

Balaynesh Kasa farms hops at a watershed restoration and homestead development in Bahir Dar, the Amhara Region of Ethiopia. This provides her with enough income to support her family and send her four children to school.

## **Context**

With a population of 112 million people, Ethiopia is the second-most populous nation in Africa and the fastest-growing economy in the region. Despite persistent efforts over the past half century or more by various governments to transform the country from an agriculture-based economy into a manufacturing hub, agriculture remains the most important sector, contributing to almost half of GDP, 83.9 percent of exports and 80 percent of total employment.

Food and nutrition security remain a core challenge, despite impressive economic advances. Some 29 percent of people suffer from micronutrient deficiencies. Weather-related drought remains one of the key causes of food insecurity, contributing to high rates of chronic malnutrition that cost the country 16.5 percent of GDP each year. Exacerbating this are rates of post-harvest food losses reported to range from 30 to 50 percent.

Broader economic losses attributable to land degradation associated with land use and cover change in Ethiopia are estimated to be in the order of \$4.3 billion a year. Similarly, continuing high rates of deforestation and land degradation threaten the natural resources on which many Ethiopians depend.

## **Critical transitions**

The Ethiopian government is committed to action across nine of the ten critical transitions (excluding the ocean). Among its priorities are the following four:

1

Healthy diets. While good progress has been achieved in reducing chronic child under-nutrition in Ethiopia, levels are still high. A greater supply of and access to protein, fresh vegetables, fruits and legumes could boost diet diversity with positive health impacts for children and pregnant women in particular. Existing government and community programmes to end child malnutrition can be further scaled up. Future agricultural commercialisation and agro-processing can increase the supply of safe food including protein, fresh vegetables, fruits and legumes. Policies and incentives can be put in place to encourage the consumption of healthy food and the avoidance of unhealthy habits.

2

Productive and regenerative agriculture. Through its Agricultural Transformation Agenda, Ethiopia has embarked on a nationwide effort to commercialise smallholder farming and pursue more sustainable and regenerative agricultural practices, ensuring that the country optimises its use of land in accordance with soil type and meteorological conditions. In designated Agricultural Commercialisation Clusters, FOLU is collaborating with the Agricultural Transformation Agency to pilot models that encourage sustainable agricultural commodity production through innovative value chain alliances, and incentives that encourage sustainable resource management within agricultural landscapes. The commodities involved include barley, wheat, sesame and teff (a fine grain), and interventions include linking farmers' cooperatives to special economic zones.

3

Protecting and restoring nature. Ethiopia has been a global leader in landscape restoration, including a recently launched, massive tree planting campaign. Coupled with a renewed effort to protect remaining standing forests (and other ecosystems of value), this will provide immediate benefits to rural land users and is essential to secure viable food and land use systems for coming generations. Commercial opportunities lie in encouraging markets for sustainable wood and forest products, establishing deforestation-free coffee landscapes and value chains, and providing incentives for water-related ecosystem services.

4

Food loss and waste. The bulk of food loss and waste occurs between harvest and arrival at the processor or manufacturer. This inefficiency wastes millions of dollars every year, undermines farmers' incomes and exacerbates food and nutrition insecurity. There is so far no robust national data available on this issue, even though it is expected to become increasingly important with anticipated shifts in rural-urban demographics, diets and consumption patterns.

Ethiopia can pursue a two-step approach to make its food system more efficient. The first step is to reduce post-harvest loss for agricultural commodities prioritised under the Agricultural Transformation Agenda. Second, the country needs to measure and report loss and waste systematically across all agricultural commodities and use the data to develop national strategies and guide public and private sector commitments to action.