

## **Annex 13 Subcontracting, capacity building and micro finance plans**

### **1 Sub contracting**

A list of potential partner intuitions has been identified in Annex 7. The research partners can be subdivided into national (EARO) and regional agricultural research institutes (RARIs) and the International Agricultural Research Institutions.

#### Research partners

For the involvement of the national and regional research institutions, the project has set aside a budget covering per diem and travel expenses (no salary costs are covered). The total annual cost is estimated for the 10 PLS and may be adjusted once the project becomes operational. No contracts are required for these arrangements.

For the collaboration with the international centers, ILRI will sign a MoU with each of the centers and then annual contracts will be signed for specific activities. The project has started the negotiation for these contracts with the partners. However, most centers will require a more in-depth study of their input at the PLS after the submission of this PIP. Based on the choice of Pilot Learning Sites, it is estimated that about 10 IARCs will participate in the project and tentatively a budget of 45 days of senior staff time, plus travel expenses by centre has been set aside per annum for participation by each centre. The involvement of most centers will include:

- Synthesis of knowledge on the priority commodities and supporting NRM technologies, including marketing and input supply systems (component 1)
- Provision/preparation of various extension materials on the priority commodities and supporting NRM technologies (component 1)
- Synthesis and preparation of training materials on innovative technology transfer methods (component 1)
- Synthesis and preparation of training materials on technical aspects of priority commodities and supporting NRM technologies (component 1)
- Synthesis and preparation of training materials on input and output marketing systems for priority commodities and supporting NRM technologies (component 1).
- Conducting training for staff at TVETs, Woreda Offices and FTCs in innovative methods of technology transfer, input and output marketing, and technical topics (component 2)

- Provision of demonstration materials on priority commodities and supporting NRM technologies to the TVETS and FTCs (component 2)
- Providing technical assistance for introducing innovative methods of technology transfer, technologies and input and output marketing systems (component 3).
- Conduct/analyze studies and monitor introduction of innovative technologies (component 4), within and across PLS

Besides these research and development activities, partners will also take part in taskforces (see expert consultation) and advisory and learning committee activities.

It is proposed that the individual contracts with the partners will be submitted for review to CIDA and the Project Steering Committee as they are being developed.

#### Development partners

The services of development partners/NGOs will be secured annually on a needs basis, once the activities in which these partners will be involved are clearly defined. Contracts will be signed on a case by case basis. A global budget has been assigned for this purpose (see budget notes). Potential partners with whom negotiations have started include SAPTECH, Harmony and SOS Sahel for honey marketing development. Agri service-Ethiopia will be contacted for involvement in training and technical assistance for interactive technology transfer methods.

#### Consultancy agreements

The project has developed contracts with private consultants in the field of environment, gender and HIV/AIDS. Based on the proposed work plans by each of the consultants, annual contracts will be made with each of the consultants. Once implementation starts, additional consultants will be required in particular for sustainable livelihood and rural enterprise development.

### **2 Capacity building plan**

The project's capacity building plan for post graduate training is an integral part of project component 2. As explained in the description of this component, the nature of this component is still under discussion. Once the project is operational in the PLSs and at the regional level, an assessment of the postgraduate training needs of the staff will be made. A budget has been earmarked and the final proposal will be submitted to CIDA and the MoARD for approval.

### **3 Micro finance plan**

The project will provide limited credit fund to private organizations (farmers, cooperatives or private businesses) for such activities as input supply, farmer to farmer seed multiplication, as well as for innovative technologies to be introduced at the farm level. The credit funds will be channeled through the existing micro-

finance institutions under sub-contracting arrangements. The details of the sub-contracting arrangement will be worked out together with the respective micro-finance institutions after the more in depth studies of the input supply system to be developed in the PLSs.

The micro-finance institutions that will be sub-contracted to channel the credit to the private organizations are the Dedebit Credit and Saving Institution (DCSI) in Tigray, the Amhara Credit and Saving Institutions (ACSI) in Amhara, the Oromia Credit and Saving Institution (OCSI) in Oromia, and the Omo Microfinance Institution (OMI) and the Sidama Microfinance Institution (SMI) in the Southern Region. These credit institutions use group collateral approach to supply credit to farmers. Each institution has branch offices up to the woreda level. Access by women farmers to this credit is limited (see Annex 2). The project intends to use innovative approaches to supply the credit funds. The purposes and amount of the credit fund, and the specific innovative methods to deliver the credit will be determined upon the analysis of baseline data and discussions with the microfinance institutions and woreda level experts.

A budget of CAD \$ 1,200, 000 has been set aside for this component (see budget). Once the details for the micro finance plans have been developed (first half year of 2005), the plans will be submitted to CIDA and MoARD for review and approval.