



Issue 7/July 2017

LIFT

The Land Investment for Transformation (LIFT) is a six-year (2014-2020) programme jointly developed by the Government of Ethiopia (GoE) and the UK Department for International Development, Ethiopia (DFID-E).

I. THE OBJECTIVE

The overriding objective of LIFT is to improve the incomes of the rural poor and disadvantaged and enhance economic growth, through second level land certification (SLLC), improved rural land administration systems (RLAS) and facilitation of development of an enabling economic and regulatory environment.

LIFT is implemented by the four regional states of Amhara, Oromia, Tigray and Southern Nation, Nationalities and Peoples' regional state, through the programme woredas, with the overall coordination of the Rural Land Administration and Use Directorate (RLAUD) of the Ministry of Agriculture and Natural Resources. DAI, an international development company, is providing technical assistance to LIFT under contract to DFID-E.

II. PROGRAMME COMPONENTS

- Second Level Land Certification (SLLC):** It is an important sub-component, which will result in greater land tenure security and improved land holding rights.
- Improved Rural Land Administration System(RLAS):** Will sustain the increased security of tenure provided by SLLC by improving the process of maintenance of the Land Register
- Economic Empowerment Unit (EEU):** Aims to maximize the benefits of SLLC by creating increased access to credit, facilitating the rural land rental process and fostering cross-cutting agriculture.

SLLC-Linked A2F Intervention :

Fostering Progress for Poor Rural Households

Access to Finance (A2F) linked to second level land certificate (SLLC) is a complementary intervention of the LIFT programme aimed at enhancing incomes of rural farmers and households in LIFT operational woredas.

MFIs in Ethiopia typically provide credit to farmers in the form of group loans, which are often small in size and not sufficient to meet the investment needs of farmers.

To date smallholder farmers have been unable to provide sufficient guarantee to obtain loans on an individual basis. LIFT has developed a new individual loan product aimed at increasing access to credit for smallholder farmers through the use of the SLLC as a guarantee. This new product is currently being piloted and tested by six local Microfinance Institutions (MFIs): ACSI, OCSSCO, Wasasa, Aggar, PEACE and OMFI.

57 branches across these six MFIs are now offering this new product to farmers. As of the end of June 2017 2,400 farmers have accessed credit through the new product, with over Birr 60 million in total disbursed by these MFIs.

The A2F intervention has now started to pay off and early impacts of the new SLLC linked credit product are becoming visible. For example, the additional capital accessed through the new product is allowing farmers to invest in additional and improved inputs, enhancing productivity, and ultimately leading to increases in income.

Moreover, the loan has spurred landholders' working spirits and passions

in order to repay the money before the due date to allow them to borrow again for further investment in subsequent seasons.

Furthermore, the additional capital secured through the loan means that farmers do not have to rush into selling their crops immediately after harvest, when prices are typically low. Instead, they now stock their yields to sell it later at a more favourable price.

Wr/o Etaferhu Chefik resides in Furssa kebele, Lode Hetossa woreda of the Oromia region. It has been a daunting challenge for her to lead a seven member family alone following the death of her spouse 15 years ago.



Wr/o Etaferhu Chefik

She has 1.25 hectares of land which is SLLC certified, of which she used 0.25 hectares as a guarantee to receive Birr 10,000 in credit from one of LIFT's partner MFIs, Wasasa, in January 2017. She used the loan for the purchase of agricultural inputs (onion seeds, fertilizers, pesticides, and fees for contract workers). She was formerly engaged in sharecropping, as she didn't have enough money to farm her entire plot, which is irrigated.

The credit linked to her SLL certificate now enables her to move away from share-cropping to farming her entire plot and engaging her grown up children in the process.

W/ro Etaferahu has already paid the first round of the loan installment (Birr 4,000), and additionally makes a saving of Birr 50 on a monthly basis. She aspires to make a lucrative business out of her irrigated vegetable plot.

