



ADDIS BUSINESS

Nov./Dec. 2023 ☎ 011-5573544 ✉ 2458 ✉ E-mail: info@addischamber.com 🌐 www.addischamber.com

The 14th Agricultural & Food Exhibition was pivotal in promoting the Ethiopian Agriculture to the outside world



Addis Chamber, for long, have advocated the realization of vibrant agro industry sector in Ethiopia since agro industries contains enormous opportunities and potentials to lift out millions of people out of poverty by providing jobs as well as ensures the food security of societies and addressing malnutrition.

The 14th Specialized Addis chamber International Agriculture and Food Exhibition /AGRIFEX-Ethiopia is a case in point that brought together agriculturalists, agro processors, farmers, technologists and entrepreneurs among others.

Dubbed as “Maximizing Value Additions through Agro Business”, the event marked the speeches of high profile government officials and representatives of business communities. In her opening remark, Mesenbet Shenkute, President of Addis Chamber said “As we recall, Ethiopia is an agrarian nation and the country depends on agriculture for food security, supply of raw material for agro-industries and generating income in terms of foreign currency.

Addis Chamber to Summon its General Assembly on Thursday (December 21, 2023)



By Staff Reporter

Embracing thousands of business communities, Addis Chamber has become a pioneer in voicing the concerns of the business communities and private sector in Ethiopia. Being the oldest institute, Addis Chamber holds its General Assembly in every two years to elect its president and board of directors that are deemed to sustain and strengthen the institute.

Likewise Addis Chamber will undertake its annual but regular General Assembly to review its performance and assess strategic directions.

This year on 21st of December, 2023, Addis Chamber will undertake its 17th General Assembly at Intercontinental Hotel with the presence of its members, government officials and invited guests. Thus Addis Chamber calls on its members to actively attend the highly anticipated general assembly and play their role of building sustainable institute.



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**Addis Ababa Chamber
of Commerce & Sectoral
Associations Monthly
Newspaper**

ADDIS BUSINESS

NOVEMBER 2023

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Editorial

Upholding the Principles of Responsible Business Conduct for Productivity & Job Creation!

As one of its mandates, Addis Ababa Chamber of Commerce and Sectoral Association promote ethical and responsible business to exercise and implement among its members and the entire business communities in Ethiopia. So as to materialize this concept, Addis Chamber jointly with other development partners is calling on the business communities to understand and implement Responsible Business Conduct (RBC) while undertaking their operations.

Responsible Business Conduct (RBC) is a global business concept. It is based on the expectation that all companies can do business with a positive contribution to sustainable development while avoiding, remediating and addressing adverse impacts related to an enterprise's direct and indirect operations, products or services. Working with RBC is especially important when companies are part of a global supply chain.

It has to be noted that the agricultural supply chains are more global than ever, as products increasingly cross borders and oceans, and move from producers to retailers and on to consumers. The extensive supply chain can contribute to enhanced livelihoods, economic growth, and improved health and safety provisions. There can be harmful and negative impacts on the society and the environment along the way and it is therefore important for businesses to work responsibly by putting in place structures and procedures so that their activities do not have an adverse impact.

However, Addis Chamber and its partners are strongly urges for the need to addressing potential or actual harmful impacts can be done through a due diligence process. Integration of Human Rights and Environmental due diligence is a key recommendation towards enabling a comprehensive understanding of the full scope of risks and potential negative impacts linked to a business activity or operation.

It means working with a risk-based approach, following the recommendations of the UN principles and OECD due diligence guidelines. Until now, reporting on due diligence has been primarily voluntary, but due to international pressure and an increasing focus on moving from soft to hard law, it is becoming increasingly relevant for all companies to work directly with RBC. It has been found that companies, government, and consumers benefit from working with RBC insights in ensuring these international standards are upheld.

The 14th Agricultural & Food Exhibition...

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She further said “It is well known that agriculture plays the leading role in the economy of Ethiopia, accounting for significant portion of our GDP, provides more employment and of earning more foreign currency and the newly 10 year’s development plan of the nation is diligently envisioned to sustain a rapid and inclusive economic growth setting the country on a path to prosperity”.

