



# PROCEEDINGS

of the National Multi-Stakeholder Dialogue  
on Responsible Governance of Investment in Land

**Responsible Agricultural Investment: A Pathway  
to Inclusive Sustainable Development**

21-22 March 2023  
Addis Ababa, Ethiopia



# Abbreviations and Acronyms

ADLI	Agricultural Development Led Industrialization
AfDB	African Development Bank
AISD	Agricultural Investment Support Directorate
AU	African Union
BDU	Bahir Dar University
BMZ	German Federal Ministry for Economic Cooperation and Development (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung)
BoL	Amhara Bureau of Land
BPR	Business Process Re-engineering
CAMIS	Commercial Agriculture Management Information System
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CFS	Committee on World Food Security
CIGF	Community Investor Government Forum
CoM	Council of Ministers
CSA	Climate Smart Agriculture
CSOs	Civil Society Organizations
CSSP2	Civil Society Support Programme Phase 2
DBE	Development Bank of Ethiopia
EBC	Ethiopia Broadcast Corporation
ECX	Ethiopian Commodity Exchange
EIC	Ethiopia Investment Commission
ENA	Ethiopian News Agency
EPA	Environmental Protection Authority
ESIA	Environmental and Social Impact Assessment
EU	European Union
EUR	Euro
FAO	Food and Agriculture Organization of the United Nation
FDI	Foreign Direct Investment
FDRE	Federal Democratic Republic of Ethiopia
FPIC	Free, Prior and Informed Consent
GIZ	German Agency for Technical Cooperation
GDP	Gross Domestic Product
GLAD	Green Love Appreciative Development
GmbH	Gesellschaft mit beschränkter Haftung
GoE	Government of Ethiopia
GRI	Global Reporting Initiative
GTP	Growth and Transformation Plan
HE	His/Her Excellency
HGER	Home-Grown Economic Reform
ICCPR	International Covenant on Civil and Political Rights
ICERD	International Convention on the Elimination of All Forms of Racial Discrimination
ICESCR	International Covenant on Economic, Social and Cultural Rights
IFC	International Finance Corporation
ILO	International Labour Organization
ISO	International Organization for Standardization
LB	Legally Binding
LNB	Legally Non-Binding
LSAIs	Large-Scale Agricultural Investments
ILUP	Integrated Land Use Plan
LfL	Land for Life Ethiopia
LSLB	Large Scale Land Based
LUP	Land Use Plan
M & E	Monitoring and Evaluation
MoA	Ministry of Agriculture
MoFA	Ministry of Foreign Affairs of Ethiopia
MoPD	Ministry of Planning and Development
MoTRI	Ministry of Trade and Regional Integration
MoU	Memorandum of Understanding
MSD	Multi-Stakeholder Dialogue
NIA	National Investors' Association
NLUP	National Land Use Policy
NRLAIS	National Rural Land Administration Information System
NRM	Natural Resources Management
OECD	Organisation for Economic Co-operation and Development
ORDA	Organization for Rehabilitation and Development in Amhara
PELUM	Participatory Ecological Land Use Management
PHEEC	Population, Health and Environment Ethiopia Consortium
RAI	Responsible Investment in Agriculture
RGIL	Responsible Governance of Investment in Land
RLAUD	Rural Land Administration and Use Directorate
RS	Regional State
RSB	Roundtable on Sustainable Biomaterials
SECoP	Social and Environmental Code of Practice (SECoP) for Responsible Commercial Agriculture In Ethiopia
SMEs	Small and Medium Enterprises
SNNPRS	Southern Nations, Nationalities, and Peoples' Region
SDGs	Sustainable Development Goals
S2RAI	Support to Responsible Agricultural Investments
UN	United Nations
UNCAC	United Nations Convention against Corruption
UNCCD	United Nations Convention to Combat Desertification
UNECA	United Nations Economic Commission for Africa
VGGT	Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and Forests
VPN	Virtual Private Network



# PROCEEDINGS

of the National Multi-Stakeholder Dialogue  
on Responsible Governance of Investment in Land



Organized by  
Ministry of Agriculture, and the Responsible Governance of Investment in Land Project

**Responsible Agricultural Investment:  
A Pathway to Inclusive Sustainable  
Development**

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# Executive Summary

The Ministry of Agriculture in collaboration with the Responsible Governance of Investment in Land (RGIL) project conducted national Multi-Stakeholder Dialogue (MSD) under the theme “Responsible Agricultural Investment: A Pathway to Inclusive Sustainable Development”. It was held from 21 to 22 March 2023 in Addis Ababa, at Radisson Blu Hotel. The dialogue brought together ninety-one representatives of government officials, technical experts, academia, agricultural investors, the local community, civil society organizations (CSO), consultants, and the media. Representatives of the GIZ and EU Delegation to Ethiopia were also attended the national multi-stakeholder dialogue.

The event was officially opened by H.E. Ato Efa Muleta State Minister at the Ministry of Agriculture. Mr. Christian Messemer, project manager at GIZ and Mr. Roberto Schiliro, Team Leader at the EU Delegation to Ethiopia also delivered statements during the opening session of the dialogue. The third National MSD created an opportunity for government officials, investors, and local communities to exchange information, establish mutual trust, create cooperation on land governance, and support each other on common goals and economic development aspirations. During the two-day event scientific and thematic papers, the status of the RGIL project, and follow-up of the outcomes of the previous MSDs were presented that drive the discussions. Eleven journalists drawn from eight mainstream media houses and private government media covered the opening session and the national multi-stakeholder dialogue press conference.

Participants also dived into focus group discussions and proposed recommendations for existing challenges of large-scale agricultural investments in Ethiopia. The following are key intakes of the third MSD.

- The Federal Ministry of Agriculture underlined that supporting large-scale agricultural investment in a responsible manner is a pathway to inclusive sustain-

able development

- The Ministry of Agriculture and regional bureaus expressed their commitment to follow up and address the challenges the large-scale agricultural investment in Ethiopia is facing.
- Recommendations and action items arising from the previous two multi-stakeholder dialogue in Gambella and Bahar Dar require close follow-up for their implementation. To this effect, the MoA and land bureaus of the RGIL project regions take the lead in this regard.
- Harmonized relationships among the government, large-scale agricultural investors, and local communities are crucial for the national development in Ethiopia. To this effect, MoA and regional government offices at various levels expressed their commitment to support the large-scale agricultural investment sector in Ethiopia.
- There is a need for a platform for consultations among the government, large-scale agricultural investors, and local communities on a regular basis. The MSD promotes and encourages mutual understanding and collaboration among the government, large-scale agricultural investors, and local communities through various consultative sessions between the three actors.
- Participants acknowledged the government’s commitment to good land governance through improved land tenure security for both smallholders and commercial investors.
- The process of identifying and transferring land failed to involve local communities. This becomes the cause of disputes and conflict between large-scale agricultural investors and local communities as stipulated in responsible agricultural investment principles.
- The revised draft policy for agriculture and rural development in Ethiopia and its implications on responsible agricultural investment is crucial.
- Lack of intra and inter-organization harmonization and coordination of stakeholders working in the area of agricultural investment are the key challenges of the sector that require due attention.

Reflections of participants at the National MSD







- Frequent changes in the institutional arrangements in the land sector is creates loose ownership in implementing legal instruments in the land sector.
- Formulation of policy and other legal frameworks in the land sector should consider international principles and frameworks.
- Some large-scale agricultural investors are acquiring investment land solely for the purpose of having access to finance. Such an attitude should be avoided, otherwise, this could lead to a failure of the entire agriculture investment sector. There is a need to have a process of due diligence before making decisions on agricultural investment.
- Lack of proper monitoring and evaluation regarding agricultural investment by concerned government bodies. Hence, the installation of a strong monitoring and evaluation system should be given due attention. With the implementation of an appropriate follow-up system, investors can be objectively controlled or monitored to ensure that the finance provided by banks is being used for the intended investment purpose and that the agriculture investment is being conducted responsibly and in accordance with the plan.
- The way agricultural investment data and information system requires coordination and an automated system that eases monitoring and evaluation throughout the government structure from the Federal to the district level. The existing Commercial Agriculture Management Information System (CAMIS) should lead to the establishment of Nation Spatial Data Infrastructure (NSDI).
- Lack of infrastructure in areas where agriculture investments are being undertaken is a critical issue that requires a collective effort among the government, large-scale agricultural investors, and local communities.
- The effort of addressing market linkage via the formulation of a proclamation regarding contract farming is encouraging. Moreover, it was noted that the Ministry of Agriculture (MoA) and the Ministry of Trade and Regional Integration (MoTRI) are working together to come up with alternative solutions.
- Eight broadcast and print media houses aired and published stories regarding the third national multi-stakeholder dialogue that contributed to informing the general public and stakeholders regarding the status of responsible governance of investment in land in Ethiopia.

# 1 Introduction

## 1.1 Background

RGIL Project promotes the potential advantages of responsible governance in large-scale agricultural investment in Ethiopia. The project planned to conduct three Multi-Stakeholder Dialogues (MSD) during the lifetime of the project at three locations in the country. The first MSD was conducted from 26 to 27 October 2021 in Gambella city at the Gambella National Regional State while the second MSD was held from 29 to 31 March 2022 in Bahir Dar, at the Amhara National Regional State. Finally, the third and nation-wide MSD was carried out in Addis Ababa from 21 to 22 March 2023. The aim of the third MSD is to follow up the status of recommendations of the previous multi-stakeholder dialogues. The MSD also brought relevant stakeholders together to enable them to exchange information, establish mutual trust, create cooperation on land governance and support each other on common goals and economic development aspirations. Responsible Agricultural Investment: A Pathway to Inclusive Sustainable Development is the theme of the third MSD.

The National MSD discussed among multi-sectoral actors, large-scale agricultural investors and representatives of the local communities to craft possible solutions to the various challenges related to responsible governance of large-scale agricultural investments in Ethiopia. The third MSD brought together 91 relevant stakeholders from

government officials, technical experts, academia, agricultural investors, local community, development partners, civil society organizations (CSO), international consultants and the media.

The RGIL project is implemented by the Federal Ministry of Agriculture (MoA) in cooperation with GIZ (Deutsche Gesellschaft für International Zusammenarbeit GmbH). RGIL aims to ensure that investments in land are productive, contribute to sustainable land management, and respect the rights and needs of the local population particularly vulnerable groups and women.

Through the support of the project, the capacities of key stakeholders including governmental staffs, investors as well as civil society and community representatives will be strengthened. The project is co-financed by the European Union (EU) and the German Federal Ministry for Economic Cooperation and Development (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung, BMZ).



Participant at the National MSD





## 1.2 Objective of the forum

The overall objective of the MSD is to consolidate the results of the previous MSDs and bring relevant stakeholders together to enable them to exchange information, establish mutual trust, create cooperation on land governance and support each other on common goals and economic development aspirations.

The specific objectives of the third MSD forum were:

- Enhance general awareness of responsible governance of large-scale agricultural investment;
- Increase specific knowledge on selected topics, included in the program;
- Take stock on challenges and successes;
- Facilitate open exchange between actor groups and strengthen actor coordination and
- Come up with implementable policy options

## 1.3 Expected outputs

The expected outputs of this national MSD forum are:

- Challenges and opportunities in large-scale agricultural investments are identified and potential solutions are proposed
- Cooperation and mutual trust are established among the three main actors (Government, Investors, and Local Communities)
- A platform of communication for continuous exchange among the three actors is created

## 1.4 Participants

A total of 91 participants from various sectors took part in the MSD forum carried out in Radisson Blu Hotel in Addis Ababa, on 21 and 22 of March 2023. The list of participants and their institutional affiliations is presented in Annex II.







