

IAIP INVESTMENT PROMOTION AND MOBILIZATION STRATEGIES – YIRGALEM IAIP, SIDAMA REGION

Phase 1 – final report

Report prepared by FDI Center for UNIDO

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LIST OF ABBREVIATIONS

Abbreviation	Meaning	Abbreviation	Meaning
ATA	Agricultural Transformation Agency	RIC	Regional Investment Commission
B2B	Business to Business	RIPDC	Regional Industrial Parks Development Corporation
CAGR	Compound Annual Growth Rate	RTC	Rural Transformation Center
EIC	Ethiopian Investment Commission	SME	Small and Medium-sized Enterprises
ERCA	Ethiopian Revenue & Customs Authority	SNNPR	Southern Nationals Nationalities and Peoples Region
EU	European Union	SIC	Sidama Investment Commission
FAO	Food and Agriculture Organization of the United Nations	TBD	To be determined
FDI	Foreign Direct Investment	UNIDO	United Nations Industrial Development Organization
FTE	Full-time Equivalent		
GiZ	German Corporation for International Cooperation		
GoE	Government of Ethiopia		
IAIP	Integrated Agro-Industrial Park		
IFC	International Finance Corporation		
ILO	International Labour Organization		
IPA	Investment Promotion Agency		
MoA	Ministry of Agriculture		
MoTI	Ministry of Trade and Industry		

EXECUTIVE SUMMARY

This report represents the second deliverable of our project to assist the United Nations Industrial Development Organization (UNIDO) with the preparation of an Investment Promotion and Mobilization Strategy for three pilot-Integrated Agro-Industrial Parks (IAIPs) in Ethiopia. The selected parks are Yirgalem (Sidama – previously in Eastern SNNPR), Bulbula (Central Eastern Oromia), and Bure (Southwest Amhara).

This report is the final deliverable of phase 1 for the Bure IAIP and includes our assessments and recommendations on investor targeting, investment promotion and lead generation, and investment facilitation.

The assessment highlighted avocado oil production, coffee processing, and pineapple processing as the target groups with the highest potential at the moment to attract domestic and foreign investors to the Yirgalem IAIP. A target group refers to a specific group of companies that share similar characteristics with respect to their activities, operations, and investment potential. The selection of the previously mentioned target groups is the result of extended research conducted by FDI Center, which included several interviews with key stakeholders as well as depth research. It is important to note that targeting these three sectors does not mean that there is no potential to attract investments from other sectors. There are additional target groups with positive trends and may have the potential for attracting investment in the near future.

Given current feedstock supply opportunities, our assessment suggests that the Yirgalem IAIP has the potential to attract two new avocado oil production facilities, three new coffee processing facilities, and one pineapple processing facility. These investments would create sustainable opportunities for the community, generating new direct jobs and transferring knowledge to the region.

Yirgalem IAIP



Picture taken from UNIDO's website (2021)

The potential to attract more investments can be higher, if investors engage in investments in their own plantation or agricultural extension with farmers or if the local farmers and cooperatives will be able to increase the supply of raw materials in the future.

We recommend focusing mainly on the following countries for the international investment promotion and attraction efforts of the EIC:

- Avocado oil production: the US, China, India, and New Zealand.
- Coffee processing; Italy, Switzerland, Germany, and Brazil.
- Pineapple processing: the US, Costa Rica, and Thailand.

We recommend the Sidama Investment Commission (SIC) to focus on promoting these opportunities to domestic investors in Ethiopia.

The action plans are intended to be practical and mix digital and in-person activities to position Ethiopia, and particularly the Yirgalem IAIP, as an attractive and suitable location for potential investors.

We also provide key investment targeting techniques for the investment attraction teams at the EIC, RIPDC, and the RIC. These techniques focus mainly on a proactive and an effective investor targeting approach, which includes four steps / phases (i.e., identifying companies with the greatest potential for investment; qualifying companies by obtaining information related to the business and company's main strategic plans, including recent investments and key contacts; establishing the first contact to verify potential and generate interest; and finally a monitoring phase that enables further contact and provides value and builds a relationship).

The investment facilitation section provides information on the roles for each relevant institution (e.g., the EIC, RIPDC, RIC, among others) as well as information on the one-stop-shop (OSS), which should make administrative procedures easier for investors. We consider the RIPDC should coordinate and lead the OSS.

1. INTRODUCTION

This report is part of our project to assist the United Nations Industrial Development Organization (UNIDO) with the preparation of an Investment Promotion and Mobilization Strategy for three pilot-Integrated Agro-Industrial Parks (IAIPs) in Ethiopia. The selected parks are Yirgalem (Sidama – previously in Eastern SNNPR), Bulbula (Central Eastern Oromia), and Bure (Southwest Amhara).

This document follows an interim report submitted previously by FDI Center on March 3, 2021, which provided the initial outcomes of our research and suggested the key focus areas to analyze further for each park. The delay in obtaining feedback from each relevant stakeholder (i.e., EIC, RIPDC, and the RIC) caused a delay not anticipated in the project. However, on April 23, we received confirmation from UNIDO’s team to continue with the remaining steps of phase 1. This report has been discussed and endorsed by UNIDO and all relevant regional and national stakeholders during the virtual validation workshop “Pilot-IAIP investment promotion strategy validation workshop” held on July 15, 2021.

The Yirgalem IAIP has been officially inaugurated in March 2021. According to UNIDO (2021) The park had a total investment of over US\$60 million and is expected to create 100,000 direct jobs and more than 400,000 indirect jobs. With a total area of 294 ha, the IAIP has already 11 investors established, including the Sunvado Avocado Oil Company, Doely Processing, and Hebron Coffee.

Section 2 describes the methodology for identifying and analyzing the focus areas as well as the target groups and the action plan presented in this document. The approach for identifying and selecting target groups for investment promotion is taking the location strength, the international and domestic investment activities as well as the additional benefits for the region (e.g., linkages, technology transfer into account). The methodology for developing the action plans is based on the need to develop highly practical and actionable roadmaps for investment promotion. They are based on a mix of digital and in-person activities taking the capacity of both the Ethiopian Investment Commission (EIC) and the Sidama Investment Commission (SIC) into account.

Section 3 comprises five (5) subsections. It starts by describing in section 3.1 a long-list of focus areas identified and analyzed for the Yirgalem IAIP and associated RTCs in the Sidama/SNNPR region. A focus area comprises commercial or industrial activities that can be grouped together based on shared characteristics, such as the use of similar inputs or raw materials. An evaluation of each focus area is presented in section 3.2. This assessment was conducted based on three key criteria:

- Location strength: does the IAIP provide specific advantages (e.g., local commodities or training programs) for a potential project in the focus area?
- Investment potential: are there domestic and FDI projects taking place in the focus area?

- Benefits for the region: to what extent would a new investment project in this focus area bring additional benefits (e.g., technology transfer, development of linkages) to the region?

Based on our evaluation, we provide in section 3.3 our recommendations of key focus areas with the highest potential to attract domestic and foreign investments to the Yirgalem IAIP and associated RTCs. These focus areas are assessed further to obtain strategic target groups in section 3.4. Please note that a target group is defined as a specific group of companies that share similar characteristics with respect to their activities, operations, and investment potential. These target groups will serve as the targeted audience for the action plans for implementing the proactive investment promotion strategy. Finally, section 3.5 describes key investment targeting techniques for the investment attraction teams at the EIC, RIPDC, and the RIC.

Section 4 focuses on investment promotion and lead generation. It provides a comprehensive action plan for each target group. The action plans are aimed to be as practical and actionable as possible. We were taking the capacity of the EIC and the SIC into consideration when developing the action plans. The EIC and SIC may want to implement the action plans entirely or just parts of the plans to complement their existing activities. This may also depend on the EIC and SIC's financial capacity. Where possible we provided our estimates of the financial cost involved for each recommended activity.

Section 5 highlights crucial investment facilitation aspects to consider for attracting domestic and foreign investments to the parks. It provides detailed recommendations for handling and responding to investor enquires as well as organizing site visits.

Section 6 provides the conclusions of phase 1.

The research and analysis for this report was conducted in April and May 2021. A list of all interviews and sources is provided in the annex.

Finally, we held virtually the “Pilot-IAIP investment promotion strategy validation workshop” with UNIDO and the relevant stakeholders on July 15. This two hour and a half workshop provided a space to present all the findings and recommendations of this report. This report reflects all the relevant comments and suggestions obtained during the workshop.

2. METHODOLOGY

Overview

The following slides describe the methodology used for the phase 1 report. The methodology section is split into two main parts:

- Identifying focus areas and target groups: the target groups serve as the basis for overall investor targeting. This includes targeting source countries as well as specific companies. Further, the target group evaluations lead to the development of key-value positions for each target group of potential investors which serves as the basis of any branding activities.
- Developing action plans: the action plans provide a detailed roadmap for implementing the investment promotion and lead generation campaign. This includes domestic as well as international outreach campaigns in person and through digital platforms.

Focus areas – Rationale

First, an extensive long-list of focus areas that constitute potential investment opportunities for the Yirgalem IAIP was collected. These opportunities have been gathered based on a detailed assessment of the region, which included:

- Existing reports provided by stakeholders.
- Interviews with organizations and stakeholders such as UNIDO, FAO, ILO, GIZ, Italian Agency for Development Cooperation, and the EU.
- Additional desk research by FDI Center’s team.

A “focus area” refers to specific business activities (i.e., a specific stage within a value chain) in the agro-industrial or support industry sector. These focus areas are either:

- Opportunities arising from the locally available commodities, or
- Support industries for the larger agro-industrial cluster.

The long-list of focus areas aims to capture the universe of relevant investment opportunities for this park. For identifying the most attractive focus areas for each park, we evaluate each focus area in order to arrive at a short-list of the most attractive ones. The rationale behind this is:

- Focus on opportunities with short-term investment potential. Not all the value chains are far enough developed to attract investments in the near future. We recommend focusing on specific opportunities that can yield projects soon.
- Actionable with the given capacity of the implementing agencies. Focusing on a limited number of focus areas will enable the implementing agencies to put their resources to best use and to implement the strategy in its entirety.
- Clear value propositions. Developing a focused short-list of focus areas will allow us to analyze the requirements of firms active in these focus areas in more detail and understand the degree to which the Yirgalem IAIP meets these requirements. This will highlight the clear location strengths relevant to the firms active in these fields and provide relevant arguments for approaching potential investors.

Following approval of the selected short-list of focus areas by the relevant stakeholders, we will conduct a detailed analysis of each short-listed focus area and determine the respective target groups of potential investors in these focus areas to which the park should be proactively promoted.

Focus areas – Evaluation and short-listing

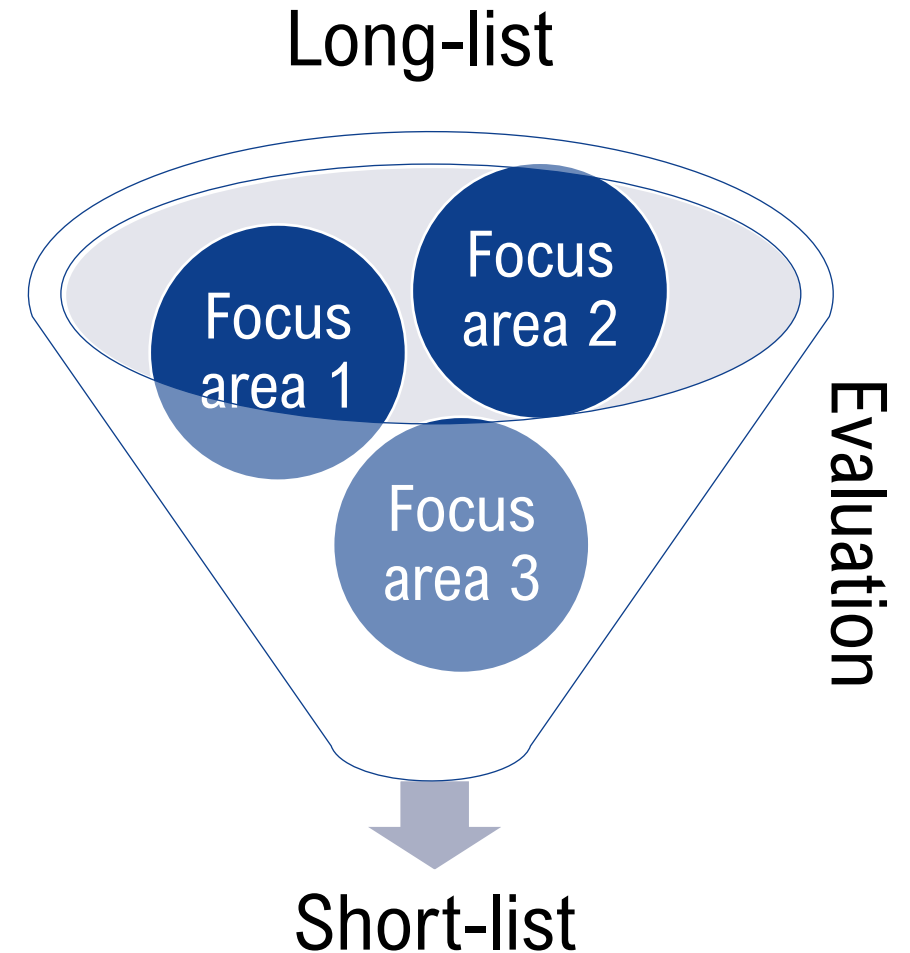
The focus areas in the long-list are evaluated along three dimensions:

- Location strength: does the IAIP provide specific advantages (e.g., local commodities or training programs) for a potential project in the focus area?
- Investment potential: are there domestic and FDI projects taking place in the focus area?
- Benefits for the region: to what extent would a new investment project in this focus area bring additional benefits (e.g., technology transfer, development of linkages) to the region?

Each focus area is scored along these three dimensions on a scale from one to five, being one the lowest possible ranking and five the highest ranking. It is important to highlight that these three variables are dynamic, which means that our assessment is based on the current situation that a potential investor will face as of February 2021, and it can change in the future. For instance, there are several interventions by the development sector taking place in the value chains in Ethiopia. This will influence the evaluation of the location strength and the benefits for the region over time. Some focus areas show the potential for significant improvement in certain scores in the near future – these are marked with a (+) behind the score.

Some of the focus areas show the same characteristics and have been bundled together for the general analysis and scoring.

In the detailed analysis of the short-listed focus areas, we might need to further bundle or unbundle focus areas depending on the outcomes of the research.



Target groups – Evaluation

A total number of 22 focus areas were assessed to determine those with the greatest potential for attracting domestic and FDI to the Yirgalem IAIP and the associated RTCs. The three focus areas that appear to have the greatest potential for investment attraction were selected for further analysis. These were (in no particular order):

- Avocado processing
- Coffee processing
- Pineapple processing

These focus areas were evaluated further to identify specific target groups. A target group is defined as groups of companies that share similar characteristics with respect to their activities, operations, and investment potential. Our detailed assessment of each focus area allowed us to better understand the requirements of the companies and the fit to the Yirgalem IAIP based on the following factors:

- *Characteristics of the target group* – how large is the target group? What types of companies dominate the group? Where are the key players based?
- *Growth trends and drivers* – how quickly is the target group growing? What are the key factors behind this growth?
- *Investment trends and drivers* – is growth translating into investment? What types of investments are companies making and where?
- *Requirements for an investment project* – what are the main operational and location requirements for new facilities in the target group?
- *Assessment of the region* – to what degree does the IAIP and surrounding area meet the requirements for a potential project?
- *Opportunities for investment attraction* – how many projects can the IAIP realistically expect to attract in each target group? What factors may influence the attraction of new investment projects?

Action plan (1/2)

For each of the three target groups, we developed a systematic plan for identifying and approaching potential investors. The main objective of the plan is for the EIC, RIPDC, and RIC teams to establish contact with decision-makers of companies in the selected target groups. In addition to providing channels for contacting companies, the action plan should also enhance the visibility of Ethiopia and particularly of the IAIP as an attractive location for companies in each one of the target groups.

Based on our experience advising investment promotion agencies around the world, one or two years is a realistic and actionable timeframe for an action plan. If it is shorter there might be not enough preparation time for all activities, if it is longer the planned activities might no longer be in-line with recent activities and developments. Nonetheless, the implementing agencies may feel free to implement the proposed action only in parts, stretch it over a longer time period, or repeat certain activities in future years as they seem best fit for themselves. The action plans have been developed for a timeframe of one and a half years, starting in July 2021 until December 2022, and consist of the following components:

- **Preparatory work:** During the evaluation of the target groups, we identified key points that should be inspected before approaching potential investors. Addressing these points will enable each team to be better prepared for discussions with corporate decision-makers in the target groups.
- **Multipliers:** Multipliers can provide access to corporate decision-makers through their networks and help to raise awareness of Ethiopia as an attractive location for investment in the selected target groups. We have identified the most relevant organizations and individuals for each target group. It is important to determine why these multipliers would be interested in engaging with the EIC, the RIPDC, and the RIC. This includes learning about the investment opportunities in Ethiopia for their members or clients, or a more commercial interest, such as securing sponsorship for events or advertising in industry publications. In each case, it is essential to anticipate the potential interests of the multiplier and the degree to which the EIC and the regional institutions can provide value in return for the multiplier's support.
- **Direct contact:** The aim of direct contact is to schedule a call, video conference, or a personal meeting at an event with a decision-maker to speak about their company's expansion plans. The direct contacts should be based on a combination of e-mail, LinkedIn, and cold calling. An essential prerequisite to direct contact is the identification of target groups and decision-makers. Although we have already highlighted the key players in each target group, it is still needed to identify companies that appear to have the greatest potential for investment as well as relevant decision-makers in those companies.