The 14th Agricultural and Food Exhibition also heard the speeches of Mr. Shibeshi Bettemariam, Secretary General of Addis Chamber, who said that Agriculture is not limited to the production and growth of crops, it encompasses the entire value chain and agro processing plays pivotal role in adding value to our agricultural products.

The Secretary General also lauds the current efforts and initiatives

of business communities to engage in value addition to boost their income and job creation as he said “ local and foreign companies are now engaged instead of selling raw coffee , we see companies that are booming in the export of roasted and grinded coffee , we see the progress of dairy sector coupled with similar developments in businesses engaged in the processing of fruits and vegetables ,juices , jams, and canned products. They are creating competitive ages by enhancing the shelf lives of these products which in turn enable them to enter in to the global market”.

While opening the 14th Agricultural and Food Exhibition officially, Mr. Mesfin Assefa, Deputy Head of the Addis Ababa City Trade Bureau, underlines the role of private sector for national development and he said “the Development policy of our country additionally acknowledges the key role private sector capital

plays within the development of large-scale farm and processing firms as a result the government has creating enabling environment to encourage domestic and foreign investment”.

He further said that “the city Government has therefore always been considering the Addis Ababa Chamber of Commerce as its strategic partner in its endeavors to enhancing the competitiveness of our firms who are engaged in agriculture and agro processing sectors and it is also my profound belief that the chamber has been effectively discharging its responsibility of promoting trade and investment as well as building the capacity of its members over the past decades”.

The 14th International Agricultural and Food Exhibition that lasted for three days had displayed various events among others include high

profile symposium to dwell on business and trade opportunities that will be obtained through the Africa Free trade Agreement.

Dubbed as “Maximizing Value Addition in Agriculture to Harness Opportunities in the African Continental Free Trade Area”, the symposium highlighted the current opportunities of the African Free Trade Agreement for agricultural businesses as it also calls for such businesses to invest more on value addition to reap benefit and sustain business.

The annual trade fair that encompasses local and international businesses also recognizes partners and best award winners and ended up colorfully.

Addis Ababa Chamber of Sectoral Association Marks it’s 20 years of Anniversary



By Staff Reporter

The Addis Ababa Chamber of Sectoral Association (AACSA) has remained to be one of the key partners of Addis Chamber and for the last two decades the association has displayed its utmost effort to

advocate and defend the interests of the business communities particularly the manufacturing industries uniquely. So far it has achieved in influencing policies and laws that affected the manufacturing industries.

This year in November, AACSA, marked its 20 years of anniversary at the presence of multiple stakeholders and partners. The anniversary that lasted from November 21 to 23, 2023 showed up various events among others include panel discussion on opportunities and challenges of the manufacturing sector in Ethiopia that drew active discussion among industrialists and manufacturers and the like.

In his remark during the anniversary, the president of AACSA, Fasikaw Sisay , said that “the 20th anniversary of the Addis Ababa Chamber of Sectoral Associations is a sign of hope for the future,”

The anniversary also accompanied by awards and recognitions for those companies and individuals who contributed a lot for the growth of the

manufacturing sector and industrial growth in general.

Addis Ababa Chamber of Commerce and Sectoral Association (Addis Chamber) is uniquely recognized by its long term contributions and partnerships.

While receiving the award from the hands of Mr. Hassen Mohammed, State Minister of Industry, Shibeshi Bettemariam, Secretary General of Addis Chamber congratulates AACSA, for marking their anniversary saying that the relationship of the two chambers are growing tremendously in every year and commends the role of board members of AACSA , in playing significant role for the development of Chambers of the two associations.