Hr.E. Dr. Sofia Kassa, State Minister  
For Agriculture Investment Sector, at the MoA



## 2 Opening Session



Mr. Dereje Abebe, Lead Executive Officer of Agriculture Investment and Product Marketing in MoA welcomed participants. Then, representatives of development partner institutions delivered their opening statements. Mr. Christian Messmer, Project Coordinator of GIZ's Support to Responsible Agricultural Investments (S2RAI) and RGIL in Ethiopia, and Mr. Roberto Schiliro, Team Leader of Green Deal, EU Delegation in Ethiopia made statements on behalf of the GIZ's RGIL project in Ethiopia and the EU Delegation to Ethiopia respectively.

The third National MSD forum is officially opened by H.E. Ato Efa Muleta, State Minister for the MoA. Following the official opening session higher officials gave press briefings to the journalists at press conference specifically designed for this event. Key messages of the opening sessions are summarized below.

### **2.1 Welcoming remarks by Mr. Dereje Abebe, Lead Executive Officer, Office of Agriculture Investment and Product Marketing, MoA**

Mr. Dereje's welcoming remark highlighted the following:

- On behalf of the MoA, welcomed participants to the third MSD forum.
- The Ethiopian government's efforts to promote agricultural investment by providing various incentive packages to investors. The goal of this promotion is to

increase the diversity of agricultural exportable items, expand foreign currency earnings, produce enough raw materials for industrial inputs, and create job opportunities.

- Achievements in increasing the production of oil crops and cotton for export and industrial use. However, the process of land identification and transfer has been inadequate in engaging local communities and government bodies, leading to the loss of communal areas and natural forests, particularly in Gambella and Benishangul-Gumuz regions.
- Mr. Dereje acknowledges the following challenges in the large-scale agricultural sector observed during the assessment. These include
- Poor institutional coordination in managing large-scale agricultural investment
  - Limited employment opportunities for the local communities
  - Poor economic linkage with the local community to enhance local food security and livelihood system
  - Limited local revenue generated for the districts
  - The sector brought weak technology transfer to the local community
  - Starting from camp establishment up to agronomic practices and management of large-scale agriculture was so poor brought a negative attitude from the local community and local government offices





Mr. Dereje Abebe, Lead Executive Officer, Office of Agriculture Investment and Product Marketing, MoA

Mr. Dereje in his welcoming remark calls for the joint action of the RGIL project with MoA and GIZ.

He concluded his remark by wishing fruitful deliberations of the MSD and a pleasant stay in Addis Ababa.

## 2.2. Opening statement by Mr. Christian Mesmer, Project manager for S2RAI-RGIL project, Ethiopia

Mr. Christian Mesmer, Project manager for S2RAI-RGIL project in Ethiopia, delivered an opening statement on behalf of the GIZ Ethiopia. He highlighted the following key points.

- The multi-stakeholder dialogue is part of GIZ's global program on responsible land policy and its country package in Ethiopia on the support to RAIs. He expressed his gratitude towards the contribution made by the EU to promote responsible governance of investment in land in Ethiopia, Uganda, and Laos.
- The function of our built environment is inevitably dependent on goods and services derived from the land, hence, we must be concerned with this precious resource and give due attention to good land governance at all tiers of government – from national to kebele level
- The global rush for land indicates that in many land transactions, local communities often do not benefit from land investments.
- Lack of safeguarding and consultation mechanisms during land allocation processes results in land degradation, disputes, and thus prevents inclusive and sustainable development pathways.
- Many countries have committed to the FAO Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT) to pave the way for good land governance.
- Ethiopia's agricultural reform agenda, demonstrates Ethiopia's commitment towards good land governance through improved land tenure security for both, smallholders and commercial investors alike. The principles for responsible investment in agriculture and the food system of the committee on world food security (CFS-RAI) have found their way into Ethiopia

- Strategic agriculture investment framework to ensure corporate commitment to better land governance. Recognizing the right of local communities and mitigating the environmental and social impacts of large-scale agricultural investments are nowadays top agendas within the current agricultural policy where land and RAI are two pillars in line with the home-grown economic reform of the federal democratic republic of Ethiopia. Many systematic efforts have been undertaken, however Ethiopian can still make major headways in ensuring RAI.
- The overall objective of the RGIL project is that investments in land are productive, contribute to sustainable land management, and respect the land access rights and need of the local population, vulnerable groups and women. Such approaches eventually lead to poverty alleviation and ending hunger in rural areas, he underscored.

Finally, Mr. Christian expressed his confidence that the MSD forum would be beneficial for agricultural investment processes in Ethiopia, and he stated that the German government is pleased to support and contribute to the cause. He wished for productive discussions that would identify challenges and propose solutions.



Mr. Christian Mesmer is project coordinator of the RGIL and Support to Responsible Agricultural Investment (S2RAI) Projects of GIZ Ethiopia

### 2.3. Statement by Mr. Roberto Schiliro, Team Leader, Green Deal, EU Delegation to Ethiopia

Mr. Roberto Schiliro, Team Leader for Green Deal, on his part delivered a statement on behalf of the EU Delegation to Ethiopia. Key points of his messages include:

- Responsible land governance is a policy objective of the EU aiming to ensure safe access and use of land for all land stakeholders including communities, investors, and government and local authorities.
- Land governance is a precondition for any economic development policy and strategy, particularly for agriculture.
- The EU and its member states (MS) have taken various measures. These include, the adoption of “EU land policy guideline 2004” by the EU and the member states to facilitate land policy design and land policy reform processes in developing countries; and other policy measures and strategies that recognize responsible land governance and secure access to land as an important aspect by the new EU consensus for development.
- The EU has supported responsible land governance so that Ethiopia addresses this challenge.

He highlighted that the EU provides support for land governance in approximately 40 countries, with a budget of around EUR 240 million. Of this amount, over 60% is allocated to Sub-Saharan Africa.

He expressed his hope that the MSD would be interactive, enjoyable, and productive in achieving its intended objective of promoting cooperation on land governance and supporting stakeholders in achieving their common goals and economic development aspirations.



Statement by Mr. Roberto Schiliro, Team Leader, Green Deal, EU Delegation to Ethiopia



H.E. Ato Efa Muleta State Minister at the Ministry of Agriculture

### 2.4. Official opening speech by H.E. Ato Efa Muleta, Advisor to the Minister of MoA at the level of State Minister

H.E. Mr. Efa Muleta, Advisor to the Minister for MoA delivered the official opening speech on behalf of the MoA. The following key messages are stated in his official opening speech.

- Land in Ethiopia is not only a foundation of the economy of the country but also has significant cultural, social, and political value as it is one of the main resources of the country.
- The government of Ethiopia is carefully looking for a long-term and sustainable land use system and to design a robust policy framework that will benefit both smallholders and commercial investors.
- The Ethiopian government is committed to improving the agricultural sector by providing smallholders with effective technologies and scaling-up strategies. As a result, significant progress has been made, although there is still room for improvement in production, productivity, and market linkages.
- The need for more attention to agricultural interventions to meet the demands of food, foreign currency, and industrial raw materials.
- Agricultural Development Led Industrialization (ADLI) that has framed the strategy of the government of Ethiopia since 1993. ADLI has explicitly aimed to bring about structural transformation in the productivity of smallholder agriculture and to streamline and reconstruct the manufacturing sector. To this end, the contribution of private agricultural investment is significant, as we bring large amounts of suitable land into production.
- During the Growth and Transformation Plan (GTP) I and II periods, rapid, broad-based and inclusive economic growth has been registered which has led to considerable improvement in income and significant reduction of poverty where the agriculture sector development played an important role. In line with this, private commercial farmers have had a noticeable

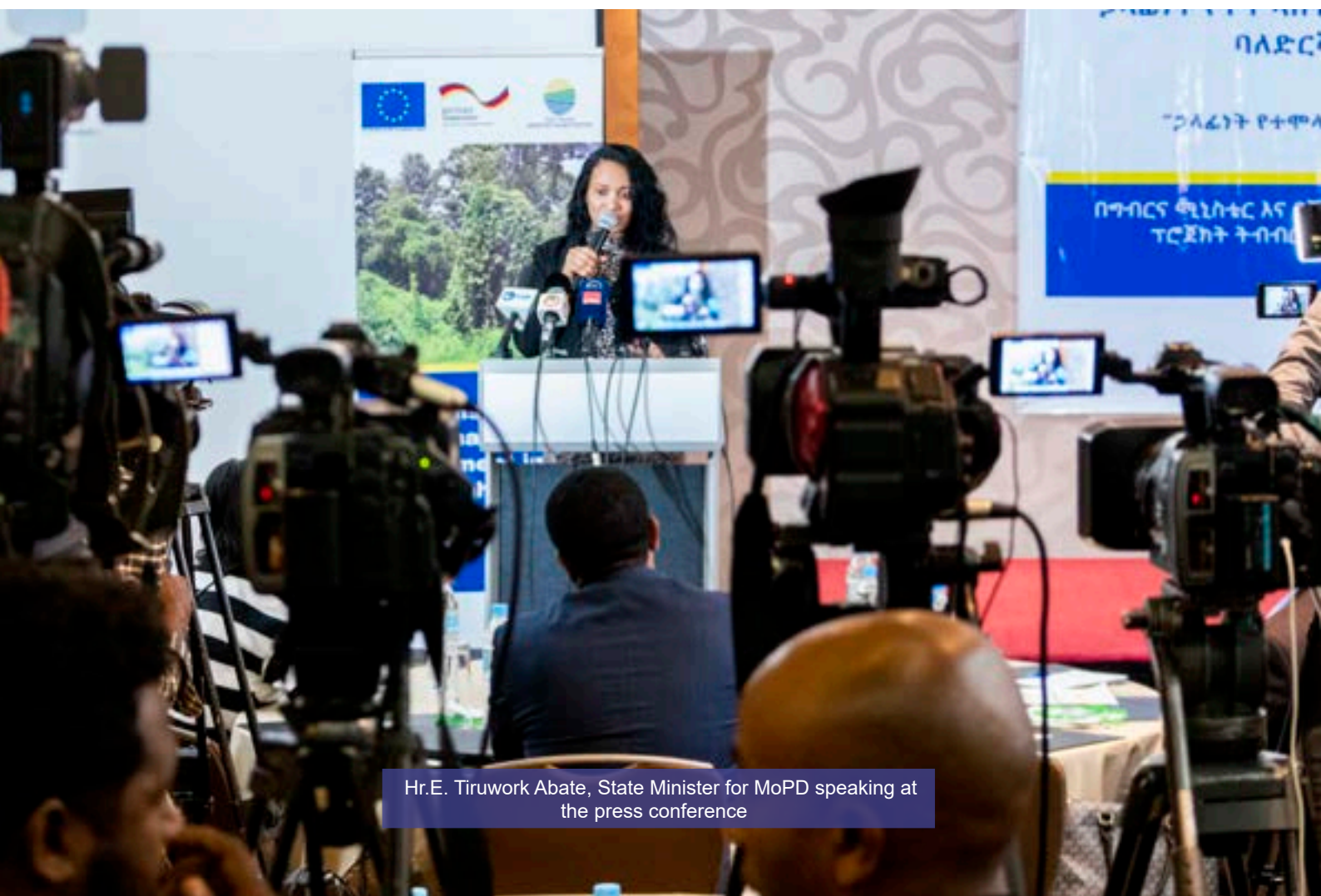


- Role in complementing the production of smallholders farmers, especially of high value products aimed at export markets and to supply inputs for agro-industries in the country.
- The Ethiopian government will continue to work diligently in the preceding year to ensure that agriculture remain the mainstay of the country's economic growth and development by supporting the sectors in creating a stable policy environment.
- Agriculture are the main source of growth for the other productive sectors. Hence, emphasis will be given not only on improving the productivity and quality of staple food crops, but also on cultivating high-value crops, industrial inputs, and export commodities.
- Commercial farmers will play a crucial role in this aspect. Furthermore, to expedite the productivity of the sector, private domestic investors and selected foreign direct investment (FDI) will be encouraged through different incentive packages addressed in the sector's

policy.