Action plan (2/2)

- **In-person events:** For 2022, we recommend attending some specialized events in certain target groups. This will facilitate meeting representatives of target companies in person. Attendance at an event can be combined with in-person meetings with interested target companies previously identified through digital and/or direct marketing channels. If traveling is allowed, then an investment mission in parallel to one of the main events should be considered.
- **Digital activities:** Due to the pandemic, we recommend focusing mainly on a digital strategy for the remaining of 2021. Digital activities such as podcasts, webinars, and social media platforms (e.g., LinkedIn and Twitter) can be used both for establishing contact with decision-makers and for raising awareness of Ethiopia. Our action plans focus mainly on social media and webinars. Please note that digital promotion will require the development of specialized content (e.g., articles, videos, infographics) to provide the basis for interaction with each target group. It will also be necessary to monitor the engagement of users to get crucial insights into the location of viewers and the type of content that is driving the most interaction.
- **Online advertisements:** We do not consider specific online advertisement activities (e.g., e-mail marketing, search engine marketing, social media marketing). However, depending on the budget available, it could be considered to advertise to promote webinars or announce its participation in a specific event.

The action plan provides a practical approach for the EIC and the regional entities to engage with potential investors and raise awareness of Ethiopia as an investment location for companies in the selected target groups.

The overall action plan is shown on page 64 of the report. The team implementing this plan may decide to implement only specific parts of the plan or to change the timing of some of the activities, depending on available resources and other investment attraction activities that may have been already planned.

3. INVESTOR TARGETING

Overview

In investment attraction, investor targeting refers to the proactive approach a region undertakes to attract new companies to their location.

Investor targeting is a key component for a successful investment attraction strategy, especially due to the strong competition worldwide. A targeting approach will allow the IAIP the development of particular sectors and create specialized supply chains that increase the potential for transferring knowledge and technologies.

Through this section, we analyze 22 focus areas to identify three with the highest potential for attracting domestic and foreign investments to the Yirgalem IAIP. Once the three focus areas were selected, we conducted an in-depth research to understand better the requirements of the companies in each focus area, provide an analysis to the degree in which the IAIP could attract investment projects in this field, prioritize the source of countries for the investment attraction activities, and create an action plan that is practical and realistic for the upcoming months.

3. INVESTOR TARGETING

Long-list of focus areas

LONG-LIST OF FOCUS AREAS

Yirgalem IAIP in Sidama

We have identified the following long-list of focus areas (displayed in no particular order) with potential to attract domestic and foreign investment to the Yirgalem IAIP.

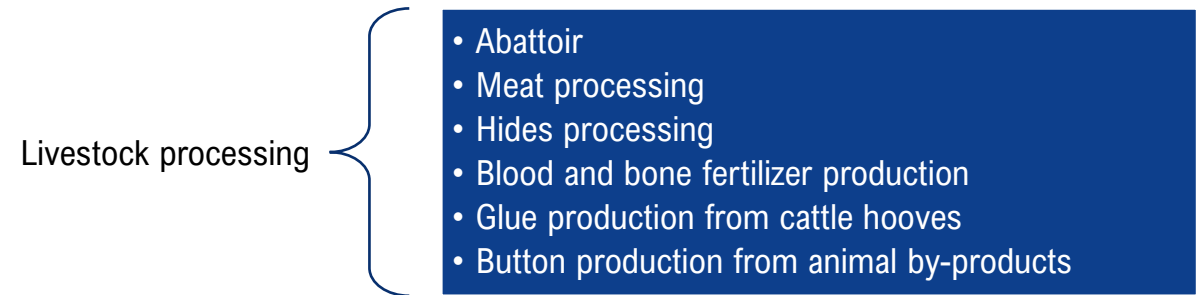
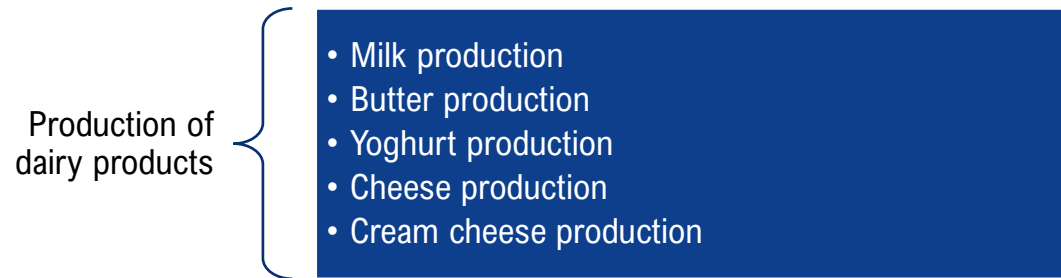
Based on local commodities:

Agave processing	<ul style="list-style-type: none">• Agave-based alcoholic drinks• Agave oil• Agave syrup• Agave-based paper production	Honey processing	<ul style="list-style-type: none">• Wax production• Processing of honeycomb by-products• Production of honey/wax-based
Aloe vera processing	<ul style="list-style-type: none">• Aloe vera food supplements• Aloe vera gel extract• Aloe vera whole leaf extract/juice• Dried aloe vera latex	Maize processing	<ul style="list-style-type: none">• Corn meal/polenta milling• Maize oil• Maize starch• Maize syrup• Popcorn production
Avocado processing	<ul style="list-style-type: none">• Avocado oil• Avocado pulp / avocado paste• Avocado salsa	Pineapple processing	<ul style="list-style-type: none">• Pineapple canning• Pineapple juice• Pineapple jam• Pineapple syrup• Pineapple vinegar
Barley processing	<ul style="list-style-type: none">• Barley powder	Tomato processing	<ul style="list-style-type: none">• Tomato juice• Tomato ketchup• Tomato paste• Tomato purée• Tomato sauce
Coffee processing	<ul style="list-style-type: none">• Coffee washing• Coffee roasting• Coffee grinding• Production of instant coffee	Turmeric processing	<ul style="list-style-type: none">• Turmeric powder
Eucalyptus processing	<ul style="list-style-type: none">• Eucalyptus oil	Wheat processing	<ul style="list-style-type: none">• Flour mills• Pasta production• Biscuit production facility
Ginger processing	<ul style="list-style-type: none">• Dry ginger• Ginger oil• Ginger powder		

LONG-LIST OF FOCUS AREAS

Yirgalem IAIP in Sidama

Based on local commodities (continued):



Support industries

- Bio-energy production
- Organic fertilizer production
- Insecticides & herbicides production
- Animal feed production
- Packaging material production
- General logistics services
- Cold chain logistics

Even though, there may be other agricultural commodities available in the region (e.g., banana, passion fruit, mango, papaya, potato, sorghum, sugar cane), we have selected the focus areas that based on our research through interviews and extensive review of secondary data seem to have the best potential for attracting investments to the region.

3. INVESTOR TARGETING

Evaluation of focus areas

EVALUATION OF FOCUS AREAS

Scoring of focus areas for the Yirgalem IAIP in Sidama

Focus area	Location strength	Investment potential	Benefits for the region	Comments
Agave processing	4	1	3	<ul style="list-style-type: none"> • Agave sisalana is planted along the area and edge of abandoned cultivation areas to prevent erosion. • No relevant investment projects have been identified in the last years. • Agave is mainly used as fiber for building construction, carpet production, and household tool making. Not clear to which degree a project in this area could support further technology and knowledge transfer to the region.
Aloe vera processing	4	2	4	<ul style="list-style-type: none"> • Aloe vera is planted in the region and is available for potential investors. • Growing but highly competitive market. No relevant investment projects were identified. • To the extent of our knowledge, there is no aloe vera processing producers in the region.
Avocado processing	4	4	4	<ul style="list-style-type: none"> • Different types of avocado are available in the region. The quality is not ideal for exporting for table consumption, but suitable for processed products such as oil. Other types of potential projects are avocado pulp and avocado salsa production. • Example of FDI project: UK-based investor AgDevCo invested in Africado, an avocado grower and marketer located in Tanzania. Africado is using the capital gained to expand estate operations and to increase the capacity of its pack shed to accommodate greater output. • As of February 2021, there are two avocado oil processing projects at the IAIP. Further investments in this sector could support the growing local avocado ecosystem leading to knowledge-transfer and supplier linkages.
Barley processing	2	2	3	<ul style="list-style-type: none"> • Barley was highlighted during one of our interviews as an agricultural commodity with the potential to be further developed in the region. However, there is a limited growing area of barley crops (approx. 73,614 ha). • A potential investor could supply the domestic market. • As of February 2021, no company engaged in this activity is established in the IAIP.

Scoring: 5 – best; 1 – worst., + - significant positive trend

EVALUATION OF FOCUS AREAS

Scoring of focus areas for the Yirgalem IAIP in Sidama

Focus area	Location strength	Investment potential	Benefits for the region	Comments
Coffee processing	5	4	5	<ul style="list-style-type: none"> The Sidama Coffee Farmers Cooperative Union (SCFCU) produces approx. about 10,000 tons of high-quality Organic Arabica beans per year (including fair trade certification). Opportunity to attract domestic and international processors to serve the world market. As of February 2021, there are seven coffee processing projects approved at the IAIP. Attracting further investments in this area can support the growth of the ecosystem in the region leading to higher local value add.
Eucalyptus processing	4	1	2	<ul style="list-style-type: none"> Large volumes of raw material available, which is currently not being used for producing further value-added products. Large world market - significant producers of eucalyptus oil are South Africa, Portugal, Spain, Brazil, Australia, Chile, and Swaziland. However, no recent investment projects have been identified. As of February 2021, no eucalyptus projects are established at the IAIP.
Ginger processing	3	1	2	<ul style="list-style-type: none"> No recent investment projects have been identified. No data on the total amount of ginger produced in the region and no relevant ginger processing activities in the region.
Honey processing	4	3	4	<ul style="list-style-type: none"> Existing associations and cooperatives in the region. Some investment projects were identified led by increasing demand worldwide, including in the domestic market where imports of honey are high. As of February 2021, there is one honey and wax processing factory operating at the IAIP. The region could boost its productivity by attracting new projects and develop specific training programs that allow knowledge transfer.
Maize processing	3	4	3	<ul style="list-style-type: none"> There are approx. 310,243 ha planted areas of maize. Still, there is a poor quality of seed supply – other regions (e.g., Amhara) offer better raw material supply. An investor could supply the local market with consumer end-products.

Scoring: 5 – best; 1 – worst., + - significant positive trend

EVALUATION OF FOCUS AREAS

Scoring of focus areas for the Yirgalem IAIP in Sidama

Focus area	Location strength	Investment potential	Benefits for the region	Comments
Pineapple processing	5	4	3	<ul style="list-style-type: none"> • Pineapple (Smooth Cayenne and Red Spanish) is planted in the region. The current production system allows for further productivity increases and increased supply of pineapples. • As of February 2021, there are already two investment projects at the IAIP focused on pineapple processing.
Tomato processing	2	3	3	<ul style="list-style-type: none"> • Approx. 1,055 ha planted with tomatoes – the types of tomatoes grown are for table consumption and not suited for processing. • Opportunity for domestic or foreign investors to supply the local market.
Turmeric processing	3	1	3	<ul style="list-style-type: none"> • Our interviews highlighted that there is no existing data about the total availability of this commodity in the region. • No recent investments in the region or internationally were identified.
Wheat processing	2	2	3	<ul style="list-style-type: none"> • The region has a low growth area of wheat (approx. 137,294 ha). The country is a net importer of wheat, which is subsidized and makes the processing of local wheat less competitive.
Livestock processing	3	3	4	<ul style="list-style-type: none"> • Over 9 million cattle, 3 million sheep, and 2 million goats in the SNNP region. • There are several challenges in the value chain (e.g., adequate animal feed and veterinary drug supply) that need to be worked on for attracting more investors in this area. • Opportunity to produce meat for the local market and by-product-based products for the international market. • As of February 2021, there is one Ethiopian investor in the process of starting meat processing operations at the IAIP.

Scoring: 5 – best; 1 – worst., + - significant positive trend

EVALUATION OF FOCUS AREAS

Scoring of focus areas for the Yirgalem IAIP in Sidama

Focus area	Location strength	Investment potential	Benefits for the region	Comments
Dairy production	3	3	4	<ul style="list-style-type: none"> • There are several challenges in the value chains (e.g., adequate animal feed and veterinary drug supply) that need to be worked on for attracting more investors in this area. • As of February 2021, there is one Chinese investor in the process of acquiring machinery to start mil production operations at the IAIP. This company aims to produce 30,000 liters of milk per day.
Bio-energy production	3	4	4	<ul style="list-style-type: none"> • Raw materials are available in the region, including agricultural crops such as maize, animal and plant wastes, and organic residential/ industrial waste. • Growing investment potential worldwide, including in Ethiopia where a plant opened operations in 2018 to turn waste into energy.
Organic fertilizer production	4	4	4	<ul style="list-style-type: none"> • Raw materials such as coffee and other organic by-products to produce organic fertilizers. • Opportunity to supply a growing local consumer market; however, the costs of accessing this product may be high compared to “self-made” organic fertilizer using manure or plant waste. • Chemical fertilizer production is unlikely to take place at the IAIP due to the lack of local supply of key chemical feedstock and good logistics access for transporting it.
Insecticides & herbicides production	1	2	3	<ul style="list-style-type: none"> • Despite a local need for these type of products, the production of insecticides and herbicides tends to be highly regulated because of environment concerns. • Weak local chemical supply chain which is needed for feedstocks.
Animal feed production	4	3	3	<ul style="list-style-type: none"> • Raw materials such as cereals and related by-products available in the region. • Possibility to supply livestock farmers (e.g., for cattle, goat, and sheep).

Scoring: 5 – best; 1 – worst., + - significant positive trend

EVALUATION OF FOCUS AREAS

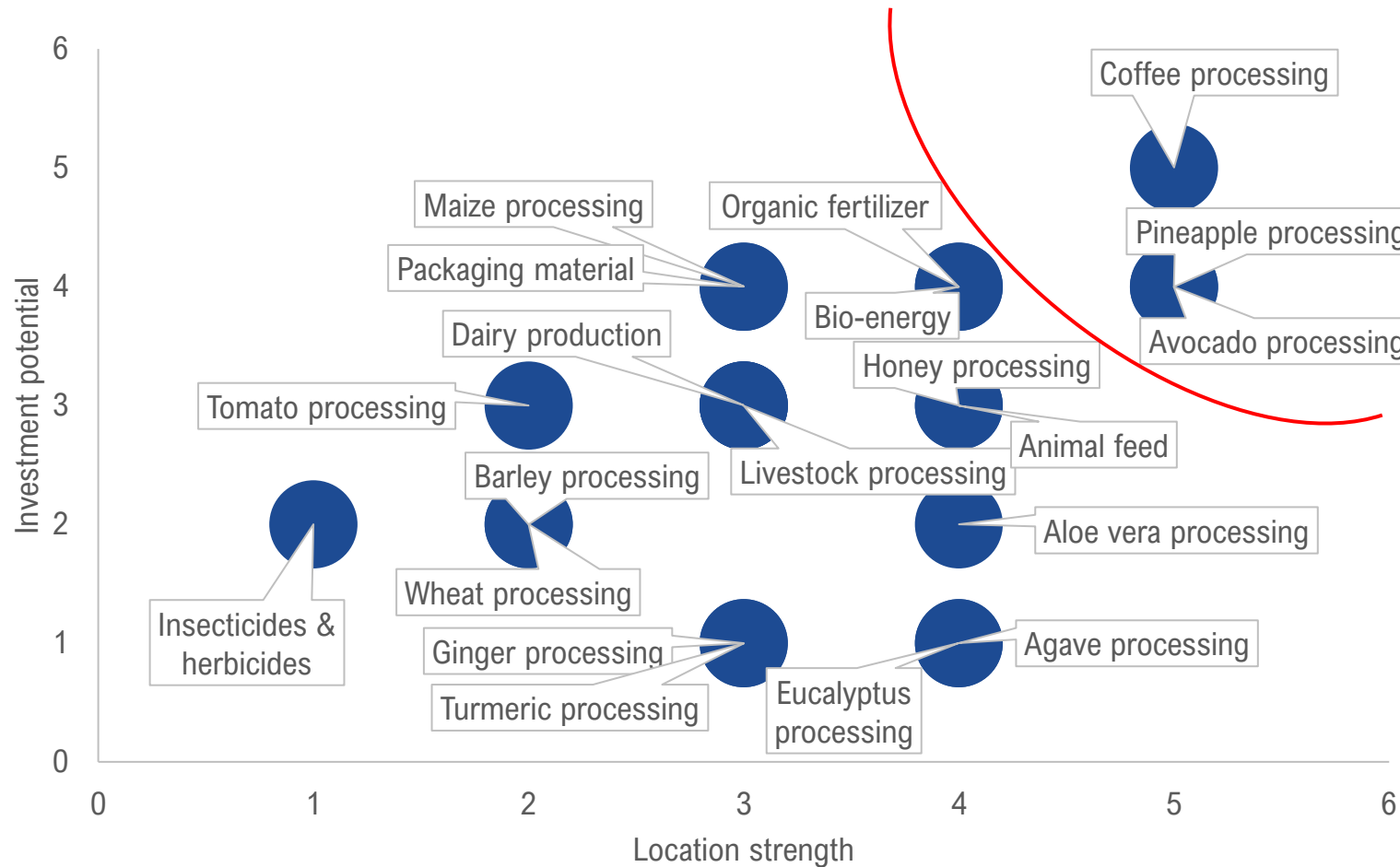
Scoring of focus areas for the Yirgalem IAIP in Sidama

Focus area	Location strength	Investment potential	Benefits for the region	Comments
Packaging material production	3	4	3	<ul style="list-style-type: none"> • Possibility to use local raw materials such as agave to produce bio-based packaging solutions. • Rising demand for packaging materials, including in the IAIP once more investors locate there. • As of February 2021, there is one Chinese investor at the IAIP about to start packaging production for its milk production. It is unknown for us if the packaging production would be able to supply other projects at the IAIP.
General logistics services	3	3	3	<ul style="list-style-type: none"> • New logistic needs arising for the transport of raw materials from RTCs to IAIPs and end-products to consumers. • The latest reform of the investment law opened this area for private investors.
Cold chain logistics	3	3	3	<ul style="list-style-type: none"> • The establishment of new projects will highly depend on local clients. • Some investment projects have been identified worldwide.