Study calls on private sector to Maximize Value Addition in Agriculture to Harness Opportunities in the African Continental Free Trade Area

By Ashenafi Mitiku

As part of the sideline events of the 14th International Agriculture and Food Exhibition held, a symposium was held with the theme “Maximizing Value Addition in Agriculture to Harness Opportunities in the African Continental Free Trade Area”

While presenting his report to attendees of the symposium, Wondesen Shewarega, researcher and consultant, disclosed that Ethiopia’s intra-African trade accounts for 9% of its global trade. In 2021, he said the country exported USD 583 million and imported USD 1.6 billion from Africa where vegetable products takes the leading with nearly ninety percent. Top three export destinations: Somalia,

Djibouti, Sudan. Largest import was chemical products (fertilizer) (50%) with vegetable and animal oils at 18%.

While stating about the advantages of joining AfCFTA for Ethiopia, the researcher said that the removal of tariffs will increase the country’s income by 0.1%, and it also lowers trade barriers leading to “easier” trade between countries, Makes it easier for businesses to source raw materials and intermediate goods to form RVCs. He, however, pointed out that reducing/eliminating non-tariff barrier such as rules of origin, quality and health requirements, customs and administrative procedures to be critical to benefit from tariff liberalization and the need for trade facilitation measures to be taken to further support regional trade.

While presenting about what the Ethiopian private sector to do in the big market of ACFTA, the researcher said that Ethiopian businesses should seek market opportunities and value chain linkages with businesses in other African countries in the likes of agriculture and manufacturing.

On the other hand private sector associations and government agencies should support by providing information on exports markets under AfCFTA such as market identification, support to connect businesses, developing export guide. Regarding the need to skilled, addressing skill gap is key to increase productivity and efficiency and the need to invest on export promotion. As part of his recommendation,

he said that the government and private sector should work together to address domestic challenges to champion in ACFTA.

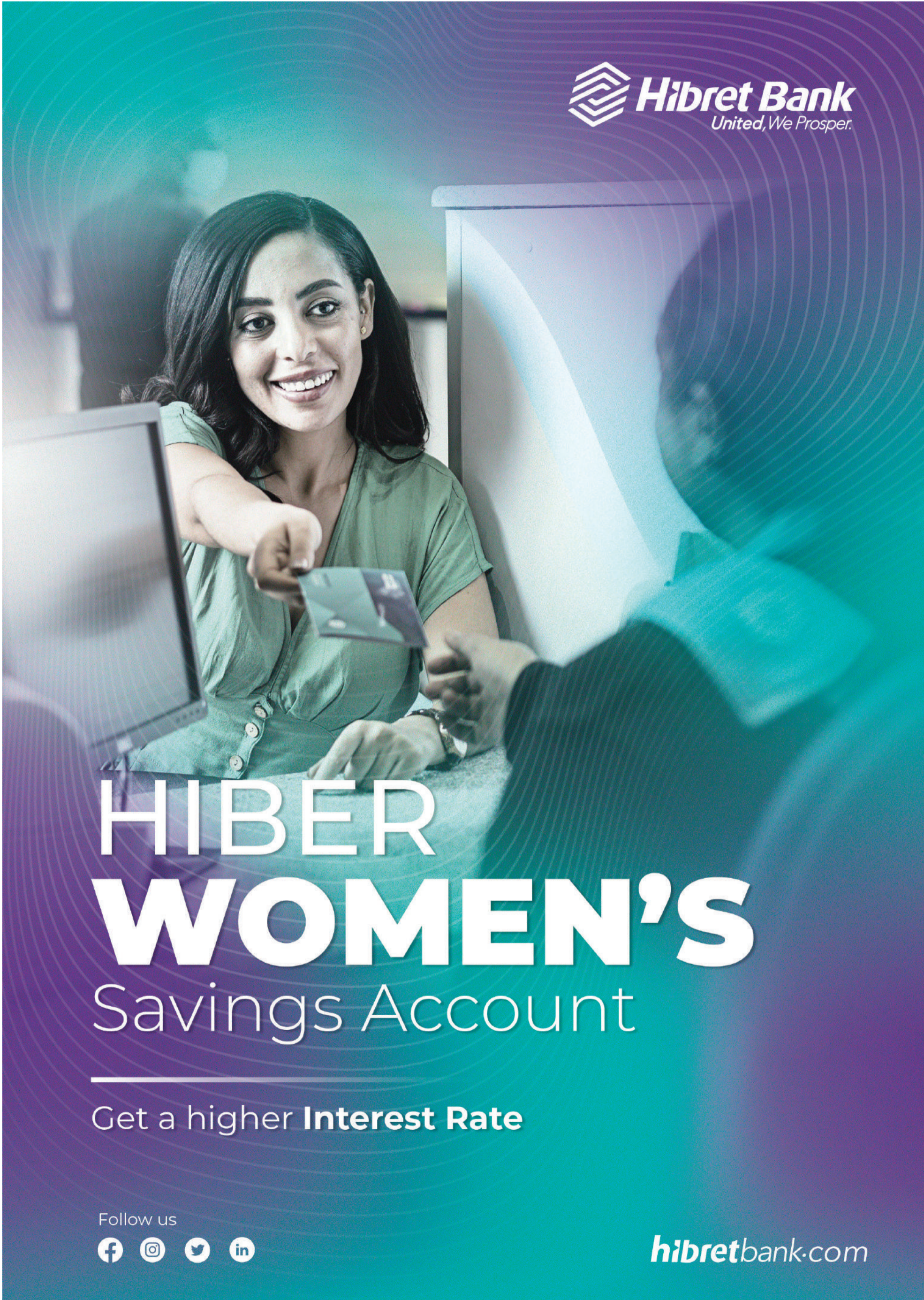
The AfCFTA covers 54 of 55 African Countries with an Aggregate GDP of USD 3.4 trillion and market access to 1.3 billion people, the biggest market platform in the world. According to the latest World Bank report, the ACFTA is expected to increase the income of Africa by USD 450 billion and to lift 40 million people out of extreme poverty.

