and empowerment; and
4. Capacity building in public and private Sectors.

The overarching objective of the government's poverty reduction strategy is to reduce poverty through enhancing rapid economic growth while at the same time maintaining macroeconomic stability.

Some of the proposed measures in the agricultural sector during the program period were:

- Introduction of menu-based extension packages;
- Expand borrowers' coverage of micro-financing institutions;
- Establish an institute for diploma-level training of extension agents and expand agricultural Technical and Vocational Education Training (TVET)
- Measures for the improved functioning of markets for agricultural inputs (fertilizer, seed) and outputs;
- Organize, strengthen and diversify autonomous cooperatives
- The possibility of establishing an agricultural products exchange market
- Agricultural research, water harvesting, and small-scale irrigation;

In 2005, Ethiopia launched the five-year Plan for Accelerated and Sustainable Development to End Poverty (PASDEP) carrying forward the SDPRP strategic directions but also bringing in new elements and scaling up the efforts to achieve MDGs. PASDEP is a key step towards achieving the following set of goals:

1. To build an economy which has a modern and productive agricultural sector with enhanced technology and industrial sector that plays leading role in the economy;
2. To sustain economic development and secure social justice;
3. Increase per capita income of citizens so that it reaches the level of middle income countries.

The country's long term vision, achievements of PASDEP and lessons drawn from its implementation were the bases for conceiving the next five year Growth and Transformation Plan (GTP). The overriding development agenda of GTP is to sustain rapid and broad-based growth path witnessed during the past several years and eventually end poverty.

Ethiopia's strategy for sustaining the rapid and broad-based growth path hinges on the following pillars:

- Sustaining faster and equitable economic growth
- Maintaining agriculture as a major source of economic growth
- Creating favourable conditions for the industry to play key role in the economy
- Enhancing expansion and quality of infrastructure development
- Enhancing expansion and quality of social development

- Building capacity and deepen good governance
- Promote women and youth empowerment and equitable benefit

During the Growth and Transformation Plan period (2011 to 2015) a minimum of 11 percent real growth of GDP is planned. Its strategy included the shift to produce high-valued crops, a special focus on high-potential areas, facilitating the commercialization of agriculture, supporting the development of large-scale commercial agriculture.

Key policy lessons learned through the implementation of the above-mentioned plans are:

- Prioritizing agriculture as an engine of growth and implement the policies and strategies set forth consistently;
- Enable the country to maintain an average double-digits growth;
- Strong commitment of the Government to invest in agriculture (16% of its budget) has paramount importance;
- Use of fertilizer and improved seed;
- Well-designed and implemented technology transfer is vital;
- Make the market right. We have established a modern market, called the Ethiopian Commodity Exchange whereby agricultural commodities are traded;
- Capacity building at all levels in a way to get things done;
- Technologies are adopted and scale up;
- Infrastructure development especially in rural roads with strong government intervention is essential
- Establishment of the Agricultural Transformation Agency to solve issues that have policy implications for Ethiopian agriculture, including declining soil health of which you had some highlights during sometime this week. One of our prominent scientists will be a global ambassador of soils for FAO

What does the Future hold? We are in the process of finalizing our Second Growth and Transformation Plan. Broad-based growth is still the key to continuing the mass reduction in poverty and some of our visions during the upcoming 5 years are:

- Maintain at least 8% of production growth,
- Enhance livestock production and productivity,
- Reduce natural resource degradation and improve its productivity, and
- End food aid in the country.

With this I end my speech and I thank you all.