Scoring: 5 – best; 1 – worst., + - significant positive trend

EVALUATION OF FOCUS AREAS

Selection of short-list of focus areas for the Yirgalem IAIP in Sidama



Comments

- We identified avocado, coffee, and pineapple processing to have the highest investment attraction potential given their fit with the location.
- Organic fertilizer production, honey processing and bio-energy have the next highest potential and also seem to be promising focus areas that could bring significant additional benefits for the region.
- Animal feed could also have a potential and should be reevaluated in the upcoming years.
- Packaging material will be needed to further strength the region, therefore, a proactive investment attraction on this focus area should be reevaluated in the next two years as the IAIP develops.

Scoring: 5: best / 1: worst, → direction of major trend.

3. INVESTOR TARGETING

Recommended focus areas

RECOMMENDED FOCUS AREAS

Short-list of focus areas for the Yirgalem IAIP in Sidama

Based on our analysis and evaluation conducted in the previous section, we recommended proceeding with the following short-list of focus areas for the Yirgalem IAIP.

- Avocado processing
- Coffee processing
- Pineapple processing

There are other focus areas with positive trends and may have the potential for attracting investment in the near future. We recommend reevaluating these focus areas in two years and, if the positive developments persisted and the resources available allow it, consider adding them to the proactive investment promotion strategy for the IAIP. These focus areas are:

- Animal feed
- Organic fertilizer production
- Honey processing
- Packaging material production

After discussing our suggestions in April 2021 with the RIPDC, the EIC, the MoA, and UNIDO's team, we proceeded with the detailed evaluation of these focus areas to identify the ideal target groups for the region.

A target group is defined as a specific group of companies that share similar characteristics with respect to their activities, operations, and investment potential. We evaluated avocado processing, coffee processing, and pineapple processing to identify the main industry and market developments (e.g., key players, geographic concentration of companies, supply chain) and the specific operational requirements (e.g., workforce, utilities, and land requirements) needed for the establishment of a successful investment project.

Next sub-section presents the target group analysis.

3. INVESTOR TARGETING

Target group analysis

TARGET GROUP ANALYSIS

Avocado oil production

1. Definition of the target group



This target group comprises companies using avocado as raw material to produce extra virgin avocado oil and/or refined avocado oil.

Inside an avocado oil production facility



Final products



Pictures taken from: AvoHealth (2021). Sunvado (2021)

2. Characteristics of the target group

Size of the target group

- Over 100 companies worldwide.

Type of companies

- Large number of dedicated players.
- Some large manufacturing food companies (e.g. [Hain Celestial Group](#)).

Geography

- Mexico, Dominican Republic, and Colombia are the main avocado producers worldwide. In Africa, Kenya has the highest production rate. Therefore, several avocado oil production projects have been recently established in the country.
- China and India are the key producers and suppliers of avocado oil to the international markets.

Leading companies in this target group

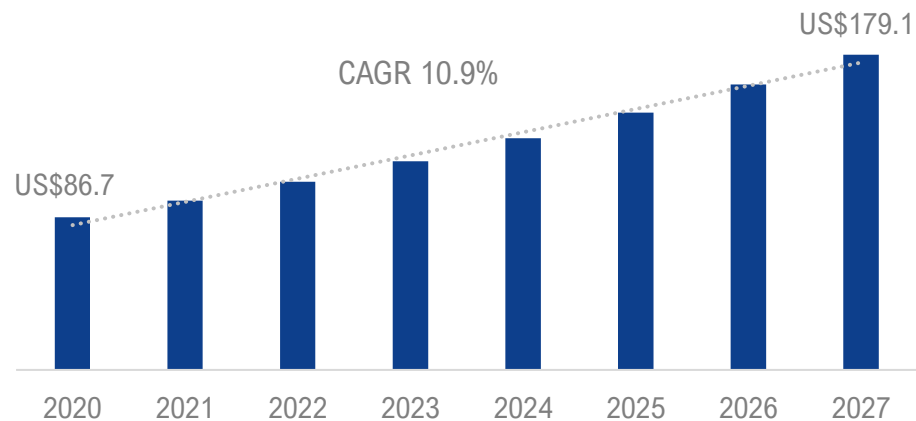
Company	Country	Type
Aconcagua Oil & Extract S.A. - Paltita	Chile	Dedicated player
Avocado Health Limited	New Zealand	Dedicated player
Olivado Group	New Zealand	Dedicated player
Sesajal	Mexico/US	Dedicated player
Westfalia Fruit	South Africa	Dedicated player

Avocado oil production

3. Growth trends and drivers

- The global avocado oil market is expected to grow at a Compound Annual Growth Rate (CAGR) of 10.9% until 2027, by when the market is estimated to be worth about US\$179.1 million (ReporterLinker, 2020).
- The global demand remained unaffected by the global pandemic.
- An increasing awareness of the nutritional and health benefits of avocado oil compared to high-fat butter is driving the growth of this target group.
- Automation plays an important role in new investments.

Global avocado oil market (US\$ m)



Source: ReporterLinker (2020)

4. Investment trends and drivers

Is there evidence of new investment projects?

- Yes (see the grey boxes with some examples).

What is driving new investment projects?

- Proximity to avocado growing areas.

Where are investments going?

- In Africa, mainly to Kenya and Tanzania. Other regions worldwide include Colombia and Mexico.

Which mode of investment is preferred?

- Greenfield.

Five new avocado oil production plants are opening in Kenya (2021)

- Kenya has currently about 10 avocado oil processing plants and is expected that five more will be opening in the upcoming months.
- Origin Fresh is one of the companies established in the country. Founded in 2017, the company has grown from two employees to 60 in the last four years.

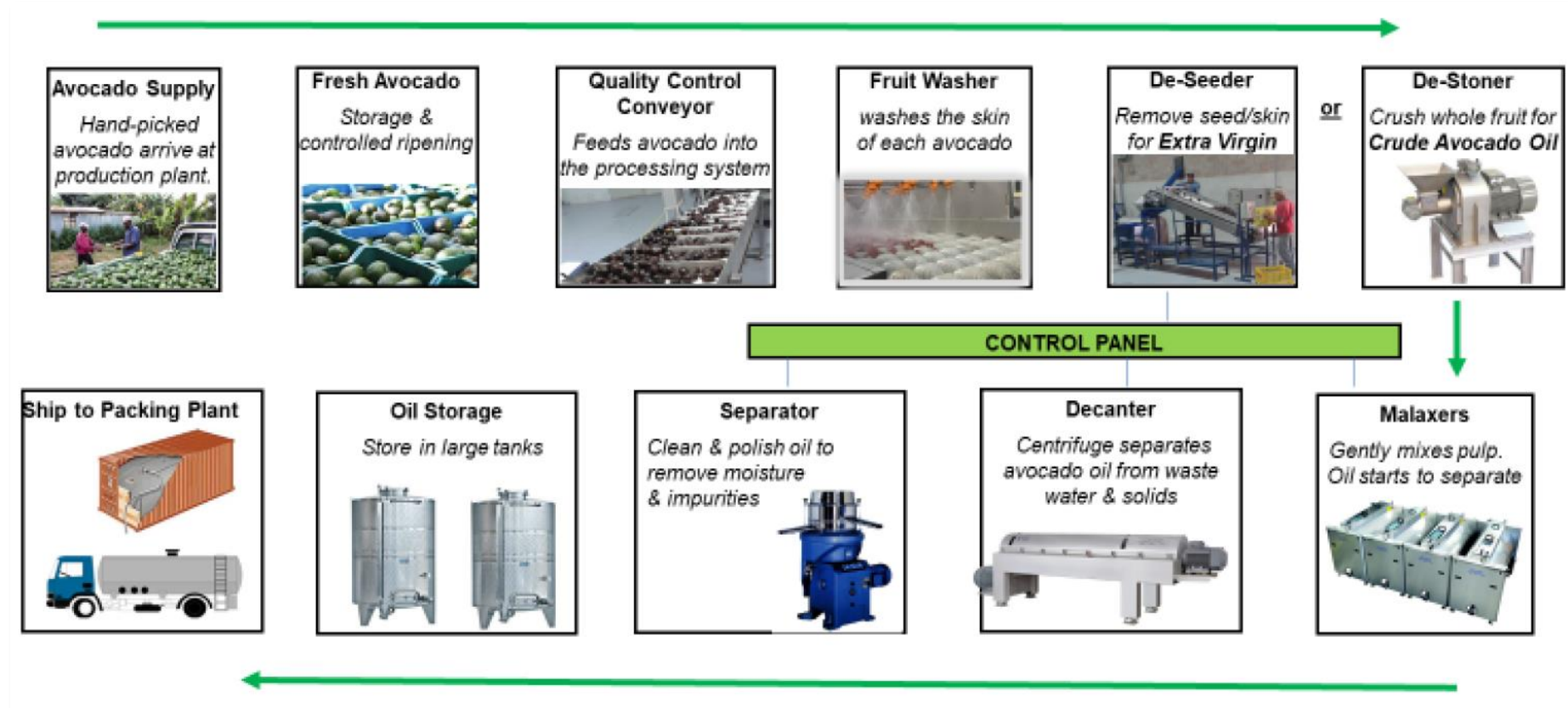
New avocado oil processing facility in Quindio, Colombia (2021)

- The Colombian government announced it is providing financial support to establish a new avocado oil processing plant in Quindio, an avocado producing region in the country. The name of the company has not been disclosed yet, but it is expected to open in July 2021 and generate 16 direct jobs.

5. Requirements for a potential project

Criteria	Requirements	Comments
Raw material	Min. 720 tonnes of avocado per year	<ul style="list-style-type: none"> The minimum requirement for initiating a potential project is 60 tonnes of avocado per month to produce approximately 7 tonnes of avocado oil per month. A standard production line of avocado oil requires about 600 tonnes of avocado per month to produce 72 tonnes of avocado oil per month during the main production season, in which the plant can potentially work 24/7.
Location and Infrastructure	2,000 m ² - 12,000 m ²	<ul style="list-style-type: none"> At least 2,000 m² of space is needed for a typical avocado oil production line. Most of this space is required for fruit ripening. Additional 10,000 m² could be purchased by a potential investor to have extra space for expansion in the future.
Utilities	Standard industrial utilities	<ul style="list-style-type: none"> Standard requirements for an industrial facility. Water is required for washing the avocado.
Human capital	Between 20 and 30 FTE	<ul style="list-style-type: none"> A potential project can generate between 20 and 30 full-time and direct positions. Depending on the time of the season, a company will contract between 20 and 30 additional people. The permanent staff are mainly responsible for general management, procurement, logistic, quality control, and sales, who may not necessary be established at the production facility on a full-time basis. One of the largest avocado oil processing facilities worldwide is established in Jalisco (Mexico) and it employs 120 FTE.
Others	<ul style="list-style-type: none"> Logistics Packaging 	<ul style="list-style-type: none"> Suitable logistic infrastructure is ideal to easily bring the avocado oil to the main export markets (e.g., the US, Germany, Malaysia, Japan, South Korea). Packaging depends on the final product, and it can be either packaged in-house or outsourced to a packaging company. In the case of extra virgin avocado oil, this is a fragile product and requires special packing conditions to protect from damage by oxygen or light.

5. Requirements for a potential project – understanding an avocado oil processing line



Source: AvoHealth (2021).

6. Assessment of the Yirgalem IAIP and associated RTCs

Criteria	Assessment
Raw material	<ul style="list-style-type: none"> • Avocado is one of the ten prioritized commodity value chains by the Agricultural Commercialization Cluster (ACC) / Ethiopian ATA. • In Ethiopia, avocado production has tripled over the last five years. FAO estimates that the total production of avocados in 2019 was 104,492 tonnes. Additionally, about 1.5 million Hass Avocado seedlings were planted in 2020. • An avocado tree productivity is influenced by the age of the plant. The plant begins its production cycle three years after plantation but provide a limited output (about 10 kg) until the 7 or 8 year. Under proper conditions, an avocado tree usually produces 200 kg during the main production season and 100 kg off season (Peters, 2021). • The Central Statistical Authority (CSA) estimates that the avocado production in Eastern SNNPR is carried out by about 58,400 smallholder farmers, on small plots with minimal inputs, and there is limited presence of large-scale farming in Eastern SNNPR. It is estimated that the ESN NPR produces 69,571.3 tonnes of avocado per year. • A production facility can start operations at 60% of the capacity in the first years and continue to expand as the production of Hass Avocado in the Sidama/SNNRP region increases, which is expected to grow very quickly in the few years ahead thanks to the recent avocado plantations in Ethiopia. • According to the feasibility and business plan from Mahindra Consulting Engineers (2018), it is estimated that there is a net marketable surplus of approx. 5,800 tonnes of avocado per year in the region. If a potential project would require around 600 tons per month, there is currently a potential for one new project. Further projects would depend on the availability of further avocado available, which is possible thanks to the trees that have been planted in the last two years. • Sunvado Manufacturing PLC has established an organic avocado oil processing facility at the Yirgalem IAIP. The company works with 22 primary cooperatives involving about 73,000 smallholder farmers. Sunvado has established an organic monitoring system and has a total installed capacity of approximately 80 tonnes per day. • Please note that the data from the CSA may be outdated. As the data from Sunvado indicates, the number of total smallholder farmers available to cooperate may be higher as initially anticipated, providing more opportunities for a potential investor in this target group. • Nowadays, avocado and avocado oil products from Ethiopia are mainly exported to the Netherlands, Saudi Arabia, Somalia, Djibouti, and the UAE.



★ Significant advantage ✓ meets criteria – partially meets the criteria ✗ does not meet criteria

6. Assessment of the Yirgalem IAIP and associated RTCs

Criteria	Assessment
Location & Site	<ul style="list-style-type: none"> • With over 200 ha available at the Yirgalem IAIP, the park offers plenty of land and adequate infrastructure for establishing several avocado oil production facilities. • Poor road networks to transport the avocado to the factory could represent a constrain for easy access to the raw material. • Good road connectivity via the A8 for transporting the final product to Addis Ababa.
Utilities	<ul style="list-style-type: none"> • According to the feasibility and business plan from Mahindra Consulting Engineers (2018), electricity and water supplies at the park should not represent a constraint for a potential project.
Human capital	<ul style="list-style-type: none"> • An avocado oil production facility does not necessarily require a large workforce and the technical positions should be able to be filled from the region. Besides, the IAIP has open a vocational training center to train technical workers. • To the extent of our knowledge, Sunvado Manufacturing PLC has deployed 26 agricultural extension workers supporting their local suppliers. It is estimated the company has created around 300 FTE. • The Hawassa University has an agricultural college with over 2,200 students enrolled in programs such as Plant science, Horticultural science, Food Science and postharvest Technology, Rural Development and Agricultural Extension, Agricultural Resource Economics and Management, and Agribusiness and Value Chain Management. This creates an attractive talent pool for potential investment projects.
Others	<ul style="list-style-type: none"> • <u>Logistics</u>: projects aiming to export its products can use the port of Djibouti; goods could be taken from Addis Ababa to Djibouti using the railway system or transported by truck all the way from Yirgalem to Djibouti. • <u>Packaging</u>: the park has already packaging companies established that could potentially provide services to other companies as well. Many companies in the country import as well packaging materials from the Netherlands, the UAE, and Israel.

★ Significant advantage ✓ meets criteria – partially meets the criteria X does not meet criteria

7. Opportunities for the Yirgalem IAIP and associated RTCs

- Avocado oil production is relatively a new industry in Ethiopia, particularly if it is compared to countries like Kenya (which has 10 factories and at least another 5 factories will be opening in the next six to seven months).
- Based on our assessment, we consider that the Yirgalem IAIP can attract up to two new avocado oil production facilities in the next two years. These projects will in part depend on the strengthening of the avocado production in the region.
- Each avocado oil production facility would translate in attracting an average investment between €1 and €1.5 million and generating between 20 and 25 direct new jobs. Additionally, it will create hundreds of opportunities for small-holder farmers.
- A potential project would have higher profits if the producer is “Fair Trade Certified”.
- There is potential to process the waste products of the avocado oil production plant. Suitable solutions include:
 - Pumping the wastewater to farm Tilapia in ponds (about one hectare would be required for this).
 - Burning the waste from the avocado pressing to heat water and save electricity.
 - Feeding animals.
 - Producing organic fertilizer to support the growth of certified Hass Avocado Seedlings in a nursery (there are about 38,000 nurseries in the country).