In addition to this it is anticipated to increase the rate of FDI by 111% - 159%, wage rise of 11.2% for women and 9% for men and enhancing the Intra-Africa exports can grow by 109%.

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African Small Island Developing States press for adaptation finance to fight climate change

Dubai, United Arab Emirates, 8 December 2023 (ECA) - African Small Island Developing States (SIDS) have pressed for adaptation finance to fight climate change impacts threatening livelihoods and their future survival. They made the call during a side event held by the African Island State Climate Commission (AISCC) on the theme, 'Transitioning to a Climate Resilient Future.'

Cape Verde, Comoros, Equatorial Guinea, Guinea-Bissau, Madagascar, Mauritius, Sao Tome and Principe, Seychelles and Zanzibar comprise the African members of the Small Island Developing States, a group of low-lying island nations with a combined population of 4 million people and extremely vulnerable to climate change impacts. African SIDS are located in remote, low lying areas that are vulnerable to sea level rise and cyclones. Furthermore, their economies are primarily based on tourism and fisheries.

Seychelles Minister of Agriculture and the Environment, Flavian Joubert, stressed that African SIDS are particularly vulnerable to climate change shocks, making it imperative for immediate action to protect people, economies and the environment. Mr. Joubert, whose country is the chair of the African Islands States Commission, called on major emitters to develop more ambitious plans to keep the goal of limiting global warming to 1.5 Degree Celsius.

"Like all Africa, Seychelles views climate change as an emergency challenging all aspects of its

chances for future survival and undermines efforts to fully achieve sustainable development goals," Mr. Joubert noted, adding, "We need to find common ground and expect outcomes from the negotiations on the global goal for adaptation and that should not lead to further delays in strengthening adaptation action, particularly for African Island States."

African SIDS experience the impacts of climate change with acute vulnerability to weather, seismic and oceanographic events making them particularly vulnerable because their economies are anchored on tourism and fisheries. Among other issues, While they share common characteristics of insularity and geographical disparity as well as small populations their vulnerability is not uniform; they have varied experience of climate change and capacity to address them. Comoros, Guinea Bissau and Saõ Tome and Principe are all LDCs while Cape Verde, Mauritius and the Seychelles have higher levels of development as well as policies and better mechanism to address climate change, Due to their varying economies, they face difficulties accessing green climate financing.

