Writing the foreword for our inaugural annual report in Ethiopia is emotional for me, as I joined iDE Ethiopia as Country Director in January 2018. I’m driven by the iDE vision, and thrilled to have joined such a dynamic and committed team.

I feel energized looking back at everything we have accomplished in 2018. In Ethiopia, we continue to make progress with our work in agriculture, focusing on food security, resilience to climate change, nutrition-sensitive agriculture, and livelihood diversification for women and youth. Our water, sanitation, and hygiene (WASH) portfolio reached new milestones, with partnerships playing a critical role by helping to provide access to finance for many of our customers who would have otherwise been unable to purchase these needed products and services.

We also faced some challenges. Ending successful projects is never easy—we closed our office in Ziway, Oromia, the birthplace of iDE in Ethiopia. Instability in the country also caused delays in some of our work. However, we saw these challenges as opportunities to step back and think critically about the work we do. This reflection and learning have led to new opportunities and partnerships.

One of the key highlights this year was developing iDE Ethiopia’s Gender Strategy. Our team engaged in important conversations about how we look at gender equity in our work and inside our organization. Our aim is to be transformational when it comes to women’s empowerment, bridging the gap between the economic and social aspects of gender equity, while we continue to commit to a gender-responsive working environment. At iDE Ethiopia, we are proud to be leaders in this work and will keep striving to ensure that all voices are heard.

Thanks to our donors, partners, clients, and friends for your support in 2018. Globally, iDE has reached more than 30 million smallholder farmers since 1982, and iDE Ethiopia is proud to have been a part of this journey. The work has been inspiring and rewarding, and I look ahead with optimism, as we continue to promote entrepreneurship to transform the lives of smallholder farmers everywhere.

Andrea Hernandez Tobar
Country Director
iDE Ethiopia
About iDE

OVERVIEW

iDE is a global development organization that co-creates with foundations, governments, individuals, for-profits, and nonprofits to develop lasting solutions to poverty. We design and deliver market-based solutions in Agriculture and WASH in 11 countries across Asia, Africa, and Central America. Much more than a collection of technologies and field offices, we are a globally integrated ecosystem of nearly 1,000 staff, passionate about innovation and entrepreneurship.

MISSION

iDE creates income and livelihood opportunities for poor rural households.

VALUES

Poor women and men have the right to a secure livelihood. Markets are the most powerful force for significant, widespread and lasting impact on rural prosperity. The rural poor are customers, producers, and entrepreneurs. We listen to and learn from the people we work with. We value innovation and entrepreneurship. We are results-oriented, aiming for significant impacts for large numbers of people. We strive for economic, social, and environmental equity and sustainability.

About iDE Ethiopia

iDE has been working in Ethiopia since 2007, with an initial focus on creating access to affordable household irrigation technologies to help smallholder farmers produce and sell high value crops. As a result of this work, iDE Ethiopia received the “National Best Practice” Award in 2012 for its innovative, affordable, and scalable technologies and market-based approach. Building on its irrigation technologies, iDE Ethiopia has expanded its scope of work to meet the multifaceted needs of smallholder farmers. Utilizing a robust agricultural value chain development approach, iDE Ethiopia engages farmers in livelihood diversification, integrated natural resource management, and climate-smart crop production. This entails developing profitable enterprises to supply appropriate farm inputs, technologies, and technical advice, while also connecting smallholder farmers to commercial markets.

In addition to supporting farmers in crop production and income generation, iDE Ethiopia also works with local entrepreneurs to develop business models for clean drinking water and sanitation. By promoting sanitation and safe water technologies and practices, communities utilize the local market to improve their health and quality of life. Over the last eleven years, iDE Ethiopia has reached 128,349 smallholder households in five regional states (Oromia, SNNP, Amhara, Tigray, Afar) through agricultural development, sustainable land and water management, food security, and WASH projects that facilitated access to technologies, information, inputs, and services to improve rural livelihoods.
If you want to know how to improve people’s lives, ask them.

Start With People
People are more likely to invest their money in a solution that comes from their own ideas and desires. Using Human-Centered Design, we make no assumptions about what people want or what the final solution should look like. Instead, we develop a deep understanding of people’s lives to inspire our designs and market-based ideas.

Design to Context
Solutions to alleviate poverty and improve livelihoods aren’t universal—they have to be tailored to meet local contexts. In order to accomplish this, our organizational structure is intentionally decentralized, allowing for visionary leadership in the field, not just back at headquarters. Our teams are constantly in contact with our clients, designing solutions together.

