

Topic 2: Scaling Agri-BDS in the Ethiopian Barley Value Chain



Selamawit Tumebo

Operations Officer

IFC

International Finance Corporation



Guillermo Gonzalez

Senior Learning Manager

AMEA

Learning Into Action (LiA)

A 3-year global initiative (2024–2027) to improve **Business Development Services (BDS)** delivery to agri-SMEs.

Anchored in **10 country-level Communities of Practice (COPs)**.

Builds from 2020–2023 case studies and global best practices (ISF, Argidius, ADA, etc.).

70 strategic **Mini Case Studies** to drive evidence-based dialogue and reform.



What We've Achieved in 2024-25 (So Far)

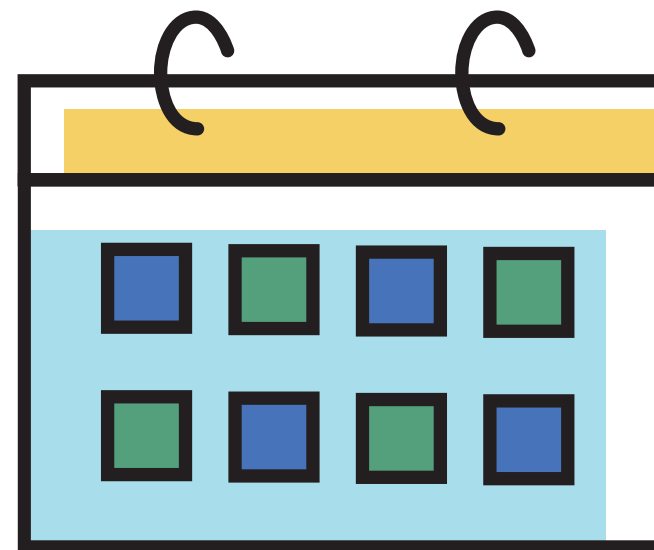


11 Baseline Studies completed to map strategic agri-SME programs.

2 Mini Case Studies finalized, including Ethiopia's Barley Value Chain with IFC–Soufflet.

More than **125 strategic agri-SME programs** mapped in total.

Next: Key lessons shaping dialogues on **cost-effective, inclusive, and scalable BDS models**.





