



# Dutchiopia – Agri News

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On activities, events, studies, articles and more

Do not hesitate to contact us in case of requests, tips for this news letter or trade questions.

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## Publications

### ➤ **Healthy Diet Remains Unaffordable for Most Africans, a new report says**

The majority of Africa's population – about 78 percent, or more than one billion people – remain unable to afford a healthy diet, according to a new joint report by the African Union and three UN agencies.

The report – Africa Regional Overview of Food Security and Nutrition – Statistics and Trends 2023 – says the number is much higher than the 42 percent global estimate, and it is rising. The report also highlights alarming statistics on food insecurity and malnutrition that underscore the urgent need for comprehensive action. Nearly 282 million people in Africa are undernourished, an increase of 57 million people since the COVID-19 pandemic began.

[Africa Regional Overview of Food Security and Nutrition – Statistics and Trends 2023](#)

### ➤ **WMO Report: 2023**

The WMO provisional State of the Global Climate report was published to inform negotiations at COP28 in Dubai. It combines input from National Meteorological and Hydrological Services, regional climate centers, UN partners and leading climate scientists. The final State of the Global Climate 2023 report, along with regional reports, will be published in the first half of 2024.

[Provisional State of the Global Climate 2023 Report](#)

## Did you know?

### Did you know?

Ethiopia will begin the trial implementation of the African Continental Free Trade Area (AfCFTA) agreement soon, according to Ministry of Trade and Regional Integration. The product tariffs the country has set to participate in AfCFTA has also been accepted by the Council of African Trade Ministers.

### Did you know?

Ethiopia's unwavering commitment to building a low-emission and climate-resilient economy was the focal point of a high-level panel discussion held at the Ethiopian Green Legacy Pavilion at COP28 in Dubai. The event, titled "From Durban to Dubai, Ethiopia's Journey in Building A Low Emission and Climate Resilient Economy" brought together esteemed panelists to share insights on Ethiopia's remarkable progress in addressing climate change.

### Did you know?

Ethiopia's Finance Ministry and AMEA POWER, a Dubai-based developer, signed an agreement to build the Horn of Africa's largest onshore wind farm with a capacity to generate 300 megawatts of electricity. The Aysha Wind Power Project construction deal was signed between the Ministry of Finance and AMEA Power.

### Did you know?

The National Bank of Ethiopia has its plans to reduce the wide gap between the legal and black market of the foreign exchange rates by 95 percent, but it is not known when and how this plan would be implemented.

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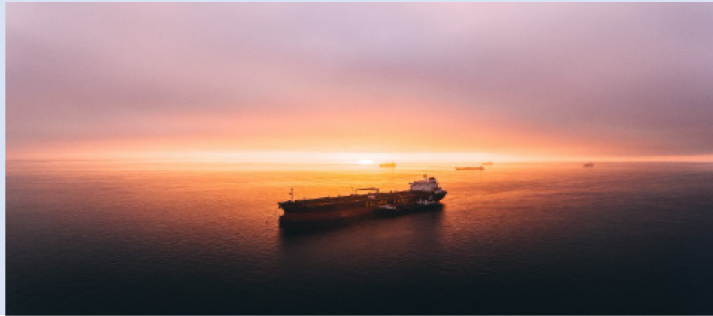
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## Short Newsflashes

### Sky to Ocean: Breaking the Mold in Flower Exports

Ethiopian Airlines Cargo has played a key role in the transportation of ornamental plants and cut flowers over the past decade. Flower exports have always been mostly dependent on air travel, with Ethiopian Air Cargo setting the standard. The airline's strong facilities and infrastructure, which guarantee competitive services for exporters, bolstered this reliance.

The limited capacity and weight restrictions of aircraft often lead to higher costs, especially during peak seasons. In contrast, sea freight presents a more cost-effective alternative, potentially reducing transportation costs by about half compared to air transportation as stated in this [article](#). Besides economic advantages, with lower fuel consumption and reduced greenhouse gas emissions, sea transport aligns with global efforts to respond to climate change and promote sustainability.