Business Delivers
The poor work hard: growing food, tending a market stall, pouring cement into a mold. Today they are struggling to get by, but with training, tools, and opportunities, they can become successful employees, sales agents, business operators, and entrepreneurs. We engage the poor in the private sector by building inclusive, sustainable markets for businesses of all sizes.

We have the technology. Let’s use it for good.

Results Rule
iDE is pioneering a dynamic cloud-based information system that connects every segment of our operations, from the mobile phone of a latrine sales agent in rural Ethiopia, to the Country Director’s laptop in Addis Ababa. This integration enables us to have real-time data so we can analyze our quality and reliability, cost-effectiveness, progress towards targets, and key performance indicators.
People need more than money to realize their potential. We must develop innovative and compassionate solutions that resolve fundamental inequalities.

**Impact Beyond Income**

**Nutrition to Thrive**
Vitamin-rich crops provide families and communities with the energy and mental ability the need to be successful.

**Gender Equality**
Men and women participate as customers and entrepreneurs, strengthening their families and livelihoods.

**Food Security**
Sustainable farming practices ensure the availability of food while protecting the environment and health of communities.

**Resilience to Climate Change**
Farmers have access to practical strategies to deal with unpredictable weather and its effects.
Agriculture for Entrepreneurs

Farmers make up 67.27% of Ethiopia’s labor force, producing both subsistence and commercial crops in rural areas. We’re creating business opportunities that result in increased income for farmers, their families, and their communities.

Seta Lachore
Smallholder Farmer

Seta used to buy improved seeds from local money lenders using his land as collateral with 100% interest rate. Thanks to iDE, he accessed a loan from Omo Microfinance and procured improved seeds. iDE also provided him with sweet potato and taro seeds for seed multiplication. After successfully repaying the first loan, he received a second loan to buy improved maize seeds. Seta was also trained in climate smart agriculture, and compost preparation and application.

RESOURCE-SMART TECHNOLOGY
iDE identifies and re-designs technologies that minimize the pressure on labor, income, water, and energy reducing environmental impacts while boosting productivity and incomes on small plots.

LAST MILE DELIVERY
iDE works through farm business advisors and local farm training centers to provide critical agro-inputs, practical training, and agro-pastoralist services to smallholder farmers in remote areas.

INCLUSIVE MARKET ACCESS
iDE utilizes innovative approaches to connect all farmers, from the home gardener to the commercial crop producer, to appropriate and profitable markets.
iDE trains unemployed youth to produce low-cost latrines. Zekarias is one of the trainees. Despite having a B.Sc. degree in Mechanical Engineering, Zekarias was unemployed. Within four months of receiving the training, he had sold more than 70 slabs. A stable income has meant that Zekarias no longer needs to migrate to an urban area in search of a job. He is able to remain in his village, and stay close to his extended family.

Markets for WASH

In Ethiopia, 60-80% of communicable diseases can be attributed to lack of access to clean water and inadequate sanitation. We’re developing markets for clean water and sanitation through the design and sale of affordable water technologies.
Access to Finance

We engage financial institutions to develop loan systems that enable people to make investment decisions regarding productivity-enhancing technology practices with little or no collateral.

**BUSINESS PLANNING**

We support small-scale farmers, women's groups, and youth groups in developing business plans and obtaining loans.

**CREATING PARTNERSHIPS**

We foster partnerships with financial service providers to find appropriate partners for the entrepreneurs with whom we work so they can grow their business.

**DESIGNING OPTIONS**

To enable farmers to obtain loans that meet their needs, we design options with local financial partners regarding collateral, terms, and repayment schedules.

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“Before the project intervention, I had a problem to access improved seed and fertilizers to sow in my yard because of lack of money. If I didn’t get this loan through iDE’s partnership with the micro finance institution, I was thinking I would have to rent my land, sell the iron roof from my house, or withdraw my sons and husband from university. But, thanks to iDE and the money I earned from agricultural production, now all of them have graduated from university, my house is not sold, and I didn’t have to rent my land.”

**Belaynesh Worku**

Micro finance client
Where we work

Our results in Ethiopia

128,349
Households impacted to date

641,745
Individuals impacted to date

$328
Annual increase in income

4.80:1
Benefit to cost ratio
Livelihoods for Resilience Activity

As a resource partner for this project focused on promoting small-scale irrigation technologies, iDE provides technical assistance to the implementing consortium. We engage in promotion activities for affordable irrigation technologies (including rope-and-washer pumps, manual well drilling, drip irrigation kits, and water storage containers) as well as help establish a supply chain. In 2018, iDE conducted a shallow groundwater assessment in the 27 project woredas and trained 28 manual well drillers for this project.