- MoA is committed to supporting and facilitating large-scale agricultural investment
- The theme of the MSD is in line with the MoA reform agenda and he hopes that the outcomes of the MSD will contribute to his ministries effort.

Finally, Mr. Etefa expressed his appreciation for the long-term development partners, the EU and German Development Cooperation GIZ for their support to RAI. He wished participants a successful engagement and a pleasant stay in Addis Ababa and opened the forum officially.



Hr.E. Tiruwork Abate, State Minister for MoPD speaking at the press conference





# 3 . Thematic presentations & discussions

## 3.1. Thematic presentations

### 3.1.1. Land Governance and Inclusive Sustainable Development by Darryl Vhugen, International consultant at NIRAS-IP consult (Virtual)

Dr. Darryl Vhugen, Land Tenure Consultant at NIRAS-IP-Consult delivered a virtual presentation on Land Governance and Inclusive Sustainable Development. The main topic of Dr. Darryl 's presentation was RAI, which highlights the importance of secure land rights in promoting economic growth, food security, gender equality, empowering youth, and environmental sustainability, including climate change mitigation and adaptation. The following are key intakes of his presentation.

- Securing land rights lead to increasing incomes and economic growth both in the micro and macro levels. Land rights reduce risk of conflict over land as well as reduced likelihood of expropriation.
- The better land rights are secured the less likely the risk of land conflicts or loss of access to the use of the land.
- There is ample evidence on the importance of secured land right and investment. Here, while the impact of secured land right on investment is substantial, there is lack of evidence on the role of secured land right on access to credit.
- According to studies from Ethiopia and Burkina Faso show some evidences about the importance of secured land right and investment over the past 15 years. Nevertheless, evidence from the studies revealed that there is weak direct link between secured land right and access to credit.
- Most studies find no relationship while findings from Central America show credit access improves only for wealthier farmers. Overall, it was cited that receiving land certificates caused farmers to be more productive in Ethiopia. Likewise, eliminating insecurity of land would boost overall agricultural productivity in Burkina Faso.
- It is common for women in the global south and other parts of the world to have less ownership or control over land than men. Even when women do own land, they often have lower quality and smaller amounts compared to men. This has negative consequences for agriculture, especially since women make up a significant portion of the workforce. Unfortunately, women farmers are less productive than men due to limited access to inputs/resources such as land, water, seeds, fertilizer, training, and credit. This could worsen food insecurity worldwide, he indicated.
- Nutrition improves when women have secure land ownership. Dr. Darryl referred studies conducted in Ethiopia, Nicaragua, and Nepal have discovered that an increase in female land ownership is more likely to reduce household food insecurity, improve children's educational attainment, and decrease severe child undernourishment.
- Secure land ownership empowers women economically.
- Statutory and customary laws that govern women's rights to land and natural resources, ensuring that women are aware of their legal rights and have access to legal assistance, building the capacity of decision-makers and service providers to be gender-sensitive, finding ways to help women access agricultural inputs and markets, and working with men and boys to promote a common understanding.
- 60% of the population being under 35 years old, the continent's "youth bulge" presents a significant challenge and opportunity. A research in sub-Saharan Africa highlights that a shortage of economic opportunities and land ownership are the key factors influencing the youths' decision to migrate or pursue farming.
- Contrary to popular belief that young adults are not interested in agriculture, a survey conducted in 2017 among 10,000 African youths aged between 18 to 35 living in rural areas revealed that nearly 25% of them have a desire to work in agriculture. Therefore, it is vital to offer adequate incentives, such as ensuring land rights for the youths, as part of any sustainable development plans.
- Enhancing the involvement of young individuals and youth organizations in land policymaking and local land dispute resolution, promoting education and awareness among youth about their rights, improving youth access to legal services for recognizing their land rights, boosting land rental markets in order to facilitate access to land, offering new prospects for young farmers to acquire technologies, technical assistance, and market access, and prioritizing the resolution of inheritance issues, particularly among children and young women, in land projects is important



Dr. Anteneh Girma, Former Advisor to the MoA

### 3.1.2. Agricultural investment policy in Ethiopia by Dr. Anteneh Girma, Former Advisor to the MoA

Dr. Anteneh Girma, Former Advisor to the MoA, gave a presentation on the revised draft policy for agriculture and rural development in Ethiopia and its implications on RAI. The presentation covered topics including the reasons for policy revision, the revision process, the main issues that were revised, and the revised policy directions for agricultural investment, as well as outlining recommendations. The following are key intakes of his presentation.

- Agriculture plays a crucial role in the economy of Ethiopia and therefore remains the main focus of government policies and development plans.
- Agriculture is one of the three global economic sectors, along with industry and service sectors. The term agriculture encompasses crop, livestock, fishery, and forestry.
- Over the last 20 years starting with the implementation of ADLI, the agricultural sector in Ethiopia has made significant progress by following its policy direction. Although there have been some inconsistencies, the agriculture sector has grown contributing to the growth of other sectors and playing a vital role in the overall economic growth.
- Agriculture is leading the overall structural transformation of the economy in Ethiopia.
- Agriculture sector contributed to a 50% reduction in rural poverty, a fact acknowledged by both the government and other reputable financial institutions.
- Gaps in sectoral policy and lack of internal transformation were identified as stumbling blocks for Ethiopia's agricultural transformation
- There is a need for the revision of two-decade old agriculture and rural development policy,
- The policy revision is noted to be aligned with the Home-Grown Economic Reform (HGER).

Dr. Anteneh identified the following policy revision objectives:

- Address sectoral challenges: address the challenges of the sector and to seize opportunities; integrate agriculture with other economic activities in the rural areas for internal transformation of the sector; integrate agriculture into the macro-economy to help achieve structural transformation of the economy.
- Address emerging issues: sustainability increase agricultural productivity (addressing resource degradation); ensure competitiveness; agriculture resilience to changing climate and other shocks; inclusiveness

such as nutrition and gender.

According to Dr. Anteneh, the policy revision needs to utilize a framework consisting of three important components: identifying gaps in the existing policy, evaluating the performance of policy implementation, and reviewing the policy pillars in the existing policy. The review of the policy directions requested for fundamental change to policy directions that require fundamental change, as well as broadening and strengthening of the policy directions that require expansion and reinforcement. Regarding the revision process his presentation highlighted the following points.

- The revision process in Ethiopian agriculture as a form of policymaking that is led by the government, consensus-oriented, inclusive and collaboration.
- The MoA led the revision of major policy issues within the framework of sectoral policy, which will be implemented by multiple Ministries.
- The governance structure of the revision consisted of a core policy team, advisory group, and technical team, with the latter divided into ten thematic areas which includes, but not limited to land, forest and natural resources management (NRM) governance, technology, inputs, agricultural water, output markets, infrastructure, and finance.
- Concerning land, forest and natural resource governance, he pointed out that policy directions are issued to ensure access to and protect security of land, forest and natural resources. These policies focus on various areas including land policy and governance, rural land administration and use, agricultural land consolidation, and forest development, conservation and use.
- Another area of policy direction is technology, input, and services, aimed at promoting private sector involvement. Sub-themes within this area include research and technology development, extension and advisory services, as well as inputs and services.
- In relations to output markets, the policy aims to support contract farming and supply chain,
- As for infrastructure, the policy focuses on developing agriculture-cantered infrastructure and agriculture service infrastructure.
- To facilitate private sector participation, the policy prioritizes the commercialization of smallholders farmers and pastorals, encouraging commercial agricultural investment, and establishing legal frameworks for agribusiness.
- Regarding finance, there are several policy directions these include increasing the credit provided by commercial banks to the agricultural sector, setting up an agricultural policy bank, permitting cooperatives to establish cooperative banks, using movable properties such as land use rights, livestock, and agricultural commodities as collateral to access credit, promoting alternative financing methods, modifying foreign currency policies to account for the particular characteristics of the sector, and encouraging insurance companies to develop insurance products specifically for the agriculture sector.

His presentation noted that the updated policy has reached its final stage and will be submitted to the Council of Ministers (CoM) for approval after being endorsed by MoPD.





Participants at the National MSD

### 3.1.3 Key international frameworks on RAI, Dr. Babette Wehrmann, international consultant at NIRAS-IP consult (virtual)

Dr. Babette Wehrmann, International consultant at NIRAS-IP Consult, gave a virtual presentation on key international frameworks on RAI. Her presentation highlighted the following key points.

- Investments in agriculture are now serving multiple purposes such as generating profit, investing in assets, and securing pensions. Due to this, there has been a rise in large-scale land-based investments by both domestic and international investors.
- Nonetheless, these investments may not always be beneficial and can pose risks to human rights, land rights, and the environment. To address these concerns, various frameworks have been negotiated and implemented at both the international and African levels.
- Human rights (such as the right to food, the right to adequate housing, the prohibition of evictions, etc.) and labour rights have been established at the international level – holding states accountable.
- States have the obligation to include them in their own national law to make them binding for the private sector and other individuals and groups.
- According to the UN Guiding Principles on Business and Human Rights (UNGPs) 2011, international law took on a new dimension. It requires states to respect, protect and fulfill human rights, the responsibility of business enterprises to respect human rights has been established.
- ILO's Indigenous and Tribal Peoples Convention (1989) is very important for indigenous people. It was identified that FPIC is a key component in which the indigenous and tribal people need to be well-informed and get their consent. Otherwise, the government cannot do a certain land development.
- Hence, agriculture investment in an indigenous or tribal area cannot be implemented without their consent. Furthermore, there is the UN Convention against Corruption (UNCAC) (2005); and the UN Convention to Combat Desertification (UNCCD) (1994) which includes regulations on sustainable land use and principles of land degradation neutrality. Only recently, a direct linkage between UN Convention to Combat Desertification and VGGT has been established, with a focus on respecting legitimate tenure rights.
- In addition to these convention and convents, which are very clear on specific human rights and labour rights, there are LNB international frameworks. Dr Babette introduced four of such frameworks:
  - The UN Global Compact from 2000, which consists of ten principles regarding human rights, labour standards, environmental issues, and corruption.
  - The UNGPs, which were endorsed by the UN Human Rights Council in 2011 and introduced the concept of corporate responsibility for respecting human rights, the obligation of states to protect human rights, and providing access to remedy.
  - The VGGT, which was issued in 2012 and applies to all land-based investments, including agriculture. It primarily deals with the state's duty and business enterprises' responsibility related to land rights.
  - The Committee on World Security (CFS) Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI) from 2014. These principles - the last two - are specifically designed to address agriculture and food systems and apply to all types and sizes of agricultural investments, including fisheries, forests, and livestock.
- Her presentation discussed effective methods for promoting responsible business practices
- She advised investors in Africa who are part of supply chains reaching into the EU to act responsibly to avoid exclusion from the supply chains.