W/ro Aberu Beyene, is also a resident in the same locality, she is heading a six-member family. She is a more recent recipient of SLLC linked credit, April 2017, enticed by the success stories of other loan-recipients in her neighbourhood. She has 1.25 hectares of land, of which she used 0.75 hectares as a guarantee to secure a loan of Birr 20,000 from Wasasa for her irrigated agriculture (onions).



W/ro Aberu Beyene Operating on her Onion Farmland

W/ro Aberu is quite optimistic that she will repay the loan in line with the agreed upon loan repayment schedule. " The seedlings of my onion vegetation are now in good shape, and I hope that I will become profitable " she said confidently.

Gemechu Dida is a credit officer at Wasasa's Huruta branch. He said the branch has already disbursed SLLC linked individual-based loans to 97 local households since the new product was introduced in January 2017.



Gemechu Dida (Right)

He said almost all loan-recipients at Fursa kebele have already started to pay the first round installment, and expressed his strong conviction that they would finish paying the balance within the agreed upon repayment schedule.

Boneya Edu Kebele, Hitosa woreda of Oromia is another area where irrigated agriculture is widely practiced and where SLLC linked credit is also being accessed by local farmers.

Ato Mitiku Engida, 65, has a 12 member family, of whom six are still dependent on him. He took a loan amounting to Birr 15,000 from the local branch of Wasasa in Hitosa woreda, using his half hectare of land as a guarantee. He used the loan for the purchase of potato seed, fertilizers (DAP and UREA) and for employing contract workers for cultivating the land. "I expect 60 quintals (more than three folds of last year's production) of potato this season because I have used adequate amount of agricultural seeds in a bid to boost production, " he said proudly.



Ato Mitiku Engida, Branding His Ripe Potato

Ato Mitiku further related facts about the extended benefits of the loans. He was able to stock his seasonal yield of wheat for some time, which he otherwise would have sold at a cheaper price. The loan has given him a lulling time till the price of wheat increased between May and July.

"I was enabled to sell my wheat grains at a fair price of Birr 850/quintal, which would have been sold out at Birr 650/quintal during peak harvest season," he said proudly.

Ato Mitiku said he would remain a loyal customer of Wasasa and continue to access SLLC linked credit, as it has already proven that his business is viable.

According to the Wasasa branch of Hitosa woreda, most of the farmers engaged in irrigated agriculture in Boneya Edu kebele have increasingly shown keen interest in using their SLLC certificate to access individual credit, as they find the application process straightforward, and it provides an alternative to group lending which does not meet the requirements of many farmers.

Figures Highlight

By the end of June 2017.....

57 — branches of MFIs offering SLLC –linked new product to farmers

2400— farmers who got access to credit through the new product

60.6 million— the total amount of money (in Birr) disbursed by MFIs to farmers using SLLC as a guarantee

The Benefits of Formalising Land Rental Transactions for Smallholder Farmers and Vulnerable Groups

Renting land has long been a key source of food security and income for rural households in Ethiopia. This is particularly true for the elderly, people with disabilities, households headed by women and other members of vulnerable groups (VGs),

According to the Land Investment for Transformation's (LIFT) recently commissioned study, only 33.6% of respondents in Tigray region and 29.5 % in SNNPR reported that they were able to fulfil their household income needs from their own lands. Thus, the majority of respondents' household needs are complemented in some way by land rental and other income generating activities.

However, an informal land rental system does not guarantee rights or security for VGs or for renters. Some of the main issues that arise from an informal system include the lack of available **information** (VGs do not have access to information on land rental prices); **imbalances in household decision-making** (the consent of women in male-headed households is not required in traditional land rental transactions); and **exposure to conflict** (instances of double-renting are common)

To address these issues the LIFT team decided to explore ways of increasing access to information and security for people involved in rental transactions, particularly VGs. Three main innovations designed on the back of Second Level Land Certification (SLLC) are being piloted:

- The **Standard Contract Form (SCF)** is a rental agreement template which has been introduced by LIFT and approved for use in all rental transactions by the Federal Government and Regional Governments of Amhara, Oromia, Tigray

and SNNPR. It eliminates confusion about the parcel being rented, and before an agreement is finalised all SLLC landholders need to sign the form. This is particularly beneficial for married females in male-headed households.