### ILO requests the Ethiopian government to ratify the minimum wage floor for employees

The International Labour Organization (ILO) has requested Ethiopia to ratify the agreement that determines the minimum wage floor for workers. The Confederation of Ethiopian Workers' Unions also pointed out that the workers have "pending questions posed for hundreds of years" as reported on [this](#) article. The president of the Confederation said that one of the questions raised by the workers in Ethiopia for a very long time is about respecting workers' right to organize.

### Optimism in Fertilizer Overhaul Sprinkles a Pinch of Skepticism

Ethiopian Minister of Agriculture is leading a charge to overhaul the fertilizer procurement process, in a bid to avert the fertilizer shortage that plagued Ethiopian farmers last year. The Minister appears determined to ensure a steady and increased supply to meet the growing demands for the input.

However, the target was revised by nearly four million quintals due to budgetary limitations set by the Ministry of Finance, capping spending at 930 million dollars. Nonetheless, the move to secure such a significant quantity of fertilizer in a short period is unprecedented in the country's agricultural history as disclosed in [here](#) on the [Addisfortune News](#).

### Ethiopia Showcases Concrete Climate Action Efforts at COP28

Ethiopia has showcased its concrete climate change actions including the Green Legacy Initiative and sustainable agricultural practices at COP28 being held in Dubai, United Arab Emirates (UAE). Agriculture Minister Girma Amente stated that the country has presented updates on its successful activities in the areas of climate change mitigation, adaptation and sustainable agricultural practices at the conference. Read more in [here](#).

### The Netherlands Ministry of Foreign Affairs pledges support for a Systematic Approach to Graduating the Cooperative Landscape

The Netherlands Ministry of Foreign Affairs has committed €8 million to support AgriGRADE, a groundbreaking initiative designed to elevate the cooperative agricultural sector in emerging economies as reported in [this article](#).

Developed collaboratively by SCOPEinsight, Agriterra, IDH, Oikocredit, and IDH FarmFit Fund, AgriGRADE employs a systematic, data-driven methodology, integrating established concepts and effective tools from these organizations. This approach aims to enhance the appeal of cooperatives and farmer organizations in emerging markets, making them more attractive to farmers, market off-takers, and investors.

### Ethiopia Contemplates Horticulture Exports Price Cusp

Officials at the Ethiopian Ministry of Agriculture move to set a minimum price threshold for horticulture exports, at the backdrop of a study that hopes to regulate the international trade.



The decision came after observing that export earnings constituted less than 0.3pc of the total, which accounted for 11 million dollars last year as read in [here](#).

Over 14 high-valued commodities, including avocado and strawberry from fruits, green beans and sugar snaps from vegetables, and 12 types of herbs making their way to the Middle East, Europe, and the US are included in the study.

Officials at the Ethiopian Ministry believe the study will help them control foreign currency flow in a market currently plagued with under-invoicing, subjected to lower earnings.



## EU Says Ready To Continue Providing Support For Ethiopia



An EU-Ethiopia structured dialogue was held in Addis Ababa in the presence of ambassadors of EU and member states. Speaking at the occasion, Deputy Prime Minister and Foreign Minister of Ethiopia said convening this dialogue demonstrates the commitment of the Government of Ethiopia to further strengthen its relations with the European Union and member countries.

A strategic partnership agreement with the European Union has paved the way for the event, Demeke said adding that recently, the signing of the Multiannual Indicative Program in October 2023 is indicative of a commitment towards strengthened relations.

Read more in [here](#) on the [Ethiopian News Agency](#).

## The Paris Club Welcomes The Agreement To Provide Ethiopia With A Debt Standstill

The Paris Club commends the agreements between the Ethiopian authorities and its official bilateral creditors for a time-bound suspension of debt service due from 1 January 2023 to 31 December 2024.

Complementary to the bilateral agreement between China and Ethiopia, an agreement between the other official bilateral creditors and Ethiopia was coordinated through the official creditor committee (OCC) of Ethiopia under the Common Framework, which is co-chaired by France and China. The terms for this OCC coordinated agreement to suspend debt service due over 2023 and 2024, and which are broadly comparable to those implemented during the Debt Service Suspension Initiative (DSSI), were agreed with Ethiopia's authorities as reported in [this](#) article.