### 3.1.4. The status of Responsible Governance of Investment in Land in Ethiopia by Mr. Alemayehu G/Selassie, Desk Head for Horticulture and Agriculture Investments at MoA

Mr. Alemayehu G/Selassie discussed the status of large scale agricultural investment sector in Ethiopia. The following are key intakes of his presentation.

- Ethiopia has an estimated total area of 111.4 million ha, with arable land covering 74.5 million ha and yearly cultivated land accounting for only 15 million ha (20.2%). This means that there is still a significant amount of arable land available for future expansion.
- Additionally, of the 15 million ha that is currently cultivated, only 2,158,487 ha have been transferred to 5812 investors. Despite the agriculture sector contributing 32.5% of the GDP, it is estimated that only 5% of the total GDP is contributed by large-scale agricultural investments while smallholders have a larger share. This indicates that the agricultural investment sector is still in its early stages.
- The constitutional entitlement of land for investors, specifically by referencing Article 40 of the constitution.
- The Ethiopian constitutions stated that ‘the Government must guarantee the right of private investors to use land in exchange for payment’. This serves as the foundation for agricultural investment for both local and foreign investors.
- There are existing legal frameworks that recognise the importance of large scale agricultural investment in Ethiopia. These include Investment Proclamation No. 1180/2020, which recognizes the importance of the private agriculture sector. Similarly, Proclamation No. 1263/2021 empowers the MoA to supervise agricultural investment activities, formulate a strategy to expand LSAs, and provide support to investors in the sector.
- Agricultural investment in Ethiopia is expected to bring about numerous advantages such as production of export and agro-industry crops like sesame and coffee, transfer of technology, generation of employment opportunities, and improvement of infrastructure and social resources like healthcare facilities, educational institutions, and access to clean water, which will benefit the local community.
- Emphasis is placed on industrial crops like Sesame, Cotton, and Wheat which constitute 50% of the investment portfolio and are of high importance. Food grains, which include Maize, Sorghum, Rice, and more, account for 40% and are regarded as the second priority. There is currently a rising interest among investors in the production of food grains. The remaining 10% is assigned to export crops like Coffee, Soybean, Haricot, and Mung beans.
- One of the main challenges in agriculture investment is the inability to locate suitable investment land, which could be due to the absence of well-defined investment zones with accurate crop suitability information.
- Another significant challenge is the scarcity of professionals with the expertise to assess land suitability. These factors are crucial in determining the productivity of investment land.
- Poor road infrastructure, particularly in areas where LSAs are practiced, and the inadequate capacity of



Mr. Alemayehu G/Selassie, Desk Head for Horticulture and Agriculture Investments at MoA

- Responsible institutions to install monitoring and evaluation systems to oversee the development of transferred land are other significant issues.
- Low level of access to finance, investors' failure to repay loans, and insufficient implementation of productivity-enhancing practices like developing a business plan, using inputs, and adopting irrigation technologies are also noteworthy problems. .
- The absence of adequate guidelines for stakeholders to effectively manage agricultural investments. While there are constitutional and legal provisions, they lack corresponding guidelines at lower levels, leading to poor performance of agricultural investments.
- MoA collaborated with GIZ-S2RAI-II to develop a voluntary guideline on RAI, which provides detailed guidance for proper implementation.

### 3.1.5. Large-Scale Agricultural Investment Mapping: Case of Amhara and South West Ethiopia People's Regions by Mr. Addis Mulugeta, Senior Expert at the MoA

Mr. Addis Mulugeta, Senior Expert at the MoA, discussed the mapping of large-scale agricultural investments in the Amhara and South West Ethiopia People's Regions. Key intakes of his presentation includes the following.

- Large-scale investment mapping has been carried out in two regions, specifically in Amhara and the South West Ethiopia region. The investment sector of the MoA conducted the mapping with the assistance of GIZ.
- Mapping of large scale agricultural investment developed using free access, ease of development, and simplicity for compiling the baseline data. Prior to collecting data for testing, federal experts were trained. The testing was then conducted by mapping samples in four regions, covering a total of 128 farms. The samples included 48 farms from South West

Ethiopia, 48 from Gambella, 25 from SNNP, and 13 from Oromia Regions.

- During the testing phase, the functionality of the tools was verified, and the benefit of utilizing this software is that professionals use their personal smart phones to create the maps. Additionally, the software is an open-source tool that is free to use (based on Kobo Toolbox).
- The data collection does not require Internet access after the questionnaires have been loaded into the software. Once the data is collected on the user's own smart phone and centrally stored, it is presented to decision-makers and other users using Google Data Studio, a user-friendly and secured cloud platform.
- Through the use of the software, both regions were mapped and information on LSAs was organized.
- 1,309 data points were collected in the Amhara region. Currently, relevant investment information at the woreda and zonal level can be accessed using this tool.
- Similarly, in the South West Ethiopia Region, 259 data sets were collected and Geo-referenced to show their location on a map. These data are now available on a cloud solution that can easily integrate with the existing system and can be accessed through CAMIS.
- The next step is to share the data with the concerned directors and state ministers of the MoA and to explore the possibility of using kobo or other software to scale up this mapping.

### 3.1.6. Alignment of Environmental Laws in the Incentive System of Ethiopia by Mr. Tesfaye Ayele, Senior Expert at Environmental Protection Authority

Mr. Tesfaye Ayele, presented about the Alignment of Environmental Laws in the Incentive System of Ethiopia. The following are key intakes of his presentation:

- Socio-economic activities of humans can cause environmental impacts by disrupting the web of interactions within the environmental ecosystem.
- Development must meet certain criteria to ensure growth and progress in economic, social, political, justice, democracy, and sustainability. Any development that fails to consider these criteria cannot be classified as scientific development.
- The agricultural investment sector is a major source of pollution due to its use and generation of agrochemicals. One of the adverse effects of many development activities is pollution, and the agriculture industry is a significant contributor to it due to its use and generation of agrochemicals. Such pollutants often harm human beings when released into the environment.
- Land degradation is another challenge that can harm existing biodiversity resources. It has been observed that pollution and land degradation pose environmental risks, which may lead to problems such as health issues for humans and animals, infertility of soil, reduction of water and biodiversity resources, decline in food crop production, weakening of natural pest control, increase in pesticide-resistant pests,



Mr. Addis Mulugeta, Senior Expert at the MoA

- Economic downturn, social unrest, and changes in land use land cover.
- Individuals may unknowingly or knowingly deplete essential environmental resources necessary for productivity. Therefore, mechanisms need to be in place to maintain community productivity, one of which is environmental conservation.
- Protecting the environment is necessary to meet the needs of the current generation while also preserving resources for future generations. In order to achieve this goal, there must be established systems for environmental protection that uphold the rights and objectives outlined in the constitution. The system requires both the government and citizens to fulfill their duties and responsibilities.
- There is a need to develop sound environmental policy instruments. The instrument consists of four categories: laws, volunteer basis, economic and outreach.
- The success of implementing environmental policies depends on the environmental, political, and economic factors, as well as the abilities of institutions and stakeholders.



Mr. Tesfaye Ayele, Senior Expert at Environmental Protection Authority





Mr. Kenenia Deksiso, President of the National Investors Association

### 3.1.7. Investors' Associations Opportunities/Successes and Challenges by Mr. Kenenia Deksiso, Representative of the National Investors' Association

Key intakes of Mr. Kenenia Deksiso's presentation includes the following:

- The national Investors' Association was created to organize investors involved in agricultural investment at the regional and national levels.
- The Ethiopian Agricultural Development Investment Multi-Sector Association was formed on March 28, 2020 and consists of regional Multi-Sector Associations.
- The Association participated in several workshops and meetings, and advocated for agricultural investment. Informed various stakeholders about the challenges faced by agricultural investment.
- Lack of member contributions, limited capacity, difficulties in establishing and strengthening regional associations, inadequate cooperation and support from stakeholders, and a lack of regular dialogue forums to address the needs of the agricultural sector are some of the challenges of Association.
- The association recommends to establish a collaborative system with important stakeholders, such as the MoA and regional stakeholders. That means establishes regular communication and consultation platforms between the Association's management board and the general assembly.
- The Association calls for a bank system for the agriculture sector that facilitates and understands the specific nature of agricultural investment and offers low-interest rate, long-term loans.
- The Association proposes a mechanism to strengthen the national and regional agricultural sector associations.
- The Association recognizes the importance of working

closely with stakeholders so that they can play a significant role in the development of agriculture investment in Ethiopia.

### 3.1.8. Community Investor Government Forum (CIGF) by Mr Mengistu Beyessa, Executive Director at Green Love Appreciative Development (GLAD)

The following key intakes are drawn from Mr. Mengistu's presentation.

- CIGF serves as an instrument to reduce conflicts and create smooth relationships among local communities, investors & local government.
- GLAD CSO provides training on CFS-RAI and VGGT, land rights and traditional conflict resolution mechanisms. The training aimed at enhancing the awareness level of CIGF members about responsible land governance and agricultural investment.
- CIGF is operating in four regions through CSOs. Benishangul Gumuz National Regional State and Gambella National Regional State (GLAD); Amhara National Regional State (ORDA); and Oromia (Land for Life Ethiopia).
- CIGF are established and are active in the woredas of Amhara, Benishangul-Gumuz, Gambella and Oromia Region, implemented by different partner CSOs.
- Series of consultative meetings; workshops were conducted on CIGF at regional, Woreda and kebele levels in the four regions of Ethiopia.
- Mr. Mengistu highlighted the achievements of CIGF exercise. These include:
- Some investors transferred farming technologies and provided agricultural inputs to the local communities where they are operating.
- Investor community relations enhanced. Investors created employment opportunities for the local communities, specifically for women and youth.





Mr Mengistu Beyessa, Executive Director at Green Love Appreciative Development (GLAD)

- Boundary conflicts started to be resolved with the support of government stakeholders through CIGF.
- Investors started playing their social responsibility (for example supporting orphans at Kebele administrative level)
- CIGF Guding Manual and logbook is under preparation.
- CSOs working on CIGF started working in synergy.
- Finally, Mr. Mengistu recommends the following
- Strengthening of the internal procedures and data collection activities on CIGF
- Reporting of concrete outcomes of the CIGF and donor support.

Capacity development in several fields of responsible governance LSAI. Three manuals, on agricultural extension for large scale agricultural investments, on investor manual on agricultural investment (farm) management, and on conflict management in large scale agricultural investment areas for local communities are being prepared.



Mr. Tigabu Belay, Investment Director at Land Bureau of Amhara Regional State

### 3.1.9. Preliminary observation after the first and second MSD forums by Mr. Tigabu Belay, Investment Director at Land Bureau of Amhara Regional State.

Mr. Tigabu's presentation highlighted the challenges arising

from the previous MSD in Bahar Dar and efforts of the Bureau of Land in Addressing those issues.