FACASI II

The second phase of the Farm Mechanization and Conservation Agriculture for Sustainable Intensification (FACASI) project is currently focusing on conducting a feasibility study of two-wheel tractor adoption by smallholder farmers and private two-wheel tractor service providers. The project broadly aims to improve access to mechanization, reduce labor drudgery, and minimize biomass trade-offs through accelerated delivery and adoption of two-wheel tractor-based technologies by smallholders. It highlights iDE's "Market Systems Development Approach," as it employs a business model within its agricultural research. Following the development of data collection and assessment tools, an assessment of the performance of the business model along the supply chain has been initiated. 13 tractor service providers and 58 service users were assessed. The project's findings will contribute to future business models in which two-wheel tractor mechanization is promoted.
HEADLEY TRUST

The absence of consumer financing for sanitation products in rural Ethiopia remains one of the key barriers to reaching the poor through sanitation marketing. To address this challenge in WASH, iDE had begun lobbying micro finance institutions (MFIs) to create sanitation loan products. However, the MFIs we have worked with have been hesitant to finance slab purchases from their own capital, citing low product prices and narrow profit margins. In addition, many MFIs are concerned about loan repayment since latrine slabs do not directly generate income for households. With support from The Headley Trust, iDE has injected revolving funds into selected partner MFIs, with the goal of facilitating sanitation loans to 750 poor rural households in the project area. The project provided two days of intensive training for 36 sales agents with the objective of building capacity to work with MFIs and provide customers information on sanitation loan products. Using a training of trainer’s model, iDE has trained 60 government staff, including health extension workers, on sanitation marketing.

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Toilets sold</td>
<td>1,052</td>
</tr>
<tr>
<td>Sales agent commission</td>
<td>31,560 ETB</td>
</tr>
<tr>
<td>Latrine business profit</td>
<td>84,160 ETB</td>
</tr>
</tbody>
</table>
The Resilient Economy and Livelihoods (REAL) project seeks to address the root causes of displacement and irregular migration among vulnerable communities in Wolaita zone, in the SNNP Regional State. While leading a consortium of five NGOs, iDE focuses on Information Communication Technology-enhanced agricultural extension and marketing, increased crop production, and household irrigation. iDE also contributes to improved sanitation and hygiene within communities by promoting sanitation marketing that aims to sell and market locally produced toilet slabs through a network of small business enterprises. Begun in 2016, the REAL project has already reached 10,337 households in different intervention areas of the project and intends to reach 25,000 by 2020.

- **6,545** Households addressed through different project activities that contribute to the improvement of crop productivity
- **2,041** Concrete slabs sold in the project area to improve sanitation of households
The Resilient Livelihoods for Women (RLW) project began in 2017 and is currently being implemented in the Wolaita and South Omo zones of the SNNP Regional State. This project seeks to build the resilience of vulnerable communities prone to human-induced and natural disaster crises. It focuses on increasing access to clean water and sanitation for women and girls, while also facilitating economic empowerment through income diversification. Specifically, the project introduces climate smart agricultural techniques and irrigation technologies for increased production, and clean water solutions for improved household sanitation. It also supports on- and off-farm job opportunities in the areas of high-value horticulture, ruminant rearing, and poultry farming.

16,038 Farmers had access to improved seeds and fertilizers
8 Slab manufacturers collaborated with 36 sales agents to distribute latrines
2,000 Women organized on rearing sheep, goats, and poultry
370 Jobless youth reached in income generating activities
Building Resilience and Adaptation to Climate Extremes and Disasters (BRACED)/Market Approaches for Resilience (MAR) project, iDE works with Farm Africa and its partners to promote solar powered water efficient irrigation technologies in appropriate project communities. BRACED/MAR has been operating in three regions of Ethiopia, of which Farm Africa has been implementing in Afar and South Omo (SNNPR). Project activities are aimed at building community resilience through creating better access to finance, providing climate information, and improving natural resource governance. This year, four resilience hubs were established, where pastoralist and agro-pastoralist communities have the potential to engage in vegetable production and be linked to market and financial services. In 2018, iDE conducted technology and feasibility assessments to identify the most appropriate solar water pumping systems and drip irrigation systems to be installed on small plots (up to 4 hectares).
The Resilience Building for Sustainable Livelihoods & Transformation (RESULT) project is currently working in three woredas of the South Omo Zone, where pastoralist communities reside in an arid, drought prone climate. RESULT aims to improve the stability and resilience capacity of households as they often face climate change related challenges. iDE is implementing crop related interventions which are appropriate for agro-pastoralist communities and has facilitated access to credit capital for 1546 (58% female & 42% male) pastoralist and agro-pastoralist households. Households have used their money to purchase improved seeds and irrigation water pumps. With increased access to credit, improved crop technologies and practices and irrigation technologies, households are able to buy improved seeds and fertilizer, and with increased market linkages, farmers are able to profitably sell their crops. This year, RESULT engaged youth in the production of fodder, and agro-pastoralists in the production of improved sorghum varieties and vegetables, increasing individual and household incomes in the face of drought and water scarcity shocks.

