East Africa Dairy Development (EADD): A Heifer International Project

EADD 2 Development
A Regional Overview

Steering Committee Meeting
Imperial Resort- Entebbe: 24-25 May’12
Alice Makochieng, RPMM

Project Generously Supported by the Bill & Melinda Gates Foundation
Presentation Content:

- Overview of progress so far
- EADD 2 – Key considerations & Brief country updates
- Project Highlights and Innovations
- Project Challenges/risks
- Next Steps in Proposal Development
### EADD 2: What has been Done - Last 9 months

<table>
<thead>
<tr>
<th>Key Activities</th>
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<tbody>
<tr>
<td>New EADD 2 team appointed</td>
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<tr>
<td>Country Working Groups Set/Launched</td>
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<tr>
<td>Country Dairy VC analysis studies started</td>
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<tr>
<td>Stakeholder Engagement Meetings</td>
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<tr>
<td>Appointment of consultants</td>
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<tr>
<td>Partner and resource mobilization</td>
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<tr>
<td>EADD 2 Draft Country Concept Notes Written</td>
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<tr>
<td>Submission of CCN’s &amp; presentation to SC</td>
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EADD 2: Key considerations

• A broad-based PPP transformative project that takes the industry forward and places the sector on a growth platform for the benefit of all (especially women, youth and poor). Envisioning a project that outlives the donor.

• In expanding to two new Countries of Tanzania and Ethiopia; and ensuring project design is customized per country- and participatory process.

• Ensuring Local partners identified as potential implementers and co-investors and forging deeper linkages and new partners with co-donors like SNV

• EADD as facilitating agency, ensuring an enabling environment- and aligning project to each country’s national dairy objectives

• Base project on thorough analytical framework. through current VC studies

• In Implementation, a Cluster-development strategy and ensuring sustainability of project is key- as well as looking beyond the Hub model-
EADD’s – Scalability

EADD 1=179,000 farmers targeted

EADD 2= 400,000 farmers
## EADD 2: Scaling Up and Out

<table>
<thead>
<tr>
<th>Country</th>
<th>EADD 1</th>
<th>EADD 2</th>
<th>Total Families</th>
<th>Potential Budget (mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uganda</td>
<td>45 000</td>
<td>55 000</td>
<td>100 000</td>
<td>13.75</td>
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<tr>
<td>Rwanda</td>
<td>24 000</td>
<td>-</td>
<td>24 000</td>
<td>-</td>
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<tr>
<td>Kenya</td>
<td>110 000</td>
<td>185 000</td>
<td>295 000</td>
<td>48.00</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>-</td>
<td>90 000</td>
<td>80 000</td>
<td>20.00</td>
</tr>
<tr>
<td>Tanzania</td>
<td>-</td>
<td>80 000</td>
<td>80 000</td>
<td>32.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>179 000</strong></td>
<td><strong>410 000</strong></td>
<td><strong>589 000</strong></td>
<td><strong>113.75</strong></td>
</tr>
</tbody>
</table>
Country Sites-Uganda: The Cattle Corridor

William Matovu (EADD, 2010)
Ethiopia - Dairy Potential Targeted Zones

Dairy potential zones

- East Tigray
- Central Tigray
- Mekelle
- South Tigray
- North Gondar
- West Gojjam
- East Gojjam
- South Wollo
- North Shewa - Oromia
- North Shewa - Amhara
- West Shewa

- Addis Ababa
- East Shewa
- Arsi
- Jimma
- Wolaita
- Sidama
- Gamo Gofa
- Gedeo
- Borana
- Dire Dawa
- Harar

Photo@Che and Yilma Z.
Tanzania-Potential Milk-shed


NB: Example that EADD Project informed by Government’s national strategies.
EADD 2: The Vision

From Heifer’s Theory of Change with the theme of "moving from vulnerability to sustainability;"

The project envisions:

That the lives of 400,000 smallholder families are transformed by doubling household dairy income; and significant socio-economic improvement in their livelihoods by year 2019 through a vibrant dairy sector in each of the countries EADD operates in the region.
EADD2 Dev’t: Highlights

- Country working Groups broadly constituted/meetings participatory
- Concept Note Scoping and Stakeholder Consultations held
- Draft Concept Notes out for KE, UG, ET & TZ
- Key Consultants engaged- at Regional & Country level
- Good reception of project so far by Governments in each country
- Heifer EADD has a good reputation, based on track record from Pilot
- Keen broad interest and opportunity to partner with the Foundation
- A number of on-going dairy initiatives in the region, LIVES, EAAPP, Milkit, EDGET, Kilimo Kwanza, AGP/Livestock Program,
- Better economic conditions unfolding in the countries and in the sector
Leverage many stakeholders