TARGET GROUP ANALYSIS

Coffee processing

1. Definition of the target group

Companies processing coffee for the domestic and international markets. Processing may include sorting, pulping, fermentation, soaking, drying, milling, roasting, and/or packaging.

Inside a coffee processing facility



A coffee processing facility in Peru



Final products



Pictures taken from: International Communicaffe (2019) / Scott, Nelson (2007)

2. Characteristics of the target group

Size of the target group

- Hundreds of companies worldwide.

Type of companies

- Large dedicated players and large manufacturing food and beverage companies.

Geography

- Coffee production and processing takes place mainly in Brazil, Colombia, Vietnam, Indonesia, and Ethiopia.
- Germany and Switzerland are home to leading companies and export high volumes of processed coffee.

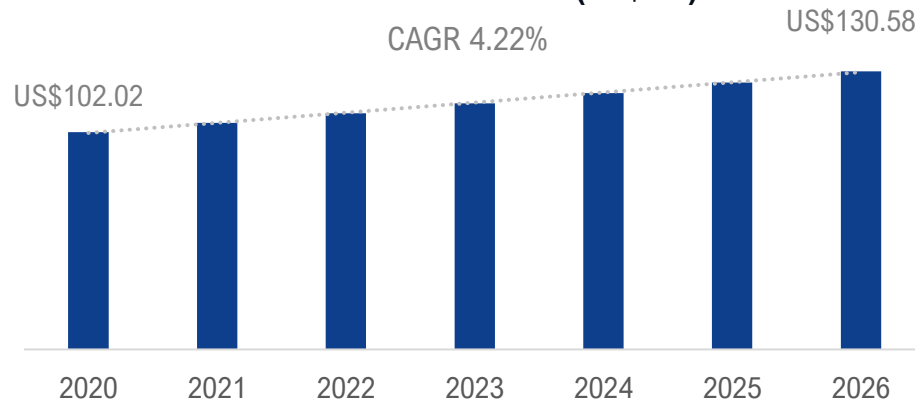
Leading companies

Company	Country	Type
Volcafe (part of the ED&F Man Group)	Switzerland	Dedicated player
Sucafina	Switzerland	Dedicated player
Nestlé	Switzerland	Large food and beverage company
The Kraft Heinz Company	US	Large food and beverage company

3. Growth trends and drivers

- The global coffee market is expected to grow at a Compound Annual Growth Rate (CAGR) of 4.22% until 2025 (ReportLinker, 2020).
- The Ethiopian coffee market is projected to grow at a CAGR of 5.5% between 2020 and 2025 (Mordor Intelligence, 2020).
- Coffee consumption is increasing worldwide.
- Innovative new coffee products are entering the market. For instance, Mövenpick (Switzerland) launched “Mövenpick Sparkling Coffee” at ANUGA 2019 (world largest food and beverage fair).
- There is also an increase in the number of buyers demanding certified coffee products, which is leading investments into certified products.

Global coffee market (US\$ bn)



Source: ReporterLinker (2020)

4. Investment trends and drivers

Is there evidence of new investment projects?

- Yes. Some examples are presented in the grey boxes.

What is driving new investment projects?

- Establishing closer to raw materials to better control the quality.

Where are investments going?

- Switzerland, Mexico, and China.

Which mode of investment is preferred?

- Greenfield and expansions.

Volcafe opens a new coffee processing facility in Peru

- In 2019, Volcafe opened a new coffee processing facility in Cajamarca, a rural area in Peru. The facility employs 15 people.

Nestlé invests in South Africa, Mexico, and Switzerland over the last 5 years

- In 2021, the company announced the investment of approx. US\$130 million to expand its coffee processing facility in Avenches (Switzerland). As a result, it will create 50 new jobs by the end of 2022.
- In 2018, Nestlé announced an investment of US\$154 million to establish a new coffee mill in Veracruz (Mexico). The new plant is expected to open in 2021 and will process 20,000 tons of green coffee per year and employ 1,200 people.
- In 2016, the company invested US\$84 million to increase the production capacity of a coffee processing facility in the rural area of the KwaZulu-Natal province (South Africa).

5. Requirements for a potential project

Criteria	Requirements	Comments
Raw material	Min. 2,700 tons of green coffee per year	<ul style="list-style-type: none"> A potential investment project requires a minimum of 2,700 tonnes of green coffee per year. A large project will need at least 20,000 tonnes (approx. 262,952 bags) of green coffee per year. Direct access to the raw material is essential. Therefore, many coffee processing facilities are located in rural areas such as the case of Nestlé in South Africa (see previous page).
Location and Infrastructure	At least 10,000 m ²	<ul style="list-style-type: none"> A coffee mill with a total production capacity of 1,500 bags per day needs about 10,000 m².
Utilities	Standard industrial utilities	<ul style="list-style-type: none"> Utilities can vary depending on the method used, wet or dry. The wet method gives better quality. The energy consumption may vary depending on the type of roast (cinnamon roast needs a heating process at 194°C while the Italian roast needs a temperature of 246°C).
Human capital	Between 15 and 100 FTE	<ul style="list-style-type: none"> The total number of jobs created will vary depending on the size of the project. Our research suggests a small coffee processing facility will employ about 15 people, which will be working on the areas of processing, logistics, administration, quality control, and field technicians. A large project could potentially employ 1,200 FTE (see example of Nestlé in South Africa in the previous page).
Others	<ul style="list-style-type: none"> Packaging Sustainability 	<ul style="list-style-type: none"> <u>Packaging</u>: Packaging material is needed for the final products. <u>Sustainability</u>: it plays a key role for companies that want to be certified either with UTZ, Rainforest Alliance, organic, café practices and/or Fairtrade.

6. Assessment of the Yirgalem IAIP and the associated RTCs

Criteria	Assessment
	<ul style="list-style-type: none"> The regions of Sidama and SNNPR cultivate Arabica coffee. 90% of Ethiopian coffee is hand-picked in forests or home gardens. Only 10% comes from organised farming. Yirgachefe Coffee Cooperative Union and the Sidama Coffee Coop Union are key partners for potential investment projects. There are about eight coffee processing companies established at the IAIP like the Adaya Family Trading PLC, which is roasting about 12 tonnes per day. This company targets international markets such as Germany, the US, South Africa, Benin, Nigeria, and Cote d'Ivoire for the roasted coffee produced. Hebron Ethiopia Trading PLC is also established at the IAIP and exports green coffee, roasted coffee, and capsule coffee.
Raw material	<ul style="list-style-type: none"> The Shimekt Daba coffee plantation has 120 ha with a production capacity of 9,000 tons per year. They have 10 full-time technical and support staff and 100 part-time employees. ★ According to the feasibility and business plan from Mahindra Consulting Engineers (2018), it is estimated that there is a net marketable surplus of approx. 103,000 tonnes of coffee in the region. Based on the current production capacity and the already established investors in this field, we see potential to attract at least three new more projects in this area in the upcoming years. Compared to countries such as Brazil (largest producer of coffee worldwide), Ethiopia has lower yield per hectare due to the little mechanization in collecting the coffee. Yet, the country had in 2020 the largest annual export value of African countries at an average of US\$762.8 million per year, followed by Uganda (US\$468.4 million), Kenya (US\$229.5 million), and Tanzania (US\$129.2 million).

★ Significant advantage ✓ meets criteria – partially meets the criteria X does not meet criteria

6. Assessment of the Yirgalem IAIP and the associated RTCs

Criteria	Assessment
Location and Infrastructure	<ul style="list-style-type: none"> • With over 200 ha available at the Yirgalem IAIP, the park offers plenty of land and adequate infrastructure for establishing several coffee processing facilities. ✓ • Good road connectivity via the A8 for transporting the final product to Addis Ababa.
Utilities	<ul style="list-style-type: none"> • According to the feasibility and business plan from Mahindra Consulting Engineers (2018), electricity and water supplies at the park should not represent a constraint for a potential project. ✓
Human capital	<ul style="list-style-type: none"> • Training opportunities to the local communities are one of the key aspects of the IAIP and the associated RTCs. A training center aims to enhance the knowledge, skills, and abilities so that people can improve their living standards. • The Hawassa University has an agricultural college with over 2,200 students enrolled in programs such as Plant science, Horticultural science, Food Science and postharvest Technology, Rural Development and Agricultural Extension, Agricultural Resource Economics and Management, and Agribusiness and Value Chain Management. This creates a talent pool for potential investment projects. ✓
Others	<ul style="list-style-type: none"> • <u>Logistics</u>: projects aiming to export its products can use the port of Djibouti; goods could be taken from Addis Ababa to Djibouti using the railway system or transported by truck all the way from Yirgalem to Djibouti. ✓ • <u>Packaging</u>: the park has already packaging companies established that could potentially provide services to other companies as well. Many companies in the country import as well packaging materials from the Netherlands, the UAE, and Israel. ✓

★ Significant advantage ✓ meets criteria – partially meets the criteria X does not meet criteria

7. Opportunities for the Yirgalem IAIP and the associated RTCs

- Taking into consideration the surplus of the region and the companies already established at the IAIP, we consider that the Yirgalem IAIP can attract at least three new coffee processing facilities in the next two years.
- Each project would translate in 15 to 100 direct new jobs and involve a seven-digit-US\$ investment.

TARGET GROUP ANALYSIS

Pineapple processing

1. Definition of the target group



- This target group consists of companies that process fresh pineapple into durable consumer products such as pineapple juice, canned pineapple, and dehydrated pineapple.
- They are united by common location requirements of a steady supply of fresh pineapples.

Inside a pineapple processing plant



Dehydrated pineapple



Canned pineapple slices



Pineapple juice



2. Characteristics of the target group

Size of the target group

- Hundreds of companies around the world with few large MNEs.

Type of companies

- Local integrated growers that engage in downstream processing.
- Large multinational fruit companies such as Del Monte, Dole, Fyffes, and Chiquita Brands International.

Geography

- Across the tropics with hotspots in Costa Rica, Thailand, and Brazil.

Leading companies

Company	Country	Segment
Ricaeli Alimentos	Brazil	Juice
Chiquita Brands International	US	All
Del Monte	US	All
Prachuab Fruit	Thailand	Juice & cans
Dole	US	Juice & cans
FrutaSana	Costa Rica	Dehydrated pineapple

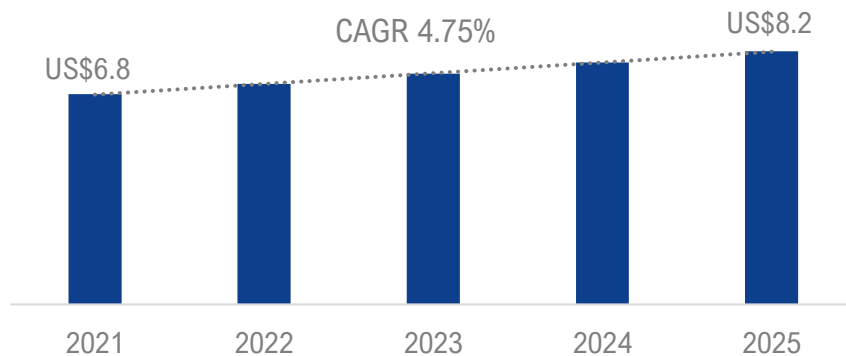
Pictures taken from: company websites of pineapple processing companies.

Pineapple processing

3. Growth trends and drivers

- The global pineapple juice market is expected to grow at a Compound Annual Growth Rate (CAGR) of 4.75% until 2025 reaching a market size of over US\$8 billion (Statista, 2021).
- The canned pineapple market in developed economies saw declines over the last years due to a substitution with increased fresh pineapple imports. The domestic or emerging markets might still provide opportunities for canned pineapples.
- One of the main export markets for dried tropical fruits is Europe, and it is expected that this market will grow at a CAGR between 5 and 6% over the next couple of years.

Global pineapple juice market (US\$ bn)



Source: Statista (2021).

4. Investment trends and drivers

Is there evidence of new investment projects?

- Yes. Multiple new projects worldwide, including in Africa (e.g., Ghana and Uganda).

What is driving new investment projects?

- Proximity to pineapple growing areas.

Where are investments going?

- Pineapple growing areas in the tropics such as Ghana, Costa Rica, and Thailand.

Which mode of investment is preferred?

- Greenfield projects (by domestic and international investors).

Astek's pineapple canning facility in Ghana (2020)

- The company invested US\$0.5 million in the facility and will create 60 direct jobs
- Export canned sliced and chunked pineapples to Spain, the US, and Egypt.

Ekumfi Fruits & Juice factory in Ghana (2019)

- US\$15 million pineapple juice factory in the Ekumfi Abor district in the Central Region of Ghana with a capacity of producing 300 million 250ml packs of juice annually for local consumption and exports.
- Integrated facility growing pineapples on approx. 405 ha.
- Created 550 jobs in the factory and an additional 475 jobs on the plantation.
- Supported by the governments the One-District-One-Factory initiative.

5. Requirements for a potential project

Criteria	Requirements	Comments
Land	1-10 ha	<ul style="list-style-type: none"> A small facility can be established on one hectare of land whereas the largest facilities around the world require multiple hectares.
Workforce	Between 50 and 500 FTE	<ul style="list-style-type: none"> Workforce need is dependent on the size of the facility. Mostly manual workers preparing the fresh pineapples for processing. A few additional technicians are needed to operate and maintain the machines as well as one experienced plant manager to oversee the whole operation (can also be an expatriate send by the investor) For investors operating their own pineapple plantations, an additional few hundred farm workers will be required.
Utilities	Standard industrial utilities	<ul style="list-style-type: none"> A facility requires standard industrial utilities including electricity and water.
Feedstock	10,000-20,000 tonnes per year	<ul style="list-style-type: none"> Based on comparable projects in Africa a medium-sized facility would require around 10,000-20,000 tonnes of fresh pineapple per year.
Other	Suppliers	<ul style="list-style-type: none"> General packaging material, cans, drink cartons, and boxes are required for packing and shipping the final products.

6. Assessment of the Yirgalem IAIP and the associated RTCs

Criteria	Assessment
Land	<ul style="list-style-type: none"> With an area of over 200 ha, there is sufficient land with adequate infrastructure available for establishing multiple pineapple processing facilities at the IAIP. ★
Workforce	<ul style="list-style-type: none"> Yirgalem has a population of over 40,000 according to the last available statistics (which are from 2005) suggesting enough workforce for the blue-collar jobs required for a new project. The living areas are geographically separated from the IAIP creating a need for worker housing on site or public transport by buses to shuttle the workers in and out. ★ Based on our interviews, it can be more challenging to recruit a local experienced plant manager – especially international investors might instead choose to send an expatriate manager to oversee the plant.
Utilities	<ul style="list-style-type: none"> According to the master plan, the IAIP provides all necessary utilities. ✓
Feedstock	<ul style="list-style-type: none"> The surrounding area has a net marketable surplus of nearly 19,000 tonnes of pineapples annually. This is sufficient to supply one medium sized facility. ✓ Further investors or investors wanting to establish a larger operation might want to consider establishing their own plantation to increase the available volumes of fresh pineapples.
Other	<ul style="list-style-type: none"> In our interviews, it was mentioned that local sourcing of packaging material is challenging, and many companies resort to imports from Dubai or other regional sources. ✓

★ Significant advantage ✓ meets criteria – partially meets the criteria X does not meet criteria

7. Opportunities for the Yirgalem IAIP and the associated RTCs

- Given the current availability of pineapples in the region, we consider the Yirgalem IAIP has the opportunity to attract one medium-sized processing within the next two years.
- To attract more than one facility, additional investors would need to engage in setting up their own plantations or in contract farming with local farmers and cooperatives in the region.
- A new medium-sized facility can create around 50-200 direct jobs and involve a lower seven-digit-US\$ investment.
- We recommend to focus the investment promotion efforts on the three main source countries in this target group, the US, Costa Rica, and Thailand.

3. INVESTOR TARGETING

Investor targeting techniques

Successful methods and key success factors

The target groups selected provide a clearly defined group of potential investors that each IAIP can attract. We consider that these target groups reflect the location's real competitive advantages and provide a specialized focus to the investment attraction activities of the RIPDC and the EIC, enabling a more effective use of resources and facilitating the initial contact and ongoing discussions with potential investors. Additionally, this targeted approach provides credibility and allows differentiation among regions, which increases the probability of conducting sustainable and successful investment promotion and attraction activities.

A successful proactive investment attraction is not possible with a large number of companies. Therefore, developing investor targeting techniques provide key benefits, including a more effective use of time, getting to relevant companies before competitors, pre-matching between company needs and location advantages, and in general a higher likelihood of success. It is important to keep in mind that targets are identified through research, either outsourced to specialists or systematic in-house and ongoing research within the EIC and RIPDC.

A proactive and an effective investor targeting approach includes four steps:

1. Identify

- Identify companies with the greatest potential for investment.

2. Qualify

- Obtain information related to the business and company's main strategic plans, including recent investments. Additionally, identify key contacts.