## Ethiopia, GGGI Agree to Strengthen Partnership to Promote Inclusive Green Economic Growth

Minister of Planning and Development of Ethiopia, Fitsum Assefa and Director General of the Global Green Growth Institute (GGGI), Frank Rijsberman held a bilateral meeting at COP 28 in the Ethiopian Green Legacy Pavilion.

The two sides have discussed ways to strengthen their partnership to promote inclusive green economic growth in Ethiopia. Frank Rijsberman for his part reaffirmed GGGI's commitment to its long-standing partnership with the Ethiopian government. Read more in [here](#).

## Contract-farming a Step Forward, But Long Road Ahead

The federal government of Ethiopia took a significant step towards modernizing the agricultural sector. Parliament enacted a law governing parties in agricultural production contracts, a landmark legislation addressing a critical gap in the country's legal framework and offering a structured pathway for smallholder farmers to access emerging market opportunities.

The passing of this bill is particularly poignant in a country where agriculture is not just an economic activity but a way of life for over 80pc of the population. Agriculture is dominated mainly by smallholder farmers, who, until now, have been on the peripheries of the globalized market. The disconnect not only limited their economic potential but also kept them vulnerable to the fluctuations of domestic markets and constraints from traditional farming.

The law addresses a fundamental issue of interest alignment between smallholder farmers and contractors. It specifically governs agreements in supplying agricultural produce, establishing a legal framework where previously there was none. One of its key features is its provision for renegotiation of prices under certain circumstances, considering market escalations and the need for equitable, long-term relationships.

You can get more information in [here](#).

## Ethiopia Holds Global Investor Call, Reiterates Intention To Treat All External Creditors Equitably



The Ethiopia's Ministry of Finance held a Global Investor Call to discuss its strategy for securing Eurobond treatment for its outstanding Eurobond ahead of the Common Framework.

State Minister Eyob Tekalign presented Ethiopia's strategy, which includes inviting bondholders to contribute early on to the resolution of its debt issue. The proposed debt treatment aims to minimize the risk of the agreement being revisited due to concerns over comparability and non-compliance with the Debt Sustainability Analysis.

The Ministry is prepared to discuss possible mitigants, including a loss reinstatement provision. The Ministry is committed to restoring normal relations with all creditors and ensuring transparency, good faith, and an equitable approach to external creditors.

You can get more information in [here](#) on the News of [Fana Broadcasting Corporate](#).

## Development Bank of Ethiopia Announces Significant Interest Rate Cut of 4.5%



The Development Bank of Ethiopia has made a significant announcement regarding a considerable reduction in interest rates for loans extended to projects within the agricultural sector, particularly targeting small to medium-scale endeavors and corporate initiatives.

This strategic decision, unveiled through the Bank's official social media platform, reflects a noteworthy shift from the previous interest rate of 11.7% to a considerably reduced rate of 7%.

You can get more information in [here](#).

## Tapping into science to support soil erosion solutions in Africa



Across Africa, the loss of soils due to erosion is one of the most persistent environmental issues, greatly impacting food production and contributing to rising food insecurity. The degradation of soil poses a significant threat to sustainability on the continent and protecting the soil is strongly linked to a number of the [UN's sustainable development goals](#).

World Soil Day on 5 December highlighted the critical significance underlines the importance of this fragile yet essential natural resource. While the challenge is substantial, action at ground level can yield positive outcomes as indicated in [this article](#).

## Climate-resilient food system through holistic agroecology

As reported in [this article](#), Ethiopia's Prime Minister Abiy Ahmed said that the country would harvest 800 million quintals of produce this year, taking into account the agricultural activities carried out during the Kiremet (from June to September) rainy season.

The prime Minister said preparations are underway to irrigate three million hectares of land for summer wheat production, an initiative that has bear fruit following the implementation of the Homegrown Economic Reform.