**RESULT**

<table>
<thead>
<tr>
<th>86</th>
<th>Youth</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 female and 55 male</td>
<td>organized to produce fodder</td>
</tr>
</tbody>
</table>

| 1,546 | Agro-pastoralists reached |
The Livelihoods for Transformation (LIFT) project concluded in April 2018, after three years of implementation. It reached 3,720 households in three woredas of the Central Rift Valley in the Oromia Regional State. The project mainly supported small-scale agricultural activities through increasing farmers’ access to agricultural inputs, financial services, and land and water management capacity building. The production of high value crops allowed clients to increase their income by $312, a 40% increase compared to before the project intervention. In addition, this project piloted a new monitoring and evaluation tool, called the Women’s Empowerment in Agriculture Index, to increase iDE Ethiopia’s awareness about the impact of its work with women. The results from this tool will be used to inform future project designs.

- **39%**
  - Increase in maize productivity

- **5%**
  - Increase in wheat productivity

- **4.1 percentage point**
  - Decrease in number of women not achieving gender parity
The Climate Adaptation and Rural Development (CARD) project aims to reduce poverty and improve livelihoods among rural populations in three woredas of the Oromia Regional State. The project started in January 2017, and plans to reach 6,500 households over four years. Working mainly with a population engaged in agricultural livelihood activities, the project intends to increase food and nutrition security, improve business and entrepreneurship development, and promote adaptation to climate change. In 2018, the project expanded its work with Women Economic Groups and youth groups, introduced new nutritious crops, such as irish potato, and began harvesting improved cereal varieties. In addition, the CARD project intentionally engages female-headed households to diversify their livelihood activities and increase their resilience to climate change in the region.

1,183 Men farmers reached
876 Female farmers reached
2,059 In total reached
Jimma CHV

The Sustainable Coffee, Honey and Vegetable Value Chain Development in Jimma project is funded by the David and Lucile Packard Foundation to operate in two Woredas on the Jimma Zone, Mana and Gomma, Oromia Regional State. iDE worked with 286 smallholder farmers by increasing the productivity and quality of coffee, creating alternative sources of non-coffee income in high-value vegetable and honey production, and improving access to profitable markets. iDE piloted coffee drip irrigation with 20 early adopter farmers, and organized 60 unemployed youth into 5 coffee nursery groups to raise improved coffee seedlings. In collaboration with government offices and the Jimma Agricultural Research Centre, iDE trained and supported 100 farmers on vermicomposting, conservation, and best coffee agronomic practices. 73 farmers and 6 government experts were trained on transitional beehive construction and modern beekeeping practices.

196,000
Improved coffee seedlings raised

4
Honey producer and marketing groups strengthened

286
Farmers reached

183
Transitional beehives constructed
**ABCD**

The Asset-Based Community Development (ABCD) Embedded Agricultural Value Chain Extension project concluded in September 2018 after implementation of ABCD in two woredas in the Southwest Shoa zone of the Oromia region. Through the ABCD project, iDE promoted ABCD as a paradigm intended to change the mindset of the community members from need-based to asset-based thinking. Moreover, it employed producer-led value chain analysis tools to promote feasible agricultural value chains that increase production and income of high-value crops. The project also included value chain analysis, supply chain development, creation of market linkages, and increasing farmers’ access to rural micro-finance institutions. As a result, smallholder farmers were able to diversify their income as they engaged in profitable business opportunities. In particular, four ABCD groups were organized to drive their own community development initiatives by implementing part of their community action plans.