3. Approach


- Establish first contact to verify potential and generate interest.

4. Monitor

- Enable further contact and provide value and build relationship.

Identify: How to identify target companies

A target company has a clear business reason for establishing a new facility and investing in a certain geographic area. There are two types of target companies:

 Strategic targets	 Speculative target
<p>This type of target refers to selected (“must-have”) companies that the region wants to attract, regardless of whether they currently have investment plans or not. Some key criteria for selecting strategic targets include:</p> <ul style="list-style-type: none">• Part of a defined target group• Industry and technology leaders• Potential impact on location’s image• Fit with overall development strategy• Address identified gaps or opportunities	<p>This type of target includes companies that appear to have potential for investment, based on research of recent company developments. A “speculative” target company may have a business reason for being interested in Ethiopia and meets some basic criteria such as:</p> <ul style="list-style-type: none">• Size & Growth• International orientation• Recent investment projects• Financial resources• Restructuring• New contract, client or partnership• Supply chain linkages to the region• Management connection• Industry developments• Stated objectives

Based on our experience working with IPA and SEZ around the globe, we consider it is important that the EIC and RIC targets both types of companies. As a starting point, it is important to define the strategic targets and focus 80% on attracting this type of companies. The remaining 20% would focus on speculative targets, which could strength the supply chain of certain industries.

Identify: How to identify target companies

Sources to identify companies

- Specific business associations and networks (see examples on section 4).
- Rankings and sector-specific studies.
- Trade shows, conferences, and summits (see examples on section 4).
- Specialized websites and portals (e.g., African Agribusiness: www.africanagribusiness.com, Agfunder News: www.agfundernews.com, FoodNavigator: www.foodnavigator.com).
- Systematic research through web search engines (e.g., Google, GoogleAlerts, Binge) to identify companies using keywords such as *New location* (plans to build a plant; plans to establish a subsidiary; new plant in Africa; further facilities planned); *Expansion* (e.g., plans to expand in Africa; announces expansion in Africa; expand its footprint in Africa; strengthen its presence in Africa); *Market entry* (e.g., to enter the market in Africa; eyes new markets in Europe); *production capacities* (e.g., plans to double production; increase production capacity).
- Private data bases such as fDi Markets (www.fdimarkets.com), Orbis from Bureau Van Dijk (www.bvdinfo.com), Preqin (www.preqin.com), and Gazelle (www.gazelle.ai).

Qualify: Building a database of target companies

Qualifying companies is an essential aspect of a successful investment attraction approach. The qualification of companies will allow the EIC, the RIPDC, and RIC to define the degree of support, and therefore resources, provided to the different types of opportunities.

The qualification process can be performed through a range of online sources such as company’s website, annual reports, strategy presentations, earnings call transcripts, and interviews with company executives. This process can also generate the type of information about the investor that can support to provide better facilitation. We provide in the annex of this report an example of a target company profile in the agribusiness industry. The example was a profile prepared by FDI Center for a client in Asia Pacific. We also provide a template for the EIC/RIC/RIPDC to elaborate this company profile.

Graphic 1 presents some qualifying criteria to decide the priority of a certain company/project. These criteria may be modified by the EIC/RIC/RIPDC to reflect more the priorities of these agencies. Prioritizing the support offered to a specific project is essential, therefore, we suggest two main categories:

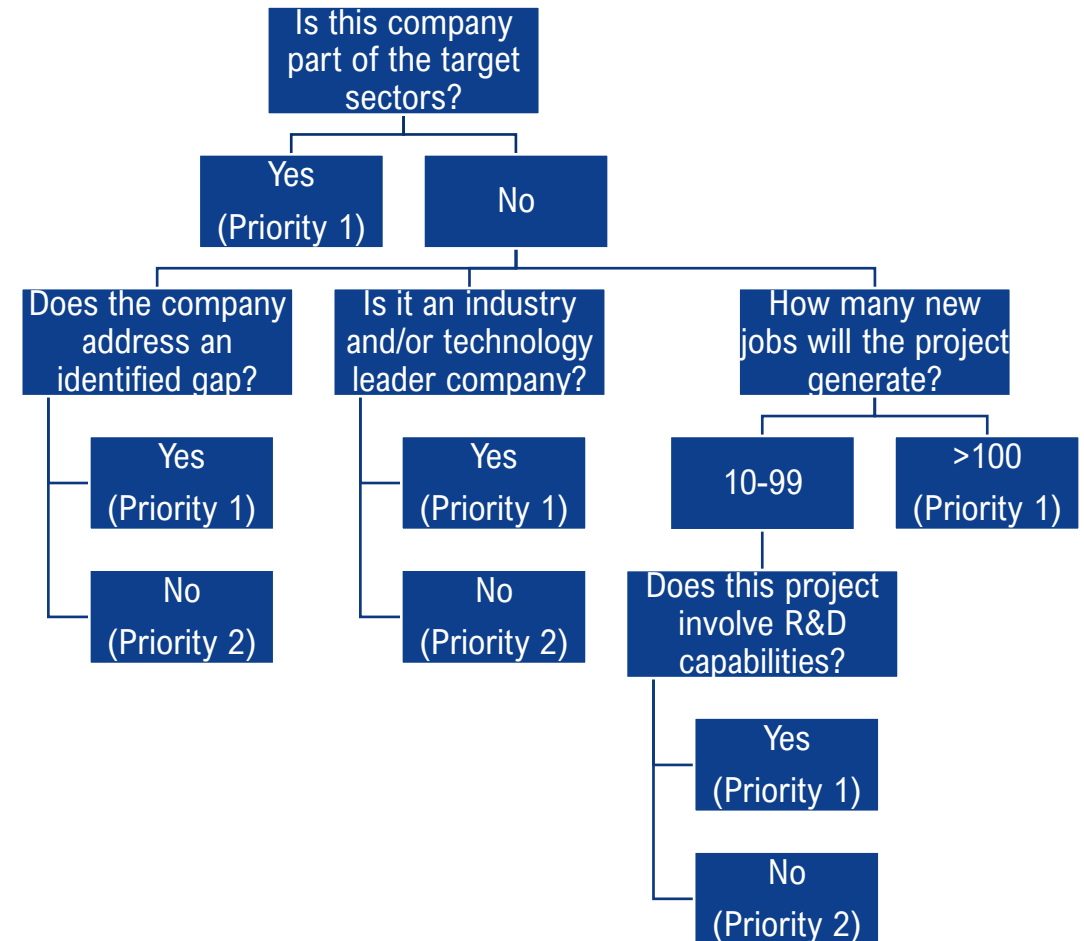
Priority 1: Proactive approach

- Contact directly potential investors to identify potential investment projects
- Establish a close and deep connection with the potential investor.
- Keep a constant contact with potential investment projects to identify all their needs and how can the EIC, the RIPDC, and the RIC provide tailored-support.
- Provide incentives.

Priority 2: Reactive approach

- Provide basic information for potential investment projects.

Graphic 1: Qualifying criteria



Approach, including using networks to identify potential investors

There are several channels to approach investors. The current pandemic worldwide has shifted the relevance of certain ways. It is possible to organize investment forums and participate on trade shows, but the most effecting way remains to be organizing one-on-one meetings (in person and virtual) with targeted investors.

Engaging with companies requires a clear responsibility within the EIC, the RIPDC, and the RIC teams in terms of who will be the main point of contact and to which degree can each institution provide the required support for the establishment of the project. On page 64, we propose the responsibilities of each institution.

Approaching decision-makers may be in some cases challenging but it is crucial to understand the company's potential interest in investing in Ethiopia. In larger corporations, contacting the Chief Operating Officer (COO), regional or divisional heads, corporate development/strategy team is suggested; while for small and medium enterprises, the ideal point of contact can be the Founder, Chief Executive Officer (CEO), Head of international expansion, and/or the Head of business development. These individuals are often involved in – or at least aware of – international expansion plans.

The first contact can be conducted via e-mail or LinkedIn. In some cases, if the e-mail or contact details are not available, even social media platforms such as Twitter provide an opportunity to establish a contact with key-decision makers. It is important to be precise about the purpose of approaching an individual and a company. Therefore, it is crucial to provide an overview of the organization, understand what are the current plans of the company and offer a proposal of a next step to go further (e.g., sharing some key data on the availability of a particular raw material in the region, current development status of the park, support that could be provided at the IAIP and how it compares to other locations).

In the next pages, we provide real examples on how to engage with potential investors and provide a template to approach decision-makers. It is important that the template is adapted to each investor and any generic information is avoided. Also, please keep in mind that once the first contact has been established, follow-up information to the interested companies should be submitted in the next 24-hours, and any additional research information is sent over the first week after the initial call.

Building a strong network with bilateral chambers of commerce, industry associations, and similar organizations is essential to identify potential investors. These institutions are potential allies to strength the investment attraction efforts of the EIC, the RIPDC, and the RIC teams, and can provide channels to conduct innovative approaches. Heilbron and Aranda-Larrey (2020) highlight the case of Invest in Turkey, who used an innovative approach to reach business-people who travel through Istanbul. The agency partnered with Turkish Airlines to set up an Invest in Turkey splash page on the airline's website so that travelers who used Turkish Airlines' Wi-Fi at its Istanbul airport business lounge were automatically directed to the splash page when connecting to the network. The users could download an app with excellent sector-specific data and testimonials.

We suggest on section 4, a list of potential multipliers and networks to connect with to support the investment attraction efforts to Ethiopia and the IAIPs.

Approach, including using networks to identify potential investors – example 1

Subject: Expansion in Australia – Request for a call

Dear Ms. (Name),

I am contacting you on behalf of the Australian government body, AUSTRADE (Australian Trade and Investment Commission), to ask you for a confidential call regarding your expansion in Australia.

We learned amongst others that you won a project with the Australian Government Department in 2019 and assumed that with the increasing demand for digitization across many sectors, an expansion of your company in Australia is not unlikely in the coming years. Being fairly familiar with your current footprint in Sydney, where you recently opened an office, we would like to:

- discuss your planned activities in the country and the need for new locations/offices,
- introduce AUSTRADE's stakeholders and speak about their available support.

Are you available for a call this or next week (14:00, 15:00, or 16:00 – CET) to discuss this in more detail?

Thanks for your reply.

Best regards,

NAME

Title

Phone number

LinkedIn

Approach, including using networks to identify potential investors – example 2

Subject: International expansion APAC – Location in the Middle East

Dear Mr. (Name),

I am contacting you on behalf of the Abu Dhabi Investment Office (ADIO), to ask you for a confidential call regarding your Middle Eastern investment plans.

ADIO provides a range of support (at no cost) to companies that are considering establishing a presence or expanding in the UAE. This includes introductions to relevant local contacts, information about the market and business climate as well as access to government programs.

I read recently that your company has raised €7 million in new equity investment, some of which will be used to accelerate your international expansion plans in Asia. I know that you have supplied some vehicles to Dubai International Airport in the past and the climate and range of industries in Abu Dhabi make the Emirate an attractive market for your company.

It seems like your current model is to grow international sales through a network of distributors. I was wondering whether your expansion plans also include setting up your own offices in the UAE, to provide local sales, administration, and perhaps maintenance support? If that is part of your plan, I would be glad to provide more information about how our agency can assist you to consider Abu Dhabi as a location for expansion.

Please let me know if this is something that could be of interest to you. I look forward to your response.

Best regards,

NAME

Title

Phone number

LinkedIn

INVESTOR TARGETING TECHNIQUES

Approach, including using networks to identify potential investors

Suggested template to approach potential investors

Subject: Ethiopia's investment opportunities on (INSERT SECTOR) – Call request

Dear Dr./Ms./Mr. (Last name),

We have noticed that (Insert name of the company) has been (INSERT HIGHLIGHT OF THE COMPANY). The African market for the (Sector) sector is expected to continue growing and we would like to set up an introductory call to share the opportunities that Ethiopia has to offer you.

Ethiopia has (INCLUDE ADVANTAGES FOR THIS SECTOR).

Please let us know which date and time suits you better and we would be happy to share the details to connect.

Looking forward to hearing back from you.

Best regards,

NAME

Title

Phone number

LinkedIn

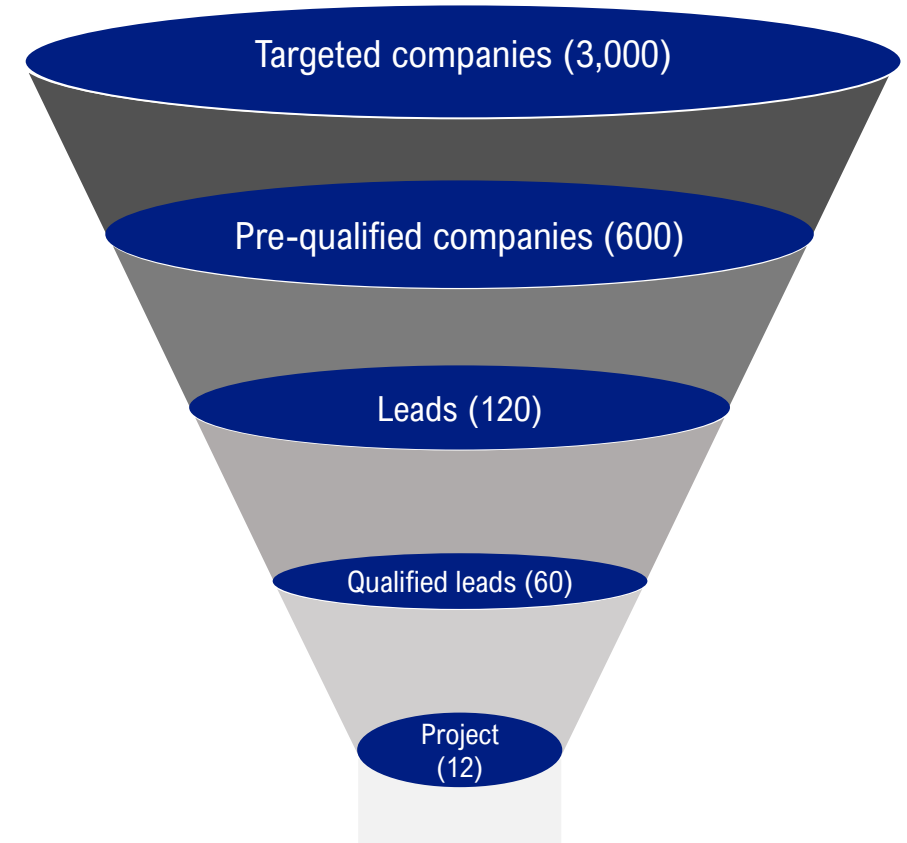
Monitor

Once the first contact has been established, the EIC, RIPDC, and RIC need to make clear that the investor understands in detail what type of support is available and under what circumstances it is provided. Expectation management includes informing the investor about the timing of support and the entities that will be involved in facilitation (e.g., the EIC, RIPDC, RIC, ATA, etc.). It is also important to clarify early in the facilitation process that the support provided by the agencies does not guarantee receiving incentives. All these points will help manage the investor's expectations from the beginning and reduce the risk of disappointment later in the process.

As graphic 2 shows, only about 10% of the leads transform into real investment projects. The investor targeting process goes from:

- Targeted companies: large number of companies in the target group that may have expansion plans.
- Pre-qualified companies: companies that are currently growing, have received capital investment to continue growing, and/or have announced expansion plans.
- Leads: companies that have been contacted and have expressed an interest in getting more information about the opportunities available in Ethiopia.
- Qualified leads: after an initial conversation, the company is interested in receiving information on topics such as potential sites available at the IAIP and access to raw materials.
- Project: the company is considering establishing a new operation at the IAIP. However, it is important to keep in mind that not all projects translate into new investment projects as some of them may cancel or choose a different location in the end.

Graphic 2: Investor targeting metrics over one year (number)



Between two and five investment projects completed!

Source: Vale Columbia Center on Sustainable International Investment and Millennium Cities Initiative (2009)

Monitor

Building a database of targeted companies requires time and needs to be properly tracked. A Customer Relationship Management (CRM) system is needed to record the relation with each company. It also supports new members joining the RIPDC, RIC, or EIC to recognize the history with a company's particular investment project, including if an investment project was cancelled or put in standby.

The monitoring process should be conducted using a CRM. There are several options available online (e.g., Salesforce, HubSpot, Insightly, Wavteq Amplify). Selecting one will support to maintaining a strong relationship with potential investors. A CRM will help the EIC, RIPDC, and RIC to centralize and optimize the communication.

The prices for accessing a CRM vary depending on the provider and the plan chosen. As requested, we provide in the image here an overview of the estimated costs with HubSpot.

Prices for HubSpot as of June 2021

The image displays two pricing cards for HubSpot. The Professional plan is priced at 740 €/mo (billed at 8.880 €/yr) and includes 2,000 marketing contacts. The Enterprise plan is priced at 2.944 €/mo (billed at 35.328 €/yr) and includes 10,000 marketing contacts. Both plans offer a 10% discount for annual commitment. Below each plan are buttons for 'Talk to Sales' and 'Start a free 14-day trial'. The Professional plan features a 'Starter plus' section with features like omnichannel marketing automation, ABM tools, dynamic personalization, multi-language content, social media, video hosting, and contact scoring. The Enterprise plan features a 'Professional plus' section with features like single sign-on, team partitioning, hierarchical teams, user roles, field-level permissions, and email frequency caps. Both also offer 'Extend the Platform' (custom objects, Salesforce sync, adaptive testing) and 'Advance Your Reporting' (revenue attribution, behavioral triggers, predictive lead scoring).