The MSD in Bahar Dar identified several issues in the large-scale agricultural investment sector. This includes

- Violation of the existing land policies and legal frameworks; lack of understanding of legal frameworks regarding land; transfer land to investors without sufficient and detailed due diligence. Inability to invest to encourage and support smallholders farmers.
- Challenges in the acquisition and management of large-scale agricultural investment data and information that were caused by high staff turnover, and lack of communication between the relevant organizations or parties.
- Lengthy and tiresome process of obtaining agricultural investment land, the existence of overlapping roles in governmental institutions, conflicting legal frameworks related to land, weak enforcement of governmental institutions, the allocation of insufficient resources and the improper and ineffective use of allocated funds,
- Failure to identify and prepare the land beforehand, and the weak system of monitoring.
- Additionally, the majority of agricultural investment projects do not higher professionals
- Absence of agricultural extension service for agricultural investment.
- Efforts of the Amhara Bureau of Land to address the issues.
- The Amhara Bureau of Land established a common platform intended for unified management, improved monitoring, and support efforts to the institutional structures from the region to the woreda level.
- The Bureau published investment guidelines by updating (rules No. 8/2011, 12/2012, and 13/2013) have been updated and compiled into a single volume.
- BoL supports the establishment of a regional association of agricultural investment investors.
- Capacity development training delivered to 121 people who are engaged in large-scale agricultural investment. With the support of the GIZ-RGIL project.
- It was also highlighted that certain attempts have been made to identify lands and prepare them for transfer to investors by assessing their use, which is relevant to the previous problems related to transferring land to investors without first analysing the state of the property.
- The systematic organization and administration of investment information, including the introduction of CAMIS software for agricultural investment.
- CAMIS allows transparent, efficient, and information, management, monitoring, and access to agricultural investment information.
- So far, 23 investors in Womberma woreda of West Gojam zone, 18 investors in Debrelias woreda of East Gojam zone, and 16 investors in Ayehu Gugusa woreda of Awi Beheresb zone are currently entering their data into CAMIS.

## 3.2 Discussions

During the plenary discussion session, participants brought up a range of questions and concerns related to agricultural investment that require the attention of MSD forum participants and other stakeholders. Additionally, there were reflections, clarification, and input provided on these matters. The key topics of the plenary discussion are outlined below.

### 3.2.1. Agricultural investment policy in Ethiopia

- Any changes made to the agriculture and rural development policy should be comprehensive and aligned with other sectors, specifically trade and investment.
- Population size be included as a major policy focus area, as the annual population growth
- The implementation of the policy's issues will not only be done by MoA, but the ministry will coordinate most of it.
- It is important to acknowledge that no organization can issue a policy or system that is solely implemented by itself.
- Due to frequent changes in institutional arrangements, several policies are not being implemented as they lack ownership.
- It would be beneficial to discuss policy issues that could impact investments, specifically private property rights, as they are crucial to a country's economic growth and freedom.
- Any issues that require policy debate should be brought up for discussion under the constitution. The policy document for agriculture and rural development provides direction, and a more detailed policy instrument will be formulated. If there are any concerns to be included, there is flexibility in the instruments to be considered.
- The investment policy should consider the transfer of appropriate technology.
- There is a need for a system that promotes agriculture as a business, starting from grassroots level, such as schools, to cultivate the interest of the younger generation. To address this matter, the MoA must cooperate with the Ministry of Education to promote the involvement of young people in the agricultural sector. It was also proposed that this matter should be incorporated into the policy.
- The MoA created a new sector focused on promoting mechanization, entrepreneurship, urban agriculture, marketing, inputs, and investment.
- The agriculture sector should be modernized through the use of technology and best practices to make it more appealing to investors.
- Incorporate agriculture-related topics into the current educational curriculum. However, simply adding agriculture to the curriculum is not enough. Instead, the agriculture sector needs to be modernized and mechanized in a way that makes it appealing for younger generations to participate in.
- The government is providing loans for farmers to access farm machinery, as well as offering duty free incentives for over 550 different types of machinery. This is a significant incentive for the agriculture sector, especially following political reforms.
- Modernizing agriculture includes productivity and

quality-enhancing practices. The MoA is actively working towards this goal.

- SECoP guideline was mentioned as a tool to incentivize investors. The guideline suggests that incentive mechanisms should be based on outcomes, as investors profit by utilizing resources from the environment and society. Therefore, it is important for investors to share their profits with the environment and society. The government should install incentive mechanisms, such as awards for ethical investors, to encourage responsible behavior. Additionally, policies should focus on identifying and supporting model investors.

### 3.2.2. Stakeholder coordination or harmonization

- Several concerns were raised regarding stakeholder and sectoral coordination or harmonization at all levels of the structural hierarchy. It was noted that there is lack of coordination among stakeholders working in the agricultural investment sector. For example, in the Amhara region, due to a lack of coordination among concerned organizations, investors are resorting to using smuggled fertilizers, seeds, agrochemicals, and even tractors from neighboring countries. The future plan for sectoral coordination needs to be clarified, as there is an admission that coordination is lacking. The problem is not only the timely delivery of limited inputs, but also some irresponsible investors are reselling their input supplies to the black market. Investors need to understand that responsible investment in agriculture encompasses various issues of ethical business conduct, not just the repayment of bank debt.
- Similarly, there is a disagreement among government bodies regarding investment land, which is hindering the progress of investors. For instance, an investor may only be able to use part of their entitled land as collateral for a loan from the DBE, despite being entitled to the full size of land according to the Woreda administration. This creates a problem when the investor wants to transfer the full or partial land to a third party, as they are only authorized to transfer the portion specified in the loan agreement. As a solution, the bureaus responsible for land administration and DBE should establish a systematic approach for streamlined procedures. Hence, it is important for the MoA, DBE, and other regional offices to discuss and find solutions to the issues. One possible solution would be to provide land to investors in phases based on their capacity, rather than giving them the entire requested plot of land.
- It has been suggested that due to a lack of coordination between government agencies such as MoA and MoTRI, investors are missing out on opportunities to access proper markets. Additionally, there is no regular platform for exchanging information and experience, and even when such MSD forums are organized, they rely on project support. Given the advantages of having such a forum, a sustainable system should be put in place to support ongoing dialogue.

### 3.2.3. Infrastructure, input supply and market linkage

- The need to improve the availability of land for investment and prioritize infrastructure such as electricity and roads and linkages with agro-processing industries, not just focus on agriculture production.
- the MoA and MoTRI to collaborate, and there should be policies or mechanisms in place to address linkages between the agribusiness value chain and agro-processing industries.
- Ethiopia's limited resources make it difficult to address all the infrastructure needs. Investors in Ethiopia may find it challenging to construct such infrastructure given their capacity. Nevertheless, they should consider supporting infrastructure development in their agricultural investment planning.
- The DBE has imposed certain conditions, such as building health facilities, hiring agronomy experts, and appointing farm managers, for providing finance to investors.
- The mapping process will provide evidence to prioritize the development of infrastructure necessary for agricultural investments. Stakeholders and policymakers must pay attention to addressing these issues.
- To ensure the effectiveness of farm input supply, it is important to consider the foreign currency allocation policy of the National Bank of Ethiopia. This is due to the fact that many essential supplies, such as improved seeds, fertilizers, and agrochemicals, are imported from other countries. If farm input supply is not prioritized in foreign currency allocation, it will pose a challenge to its effectiveness.

### 3.2.4. Financing and insurance of agriculture investment

- There is a need for access to finance to agricultural investment regardless of land size and considering the rule of inclusivity.
- Agriculture is structurally independent cluster within the DBE and is overseen by the vice president. It has been organized in such a way that it can become an autonomous agricultural bank if necessary. Additionally, the lower level departments are structured to cater to the needs of various sub-sectors in agriculture such as crop production, livestock production, horticulture production, and poultry production. Therefore, the policy and structure of DBE are tailored to address the sector's current needs and challenges.
- Due to the difficulties faced by the agriculture industry, there is a need to establish an agriculture bank. Private banks are reluctant to finance agriculture, with the exception of some who use pre-shipment export credit. This type of financing does not benefit producers, but rather suppliers. Therefore, policymakers should look to India's National Bank for Agriculture and Rural Development (NAVAR) as an example of a successful institution that provides systematic support to the agriculture and rural development sectors.
- If the need arises in the future, the agriculture wing of DBE may become an independent agriculture bank.
- With respect to the financing policy, DBE has two financing modalities, project financing and lease financing. The former requires a 25% contribution from the borrower, while the latter involves DBE (lessor) pur



Reflections of participants at the National MSD



- Chasing the machinery and the user (lessee) covering its running costs. DBE contributes 80% of the asset purchase, while the lessee contributes 20% for running the business. The reason for this is to enhance the commitment of the borrower and ensure a profile of financial capacity to run the investment business with minimum risk of failure. Here, only farms that use irrigation systems are eligible for financing.
- There are options for insurance companies to cover damages due to political violence, crop, and livestock coverage in Ethiopia. DBE has partnered with the Ethiopian Insurance Corporation, but premiums can be expensive due to the international nature of insurance.
- Discussions should be held among the MoA, DBE, and investors to address the use of irrigation water related concerns.
- Supporting smallholders farmers in loan arrangements is very helpful. Although loans have legal frameworks, there are options for smallholders such as lease financing and forming cooperatives. Commercial banks provide finance for input supplies, and cluster farming is becoming popular and delivering good results. However, cluster farming should be institutionalized with legal framework and contract agreements to ensure access to finance. Even though it has good results, it needs to progress to an entity with proper legal framework to ensure farmers get access to finance and other services.
- Some unethical investors have misused financial incentives intended for agricultural investments to construct urban buildings, which goes against the original intention. The problem is not solely the fault of investors, as there has also been a lack of coordination between federal and regional government actors. The MoA is expected to support investors when the bank provides loans to them and should also M and E investment operations. Due to improper management of agricultural investments, the sector has been portrayed as unprofitable and unfeasible. Recently, banks have started showing interest in the agricultural investment sector.
- The MoA has worked hard to justify the feasibility of investing in agriculture and has collaborated with banks, investment commissions, and other relevant bodies, including the federal police, to ensure success. As a result, it has been decided that all banks should allocate five to ten percent of their loan finance to agriculture, and mapping has been helpful in this process.

### 3.2.5. Agriculture investment mapping and information management system

- CAMIS is a comprehensive and valuable software, but it has minor functionality problems in some Woredas related to virtual Private Network (VPN).
- The process of mapping agricultural investment is still in progress and not yet fully developed
- The purpose of the presentation is to provide information about the MoA's activities and collect
- To address concerns surrounding data ownership, updates, and accessibility, there are plans underway to prevent data abuse, including the formulation of a data sharing policy. Additionally, there is a well-planned process to integrate with other systems like CAMIS. However, the initial task at hand is to gather and categorize the data.
- The process of collecting data faced challenges at times. Although experts were collecting data for mapping purposes, there was misinformation being spread among investors that the government would seize their land and impose extra taxes. As a result, some investors were hesitant to cooperate with the experts and denied them access to their investment farms to collect data. It is important for investors to realize that the purpose of collecting data is to enhance the agricultural investment system.
- Overall, in order to ensure that policymakers receive reliable information and can make informed decisions, the data obtained through the mapping system ought to be trustworthy.