IFC-Soufflet ET Advisory Service Project Phase 1

Scaling Agri-BDS in the Ethiopian Barley Value Chain

Partnership for Service Delivery

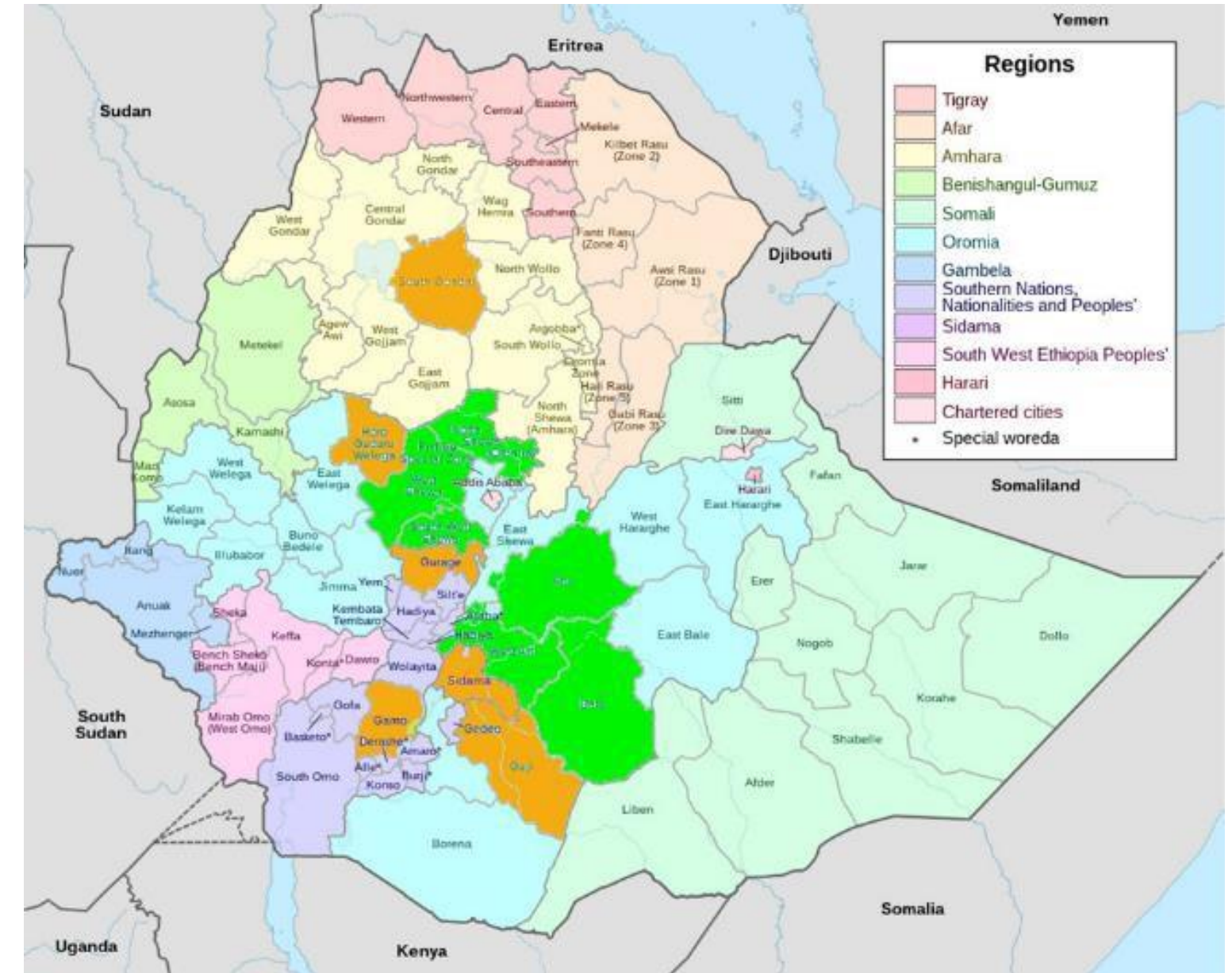


- **Project name:** Barley Organization Of Supply and Training (BOOST)
- **Timeline:** June 2020-June 2023
- **Financiers:** IFC, Soufflet Malt Ethiopia & Heineken Ethiopia
- **Implementors:** Financiers + EUCORD, PRECISE Consult
- **Partners and collaborators:** ATI, Bureau of Agriculture, MFIs, Banks, Oromia Seed Enterprise (OSE), Agro-chemical Companies , ATVET & Colleges, Federal and regional Agricultural Research Institute

Map of Project Areas

PROJECT OPERATIONAL AREAS

Regions	# of Zones	# of Woredas	# of Kebeles
Oromia	5	35	338
Amhara	1	8	31
Gurage	1	3	12
Sidama	1	4	19
TOTAL	8	50	400



NB: The green color represents the initial project area now considered as developed area while the orange color represents expansion and developing areas.

Results



Indicator	Target	Achieved
Barley procured by Soufflet Malt Ethiopia	80,000 MT / year	88, 439 MT / year
Farmers reached	55,000	79,044
Female farmers	5,500	7,301
Hectares under sustainable management	40,000 ha	52, 437 ha
Aggregators using e-payment system	50	60
Aggregator-Soufflet contracts signed	350	434
Farmer sales revenue	\$79.1 M	\$126.6 M

Aggregators Support and capacity building



Objective: Build the capacity of malt barley aggregators (model farmers, Cooperatives and Unions) in Soufflet- Heineken supply chain through the ALP (Agribusiness Leadership Program) standardized approach so that they can meet and maintain the highest standards of professionalism expected by buyers.

✓ The project trained and provided coaching to 117+ participants (85 model farmers, 7 cooperatives and 2 unions trained).

✓ Intermediate results:

Category	Average Scores		
	Baseline	Endline	% Change
Member Service and Governance	12	15	25%
Performance Tracking Systems/Technology-Digital Integration	10	12	20%
Planning Practices	10	16	60%
Risk Management & External Engagement	10	13	30%
Operational and Financial Performance	13	15	15%
Total ALP Score	55	70	27%

Overall Observations

- High level of entrepreneurial spirit among the Model Farmers
- Visible growth in the overall business operations
- High level of recognition to the contribution of Soufflet for the growth of Model Farmers
- Most of the aggregators improved their **record keeping system** and **budget planning**.
- There is also a good start in providing **community service by aggregators**

- The training and coaching sessions were delivered in local language with ALP certified trainers being in central locations to the participants areas with COVID protection precautions in place.
- In addition to the formal learnings, the ALP program also served as a medium for aggregators to learn from each other and communicate their concerns to Soufflet.