Anthony Nyong, Director Climate Change and Green Growth, African Development Bank (AfDB) said the bank has resources and programmes to promote resilience for Island States which faced different vulnerabilities than most countries.

For his part, Nassim Oulmane, Acting Director for Technology, Climate Change and Nature at the Economic

Commission for Africa, said the ECA was working on a readiness project proposal for countries to access the Green Climate Fund. Furthermore, ECA was working on finalizing a regional request for the 9 African Islands States so they can mobilize funding for adaptation from the Green Climate Fund.

"We are also working on better valuing blue carbon and implementing protocols that are specific to the African Island States as we have done with the Congo Basin by also putting together a blue carbon registry," Mr. Oulmane said.

Kavydass Ramano, the Minister of Environment, Solid Waste Management and Climate Change in Mauritius, called for innovative solutions to secure a resilient future for African SIDS, stressing that, "there is no plan B as we are all subjected to either prolonged spells of extreme droughts or floods caused by torrential rainfall."

He said Mauritius has advocated for an ecosystem adaptation through nature-based solutions under its 2021-2030 National Determined Contribution (NDC).

"The small island of Sao Tome and Principe is vulnerable to climate change impacts experiencing high sea level rise which is threatening coastal communities and needs funding to implement coastal protection programmes," said Adelino Cardoso, Minister of Infrastructure, Natural Resources and Environment in Sao Tome and Principe.

Tania Serafim Romualdo, Cabo Verde Ambassador to the United Nations, told the panel discussion that her country has developed the Blue-x in partnership with Carbo Verde Stock Exchange and the United Nations Development Programme. Blue-x is a trading platform for sustainable and inclusive financial instruments geared towards a sustainable economy, for example, issuance of blue bonds and green bonds.

Ms. Ramualdo said Cabo Verde has also instituted a bilateral swap with Portugal and successfully negotiated the transformation of 140 million Euros in debt held by the Portugal treasury into a Climate and Environment Fund. The Fund will provide seed capital for a comprehensive energy transition strategy to achieve net zero carbon emissions by 2050.

While climate change affects the development of all nations regardless of location or economy size, the 38 SID countries located in the Caribbean, the Pacific, the Atlantic, Indian Ocean and South China Sea are responsible for less than 1 percent of global greenhouse gas (GHG) emissions AND are the most vulnerable to its devastating impacts.

The side event was hosted by the government of Seychelles, in collaboration with the Economic Commission for Africa, the African Union Commission, the African Development Bank and the Office of the Special Advisor on Africa, OSAA at COP28 in Dubai.

Unleashing the Potential of Garlic



By Ashenafi Mitiku

Agriculture is the most important sector in Ethiopia accounts for 29.3% of GDP, 72% of export value, provides 65% of employment and is a means of generating livelihood for about 83% of the rural population (ATA, 2017; Beyero et al., 2015; EEA, 2022). The sector still remains largely dominated by rain-fed subsistence farming by smallholders

who cultivate an average land holding of less than a hectare. Although agriculture has a long history in the country's economy, development of the sector has been hampered by a range of constraints which include land degradation, low technological inputs, weak institutions, and lack of appropriate and effective agricultural policies and strategies.

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The Impact of External Public Debt on the Domestic Private Sector



By Etsubdink Sileshi(PhD)

What is external public debt? External public debt refers to the fraction of a country's borrowing which originates from rich foreign countries such as the US, China, Japan or from multilateral institutions such as the International Monetary Fund/ IMF, World Bank, private commercial banks or the Paris Club. Big private companies may also engage in lending to governments in other countries. These loans are usually made using a currency different from that of the borrowing country. This makes forex markets and external debt closely related in developing countries like Ethiopia. This has huge implications for the macro economy in general and also the activities of the business community in the borrowing country -in particular.

Currently, the external public debt of Ethiopia is estimated to be above 27 billion USD. Recently, there have been discussions with the IMF on rescheduling the some of the existing debt and also a request for new loan arrangement (not only from the fund itself but also from third parties which require IMF's facilitation and advisory when extending loans). No news has been heard about the acquiring new loan. When it comes to the composition, most of the public debt of Ethiopia is denominated in USD followed by SDR (special drawing rights- which is basket of currencies including USD, Pound sterling, Yen....). The main creditors are the international development association (World Bank), IMF, the Paris Club, EXIM

bank of China and other private companies.