Discussions at the working group session of the National MSD

## 4 Working group sessions

Discussions at the working group session of the National MSD



The MSD participants were divided into five working groups. Each group has elected its chair and rapporteur. Each working group dives into discussions on key thematic areas of the large scale agricultural investment topics:

- **Working group 1: Land Administration Policies, legal frameworks, and alignment of international principles with agricultural investment implementation**
  - **Working group 2: Spatial Data Generation, harmonization and Information Management**
  - **Working group 3: Human and institutional capacity development**
  - **Working group 4: Actors' harmonization and strengthening investors' associations for agricultural investment effectiveness**
  - **Working group 5: Insurance, financing, market linkage, input supply, infrastructure and incentive mechanisms**
- However, the MoA is working with development partners to develop information generation and sharing systems, including the NRLAIS and the CAMIS, although these are still in their early stages.
  - The group also noted that there is a lack of an enabling environment for CSOs and media to advocate land administration policies. The absence of negotiation power was also noted as a challenge in the process of policy formulation.
  - Lack of awareness on international principles and guidelines as well as failure to adopt or incorporate them in to the current legal framework of the government. Hence, the policy should take these issues in to account.
  - Weak, unstable and fragmented institutional arrangement to manage the land sector.
  - Lack of intra and inter-organizational harmonization. Thus, the future policy directions should take the issues of synchronisation in to account.
  - Lack of harmonized legal framework in the existing land administration system at all levels. Hence, the issue of harmonization should be given due attention
  - There is a need to enhance the awareness on international principles of RAI of the concerned government bodies,

After having completed the group discussion, each group presented the result of the discussion. The presentations are summarized below.

### 4.1 Presentations of group works

#### **Working group 1: Land administration policies, legal frameworks, and alignment of international principles with agricultural investment implementation**

The following are key outcomes of the group 1:

- Ethiopia currently lacks a land administration policy, but instead has various proclamations, regulations, and directives being formulated and enforced by regional councils and bureaus.
  - These legal frameworks, although flawed, could be used as a basis for a land administration policy.
  - The existing legal frameworks were formulated to address regional issues related to land tenure rights, ownership, land rent, and transactions.
  - Despite the presence of various official documents, such as proclamations, regulations, and directives, there is still a lack of systems for sharing land information with relevant stakeholders and the general public. This has resulted in poor governance, affecting investors and communities at all levels.
- After identifying the above mentioned challenges the group proposed In conclusion, the following recommendation:
- Government, development partners, and CSOs should raise awareness on international land governance principles for (government bodies, the private sector, investors, farmers, etc.) at all levels;
  - Government should establish autonomous institutions to handle the issue of land at the national and regional levels;
  - Drafting of land administration policy should follow a transparent and participative process that includes public discussion and disclosure;
  - Existing proclamations, regulations and directives should be revised and updated per international principles and guidelines;
  - There should be a clear mandate among the federal and regional institutions on land issues.





Discussions at the working group session of the National MSD

## Working group 2: Spatial data generation, harmonization and information management

Working group two highlighted the following key intakes.

- Spatial data facilitates the search and identification of objects, and provide information on their location, shape, and characteristics. Additionally, if used correctly, spatial data can result in time and cost savings for land administration. Therefore, the group reached a consensus that the use of spatial data should be encouraged and backed up.
- In order to achieve harmonization, data should be combined from various institutions and ministries, and its description should be standardized for better understanding (semantic interoperability). This will aid in creating a shared spatial data infrastructure both within and between institutions.
- Data in Ethiopia is not well harmonized due to the intentional withholding of information and the absence of a consistent coordinate system. Therefore, it is necessary for the government to prioritize the harmonization of data.
- There is a need to establish a responsible steering structure, a web-based information system and services, a secure location, and an updating system in this regard.
- Working group two has proposed the following recommendations
- There should be land-neutral institutional arrangements to administer land and investment issues.
- More actions are required in capacity building and awareness creation on the importance of spatial data generation and management
- Law enforcement actions for spatial data generation sharing and data management to be put in place
- The involvement and collaboration investors is crucial
- System must be developed to ensure transparency and inclusiveness

## Working group 3: Human and institutional capacity development

Key intakes of group three presentation includes:

- Shortage of trained personnel in the agricultural investment sector. Even when personnel are trained, they often lack the knowledge and skills required for

the job.

- High staff turnover exacerbates the problem by causing inadequate service provision.
- Mismatch between professional backgrounds and job roles.
- The sector suffers from weak accountability systems, low efficiency, poor transparency, and insufficient engagement of professional associations.
- Agricultural investment businesses are poorly managed due to lack of skilled personnel in the sector. One of the main challenges facing institutional capacity development is the absence of a unified institution responsible for land issues.
- Additionally, the division between rural and urban areas presents its own set of issues.
- The private sector is not sufficiently involved in land administration, and could potentially ease the government's burden by outsourcing surveying, valuation, and cadastre works.
- The absence of a guiding land use plan is preventing the nation from utilizing its limited land resources effectively.
- Group three has proposed the following recommendations concerning the development of human resources:
  - Previous gap assessment studies should be recognized and recommendations have to be implemented;
  - Structured short training should be arranged and expanded;
  - Create a favorable working environment as the work environment is prone to corruption and other risks;
  - Proper professional assignment should be done by matching the assigned role with the educational background;
  - Performance-based incentives for workers should be established;
  - Create room for professional associations to contribute to the sector.
  - 'Independent' land neutral institution that unify the rural-urban land dichotomy should be established. Such institutional arrangements have been established in Amhara, Oromia and Tigray regions;



## Working group 4: Actors' Harmonization and strengthening investors' Associations for agricultural investment effectiveness

Key intakes of the group 4 includes the following points.

- In order to harmonize the actors, the group recommends the following points:
- Establish a responsible body to harmonize actors, from the top federal level to the lower woreda level, with a description of responsibilities;
- Establish central communication channels to raise concerns, share knowledge and exchange information among actors on agricultural investment;
- Strengthening of agricultural investment associations' as this has been found the key mechanism for the harmonization of actors;
- Arrange an annual experience-sharing forum among actors for sharing the best experiences, information and knowledge;
- Organize annual MSD forum among actors while taking the sustainability issue into consideration. The forum should not rely on support from a certain project and all concerned stakeholders should take responsibility to sustain the initiative.
- Close follow-up and support for investors' associations by the government body;
- Arrange special services and benefit packages that should be articulated in the rules and regulations associations, so that members of the association shall obtain services such as access to inputs and technologies;
- Different awareness creation and capacity-building programmes must be scheduled for the members of associations and actors;

## Working group 5: Insurance, financing, market linkage, input supply, infrastructure and incentive mechanisms

- Working group five come up with the following challenges
- Lack of promotion about the existing legal frameworks and lack of accessibility;
- Lack of awareness about insurance laws for all actors;
- Expensive premium payment;
- Lack of insurance that considers agricultural investment activities such as risks related to man made and natural factors (droughts, floods, land-slides, pests, diseases, security problems, wildfires, man-made fires, theft, etc.);
- Lack of access to credit for agricultural investment;
- High interest rate;
- Bureaucracy / delay of procedures;
- The investors could not be able to pay as per the agreed contract agreement;
- Late release of the loan from bank;
- Diverting or misusing of the loan from the investor side.
- Poor infrastructure, especially road transportation;
- Lack of market information;
- Lack of adjacent market centers that consider production potentials;
- Lack of integration and coordination among different government sectors (EIC, MoTRI, MoA, DBE), and investors

- Corruption;
- Long and inefficient market chain;
- Low capacity of agro-processing/manufacturing industries.
- Shortage and delay of inputs;
- Poor distribution of inputs and lack of information;• Lack of qualities of inputs;
- Inflation;
- Hoarding;
- Limited participation of private sectors (some items limited only to the government);
- Abusing supplies of inputs by private investors.
- Absence/ poor infrastructure availability (Road, Water, Electricity, Telecommunication, Fuel station, Market Centre, Bank Services, Health, and Education)

The group proposed the following solutions for the challenges related to insurance:

- Formulate agriculture investment insurance policy to recover losses from man made and natural disaster damages in agriculture activities. It should be implemented by the government and insurance companies;
- Create awareness and carryout promotion to all relevant actors;
- Set strong evaluation, monitoring and follow-up mechanisms to check the implementation of insurance policies;
- Account for the insurance companies if they couldn't discharge their responsibilities;
- The Government should set mechanisms to make the insurance's premium payment reasonable
- Allocate enough budget for agricultural investment;
- Private banks should also involve in providing loan for agricultural investment;
- Reduce the interest rate specifically for agricultural investment;
- Set efficient and functional institutional arrangements;
- Establish strong follow-up, monitoring and evaluation systems and investors should be committed to pay back loan;
- Financial institutions should be efficient in delivering the loan;
- Government and financial institutions should set follow-up mechanisms to overcome the abuse of the loan.
- Improve the overall infrastructure;
- Establish market information centers and create awareness;
- Establish adjacent market center based on the production potential of LSAI areas
- Strengthen the overall coordination among all actors (government, investors, buyers, suppliers, and communities);
- Automate market system and establish strong monitoring and evaluation system;
- Promote contract farming and agro-processing;
- Improve the linkage between the suppliers and buyers;
- Strengthen and engage cooperatives on the distribution of inputs;
- Inspect the quality of inputs and set standards to control the quality of the product and strengthening the quarantine process;



Mr. Kenenina Deksiso, and Mr. Alemayehu Gebresilase facilitating the discussions

- Strengthen the regulatory institutions;
- Import substitution should be considered;
- Government should take appropriate measures to control hoarding.
- Establish and improve basic infrastructure in the investment areas
- Lack of credit access;
- Lack of extension services;
- Shortage of input supply and inefficient distribution;
- Lack of foreign currency for beginner investors;
- Lack of proper implementation of investment policy.
- Government should encourage financial institutions to provide credit;
- Provide extension service and training;
- Give priorities for cooperatives to involve on the distribution of inputs and duty free;
- Give priorities for investors to get foreign currency to bring agricultural inputs;
- Strengthening institutional capacities to implement the policy, and conduct performance evaluation/audit.

#### 4.2. Discussions on group work presentations

A plenary discussion session was held after the groups did their assigned presentations. Mr. Alemayehu G/Selassie, who is the Head Desk of Horticulture and Agriculture Investment at the MoA on behalf of the State Minister of the MoA, and Mr. Kenenina Deksiso, who is the President of the National Investors' Association, chaired the discussion session. Key concerns were raised and discussed during the session:

- Regarding the presentation of spatial data and mapping, it is unquestionably important to provide information, especially for decision makers. Although the effort is in its early stages, it should be strengthened to address existing problems. Efforts are being made to improve cadastral data in relation to agriculture investments in Ethiopia. With support from GIZ, noticeable progress has been made through initiatives such as CAMIS. However, questions have been raised about why GIZ is also supporting the use of Kobo Toolbox for data collection instead of further developing CAMIS. In this regard, it was clarified that the first step for the system to start working is to make information available, followed by integration. Quality improvements would then be taken into account. Therefore, it's important not to confuse CAMIS with Kobo Toolbox, as they have different purposes. Kobo Toolbox is designed for
- Collecting data and identifying the status of agricultural investments, while CAMIS is for detailed analy-

sis. The next step is to transfer and integrate the data from Kobo Toolbox into CAMIS. In the long term, the establishment of a national spatial data infrastructure (NSDI) should be considered.