Plan	Price (Monthly)	Price (Annual)	Marketing Contacts
Professional	740 €/mo	8.880 €/yr	2,000
Enterprise	2.944 €/mo	35.328 €/yr	10,000

Professional Plan:

- Starts at 2.000 marketing contacts
- Pay Monthly Commit annually
- Pay Upfront **SAVE 10%** Commit annually
- Talk to Sales
- Start a free 14-day trial

Starter plus:

- AUTOMATE & PERSONALIZE ENGAGEMENT ACROSS CHANNELS**
- ✓ Omni-channel marketing automation
- ✓ ABM tools and automation
- ✓ Dynamic personalization
- ✓ Multi-language content
- ✓ Social media
- ✓ Video hosting & management
- ✓ Contact and company scoring

ORCHESTRATE EFFICIENT CAMPAIGNS

- ✓ Collaboration tools
- ✓ Campaign management
- ✓ Teams

OPTIMIZE CAMPAIGN CONVERSION

- ✓ A/B testing
- ✓ Ads optimization events
- ✓ Contact create attribution

Enterprise Plan:

- Starts at 10.000 marketing contacts
- Talk to Sales
- Start a free 14-day trial

Professional plus:

- MANAGE YOUR TEAMS & BRANDS**
- ✓ Single sign-on
- ✓ Partitioning
- ✓ Hierarchical teams
- ✓ User roles
- ✓ Field-level permissions
- ✓ Email send frequency cap

EXTEND THE PLATFORM

- ✓ Custom objects
- ✓ Salesforce custom object sync
- ✓ Adaptive testing

ADVANCE YOUR REPORTING

- ✓ Multi-touch revenue attribution
- ✓ Behavioral event triggers and reporting
- ✓ Predictive lead scoring

Source: [HubSpot \(2021\)](#).

4. INVESTMENT PROMOTION AND LEAD GENERATION

INVESTMENT PROMOTION AND LEAD GENERATION

Overview and proposed overall action plan 2021 – 2022

The investment promotion and lead generation section includes detailed action plans for each of the three target groups selected during our assessment. These action plans are intended to be practical and to be used for promoting the investment opportunities related to the Yirgalem IAIP. Given the ongoing global pandemic, we recommend focusing mainly on digital promotion activities for the rest of 2021 and propose to conduct in-person activities in 2022.

The action plans include a mix of promotions at trade fairs, industry publications as well as roadshows. We recommend complementing all of these activities with direct marketing towards selected target firms.

The action plans are developed in a way that either the EIC can implement the promotion activities aimed at international investors, whereas the Sidama Investment Commission (SIC) focuses mainly on domestic promotion or that the EIC and the SIC can share the international and domestic promotional activities among themselves. If both agencies decide to deliver certain (e.g., international) activities together this might provide a deeper level of information and service to potential investors. However, it also may lead to higher and duplicated cost. Given the different levels of capacity at both agencies, we recommended a higher number of activities for the EIC. Also, it is important to note that the international attraction efforts can be supported by the Ethiopian embassies in the key selected markets.

The total costs for implementing the action plans are difficult to estimate as they will vary depending on the total number of people assisting to an event/international mission and any other investment promotion activities that could be contemplated. We provide therefore only a cost estimate of participating in certain events.

	Jul-Dec 2021	Jan-Jun 2022	Jul-Dec 2022
International investment promotion	<ul style="list-style-type: none"> Attend virtually global avocado congress & Fruit Attraction conference. Attend Afmass Food Expo in Nairobi. Advertise and/or sponsor content in FruitProcessing. 	<ul style="list-style-type: none"> Advertise and/or sponsor content on Fruit Net. Advertise and/or sponsor content in Tea & Coffee trade. Attend FruitLogistica Expo in Berlin. Attend Africa Dairy & Drink Innovations Summit in Nairobi. Attend Gulfood conference in Dubai. Attend Africa's Coffee Exhibition in Nairobi. 	<ul style="list-style-type: none"> Follow up with target companies in all target groups.
Domestic investment promotion	<ul style="list-style-type: none"> Hold domestic webinar/investment seminar together for the Ethiopian Coffee Exporters Association's members. Conduct preparatory work. Engage with multipliers to explore cooperation opportunities. 	<ul style="list-style-type: none"> Hold an investment seminar for EHPEA members regarding the investment opportunities in pineapple as well as avocado processing. The seminar can be broadcasted virtually too. 	<ul style="list-style-type: none"> Follow up with target companies in all target groups.
Direct marketing to selected target companies (EIC, RIC & RIPDC)			

4. INVESTMENT PROMOTION AND LEAD GENERATION

Action plans

Avocado oil production

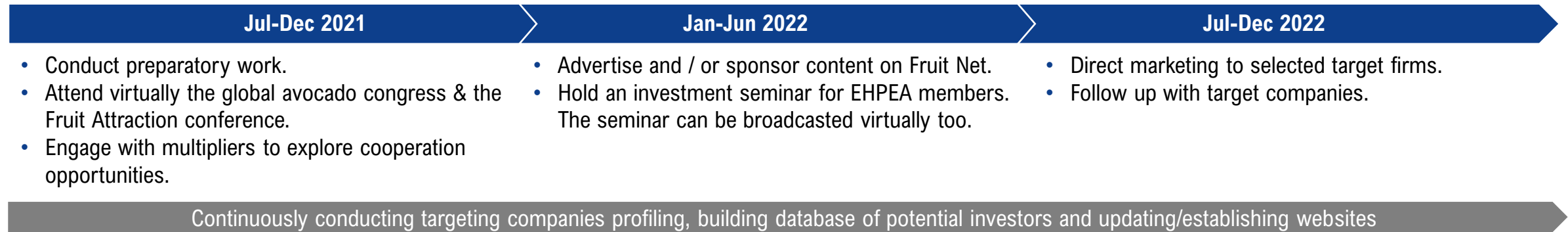
Approach - Producers

- Starting with understanding the avocado industry’s trajectory by attending online the [Global Avocado Congress 2021](#) on September 2. This event is sponsored by a major player in this target group, Westfalia Fruit. Consider inquiring about [sponsorship opportunities](#) for future events.
- Signing up for LiveConnect in preparation for [Fruit attraction](#) to network with fruit processing industries especially those located in Europe (Spain).
- The Fruit attraction event of 2021 in early October is highlighting the avocado industry, potentially attracting industry players.

Approach - Farmers

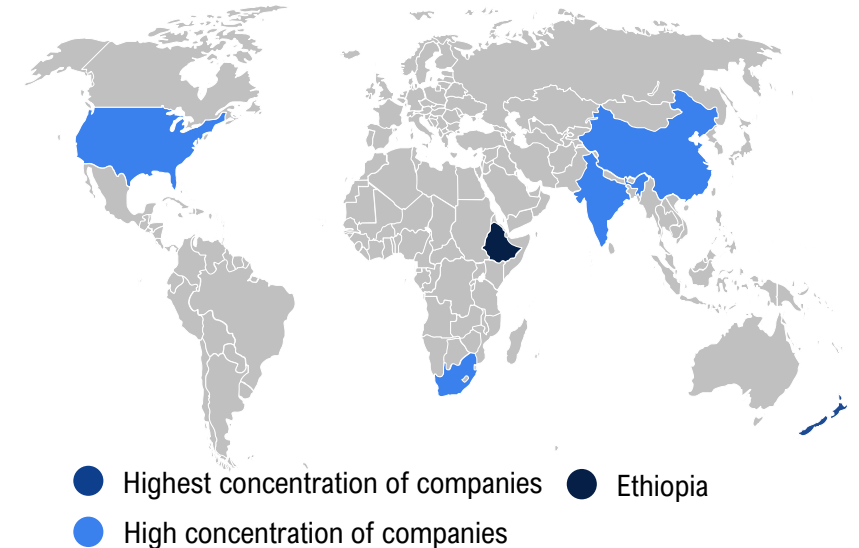
- Creating an Investment Seminar through [EHPEA](#) to facilitate investments.
- EHPEA [contact page](#) offers a possibility to reach out this organization to arrange an event with the local horticulture community to educate them about the current investment opportunities.
- The [Directory of Farms](#) and [List of Input Suppliers](#) provide preliminary ways to understanding the local horticulture environment.

Overview of recommended channels and activities



Geographic focus

Internationally: the US, South Africa, China, India, and New Zealand



Details on the key multipliers and partners

	Fruitnet Media International Group	Fruit attraction	EHPEA	Ethiopia AgroFood (Fairtrade)
Type of organization	Exhibition / Networking platform	Trade Show & Professional community	Domestic Horticulture Organization	Trade show
Outreach	Global	Global	Ethiopia	Ethiopia
Potential opportunities	<ul style="list-style-type: none"> Advertising in specific markets through magazines, including EuroFruit and AsiaFruit. Magazine partners include Westfalia Fruit and FruitLogistica. Networking opportunities thanks to the global events organized by the group. 	Networking opportunities thanks to the global events organized by the group.	Networking opportunities. Check the Directory of Farms and the List of Input Suppliers .	Networking opportunities thanks to the events.
Events	Several events (List of Events) including the Global Avocado Congress 2021 (see details on the next page).	Fruit attraction has avocado as the highlight of the 2021 event (see details on page 68).	N/A	AgroFood Trade show in Addis Ababa on September 23-25, 2021 – 4 th Annual International Trade show (2019 – 3,205 visitors and 153 Exhibitors)
Contact details	Gabriele Bastian , Editor in Chief T +49 (0) 211 99 10 421 E: ba@fruchthandel.de	Candelas Acedos , Coordinator Conferences and Activities T: +34 91 722 30 00 Contact link	Tewodros Zewdie , Executive Director T: +251 116 631 760/6750 Contact link	Luca Leiser T: +49 6221 4565 22 E: l.leiser@fairtrade-messe.de

Avocado oil production

Digital activities

Sponsor content

[FruitNet](#) is a worldwide recognized platform with about 8,500 readers (49.2% of which are based in Europe). Monthly website visitors included 35,000 for Eurofruit and 109,000 for FruitNet.

We see opportunities for the EIC to [advertise](#) in selected key markets (e.g., in Asia). Pricing for print editions starts at €1,590 for a quarter page and reaches €2,790 for a full page. Additionally, there are a wide range of online marketing options (including emails) starting at €100 per week for a small side banner.

Social media

Companies in this target group are very interested in creating awareness of their products and the benefits these products provide. They are active on social media, particularly Twitter, Facebook, and LinkedIn. Engagement through hashtags (#) such as #Avocado and interacting with accounts such as [@FruitnetLive](#) on Twitter can help to create awareness of the advantages available in Ethiopia, and particularly in the Sidama region for avocado investors.

Digital and in-person activities

[Global Avocado Congress 2021](#)

- **Organizer?** FruitNet
- **When?** September 2, 2021
- **Where?** Digital across three time zones (i.e., Europe, Asia and the Americas).
- **Fee?** Registration enquiries: Stephanie Gibb - stephanie@fruitnet.com
- **Audience?** The audience includes business leaders from every part of the avocado supply chain. It is sponsored by Westfalia Fruit, AgroFresh, Fruit Logistica, among others and provides, therefore, a networking channel to avocado oil manufacturing experts.

Conducting an Investment Seminar with the [EHPEA](#)

- The EHPEA [Newsletter](#) and [Business Promotion Pages](#) have examples of [workshops](#).
- EHPEA [contact page](#) is a good ally to organize an event with the local horticulture community and educate them about the investment opportunities available at the IAIP and the associated RTCs.
- The [Directory of Farms](#) and [List of Input Suppliers](#) provide preliminary ways to understanding the local horticulture environment.

Digital and in-person activities

Fruit attraction

- **Organizer?** [IFEMA](#) and [FEPEX](#)
- **When?** October 5-7, 2021 (annual)
- **Where?** Feria de Madrid Spain and online through [LiveConnect](#)
- **Fee?** Registration fee [LiveConnect](#) to digitally access network and all trade show events is €500 and visibility on platform costs €2,000 annually. Prices for trade show booths start at €1,850. To participate in the trade show, follow this [application form and cost calculator](#) for pricing.
- **Audience?** The event has 95,000 visitors (29.9% in management/ownership) from 2,000 companies of 140 countries. Participants include [Westfalia Fruit](#) and [Global Avocados](#). After applying through the application form linked above, use [LiveConnect](#) through the [Apple Store](#) or [Google Play](#) and connect to companies like those listed above in the largest professional community specialized in the fruit and vegetable sector.
- **Advertisement?** Through [LiveConnect](#) there are also [sponsorship and promotional services](#) (scroll towards the bottom). For example, an exclusive email to the [LiveConnect](#) community. In the 2021 event, avocado is the highlight – there are specific activities to promote the emergence of markets and development of promotion strategies for companies.

We suggest attending this event in-person in 2022, once travel restrictions have been eased worldwide.

Approach

- We recommend the EIC to focus both on promoting the park to international investors in Europe (Italy, Switzerland, and Germany), the Americas (Brazil and Colombia), and Asia (China) as well as regionally to African investors.
- The Sidama Investment Commission shall focus mainly on the domestic investment promotion. For this, we recommend to focus on existing coffee processors and on coffee traders, growers, and other actors that show a potential to expand or diversify into coffee processing.
- We recommend different activities aimed towards international investors as well as domestic investors

Preparatory work

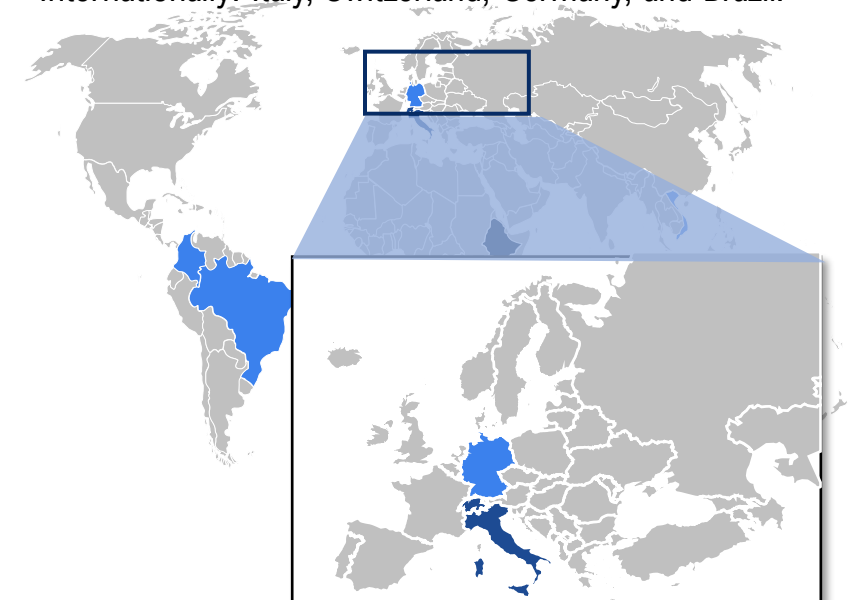
- Talk to the local cooperatives and farmers about their willingness and conditions to partner with coffee processors.
- Arrange an understanding with them for site visits with interested investors.

Overview of recommended channels and activities



Geographic focus

Internationally: Italy, Switzerland, Germany, and Brazil.



- Highest concentration of companies
- Ethiopia
- High concentration of companies

Details on the key multipliers and partners

	<u>European Coffee Federation (ECF)</u>	<u>African Finest Coffee Association</u>	<u>Ethiopian Coffee Exporters Association (ECEA)</u>	<u>Tea and Coffee Trade Journal</u>
Type of organization	Association	Association	Association	Trade magazine
Outreach	Europe	12 African countries	Domestic (representing 85% of the Ethiopian coffee industry)	100 countries
Potential opportunities	<ul style="list-style-type: none"> Networking: the ECF is the leading European coffee roasters association with key members such as Illy (Italy) and Lavazza (Italy). Also, the ECF can provide introductions to national associations. 	<ul style="list-style-type: none"> Attend event. 	<ul style="list-style-type: none"> Their members should be the prime target for domestic investment promotion. 	<ul style="list-style-type: none"> Advertise and sponsor content in the magazine.
Events	Training seminars for their members	African Finest Coffee Conference and Exhibition	N/A	Annual event: Tea & Coffee World Cup (in 2021 online)
Contact details	Eileen Gordon-Laity , Secretary General E: egordon@ecf-coffee.org T: +32 (0) 2 549 56 41	Mr. Gizat Worku Kebede Ethiopia Chapter Chair T: +256 (0) 414 269140/1/7	T: +251 11 466 45 92 / 64 90 E: eceaoffice@gmail.com / eceaoffice2@gmail.com	Steve Crowhurst, Head of Sales E: steve@bellpublishing.com

Details on the key multipliers and partners (continued)

	Ethiopian Coffee and Tea Authority (ECTA)
Type of organization	Industry development body
Outreach	Domestic (Ethiopia)
Potential opportunities	<ul style="list-style-type: none"> • As a major stakeholder in the Ethiopian coffee industry, ECTA should be able to provide introduction to domestic target firms. • Collaborate on investment webinar.
Events	N/A
Contact details	T: +251 118 33 30 51 E: info@ethiocta.gov.et ; etcoftea@telecom.net.et

Digital activities

Hold a webinar/investment seminar in cooperation with the ECEA and/or ECTA

- One of the main domestic target groups are the Ethiopian companies currently engaged in the coffee sector. Even if they are currently not (yet) engaged in processing, they constitute a target group for potential downstream/upstream expansion.
- The webinar/investment seminar shall present the investment opportunities for coffee processing in the park. As it is digital the event may represent an opportunity for international investors to get an overview of the current opportunities too.
- If possible, the event can also be held as a dual event, an in-person investment seminar in Addis Ababa or at a venue close to the Yirgalem park at Hawassa, and share it live through social platforms.