Why do countries borrow? Countries go for external borrowing either to rectify their balance of payments deficit or sometimes to finance their budget deficit (build infrastructures which cannot be financed using domestic resources alone). When the foreign currency generated by export of goods and services and also from the inflow of foreign investment is less than that of the amount required for importing goods and services, countries experience balance of payments deficit. This can be financed in three ways. Through exploitation of forex reserves, through external borrowing or to some extent by foreign aid.

How is external public debt related to the private sector? We can discuss the impact of external public debt on the business community at least from three angles: economic growth, financial market(forex market) and domestic macroeconomic policies. A reasonable level of debt is believed to stimulate economic growth. By economic growth, I mean expansion in the amount of goods and services produced. Private businesses benefit from the increase in aggregate demand due to economic growth. Since more and more public and private projects are undertaken when there is growth (and the vice versa), businesses have opportunities to serve as suppliers of inputs to other businesses or government entities. Moreover, they themselves can have more options to purchase inputs with better negotiation power, adequate amount and required quality.

Since foreign debt is usually done in the form of widely accepted foreign currencies, businesses engaged in the imports sector will have better access to foreign currencies thereby reducing the time letter of credit applications take and also getting a relatively high quantity of foreign currency. By enabling the private sector to import crucial inputs, this may also help them to produce and export their outputs and even generate forex for themselves and the country. Thus, the second line of connection between external public debt and the private sector is via stabilizing the forex market and ensuring that businesses have a timely and adequate access the foreign currency they require to import key production related inputs.

Another line of connection between external public debt and the business community is through macroeconomic policies such as taxation, government spending, domestic borrowing and interest rate. When governments cannot fill their budget deficit from foreign sources, they resort to a contractional fiscal policy mainly through increase in the type and level of tax rates. This hurts businesses by increasing their costs, reducing demand for their products -consequently making them less profitable. Moreover, monetary policies such as sale of treasury bills domestically reduce the amount of money in circulation (within the economy) which results in reduced transactions (fall in demand for goods and services). This contracts the overall economy and negatively affects business activities.

Finally, debt repayment may also affect businesses by reversing all the benefits external borrowing brings to the business community -as discussed earlier(domestic currency becomes weaker). This results in the shortage of foreign currency and rise in the price of imported goods leading to high inflation.

High external public debt may also lead to corruption resulting in an unfair competition in the market. If

some officials and a few businesses with connections to the government control the funds acquired through borrowing from abroad, the economy may not experience the economic growth and the forex market also will not be stabilized. This has been the case in many developing countries where borrowed funds will not be used for the intended public projects rather end up being in offshore banks and investments in the name of a few officials and their business circles. Now the country has to suffer in two ways. First, it's not using the loan for developmental endeavors. Second, the debt has to be repaid by the country even though the benefits are hijacked by a few officials and their business circle. This may also lead the country in to a situation where it cannot pay its debts. Which in turn results in credit degrading (low credit ratings). This closes the opportunity to borrow additional funds or even if there is a chance to borrow, the interest rate will be so high that the loss outweighs the benefits. This affects the activities of the private sector through the channels discussed above.

To sum up, external public debt if managed well, may result in the development of infrastructures of a country and the expansion of the quantity and quality of goods and services thereby creating a conducive business environment. In addition to the economic growth that can be achieved due to efficient utilization of external public debt, forex market stability is also another channel from which business can benefit to easily and timely access foreign currency. External debt also eases the burden of the private sector by helping the government to look for additional public financing schemes (instead of increasing taxes and domestic borrowing). However, if there is corruption and unfair competition in the economy, the funds acquired through external borrowing can be weaponized against the interest of the country as a whole and the business community in particular.