- To avoid encountering inconsistent information and wasting resources, it is necessary to integrate and harmonize the NRLIS, CAMIS, and Kobo Toolbox software systems. Proper institutional arrangements should be put in place to bring these systems together and move forward.
- The investment lands in Ethiopia have both horizontal and vertical discrepancies in their data. Some discrepancies arise from system-related issues, while others result from intentional manipulation of information. It is important to address these discrepancies.
- It is important to establish a system or procedures for insurance in the MoA that align with the unique nature of agriculture besides there should be a compensation policy when political conflicts arise. Regarding this matter, the National Investors' Association (NIA) expressed their concern to the government officials.
- Land administration relies heavily on efficient land markets and effective land management. Unfortunately, in Ethiopia, the land market is highly inefficient and often controlled by brokers. Additionally, the lease system is riddled with flaws, including corruption and inefficiencies. Without improvements to the land market, achieving efficient land administration will be challenging. This issue must be given serious consideration.
- The forum brought up only a limited number of basic issues, which do not accurately reflect the situation on the ground. To address the problem effectively, a more comprehensive discussion and reality check is necessary. The MoA must also make a sincere effort to visit the investment site and monitor its progress.
- The majority of agricultural investments are conducted in low-lying areas that have inadequate infrastructure. Additionally, security concerns exist in certain agricultural investment locations. The government should bear the primary responsibility for developing infrastructure and guaranteeing security.
- Monthly meetings are held regarding infrastructure, specifically with stakeholders involved in horticulture investment due to the sensitivity of the crop. Adequate information has been collected from two regions concerning the infrastructure requirements of LSAs and discussions will be held with stakeholders to ensure they integrate these issues into their plans. The MoA will not develop the necessary infrastructure on its own, but will facilitate discussions and collaboration among stakeholders.



- There exists a paradox in the market linkage where the prices of food items have skyrocketed, but investors are unable to sell their products, leading to a potential bankruptcy. As a solution, the government should address these market-related issues systematically by learning from past experiences. It is crucial to prioritize and encourage the concept of value chain.
- Efforts are being made regarding market linkage, with experts from MoA and MoTRI holding ongoing discussions. Additionally, higher officials are also involved in these discussions. By enhancing communication and collaboration, alternative solutions can be developed. Addressing the issue of market linkage will be included in the MoA's 2016-2018 plan, with joint efforts with MoTRI to find a resolution.
- Policy should be used to tackle certain issues, such as shifting the focus of the agriculture extension system from productivity to market orientation. This change could help solve problems related to agricultural investment, including market and value chain issues. The revised agriculture and rural development policy may offer various solutions, such as private extension service provisions, to address this concern.
- Investment involves lengthy bureaucratic processes, with unclear procedures for acquiring and transferring investment lands. Various government actors are involved in the land transfer process, leading to conflicts due to inconsistent procedures and overlapping responsibilities. To resolve these issues, stakeholders should engage in dialogue. Additionally, development partners have contributed to successful outcomes, which should be expanded upon. Positive results have also been seen with the CIGF and other initiatives, such as the MoA's Agriculture Development Platform Linkage Advisory Council (ADPLAC). In relation to this, it is important for the leadership in the land sector to have a common understanding and commitment at all levels.
- Large blocks of land have been identified by the Amhara region in response to the federal government's direction to develop millions of hectares, but no support or capacity building activities have been commenced yet. The government aims to develop 4.2 million hectares in a ten-year plan based on a study conducted in 2008 E.C. Although the study was not detailed, it identified the potential of regional lands, which was taken into account in the development of the plan. The plan addresses the demand from population growth and the agro-industry and will provide direction to the regions for implementation.
- The agriculture investment sector will greatly benefit from having a National Land Use Plan (NLUP), and it is important for concerned stakeholders to work together to develop this plan. Recognizing the need for a consistent National Integrated land use plan and policy, the government has agreed to coordinate the development process through the MoPD in order to avoid conflicts of interest. Encouraging progress has been made, therefore all concerned parties should work towards the finalization and issuance of the plan and policy, given their importance to investment.
- After being accessed, incentives for investors can be misused, so it would be better to link the incentives to the overall achievements of investors. Therefore, not only should the business proposal be evaluated, but practical past performance should also be considered. Moreover, responsible use of investment on land should be included in all agreements, and financial and insurance institutions should provide necessary information to investors. Investors should also be made aware of the terms and conditions of financial and insurance contracts. However, there are some contradictions in agriculture investments, as some investors have land but lack machinery, while others have idle machinery due to lack of land. As agriculture investment is a business, it is important to hire skilled workers based on merit rather than unqualified family members.
- The Federal EPA needs to provide consistent guidelines for monitoring and evaluation based on international principles to help regions carry out their responsibilities. While the Federal EPA is a regulatory body focused on high-level policies, it should also support and empower regions and communities to do the actual work.
- Investors' associations should indeed be strengthened, but it is not the government's primary responsibility to do so. The government should only provide an enabling environment and tackle any obstacles. The associations and their members should take the initiative to learn from successful experiences and improve the association. However, it is important to determine who should take the lead in strengthening the associations. Here, it is also important to take into consideration the development of an exemplary investor model.
- The NIA is not requesting for financial assistance from the government, but rather for help in overcoming the obstacles encountered by some government agencies when it comes to organizing regional counterparts. Therefore, the government should support the association's goal. In certain areas, associations have been formed by lobbying the regional bureaus of agriculture, investment, and industry. Other regions should follow this example and create their own associations. The MoA should assist these efforts by lobbying the relevant regional offices.
- The NAI is made up of regions, not individual investors. To become a member at the national level, individuals must first organize themselves at the regional level. The association's financial resources come from regional associations, which share their income from registration and annual membership fees. However, there is a lack of willingness among individuals to become members and contribute to the association. Without a system to make membership mandatory, the association will not become strong. To create change and advocate for common interests, it is necessary to strengthen the association and make membership obligatory for investors. Declarations or proclamations can support this effort. As the association grows stronger, it can develop new ways to generate income and provide facilities.



Group photo of the National MSD





Group photo of the National MSD





Hr.E. Dr. Sofia Kassa, State Minister  
For Agriculture Investment Sector, at the MoA  
Delivering closing statement

## 5 Conclusions and Closing Session

### 5.1. Closing Remark by H.E. Dr. Sofia Kassa, State Minister for Agriculture Investment Sector, MoA

H.E. Dr. Sofia's concluding remark highlights the following:

- Gratitude for the GIZ for organizing such MSD and acknowledged GIZ's consistent support for the sector and emphasized the importance of recognizing such a worthy partner.
- Call for GIZ to enhance its support to the sector, as it alerts the ministry to critical issues that have not received adequate attention.
- Appreciates participants' active engagement in the discussions and valuable input the demand actions at all levels.
- The primary objective of the forum is to promote responsible investment in land, especially for those involved in agricultural investment. When organizing such a forum. Questions such as follow up actions of the previous MSDs need to be addressed. It is important to first acknowledge the problem and assign ownership to the relevant stakeholders'.
- The owner of the task should then develop a plan to resolve assigned issues and implement it with a proper system of follow-up.
- Consultative sessions like this should be strengthened in the future.
- There are various investors in LSAs who are engaged in livestock production, horticulture, and other agricultural sectors. To support these investors, the MoA has established a new sector. The new setup is founded on the belief that the agricultural investment sector will be structurally well-supported if the MoA creates an enabling environment.
- The new arrangement consolidates all activities related to mechanization, entrepreneurship, urban agriculture, marketing, inputs, and investment under one sectoral leadership. Therefore, with this new arrangement, investors and smallholders farmers no longer need to approach different sectors to access the above mentioned services.
- This indicates that the government has given proper attention to investing in agriculture. It is important to recognize the significance of agriculture as the foundation of the Ethiopian economy, which can be achieved by promoting and strengthening the sector and investing in it.
- The government understands that no progress can be made without substantial investment in agriculture, and therefore it has provided duty-free incentives for 550 types of farm machinery to support farmers and encourage mechanized agriculture. Mechanization has been prioritized and the government is providing loans to farmers to access farm machinery. These actions highlight the government's dedication to the agricultural sector.
- The need to use technology and best practices to improve the agriculture sector and make it more appealing to investors. While adding agriculture topics to the general educational curriculum may help promote the sector, it is not a sufficient solution. Instead, the focus should be on attracting young people to agriculture by mechanizing the industry.
- Ethiopia has a vast amount of arable land, approximately 74 million ha, but only a small portion of it has been cultivated. Additionally, about 7 million ha of cultivated land is affected by acidity. Due to these factors, only a small percentage of land is being developed. Therefore, modernizing agriculture is necessary.
- However, modernization should not just involve the use of tractors and combine harvesters, but also maintaining high-quality standards. Agricultural production should exceed domestic consumption and consider exports, which requires competence in both quantity and quality of the specific commodity. It is also important to understand which crops should be grown where, and the Ministry of Agriculture is working on this. To further support the ministry's efforts, stakeholders must provide stronger support.
- The advancement of Ethiopian agriculture is not solely reliant on the support of smallholders. It also involves providing close support to investors, which contributes to the national GDP. Although the agriculture sector still plays a significant role in exports, agricultural investors must identify priority areas and take



- Responsibility for developing their land fully. While there are various issues, some can be tackled by investors themselves, while others require technical and policy support from the government. Therefore, stakeholders must collaborate closely.
- Creating market linkage to the agricultural investment is crucial. The MoA provide information on production locations to the MoTRI. The MoA is currently conducting mapping activities to address this issue.
- Additionally, a proclamation about contract farming will be issued soon to address market-related problems and connect investors with agro-industries and smallholders. This will allow investors to expand their land without requiring ownership titles. The stakeholders should be aware of this proclamation as it will benefit investors.
- The LSAs have sectorial associations, which are seen as somewhat weak as she pointed out. The MoA will be responsible for enhancing these associations, but it is not solely its duty. The current associations should also collaborate with the ministry. As a voluntary organization, the associations do not have regular funding, so investors should assist in its strengthening. It is important to note that a stronger association results in increased power.
- When investors obtain land, it is expected that they will implement new technology, better farming techniques, generate job opportunities, and engage in exports or substitute imports. However, in reality, many investment practices do not align with these expectations. This issue should be resolved by working together collaboratively with all stakeholders.
- When a loan is defaulted, instead of solely blaming the DBE, it would be beneficial for all concerned bodies, including the MoA, Investment Commission, and Bureau of Land Administration, to collaborate throughout the entire process, including the loan agreement. With regards to this issue, if an investor is unable to develop an entire plot of land at once, it would be wise to consider providing the land in phases, as suggested by representatives from the DBE. The loan should be given according to the size of land that the investor is capable of developing. However, this requires a nationwide awareness and should be supported by directives. H.E. Dr. Sofia has pledged to further discuss on this matter.
- Regarding finance access for smallholders farmers, there are currently three alternatives available.
- The first option is the second level land certificate, which allows farmers to use their land as collateral for loans from micro-finance institutions. However, this option has limitations such as high interest rates and restricted access to small amounts of finance due to liquidity risks. To address these issues, a request has been made to the National Bank of Ethiopia (NBE) for improvement.
- The second option is the warehouse voucher service, which is still in the pilot phase and available in Amhara and Oromia regions. This service provides certified warehouses where farmers can access up to 70% of their estimated stored total as collateral.
- The third option is to use livestock as collateral for accessing finances, which is particularly relevant for pastoral regions. While this initiative is still in the pilot

phase in the Somali region, it has not yet been implemented. The MoA is collaborating with relevant stakeholders to enhance smallholders farmers' access to finance.