Advertise in Tea & Coffee trade magazine

- Leading English-language trade magazine in the coffee sector.
- Print circulation of over 8,000 and monthly online readership of over 14,000 industry representatives.
- A quarter-page one-time advert costs US\$2,950.
- See the detailed media kit [here](#).

In-person activities

Gulfood 2022

- **When?** February 13-17, 2022
- **Where?** Dubai, UAE
- **Target audience?** Over 2,500 exhibitors from the food and beverage industry around the world. There is a separate category for the beverage sector which includes large coffee processing firms such as Aktürk Group (Turkey), Al Ameen Coffee (Jordan), and Instanta (Poland).
- **Costs?** Costs for a booth start from US\$7,000.
- **Other:** Ethiopian Coffee Exporters Association is attending this event.

African Finest Coffee Conference and Exhibition 2022

- **When?** The dates for 2022 have not been announced yet. In 2021; the event was held between February 17 and 19.
- **Where?** To be announced. In 2021, the event was held in Addis Ababa.
- **Target audience?** African and international coffee industry, including companies like Illycafe (Italy), Supremo (Belgium), and Loius Dreyfus Company (Netherlands) in recent years.
- **Costs?** Costs for a booth start from US\$3,300; an individual pass starts from US\$500.

Digital activities (continued)

List the Yirgalem IAIP on the Ethiopian Coffee Guide

- Ethiopian Coffee Guide is a website serving as a one-stop central database about the Ethiopian coffee industry
- It serves as an information portal for domestic as well as international coffee firms with an interest in Ethiopian coffee
- The Yirgalem IAIP will benefit from the visibility of being listed on the platform. We recommend to also purchase a listing as a featured business for greater visibility.
- The IAIP can be added to the platform by following this [link](#).
- In addition, the directory can serve as a good starting point to identify target companies to reach out to as part of the direct marketing.

Pineapple processing

Approach - Processors

- Starting Locally with [subscribing to](#) FoodBusinessAfrica newsletter. Potentially leading to advertising where [Ingredion](#) (pineapple concentrate seller) and [Bühler](#) (Machinery for fruit sorting) are included in reach.
- [Sign up](#) Afmass Food Expo and Africa Dairy & Drink Innovations Summit (both free) to better understand the food industry and international company interest in Ethiopian Pineapple (Avocado) industry.
- [Registrater for Free](#) for Virtual Market Place to build towards Berlin FruitLogistica show where major industry companies show.
- For FruitLogistica registration contact regional representative [Hauke Plambeck](#).

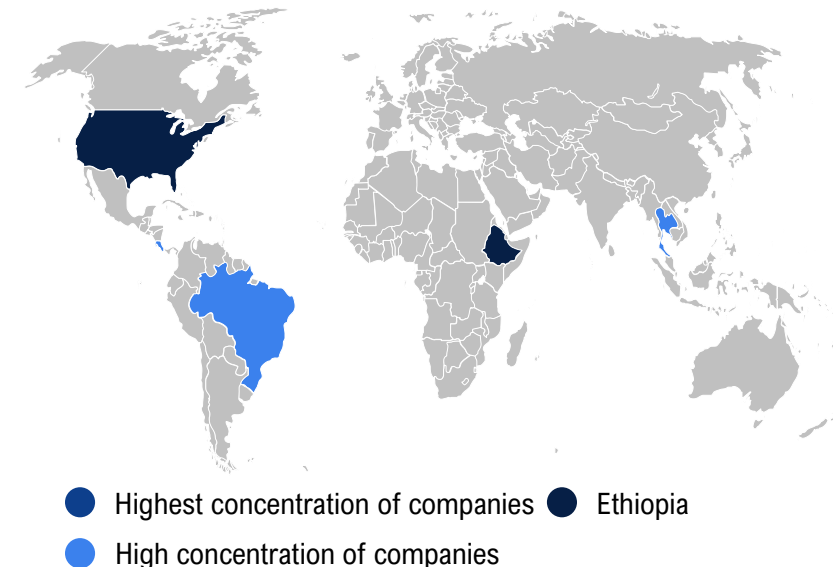
Approach - Farmers

- To facilitate investment – create an Investment Seminar through [EHPEA](#).
- EHPEA [contact page](#) is a good place to reach out to organize an event with the local horticulture community to educate them about these investment opportunities.
- The [Directory of Farms](#) and [List of Input Suppliers](#) provide preliminary ways to understanding the local horticulture environment.

Overview of recommended channels and activities



Geographic focus



Pineapple processing

Details on the key multipliers and partners

	Fruit Processing	FruitLogistica	FoodBusinessAfrica	EHPEA	Ethiopia AgroFood (Fairtrade)
Type of organization	News Platform/Data Report	Exhibition/Networking platform	Local News and Networking Platform	Domestic multiplier	Trade show
Outreach	Global	Global	Regional	Ethiopia	Ethiopia
Potential opportunities	Advertising to over 15,400 readers in 103 countries.	Sponsoring and attending events. There are over 3,000 exhibitors and 72,000 trade visitors at the shows, including Dole Europe	25,000 magazine readers and 850,000 website visitors with 12.2 million hits in 2018. Sponsors include Ingredion (pineapple concentrate seller).	Networking: Directory of Farms – including AfricaJuice BV List of Input Suppliers - including Bayer	Networking: past attendees include canned pineapple seller Kodanmal Group Co., Ltd
Events	<ul style="list-style-type: none"> Does not sponsor events. List of featured events and people 	<ul style="list-style-type: none"> Main FruitLogistica Expo (see details in the next page). 	<ul style="list-style-type: none"> Afmass Food Expo (see details in the next page). Africa Dairy & Drink Innovations Summit (see details in the next pages). 	NA	AgroFood Trade show in Addis Ababa on 23-25 September 2021 – 4 th Annual International Trade show (2019 – 3,205 visitors and 153 Exhibitors)
Contact details	Cornelia Hebbe , Sales Manager for Media & Marketing +49 (0) 2634 9235 16 cornelia.hebbe@confructa-medien.com	Julia Klemann , Senior Advertising Consultant +49 (0) 30 / 3038-1856	Francis Juma , Founder & CEO +254 725 34 39 32 info@fwafrica.net Twitter: @FoodBizAfrica	Tewodros Zewdie , Executive Director +251 116 631 760/6750 Contact link	Luca Leiser +49 6221 4565 22 l.leiser@fairtrade-messe.de

Digital activities

Africa Dairy & Drink Innovations Summit

- **Organizer?** [FoodBusinessAfrica](#)
- **When?** March 24-25, 2022.
- **Where?** Nairobi (Kenya).
- **Fee?** Free to attend for regional attendees – [link to register](#). For sponsorship or investment opportunities contact [Francis Juma](#) or click [here](#).
- **Audience?** latest innovative sustainable technologies and practices in the Dairy and Drink Industry including fruit juices/drinks. There are more than 2,000 attendees throughout over 20 conferences in a hybrid setting with both live and virtual events.
- **Advertising?** Before the event, [advertising](#) with FoodBusinessAfrica gets your name and message out ahead of time. With 25,000 magazine readers and 850,000 website visitors with 12.2 million hits in 2018, the reach is wide. Magazine Sponsors include [Ingredion](#) ([pineapple concentrate seller](#)) and [Bühler](#) (Machinery for fruit sorting).

Digital activities

Sponsor content and advertise through Fruit Processing

- [Fruit Processing Media Kit](#) - Advertising across print, digital media including newsletters, website, social media, and calendar.
- Rates range from €140 to €900 in digital ads and €390 to €2,500 in print and digital.
- Distribution goes mainly to Senior Management/CEO (47%) around the world (mainly to Western Europe (29%), Asia (20%), and North America (13%)).

Pineapple processing

In-person activities

FruitLogistica Expo

- **Organizer?** [FruitLogistica](#)
- **When?** February 9-11, 2022.
- **Where?** Berlin (Germany).
- **Fee?** Registration possible in early June 2021. To buy tickets or become an exhibitor contact the Representative to Ethiopia: [Hauke Plambeck](#), Managing director (contact at +49 030 98324882 or info@fairpros.com).
- **Advertising?** A compulsory part of the initial stand registration is the Media Package Advertising box which is €604 and includes publication of detailed company information in the printed exhibition catalogue as well as an entry in the FRUIT LOGISTICA Virtual Market Place.
- **Audience?** 3,300 exhibitors and 72,000 trade visitors, including Dole Europe; all can be searched through the [Virtual Market Place](#). Fruit Logistica covers every link in the international supply chain, offering superb networking and contact opportunities to the key decision-makers in every sector of the industry. [Free Registration](#) for Virtual Market Place to start finding companies and networking. To extend a Germany visit add Dole Europe headquarters in Hamburg.

In-person activities

Afmass Food Expo

- **Organizer?** [FoodBusinessAfrica](#)
- **When?** December 2-4, 2021
- **Where?** Sarit Expo Centre, Nairobi (Kenya).
- **Fee?** Free for regional attendees. Here is the [link to register](#).
- **Audience?** Over 5,000 attendees with sponsors including companies like Nestlé (other companies available [here](#)). The audience includes companies focused on food innovation in Africa.

Organize investment seminar for EHPEA members

- One of the main domestic target groups are the Ethiopian companies currently engaged in the pineapple sector. Even if they are currently not (yet) engaged in processing, they constitute a target group for potential downstream/upstream expansion.
- The investment seminar shall present the investment opportunities for pineapple processing in the park.

5. INVESTMENT FACILITATION

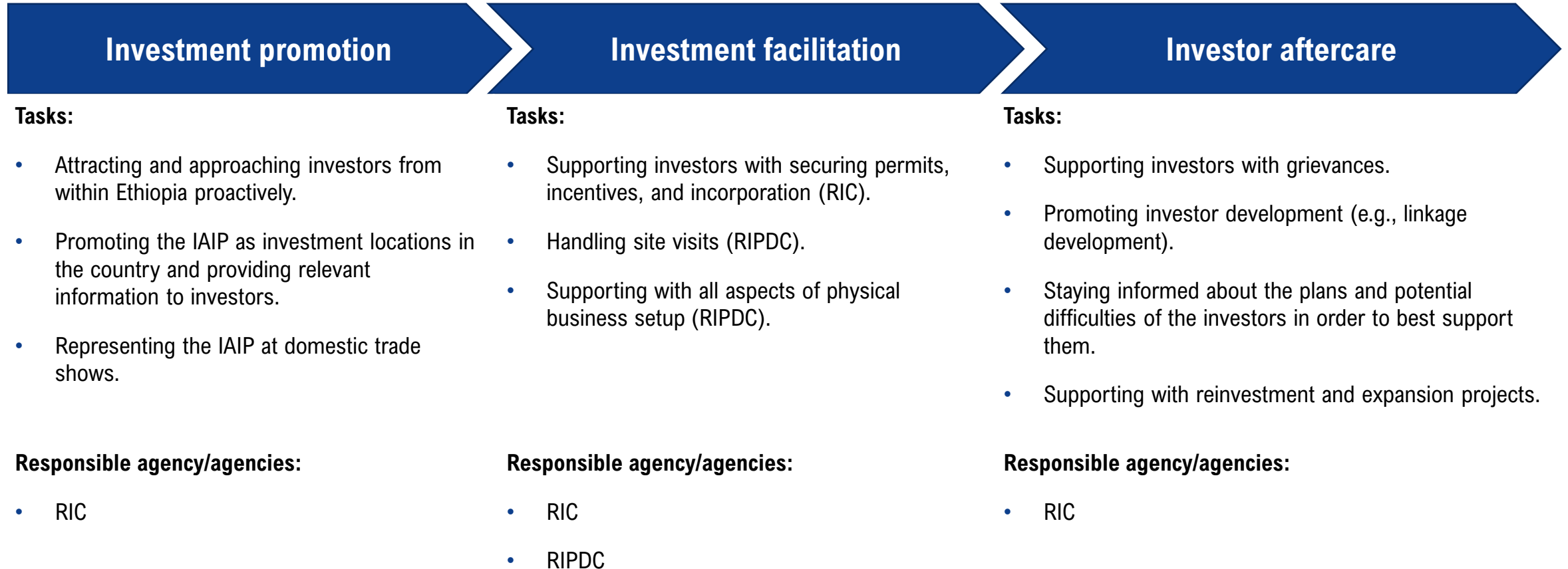
Investment facilitation roles of involved agencies at the federal and regional level

Investment process for **foreign** investors:



Investment facilitation roles of involved agencies at the federal and regional level

Investment process for **domestic** investors:



Workforce needs

We estimate the following workforce needs at the involved agencies to successfully implement this strategy:

Ethiopian Investment Commission (EIC)	Regional Investment Commission (RIC)	Regional Industrial Park Development Corporation (RIPDC)
<p>FTE: Two (2)</p>	<p>FTE: One (1) for each RIC</p>	<p>FTE: One (1) for each RIPDC</p>
<p>Key skills required:</p> <ul style="list-style-type: none"> • English and Amharic language skills, additional languages (local or foreign languages) would be a plus. • FDI, economic development, or site selection experience (desirable). • Business understanding – preferably gained through previous private sector experience. • Knowledge of the agro-processing industry. • Service orientation. • Marketing or B2B sales experience. 	<p>Key skills required:</p> <ul style="list-style-type: none"> • Amharic and local language, English and other language skills would be a plus. • Business understanding – preferably gained through previous private sector experience. • Knowledge of the agro-processing industry. • Marketing or B2B sales experience. 	<p>Key skills required:</p> <ul style="list-style-type: none"> • English and local language, additional languages (Amharic or foreign languages) would be a plus. • Technical understanding of construction, logistics and utility needs. • Service orientation.

These resources may be allocated from within the existing workforce of the agencies. In case this is not feasible the agencies might want to consider recruiting additional staff with the necessary qualifications.

Templates for responding to investor inquiries

Through which channel can investors reach you?

Two options:

- I. Competent officials mentioned on the website (recommended)
- II. Contact forms

Recommendations based on current websites of the EIC:

EIC:

- Remove the contact form under contact us
- List the respective contact person(s) with their photo, phone number, and e-mail for each target sector profile.

As of May 2021, the Sidama Investment Commission does not have a website yet. Once it is developed, it is important to:

- Have a corporate e-mail address for employees instead of free e-mail accounts such as gmail or yahoo.
- Provide information in English and Amharic
- List the contact persons by industry with a photo, phone number, and e-mail

I. Contact persons on the website:

We recommend this option as it provides potential investors with the feeling that their request will be taken care of.

- See on the right side a best-practice example from Business Finland – the national Investment Promotion Agency (IPA) of Finland.
- Contact persons should be provided by the industry sector. This allows the investors to directly speak with a person who understands their industry and their location-specific needs.
- For each contact person, the following information should be provided: profile picture, name, position, phone number, and e-mail address (with hyperlink). If available, social media pages such as LinkedIn can be provided as well.
- For the EIC, the website should be available in English, Amharic, and potentially other languages of key target markets. For the RICs, the website should be in English, Amharic, and the local language.
- Potential investors can directly e-mail the contact person for their industry. On the next page, we provide a template for how to respond to a potential investor inquiry via e-mail, which should be modified on a case-by-case basis.

Best case practice example: Business Finland – contact persons

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I. Contact persons mentioned on website:

E-mail response template:

Dear Mr./Ms./Dr. [insert last name here],

thank you very much for your message and interest in [insert name of location].

[Insert text based on request]

Please see enclosed flyer for more detailed information on what our location can offer to your business.

I would be happy to schedule a call in the next days to tell you more about what our location can offer to your business and answer any questions you might have.

For further questions, I am always at your disposal by e-mail or phone. You can find my contact details below in my signature.

Looking forward to hearing back from you.

Kind regards,

NAME

Title

Phone number

LinkedIn

Link to the website of the agency

Templates for responding to investor inquiries

II. Contact form on the website:

- We consider this is the second-best option. It is less popular with investors as they don't know who will read their message and if they will receive a response.
- The same issues are valid for info@ addresses.
- Nonetheless, the EIC is currently offering this option for investors to contact them. If it is wished to continue using this formats, we provide a best practice process for handling investor requests based on a contact form on the next pages.

Current contact forms on the websites of the EIC

You can also reach us through the form below and tell us more about your investment project in Ethiopia, we'll contact you back at our earliest!

The fields in **bold face** are obligatory.