Unleashing the Potential of Garlic



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The recent study made by Addis Chamber disclose that horticultural crops such as fruits and vegetables in the country are produced mostly by smallholder private peasants in small patches of lands using traditional farming practices where no improved varieties, fertilizers, chemicals and other inputs are used. The areas allocated for the production of fruits and vegetables are also very small. Thus, the production and productivity of fruits and vegetables in the country level is very low. Currently, very few commercial farms are participated in the production of fruits and vegetables in the country mostly to Oromia and SNNP states.

The country has different agro-ecology, fertile soil and suitable policies and strategies for the development of the horticulture subsector of agriculture. Both tropical subtropical and temperate crops of horticultural crops can be grown in different parts of the country.

The new study of Addis Chamber finds out that garlic is one of the most important bulb vegetable crops in Ethiopia and is used as ingredient of local stew 'wot' and has also a tremendous use in the formulation of local medicines.

According to ESS, garlic is grown on thousands of hectares of land in Ethiopia, with over a million quintals of yield harvested during crop seasons. The average hectare yield is around ten tons. Small and commercial growers for both domestic and international markets (to generate foreign currency through exports) grow it.

Production of garlic spreads throughout the country and has been cultivated under irrigated as well as rain fed conditions, mainly in the mid and highlands of Ethiopia. According to the Ethiopian statistical service (ESS) Agricultural sample survey report on Area and Production of Major Crops, garlic production, area coverage and its productivity in the country are showing increasing trend.

The latest study on garlic revealed that use of local garlic variety and traditional farming practices dominated the sector. The most limiting factors to the garlic value chain performance include limited supply of improved garlic variety, use of unimproved production practices, poor post-harvest management and limited value addition of the crop, lack of extension and capacity building specific to the crop, limited access to credit service for the production and marketing of the crop, fragmented and traditional production system, low volume of product to enhance value chain. The major weaknesses within the value chain were linked with low focus on extension and capacity building to enhance the farming practice and marketing systems of garlic crop. In order to bolster market competitiveness of the garlic crop, it is imperative that policies to ensure distribution of improved seed to enhance the value chain and value addition of the crop.

The study also forwarded recommendations on how to create sustainable garlic production and market linkage among producers and actors in the value chains. Some

of these recommendations include the need for all stakeholders at all level to work together on extension and capacity building on garlic crop, contract farming schemes, garlic marketing center for producers, export destination diversification and improvement strategies.

It also adds that strengthening the existing multipurpose cooperatives to engage in the garlic value chains and establishing the new farmers' cooperatives/ unions is the other possible intervention that can take the roles of linking producers and potential buyers nationally and internationally.

It was revealed that fragmented production of local Variety garlic is one of the major weaknesses which contribute less volume of products to the market. On this regard respondents suggested adoption of cluster farming together with improved Variety of seed and other inputs Clustering refers to arranging a production system in which many farmers will produce similar crops based on agro-ecology, watershed or access to irrigation scheme so that wholesalers, traders and agro-processing industries could get adequate volume of produces from one area. Besides clustering improves water use efficiency, as similar crops do have similar water requirements, therefore the study recommends intervention of clustering at farming household level.

Data from CSA indicated that there was fluctuating garlic production trends which is caused due to the existing price fluctuation year to year. Therefore the study recommends adoption of market oriented or demand driven production system that can address the marketing problem in the garlic production.

Hence, farmers should decide what to produce by considering more than one year price trend as well as the demand at national level besides the local market and extension service providers should orient smallholder farmers on these issues. Preparation of a comprehensive garlic crop development strategy that gives more emphasis on the crop production and marketing is therefore a prime prerequisite to solve the various constraints of the crop in the country.

It is also recommended that ensuring supply of proper agricultural inputs for the farming of the crop Introducing better varieties of seeds, fertilizers and extension services to the farmers to ensure high productivity from the limited land the smallholder farmers have, Managing the market for the products of the farmers to sustain continuous production of garlic. Currently, garlic farming is not continuous from year to year in that farmers decline from engaging in production of the crop in the season following significant declines in the market prices. So, the study calls on Ministry of Agriculture, Ministry of Trade and Regional Integration, Federal Cooperative Commission and their respective structure to work together in forecasting the production of the upcoming seasons and facilitate proper market linkage for the producers.