## Ethiopia aims to get \$3.5 billion under IMF programme-sources

Ethiopia is in discussion with the International Monetary Fund (IMF) to borrow around \$3.5 billion under a reform programme. Ethiopia has been requesting "exceptional access" to IMF funding of more than 100% of its allowance since 2022, but so far hasn't disclosed how much exactly. Sources indicated [Reuters](#) the country was in discussion to borrow at least \$2 billion from the Fund as sated in [here](#).

It is not clear if the total funding that the east African nation is seeking from the IMF includes financing under the Resilience and Sustainability Trust (RST), a vehicle to help low-income and vulnerable middle-income countries build resilience to external shocks and ensure sustainable growth.

## Europe's Green Crusade Brews Bitter Cup For Ethiopia's Coffee

The European Union's (EU) new regulation for deforestation is sending ripples through the global coffee industry, impacting coffee exporters in Ethiopia and other developing countries as read more in [here](#) on the [Addisfortune News](#).

The sweeping regulation, which aims to combat global deforestation, demands stringent due diligence from companies importing agricultural commodities, including coffee, into the European market to ensure these products are not linked to deforestation or forest degradation post-December 2020. While set to be effective from December 2024, the rule is already influencing supply chains, with European businesses reducing orders from countries struggling to meet these stringent standards.



# Events & Development

## Past event



### The Netherlands Sign €45m Grant Agreement with the Ethiopian Ministry of Finance

The Federal Democratic Republic of Ethiopia and the Kingdom of the Netherlands signed Grant Agreement to support Basin Management Support for Resilient Inclusive Growth and Harmonized Transformation for the national Integrated Water Resource Management Program (BRIGHT) as reported on [this](#) article.

The total finance envelope of project is 45 million € (2.7 billion Birr), the Ministry of Finance revealed. This grant,

according to the Ministry, shall be used to improve Integrated Water Resources Management (IWRM) in Abbay, Awash, Rift Valley, Omo-Gibe and Tekezie river basins.

## Upcoming event

### Trade mission in Kampala, Uganda from 19-25 February

The Agricultural teams at the Netherlands Embassies in East Africa work closely together and promote each other activities, like the following event in Uganda.

The Agricultural Team in Uganda is organizing a trade mission from 19-25 February. There will be a big agricultural Expo with a NL pavilion where companies can exhibit and provide workshops.

Discover your opportunities in the Ugandan agri-food sector during the Harvest Money Expo. The themes 'Climate-smart solutions' and 'Digital solutions' are also central during this 7<sup>th</sup> edition of the event. This agricultural fair will take place from 23 to 25 February 2024 in the Ugandan capital Kampala. You can get more information in [here](#).

### Connect to IFC/World Bank's Funding Opportunities

International Finance Corporation (IFC) in partnership with University of Chicago Booth School of Business and Imuka Access is currently mapping the entrepreneurial ecosystem across Africa in order to strengthen and facilitate Entrepreneur - Investor match making.

IFC has been a pioneer in nurturing entrepreneurial ecosystems across Africa by investing in and supporting a diverse range of companies, funds, accelerators, incubators, and other impactful organizations. To further strengthen these connections, IFC is conducting a comprehensive study aimed at enhancing the connection process between entrepreneurs and investors, accelerators, and incubators.

The project is aimed enhancing the connection process between entrepreneurs and investors, accelerators, and incubators across Africa.

Background information can be found in the below link: [Connecting Africa's Entrepreneurs | An IFC Study](#)

DOING BUSINESS IN AFRICA → TRADE MISSIONS TO AFRICA →  
AGRICULTURAL SECTOR TRADE MISSION TO HARVEST MONEY EXPO IN UGANDA

### AGRICULTURAL SECTOR TRADE MISSION TO HARVEST MONEY EXPO IN UGANDA

Are you active in the agricultural sector? And are you curious about the opportunities and possibilities of doing business in Uganda? Then join the trade mission to Uganda from 19 to 25 February 2024. During this trade mission we will visit the Harvest Money Expo event.

19th of February 2024    Kampala, Uganda

NABC trade mission

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