- It is necessary for investors to establish irrigation infrastructure before using the land to produce crops multiple times a year. While supporting the DBE's directive, exceptions should be made for areas with high rainfall and certain commodities, which should be discussed. Investors should understand that this suggestion is not meant to oppose the DBE's directive, but to bring the matter up for discussion.
- The media coverage of this event is highly appreciated. This creates opportunities for sharing up-to-date information to the wider community on the progress being made in the agriculture sector.

Finally, H.E Dr. Sofia asserted that these forums will be made stronger, the harmonization will be reinforced, and the associations for investors will be strengthened. Since the mapping of the Amaha region is almost complete, a report will be created, and a regional forum will be held in the Amhara region.

## 5.2. Closing remark by Mr. Christian Mesmer, Project manager for S2RAI-RGIL project, Ethiopia

During his closing remarks, Mr. Christian Mesmer expressed his hope that all participants had a successful event discussing RAI. He mentioned that this was the third MSD forum of its kind in Ethiopia, and suggested that the government should draw on the lessons learned from these forums and develop strategies for further implementation.

According to Mr Christian, the development partners would be pleased if the government approached them with specific needs based on previously agreed upon discussion forum agreements and a clear outline of the required support. He emphasized that this proactive approach should be taken by the government, rather than waiting for development partners to push certain agendas. Mr. Christian urged the MoA to take responsibility and lead the process in order to strengthen the agricultural investment sector and encourage investors to invest responsibly and share returns with the environment and society. Responsible investment has the potential to increase profits, which is why all stakeholders should work together to avoid irresponsible use of land, prevent environmental pollution, and respect human rights.

In conclusion, Mr. Christian expressed his hope that the forum's outcome would incorporate and build upon the lessons learned from previous MSD forums. He strongly suggested that the documents produced should be utilized by the relevant offices and that the lessons should be expanded. Lastly, Mr Christian thanked and recognized the participants for their valuable insights and contributions and wished them a safe trip home.



Mr. Christian Mesmer  
Project manager for S2RAI-RGIL project, GIZ Ethiopia, closing remark



Discussions at the working group session of  
the National MSD



# Annex I: Agenda of the MSD

DAY 1 – (21/03/2023)			
Activity	Time	Presenter	Facilitator
Registration	08:30 – 09:00	GIZ	Moderator
Introducing the program	09:00 – 09:15	Moderator	
Welcome note	09:15 – 09:25	Mr. Dereje Abebe, Agriculture Investment and Product Marketing Lead Executive Officer, MoA	
Statement by GIZ- RGIL Ethiopia	09:25 – 09:35	Mr. Christian Mesmer, Project manager for S2RAI-RGIL project, Ethiopia	
Statement by EU	09:35 – 09:45	Mr. Roberto Schiliro, Green Deal team leader, EU Delegation	
Opening speech	09:45 – 10:00	H.E. Dr. Sofia Kassa, State Minister for MoA, Agriculture Investment Sector,	
<b>Group photo and Health break</b>	<b>10:00 -10:30</b>	<b>Organizers</b>	
Land governance and inclusive sustainable development	10:30 – 10:45	Darryl Vhugen (PhD), International consultant at NIRAS-IP consult (Virtual)	
Agricultural investment policy in Ethiopia	10:45 – 11:15	Dr. Anteneh Girma, Former Advisor for MoA	
Key international frameworks on RAI	11:15-11:30	Dr. Babette Wehrmann, International consultant at NIRAS-IP consult (Virtual)	
Discussion	11:30 – 12:30	Participants	
<b>Lunch break</b>	<b>12:30 – 14:00</b>		<b>Organizers</b>
The status of Responsible Governance of Investment in Land in Ethiopia -	14:00 – 14:15	Mr. Alemayehu G/Selassie MoA	Moderator
Large Scale Agricultural Investment Mapping: Case of Amhara & South West Ethiopia regions	14:15 -14:30	Mr. Addis Mulugeta, MoA	
Alignment of Environmental Laws in the Incentive System of Ethiopia	14:30 – 14:45	Mr. Tesfaye Ayele, Environmental Protection Authority	
Discussion	14:45 – 15:30	Participants	
<b>Health break</b>	<b>15:30 -15:45</b>	<b>Participants</b>	
Investors' associations opportunities/successes and challenges	15:45-16:00	Mr. Kenenia Deksiso National investors' association representative	
Community Investor Government Forum (CIGF)	16:00 – 16:15	Mr Mengistu Beyessa, Green Love Appreciative Development (GLAD)	
<b>Preliminary observation after the 1<sup>st</sup> &amp; 2<sup>nd</sup> MSD forums</b>	<b>16:15 -16:35</b>	<b>Amhara and Gambella regions representatives</b>	
Discussion	16:35 –17:30	Participants	
Day 2 (22/03/2023)			
Recap of Day 1	08:30 – 08:45	Moderator	
Briefing on group work and team formation	08:45 – 09:00	NIRAS-IP	
Group work	09:00 –10:30	Participants	

Health break	10:30 -10:45		
Group work continue	10:45 -12:30	Participants	
Lunch	12:30 -14:00		Organizers
Group presentations and discussions	14:00 -15:30	Participants	Moderator
Health break	15:30 -15:45		
Groups presentation and discussion	15:45 -16:30	Participants	Moderator
Overall plenary	16:30 -17:15	Participants	
Closing remark	17:15 - 17:30	H.E. Dr Sofia Kassa	



# Annex II: List of Participants

No	Name	Position	Organization
1.	Hr.E. Dr. Sofia Kassa	State Minister for Agriculture Investment Sector	MoA
2.	Hr.E. Tiruwork Abate	State Minister for MoPD	MoPD
3.	H.E. Ato Efa Muleta,	State Minister for MoA	MoA
4.	Dereje Abebe	Agriculture Investment and Product Marketing Lead Executive Officer	MoA
5.	Christian Mesmer	Project manager for S2RAI-RGIL project, Ethiopia	GIZ
6.	Roberto Schiliro	Green Deal team leader, EU Delegation	EU
7.	Dr. Anteneh Girma	Former Advisor	MoA
8.	Alemayehu G/Selassie	HAI Desk Head	MoA
9.	Anteneh Wondimu	Advisor	GIZ
10.	Molla Menigesha	Farmer	Private-BG
11.	Biel Keat	Advisor	GIZ
12.	Oman Owaro	Vice Head	EPA-Gambella
13.	Mesfin Tefera	Investor	Private-Amhara
14.	Mahlet Yohannes	Project Manager	SNV-Ethiopia
15.	Alemayehu G/silassie	Desk Head, Horticulture and Agriculture Investment	MoA
16.	Addis Mulugeta	Senior Expert	MoA
17.	Tesfaye Ayele	Senior Expert	Environmental Protection Authority
18.	Kenenia Deksiso	President	National Investors' Association
19.	Mersha Argaw	Public Relation	EU
20.	Netsanet Genene	Organization Development Advisor	GIZ
21.	Gatwech Biel	Vice Commissioner	Gambella Investment Commission
22.	Nesru Hussien	Land Use Desk Head	MoA
23.	Hailu Dentebo	Director	Land and Potential Directorate Director, South Investment and Industry Bureau
24.	Hashim Muhyedin	Secretary General	Oromia Crop Producers Association
25.	Kenenia Dekisis	Chair and Representative	National Investment Association
26.	Zelalem Terefe Kidanu	Farmer	Private-Amhara
27.	Getahun Hailu	Chair	Gambella Investors Association
28.	Yihunie Tadesse	Expert & Deputy Director	Amhara BoA
29.	Yilkal Kassie	Investor	Private-Amhara
30.	Getachew Nigatu	Expert/Focal person	Amhara EFPA
31.	Bezuaem Bekele	Advisor	GIZ-RGIL
32.	Abdulahi Mohammed	Farmer	Private-BG
33.	Shewaferaw Shitahun	Producer & Host	Asham TV-African Agriculture Production
34.	Wogayehu Tesfaye	Transformative Land Investment Advisor	SNV-Ethiopia
35.	Dessie Alebachew	Director	MoFA, Economic Diplomacy
36.	Solomon Kebede	Vice President	ELAPA
37.	Abdulmamud Ibrahim	Chair	BG Investors Association
38.	Bacha Aseraleka Bube	Farmer	Private-Gambella
39.	Talemos Data	Manager	EFD/UNDP

No	Name	Position	Organization
40.	Muluken Kotu	Expert	MoA/Climate Change Coordination
41.	Abera Mirekena	Expert	Gambella BoA Green Love Appreciative Development (GLAD)
42.	Mengistu Beyessa	Excutive Director	Private-Amhara
43.	Yirsaw Mekonnen	Farmer	Amhara Investors Association
44.	Mesfin Kiflu	Chair	Amhara Land Bureau
45.	Tigabu Belay	Investment director	Private-Amhara
46.	Kibrete Alemayehu	Investor	GIZ-S2RAI
47.	Sentayehu Tadesse	Advisor	ILA/BDU
48.	Dr. Belachew Yirsaw	Dean	PHEEC
49.	Ahmed Mohammed	Programme Manager	Privat-Gambella
50.	Orimi Omod Okon	Farmer	ORDA Ethiopia
51.	Solomon Ayele	Programme Director	Private-Gambella
52.	Atalay Asgedom	Investor	Private-Gambella
53.	Solomon Tsegaye	Investor	MoA
54.	Bogale Gelana	LAU-Expert	AAU
55.	Prof. Belay Simane	Professor	NIRAS IP consult
56.	Dr. Zerfu Hailu	Country Coordinator	GIZ
57.	Rahel Hailu	Project Manager	NIRAS IP consult
58.	Taye Worku	Moderator	GIZ
59.	Hailu Wudineh	Communication Expert	GIZ
60.	Mesai Mitiku	Communication Expert	NIRAS IP consult
61.	Tegegn Argaw	Rapporteur	MoA
62.	Solomon Demelew	Reporter	MoA
63.	Geremu Dessa	Camera Man	Balageru TV
64.	Asnake Marshet	Reporter	BoA-BG
65.	Bekele Anbessa	Deputy Head	SRTA
66.	Labiso Balcha	Journalist	South TV
67.	Kaleab Tsegaye	Journalist	South TV
68.	Misael Degeme		ENA
69.	Gosaye Feyissa	Editor	Hagerie TV
70.	Mulugeta Belay	Reporter	Hagerie TV
71.	Mahtemesilssei Taye	Camera Man	Asham TV
72.	Yared Admasu	Camera Man	Hagerie TV
73.	Kidus Tadesse	Camera Man	Asham TV
74.	Tewodros Fikru	Reporter	ENA
75.	Andualem Nibret	Camera Man	EBS TV
76.	Fiseha Dealesa	Reporter	EBS TV
77.	Behailu Jinga	Camera Man	Press
78.	Tamiru Regassa	Reporter	Press
79.	Hermon Fikadu	Reporter	Press
80.	Anteneh Chanie	A/Editor	Press
81.	Anteneh Cherie	Journalist	EPA
82.	Daneil Tamirat	Camera Man	Balageru TV
83.	Eyob Teferi	Camera Man	EPA
84.	Ermias Alebachew	Reporter	Roha Media
85.	Etsegenet Ameha	Reporter	Walta FM
86.	Birhanu Wubei		Walta
87.	Mikyas Gobu		ENA
88.	Haymanot Legesse		WYR
89.	Solomon Beyene		Walta
90.	Kidist Adamu		EPA
91.	Zeneb T/Mariam		Roha Media





Reflections of participants at the National MSD





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