The recent study made by Addis Chamber also calls on well integrated warehouse that fits to garlic products for reasonably longer period of time. Therefore, ensuring proper pay to the farmers, improving sustainability of farming and productivity of the crop, and soliciting foreign markets enhance its role in fetching foreign currency for Ethiopia are also the way out to foresee sustainable production and market of garlic in Ethiopia.

Introducing and promoting of such commercial farms can play a lot in the improvements of the agricultural inputs, farm management; pre-harvest, harvest and post-harvest management technologies for the crop. It also calls for the need to promote value addition of the crop so that the crop can be supplied to the market either in powder, chilled or sliced form than simply supplying it in raw.

Finally the study strongly suggests for the need to Developing and implementing garlic development strategy in Ethiopia as vital measure in ensuring the sustainable production of the crops.

Gearing up Africa's energy transition by conducive policy and legislative frameworks



Dubai, United Arab Emirates, December 2023 (ECA) - Supportive policies and robust regulations will boost private investment in the energy sector in Africa, one of the least electrified regions in the world, experts said.

Despite vast opportunities in the development of the electricity sector in Africa, there is low private sector investment in energy infrastructure and service delivery on the continent. A reform change in the policy and regulatory frameworks to ensure adequate openness, attractiveness, will ready the African market for private investments, energy experts agree.

Speaking at a side event at the Italian Pavilion during COP28, Yohannes Hailu, an energy policy expert at the Private Sector Development and Finance Division, (PSDFD) of ECA, said there are three areas of electricity market regulation to advance private

investment in the sector.

More than 600 million Africans do not have access to electricity. Africa generates only 4% of the global energy despite its abundant renewable energy resources, including 40% of the world's solar irradiation potential. Besides, Africa is also rich in cobalt, manganese, platinum, lithium, and copper – critical minerals for producing batteries and other green transition products.

Experts argue that the socio-economic transformation of African countries will depend upon the ability to accelerate infrastructural development and industrialisation, enabled by access to modern, reliable and affordable energy within an energy transition system. This requires substantial investment, including a robust role from the private sector. Policy and regulatory frameworks play a crucial role in

the building of an enabling business environment.

Based on assessment in 16 countries undertaken by the ECA and RES4Africa Foundation, Mr. Hailu said key areas for improvement related to market openness such as policies and plans, sector regulation, market organization, private sector participation models and procurement models. In addition, there is a need for attractiveness through contracts and economic regulation, incentives and credit enhancement. Readiness such as the presence of permits and authorization administration, technical codes and grid access is also important to fast-track private investment through a better enabling environment.

In this regard, Mr. Hailu indicated that the Continental Regulatory Framework to Crowd-in Private Investment in Africa's Electricity Markets developed by African

Union Commission and the ECA offers support to member States in planning regulatory enhancements. In addition the regulatory planning tool, ROAR, developed by ECA and RES4Africa offers the means to strengthen institutional capacity to plan and execute reforms.

Roberto Vigotti, Secretary General of RES4Africa Foundation, Alberto Bianardi, Head of International Affairs at GSE, Antonio Nodari, Head of Central and South Europe Region of AFRY Management Consulting, Luciano Martini, Director of Distribution and Transmission Technologies at RSE and Daniel Schroth, Director for Renewable Energy and Energy Efficiency at AfDB shared a similar perspective on supporting regulatory improvement in Africa to fast-track private investment in the sector to meet SDG7 and accelerate just energy transition.

Roberta Ronzitti, Director of International Environmental Cooperation in the Ministry of Environment and Energy Security in Italy indicated that energy challenges take 2% from potential GDP growth on the continent.

“The future stability and prosperity of the continent depends on development of energy infrastructure,” Mr. Ronzitti said.

The Italian government has extended 17.5 million Euros to finance 15 projects in Africa. Furthermore, the Italian Climate Fund has pledged 804 million Euros per year for climate mitigation and adaptation projects, primarily in Africa.