Leveraging on partnerships

Building more sustainability

Create a broad-based project
## Potential Regional Partners

<table>
<thead>
<tr>
<th>Stakeholder Category</th>
<th>Example of partners</th>
<th>Area of Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>Ministry of Agriculture; Livestock; Water; Local Government; Gender &amp; Youth;</td>
<td>Infrastructure</td>
</tr>
<tr>
<td>Donor partners</td>
<td>SNV, LoL, AGRA, IFAD, USAID, FAO</td>
<td>Co-funding</td>
</tr>
<tr>
<td>Banks and Financial Institutions</td>
<td>CFC Stanbic, Coop Bank, Microfinance facility, KCB, Oromia coop Bank, Pass, Faulu, Kenya Women Finance trust</td>
<td>Loans to farmers</td>
</tr>
<tr>
<td>Processors/Traders</td>
<td>New KCC, Tanga Fresh, Sameer, Brookeside, Nestle, Tetra Pak, Bakhreza, Buzeki, Jessa, velocity</td>
<td>Enhancing Market access</td>
</tr>
<tr>
<td>Input providers</td>
<td>SIDAI, Galvmed, Coopers, Noobrok, Grameen, ALPHIS, icow, SANGOnet,</td>
<td>Enhancing extension &amp; productivity</td>
</tr>
<tr>
<td>Farmers Unions</td>
<td>KDFF, Uganda Farmers Fed, Coops</td>
<td>Farmers Equity/contribution</td>
</tr>
<tr>
<td>Universities &amp; Institutes</td>
<td>Egerton, Makerere, Alemaya, KARI, EAIR, EMDTI, KIM, DTI,</td>
<td>Research &amp; capacity building</td>
</tr>
</tbody>
</table>
### Consultants Engaged in the Process

<table>
<thead>
<tr>
<th>Name of Consultant</th>
<th>Area of Study</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Dugdill- Regional</td>
<td>Dairy Adviser/Writer</td>
<td>End of June</td>
</tr>
<tr>
<td>PICO Team- Regional</td>
<td>Stakeholder Engagements</td>
<td>End of September</td>
</tr>
<tr>
<td>Centerprise- Kenya</td>
<td>PPP Studies/Rationale for Dairy sector</td>
<td>Completed Dec 2011</td>
</tr>
<tr>
<td>Dr. Msuya- Tanzania</td>
<td>Value-chain studies</td>
<td>To complete end of June</td>
</tr>
<tr>
<td>B.K Consultants- Ethiopia</td>
<td>Value-chain studies</td>
<td>End of May</td>
</tr>
<tr>
<td>TNS Volcon- Ethiopia</td>
<td>Market Study</td>
<td>To complete in June</td>
</tr>
<tr>
<td>TNS Volcon- Tanzania</td>
<td>Market Study</td>
<td>To complete in June</td>
</tr>
<tr>
<td><strong>Proposed-</strong> Student Consultants for quick VC studies- Uganda</td>
<td>Market studies and needs assessment in new sites</td>
<td>To engage</td>
</tr>
</tbody>
</table>
## List of Previous VC studies Used

<table>
<thead>
<tr>
<th>Name of Study</th>
<th>Owner</th>
<th>Country</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>Dairy Value Chain &amp; Market Analysis</td>
<td>Rural Livelihoods Development Company</td>
<td>Tanzania</td>
<td>Completed 2010</td>
</tr>
<tr>
<td>Dairy Value Chain Study</td>
<td>Technoserve</td>
<td>Uganda</td>
<td>2008</td>
</tr>
<tr>
<td>SCF Dairy Value Chain Study</td>
<td>Small &amp; Medium Enterprise Competiveness Facility</td>
<td>Tanzania</td>
<td>Dec 2011</td>
</tr>
<tr>
<td>Structure Conduct &amp; Performance</td>
<td>Bruce Marion</td>
<td>Tanzania</td>
<td>1976</td>
</tr>
<tr>
<td>Dairy Market Study</td>
<td>Research International (TNS)</td>
<td>Tanzania</td>
<td>2011</td>
</tr>
<tr>
<td>Dairy value Chain Studies</td>
<td>ILRI, FAO</td>
<td>Ethiopia</td>
<td>Various</td>
</tr>
</tbody>
</table>
Proposed EADD 2 Innovation: National Dairy Platform

Could set up a National Dairy Investment Fund & Its Role
(who, where, what and how)

- Investment in New Hubs on an opportunity basis
- Milk Marketing, Business Devt
- Production & Ext. Services
- Research, Advocacy and Lobbying
EADD 2: Strengthen weak areas in Value chain

Support Dairy Sector

National Dairy Platform in each country

Key intervention in EADD 2

Prod., bulking & BDS
- CP set-up
- Breeds
- Feed
- Health

Processing
- Capacity planning
- Finance
- Contracts

Marketing
- Market devt.
- Product devt.
- Distribution

Consumption
- Lobby
- Promotions
- Safety

Strong Dairy value chain

... Milk for Health and Wealth ...
Beyond EADD 2: Sustainability Path

Investment in US$

Year 1  Time  Year 10

A  B  C

Farmers equity/loans
Levies & fees
Donor funding
Key Innovations: New Thoughts

- Setting up of a National Dairy Innovation Platform
- Potential to set up National up of Dairy Investment Fund
- Key co-investors identified for strategic alliances like with SNV in Ethiopia
- Facilitating processor strengthening to expand capacity and in-take of milk
- Working with processors as co-investors in milk-shed development in an opportunity-based strategy
- Incorporating climate–smart strategies in enhancing dairy productivity
EADD2 Process Development