Key Findings



1. The Ethiopian barley value chain moved from import dependence to exporting within a decade.
2. Aggregators and farmers have a very close relationship, often an informal contract farming arrangement.
3. Integrated investment in processing facilities, aggregator capacities, agronomy supported by input/output financing has been highly effective.
4. The Agribusiness Leadership Program (ALP) is highly valued by both Soufflet and Aggregators and contributed strongly to Aggregators business growth.
5. Adaptation has led to a more efficient and effective integrated approach which could be replicated by other value chain actors.
6. This approach and lessons learned should be taken into scalable approaches to truly transform the Ethiopian Food System.



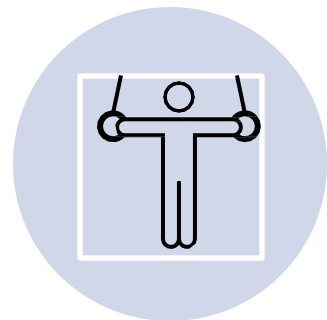
Insights and Recommendations



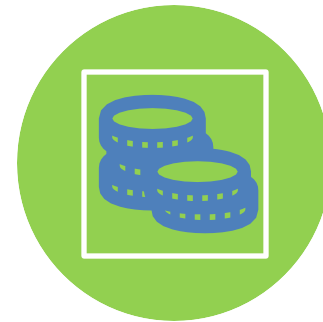
BDS ROI: The return on investment for BDS is impressive at 1:26, but other services also contribute to the return, and partners calculate ROI differently.



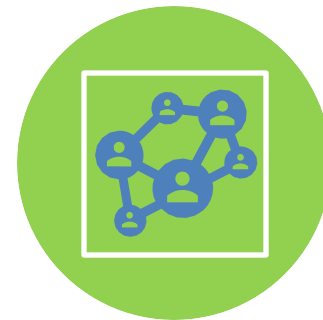
Segmentation and Tailoring: Needs to be carefully designed for the next phase.



Flexible BDS Approaches: Significant external disruptions, such as COVID-19 and conflict, underscored the value of flexible BDS approaches that can be delivered remotely.



ALP Metrics: Enabled cost savings of up to 80%, but there are trade-offs.



ALP Training and Coaching: Considered "very important" and "essential" by SMEs, who would be willing to pay for these services. This willingness should be tested in the next phase.



Data Collection: Periodic tracking of improvement is critical and needs considerations.



Insights and Recommendations



Cooperatives generally under-performed vs private companies. Cooperatives must employ experienced Commercial Managers who are empowered to take business decisions.

The E-payment pilot is a success and especially valuable to Aggregators. It is less valuable to farmers who prefer to be paid in cash. This may change as mobile phone coverage and e-money apps expand.

A gender analysis was conducted but the approach to engaging and empowering women was not well defined. We learnt that IFC should develop a strategy for the next phase and include relevant impact indicators.

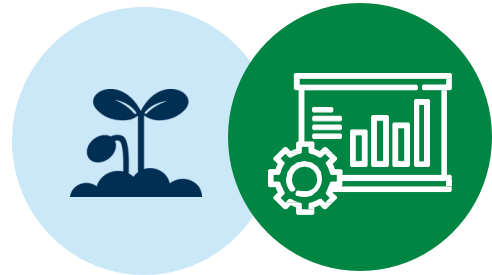
Scaling effective BDS models requires coordinated action across public, private, and donor stakeholders. The **private sector**, including buyers and aggregators themselves, can embed BDS within their commercial operations—testing co-financing schemes, bundling services with contracts, and partnering with financial institutions to expand access to finance and digital tools.

The **public sector**, including ministries and extension systems, should subsidize early-stage training and digital literacy, strengthen agri-SME business capacity, and support the certification and quality assurance of BDS Providers.

Donors and development finance institutions (DFIs) should play a critical enabling role by combining infrastructure investment with advisory support, and by developing performance tools like segmentation frameworks, ROI models, and metrics that strengthen accountability and comparability across programs.



Final Recommendations and Questions



Phase II could inspire other malters to develop service bundles. IFC should make conscious efforts to disseminate learning to support uptake of best practices.

Key Questions we want to debate

- How scalable is this approach?
- How could IFC and its' partners support scaling?
- How should the challenge of Cooperative performance be addressed?