- To assist renters (particularly VGs) and rentees with market information on rental options and current prices, **Land Rental Service Providers (LRSPs)** have been trained and deployed. These are community-elected farmers who help to connect potential renters and rentees. They also assist and advise them in completing the SCF and registering the transactions at their kebeles.

To date 160 LRSPs have facilitated **2,364 land rental contracts**. Farmers and VGs in particular are now so confident in the benefits of formalisation that some of them are registering land rental agreements retrospectively, as we found during a visit to the Emba Alaje woreda in Tigray.

Furthermore, there is an indication that formalising the contract has increased the confidence of those people who are renting additional land in. Ultimately, it is hoped that this will result in greater investment in the land and increased yields as a consequence.

To find out more about this intervention please contact Daniel Kaptimer on Daniel.Kaptimer@liftethiopia.com.



A LRS Provider with his Registry Book, Hetossa woreda, Oromia region

- LIFT is also working to ensure rental transactions are recorded in the **Rural Land Administration System (RLAS)**. The key benefit of doing this is that by recording the transaction in the RLAS, double-renting becomes impossible and the rights of all parties including VGs, are protected.

LIFT Staff Conference

Staff Urged to Achieve Upcoming Milestone Targets

The Land Investment for Transformation (LIFT) programme convened its first staff conference at Beshale Hotel, Addis Ababa, from 17-18th May 2017.



Mr Andrew Smith making a welcoming speech

In his welcoming remarks, the LIFT programme Manager, Mr. Andrew Smith said that the workshop would provide an important platform to meet and share achievements and lessons learnt from challenges overcome, as well as to better understand future priorities and work together to set a roadmap for the way forward .

He also lauded the staff for their unflinching efforts and excellent performance towards successfully achieving the January 2017 milestone targets.

In the two-day conference the thematic topics presented and tabled for discussions included: i) LIFT performance and Annual Review-2017, ii) Regional Performance results in the three major components of Second Level Land Certificate (SLLC), Rural Land Administration System (RLAS), and Economic Empowerment Unit (EEU), and iii) LIFT's Theory of Change (ToC) and Log frame-for 2017/18, iv) LIFT's financial, logistic and procurement plans for 2017/18, v) Human Resources and Training, vi) Gender

and Social Inclusion activities and vii) Financial Aid Implementation.

Group work on the major challenges and proposed actions in relation to administration, finance, training, logistics, coordination and communications were carried out and were followed by presentations from each group at the plenary session.

The major issues flagged up by the groups as challenges were related to: procurement, maintenance, and delivery of project equipment and supplies; safety and camping materials for the field demarcation teams; tailored capacity building and refresher training; financial procedures, as well as staff remuneration, benefits, incentives and per diem payments; annual leave, new recruitment and replacement of leavers.

The issues posted by the presenters further triggered thoughts and heated discussion amongst the staff drawn from different regions. While senior members of the LIFT programme management team and others made reflections on the questions and concerns voiced.



Group Work Underway -(South Regional State)

In his concluding remarks, Mr. Smith called on the staff to scale up efforts in a bid to achieve the target milestones for the October 2017 Mid-Term Review (MTR) as well as for the January 2018 targets with renewed commitment and vigour



Ato Tigistu Gebremeskel making closing remarks

The guest of honour, Ato Tigistu G/ Meskel, Director of the Land Administration and Use Directorate under the Ministry of Agriculture and Natural Resources, noted in his closing remarks that LIFT is handling many of the most significant tasks in support of Ethiopia's land sector and reaffirmed that his Directorate would remain fully committed to help achieve LIFT's programme objectives in the future.

Over 63 LIFT staff including Senior Management, Technical Staff, Regional and Woreda Coordinators, Admin Assistants and Grant Managers were in attendance at of the two-day conference.