- **Participatory process:**
  - Beneficiaries - farmer numbers per country, milk-sheds selection based on need, opportunity and impact
  - Resource mobilization to find local and national partners and right on-going dairy initiatives
  - Various local implementing partners identified

- **Content:**
  - country customised – national Agri/livestock/dairy policy & plans
  - Thorough analysis with facts and figures - on-going, for evidence-based decision-making
  - Broader theory of change beyond doubling income to include:
    - economic
    - social, incl. gender & youth
    - food & environment security
  - meets foundation criteria/expectations

- **Writing:**
  - Clear, Concise, Bankable - as project needs to attract investors
EADD’s Proposed 4 strategic Pillars

- Knowledge-based learning
- Market access enhancement
- Dairy productivity enhancement
- Enabling Environment

New Objective

Brian Dugdill (EADD, 2010)
EADD Program

Project Objectives

Access to Markets
- Lead Partner: Heifer/Technoserve
- Local Partners

Increase Productivity
- Lead Partner: Heifer
- ICRAF & ABS-TCM
- Local Partners

Knowledge & Research
- Lead Partner: Heifer/ILRI
- Local Partners

Enabling Environment
- Partner: Heifer
- Local Partners

NB: Identify local partners!!
EADD 2 Development: Timelines

Step 1
Regional & Country Action Plans and Budgets - Aug. - Sept 2011

- Budgets discussed & Finalized
- Country Action Plans Drafted

Step 2
Appointment & Launch of CWG Groups: Sept-Nov 2011

- Initial Stakeholder Awareness of EADD 2
- CWG Launch and first meetings held

Step 3
Country Concept Notes Writing & Submission: Dec ‘11- Jun 2012

- Consultants appointed for VC Analysis & commence
- Stakeholders Engagement Meetings held

Step 4
EADD 2 Proposal Writing & Submission: Jul-Sept’12

Step 5
Oct-Dec ‘12: EADD 2 Decision by BMGF
Participatory process:
- Beneficiaries: farmer numbers per country, milk-sheds selection based on need, opportunity and impact
- Resource mobilization to find local and national partners and right on-going dairy initiatives
- Various local implementing partners identified

Content:
- Country customised – national Agri/livestock/dairy policy & plans
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  - Economic
  - Social, incl. gender & youth
  - Food & environment security
- Meets foundation criteria/expectations

Writing:
- Clear, Concise, Bankable - as project needs to attract investors
Project Risks/Challenges

- Difficulty in finding local partners with capacity

- Weak relationships between key actors in the dairy value chain. Sometimes frosty and at best mistrustful, especially between processors and producers (farmers)

- Consortium partner creative tensions within EADD may hamper the participatory process in project’s development

- Data for deriving thorough analysis is scanty and in some instances lacking

- Weak collective action and loyalty by farmers at Hub weakens creating a bottom-up farmer-owned entities

- Sustainability of Hubs is a long process
## Next steps– June’12-July’13

<table>
<thead>
<tr>
<th>Activity/Action</th>
<th>Who?</th>
<th>When?</th>
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<tbody>
<tr>
<td>1) Review all drafted Country Concept Notes and compile Regional CN.</td>
<td>RTF</td>
<td>7th June</td>
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<tr>
<td>2) Submit and Receive go-ahead from Foundation on all Concept Notes</td>
<td>Heifer HQ</td>
<td>15th June</td>
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<tr>
<td>3) Convene Proposal Write-shop with partners and tackle major issue</td>
<td>EB/Heifer</td>
<td>July’12</td>
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<td>4) Finalize all pending issues and sign Teaming Agreements, ensure full engagement</td>
<td>Heifer</td>
<td>Jun-July</td>
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<tr>
<td>5) Finalize proposal with the Writing Team</td>
<td>Heifer</td>
<td>July 30th</td>
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<tr>
<td>6) Submit Regional Proposal and Country Work-Plans to Heifer for Review</td>
<td>RD</td>
<td>15th Aug</td>
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<tr>
<td>7) Firm-up commitments with Investors and Partners on Dairy Investment Plan/s</td>
<td>RD</td>
<td>25th Aug</td>
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<tr>
<td>8) Review final comments on Proposals and Submit to Foundation</td>
<td>EB</td>
<td>30th Aug</td>
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<tr>
<td>9) Hold Investors Conference in Seattle</td>
<td>BMGF</td>
<td>Sept ‘12</td>
</tr>
<tr>
<td>10) Review Proposal and Decision on EADD 2 by Foundation</td>
<td>RD</td>
<td>Oct-Dec’12</td>
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<tr>
<td>11) Set up EADD Structures in all the countries/actualize commitments</td>
<td>RD</td>
<td>Jan-Jun’13</td>
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