- 4 ABCD groups organized
- 90 Members

**SDWE**

The Safe Drinking Water for Ethiopia (SDWE) project promotes access to safe drinking water at the point of use in rural areas of the Amhara region. By introducing affordable water treatment and storage options, the project aims to improve the health of 50,000 households by 2022. iDE has two goals, one to increasing knowledge and awareness on water borne diseases through behavioral change communication, and the other improving access to finance and ensuring households at the bottom of the pyramid can obtain credit for purchasing a water filter. This year, the people we work with sold 2,517 filters, iDE trained 336 health extension workers, and reached 9,296 women development army members with messaging on water borne diseases. iDEs has also negotiated memoranda of understanding with two microfinance institutions to facilitate loans for households wishing to purchase water filters.

- 2,517 Water filters sold
- 15,102 Households impacted
Country Priorities

Gender Equity

By starting with our own staff as gender champions, we address embedded gender norms and practices inhibiting men and women in our offices and project communities from living and working in a gender equitable environment. We also work with Women Economic Groups to engage women in financial saving and business training, empowering them to make decisions regarding their livelihood activities and income.

Nutrition-Sensitive Agriculture

iDE Ethiopia not only facilitates increased crop production and income generation, but also encourages healthy livelihoods through nutrition sensitive agriculture. While providing agricultural inputs and technical advice, our team partners with local government institutions to ensure smallholder farmers know how to grow and prepare nutritious crops, supporting their families and communities.

Youth Entrepreneurship

Given Ethiopia’s large youth population, we facilitate youth groups’ engagement in income generating activities. Young men and women receive financial saving and business training as they develop profitable business models. Thus far, IDE youth groups have engaged in fodder production and ruminant rearing, with aspirations of continued reinvestment in new business opportunities.

DONORS

Australian Centre for International Agricultural Research
Allan & Nesta Ferguson Foundation
Big Lottery Fund
Bill & Melinda Gates Foundation
Comart Foundation
Coca-Cola Foundation
Comic Relief
Development Fund of Norway
Government of Norway
European Commission
Global Affairs Canada
Headley Trust
Irish Aid
Interchurch Organization for Development Cooperation
Packard Foundation
Sainsbury Family Trust
Symgenta Foundation
The Renewable Energy and Energy Efficiency Partnership
UNICEF
United States Agency for International Development
Vitol Foundation
Waterloo Foundation
Comart Foundation

PARTNERS

Asian Vegetable Research and Development Center,
The World Vegetable Center
International Water Management Institute
International Livestock Research Institute
CIMMYT
Coady International Institute
International Crops Research Institute for the Semi-Arid Tropics
Digital Green
Ethiopian Agricultural Transformation Agency
Ethiopian Institute of Agricultural Research
Frankfurt School of Finance
Keller-Bliesner Engineering, LLC, USA
Menonites Economic Development Associates (MEDA)
Professional Assistance for Development Action (Pradan)
Haramaya University, Ethiopia
Nebraska University, USA

NGOs

CARE
OXFAM GB
OXFAM CANADA
SOS SAHEL Ethiopia
Rift Valley Children and Women Association
Self Help Africa
Vita
Caritas Intercordoba
Amref Health Africa
VSF Germany
Action for Development
Hunde Grass Root Association
Ethiopian Society of Appropriate Technologies (ESAT)
Farm Africa

PRIVATE SECTOR

Amio Engineering PLC
Shaya Shone (SYS)
Resilience BV
NAZAVA Riam Water Filters
Aqua Consult
Davis and Shirtliff Ethiopia

COMMUNITY BASED ORGANIZATIONS

Meki Batu Vegetable and Fruits Producers and Marketing Cooperative
Bora Dembel Cooperative union
Duro Langano Fruits and Vegetables Producers and Marketing Cooperative Union
Berek Aletu Cooperative Union
Becho Wolso Cooperative Union

GOVERNMENT PARTNERS

Regional Government of Tigray
Regional Government of Amhara
Regional Government of Oromia
Regional Government of SNPP
Regional Government of Benishangul-Gumuz
Regional Government of Somali
Regional Government of Afar
Ministry of Agriculture
Ministry of Health
Ministry of Water, Irrigation and Electricity
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The bottom line is improving the lives of our clients: the rural farmers and small businesses that are among the world’s poorest. The impact we report is rooted in reality and the data is readily available to anyone. This is our method of ensuring that the investments—in money and in time—made by our donors, the rural entrepreneurs we are working with, the customers they are serving, and our staff are having real impact.

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