About Yourself:

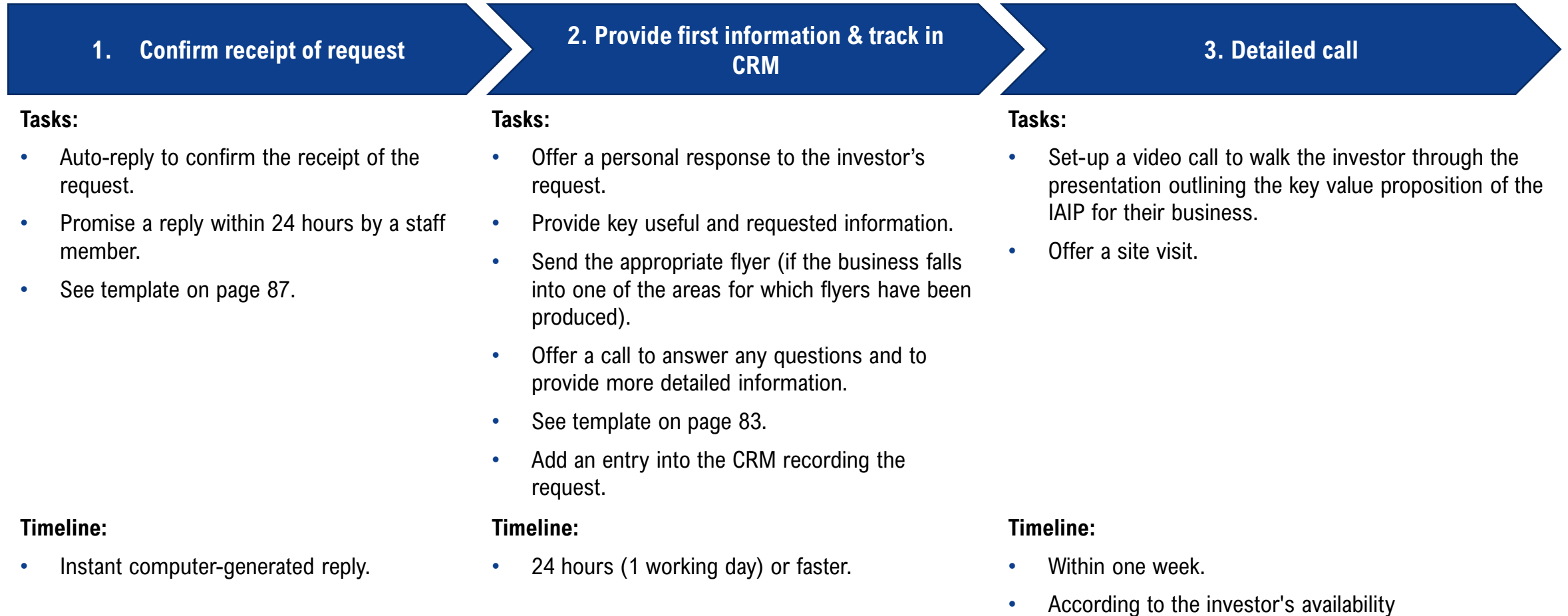
Salutation	--None--	Title	
Last Name		First Name	
Phone		Mobile	
Email		Fax	

About Your Company:

Company		Industry	--None--
PO Box		Street	
Postal Code		City	
State		Country of Origin	--None--
Website			
Enquiry			

Submit

Dealing with investor inquiries received through a contact form by e-mail:



1. Automatic confirmation receipt of request – template

Dear investor,

Thank you very much for your message.

Your request has been assigned the tracking ID #XXXX.

A staff member will respond to your request within the next 24 hours.

Kind regards,

“Ethiopian/Oromia/Amhara/Sidama” Investment Commission

Site visits

Site visits are a key part of investment attraction. They provide an opportunity for investors to get to know the location and clarify all the important questions they have before deciding on an investment. Providing support and guidance during site visits is one of the key services that an investment promotion agency can offer.

As the circumstances for site visits differ for foreign and domestic investors, we recommend two different programs tailored to these two groups:

- Foreign investors: They will fly in from abroad to Addis Ababa and continue from there to the specific site. Besides detailed information on the site, they will also need to be provided with information about the investment environment in Ethiopia in general. Due to longer travel times, the site visit should be extensive and cover all relevant aspects of the investors site selection decision making in one site visit.
- Domestic investors: Domestic investors will be more familiar with the investment environment in Ethiopia and the site visit should focus on the specific aspects relevant to the specific site. They will also be able to travel to the site directly, resulting in a shorter overall timeline of the site visit.

See the following pages for detailed example agendas and descriptions. We recommend arranging the agenda for each site visit in close coordination with the investor to tailor the program according to their information needs.

Investors visits (2/5)

Site visits – example agenda for an investor coming to visit from abroad

Below we provide an example of an agenda, which should be arranged and agreed with the potential foreign investor (company) in advance.

Day 1 – Monday, May 24 of 2021

Time	Activity	Location	Responsible
14:00	Pick up investor from the airport	Bole International Airport, Addis Ababa	EIC
15:30-16:30	Presentation on tax & legal aspects of investing in Ethiopia	EIC or partner organization office in Addis Ababa	EIC and/or partner organization

Day 2 – Tuesday, May 25 of 2021

Time	Activity	Location	Responsible
09:00-12:00	Transfer to the site of the industrial park	-	RIC
12:00-13:00	Lunch	Restaurant	RIC
13:30-14:30	Presentation on the IAIP	RIC or RIPDC office	RIC & RIPDC
15:00-16:00	Visit to suitable sites in the park General tour of the park and its amenities	IAIP	RIC & RIPDC
16:00-17:00	Visit of an established investor at the IAIP to learn from their experience	IAIP	RIC & RIPDC
19:00	Business dinner	Restaurant	RIC & RIPDC

Investors visits (3/5)

Site visits – example agenda for an investor coming to visit from abroad (continued)

Day 3 – Wednesday, May 26 of 2021

Time	Activity	Location	Responsible
09:00-10:30	Visit potential feedstock supplier (e.g., cooperative, aggregator, commercial farm)	TBD	RIC
11:00-12:30	Visit to the vocational training center	TBD	RIC
13:00-14:00	Lunch	Restaurant	RIC
15:00-16:30	Visit at the local University to learn about R&D cooperation opportunities and talent availability	TBD	RIC

Day 4 – Thursday, May 27 of 2021

Time	Activity	Location	Responsible
	Transfer to airport	-	RIC

Accommodation: one (1) night in Addis Ababa and two (2) nights in a hotel relatively close to the IAIP.

Handouts: business cards and relevant information material.

Include the full address of each location in case the investor needs it

Include the contact details of the person in charge of accompanying the investor

Investors visits (4/5)

Site visits – example agenda for a domestic investor coming to visit

Day 1 – Monday, May 24 of 2021

Time	Activity	Location	Responsible
09:00	Arrival	RIC or RIPDC office	RIC & RIPDC
09:30-10:30	Presentation on the IAIP	RIC or RIPDC office	RIC & RIPDC
11:00-12:00	Visit to suitable sites in the park General tour of the park and its amenities	IAIP	RIC & RIPDC
13:00-14:00	Lunch		RIC & RIPDC
14:30-15:30	Visit of an already established investor in the park to learn from their experience	IAIP	RIC & RIPDC
19:00	Business dinner	Restaurant	RIC & RIPDC

Include the full address of each location in case the investor needs it

Include the contact details of the person in charge of accompanying the investor

Investors visits (5/5)

Site visits – example agenda for a domestic investor coming to visit (continued)

Day 2 – Tuesday, May 25 of 2021

Time	Activity	Location	Responsible
09:00-10:30	Visit potential feedstock supplier (e.g., cooperative, aggregator, commercial farm)	TBD	RIC
11:00-12:30	Visit to the vocational training center	TBD	RIC
13:00-14:00	Lunch	TBD	RIC
15:00-16:30	Visit at the local University to learn about R&D cooperation opportunities and talent availability	TBD	RIC
17:00	Departure	-	

Accommodation: One night in a hotel close to the IAIP, if the investor comes from another part of the country.

Handouts: business cards and information material

Include the full address of each location in case the investor needs it

Include the contact details of the person in charge of accompanying the investor

One-stop-shop (OSS)

The one-stop-shop (OSS) should make administrative procedures easier for investors. Investors should be able to conduct all necessary processes at one office at the park. Our recommendations are based on analysis of relevant reports, international best practices, and the experience with OSS in the other industrial parks in Ethiopia.

We recommend the following agencies and services to be included in the OSS. We consider the RIPDC should coordinate and lead the OSS. Please note that no specific order of importance is suggested as all the services are relevant for the OSS.

Agency	Service
Ethiopian Investment Commission (EIC)	<ul style="list-style-type: none"> • Business registration and licensing (for foreign investors). • Investment incentives information. • Issuance of work permit.
Regional Investment Commission (RIC)	<ul style="list-style-type: none"> • Business registration and licensing (for domestic investors). • Investment incentives information.
Regional Industrial Park Development Corporation (RIPDC)	<ul style="list-style-type: none"> • Utilities. • Planning and construction. • Leading and coordinating the OSS.
Ministry of Environment and Forest (MoEF)	<ul style="list-style-type: none"> • Environmental approvals.
Ethiopian Revenue & Customs Authority (ERCA)	<ul style="list-style-type: none"> • Customs services. • Tax services. • Issuance of Tax Identification Number (TIN) for taxpayer workers.
Commercial Bank of Ethiopia (CBE) and private commercial banks	<ul style="list-style-type: none"> • Banking services.
Public notary	<ul style="list-style-type: none"> • Notarization.

One-stop-shop (OSS)

Agency (continued)	Service (continued)
Immigration and Nationality Affairs main Department	<ul style="list-style-type: none"> • Work visa. • Residence permits.
City administration (or other respective regional authority)	<ul style="list-style-type: none"> • Collection of personal income tax.
Ethiopian Telecom	<ul style="list-style-type: none"> • Providing telecommunication service, including maintenance work. • Collection of charges of telecommunication.
Ethiopian Shipping and Logistic Service Enterprise	<ul style="list-style-type: none"> • Logistic and freight forwarding service.
Agricultural Transformation Agency (ATA)	<ul style="list-style-type: none"> • Agricultural extension services.
Ethiopian Food and Drug Administration (EFDA)	<ul style="list-style-type: none"> • Food quality and assessment certifications.

All these services are necessary in order to offer a proper and complete “one-stop-shop” experience where an investor can receive all the relevant services in one place without the need to visit any other office outside the park.

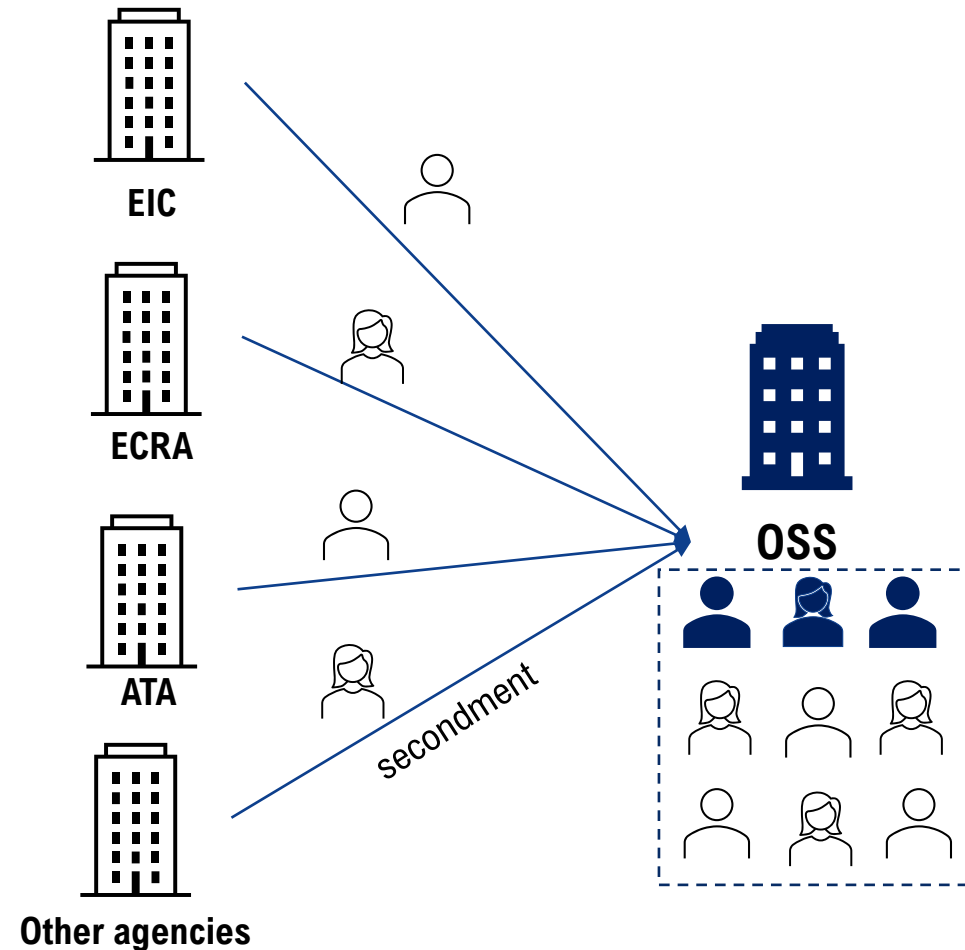
In case it is not possible to host all the agencies and provide all these services from the beginning, we recommend prioritizing the establishment of the EIC, RIC, and RIPDC, with the respective services highlighted for these agencies. These institutions are suggested as a priority as they will facilitate business licenses and utility access, which are the most urgent needs for a new business to start operations.

One-stop-shop (OSS)

Interagency coordination

- We recommend a model with seconded staff from other agencies to be placed in the OSS.
- The seconded staff will need to be competent to make decisions on standard procedures on site without a need for liaising with the headquarter.
- It helps to formalize the inter-agency cooperation through MOUs, which describe the responsibilities of both the OSS and the partner agency.
- Model MOUs are provided in the annexures (13B-13E) of the feasibility studies for each of the IAIPs.

Graphic 3: Illustration of interagency coordination



One-stop-shop (OSS)

Based on the experience of the existing OSSs at Hawassa and Bole Lemi IP, we provide the following specific recommendations for the OSSs at the IAIPs:

- Have seconded officials on site who can issue work permits.
- Provide certificates of origin.
- Ministry of Environment and Forest (MoEF) shall establish an office within the IPs for the application, supervision, protection and enforcement of environmental norms, standards, safeguards, management, and mitigation plans within the IPs.
- One file for each tenant company should be established. This will allow (partial) information sharing among different OSS sections, so that tenant companies that need to resubmit the same information multiple times.
- The EIC should concentrate on the facilitation of the “Approval and Licensing Procedure”; other services should be entrusted to the responsible entities for each service.
- Initially focus on services with higher demand from tenant companies, and gradually add services that will increase in demand.

6. CONCLUSION

This report represents the final deliverable for phase 1 and includes all the changes received after submitting the draft report on May 25 and the revised version on June 11, 2021, and the comments obtained during the “Pilot-IAIP investment promotion strategy validation workshop” held virtually on July 15 with UNIDO and the relevant stakeholders.

ANNEX

Interviews and Sources

Interviews to date

- Ms. Ruchika Bahl, Chief Technical Advisor, ILO Ethiopia
- Mr. Ayalu Admass, National project coordinator, ILO Ethiopia
- Mr. Giacomo Casari, FAO Ethiopia
- Ms. Mercedes Marin Nortes, Delegation of the European Union to Ethiopia, Green Deal Team – Agro-industrialization
- Mr. Christian Dohse, Project Manager – Special Initiative on Training and Job Creation, GiZ Ethiopia
- Ms. Ludovica Marangoni, Agro-Component Manager – Sustainable Training and Education Program (STEP), GiZ Ethiopia
- Mr. Andrea Limiroli, Programme Coordinator, Italian Agency for Development Cooperation
- Ms. Senidu Fanuel, Senior Private Sector Specialist, World Bank
- Mr. Temesgen Zana Jaffo, Regional coordinator for Sidama, UNIDO
- Mr. Filippo Brasesco, Partner (Co-Founder), Scio Network
- Mr. Massimo Pera, Project Coordinator/AgrInvest, FAO
- Ms. Milica Petruljeskov, Consultant, FAO
- Mr. Ayalew Ferede, FAO
- Mr. Olijira Kuma Addamo, Project Coordinator, UNIDO
- Mr. Andrea Ghione, Chief Technical Advisor, UNIDO

Interviews to date

- Mr. Aschalew Tadesse, Director for Investment Promotion, EIC
- Mr. Techane Adugna, Director ACC, ATA
- Mr. Biru Wolde Gujo, CEO, SNNP RIPDC
- Mr. Ayalneh Abawa, IAIP Director, MoTI
- Mrs. Haymanot Asfaw, General manager of Ethiopian Millers Association

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Profiling target companies – example for plant-based products

Bunge (1/2)



Founded: 1818

Sector: Agribusiness

Turnover: US\$41.4 billion (2020)

Employees: 24,000 (2021)

Website: www.bunge.com

Phone: +1 314 292 2000

Headquarter: 1391 Timberlake Manor
Parkway, Chesterfield, MO 63017, USA

Overview

Bunge has five reportable segments, of which both agribusiness and milling products include activities related to the pulse-based ingredients market. In Q1 of 2021, the agribusiness segment and milling segment had net sales of US\$9,791 million and US\$390 million respectively, of total company net sales of US\$12,961 million. Currently, the plant-based segment is in its early stages of development and not included as a reportable segment. However, it currently focuses on two types of pulses: faba beans and peas.

Manufacturing and R&D footprint

Bunge has over 360 facilities across 40 countries, of which 117 are food and ingredient production facilities. A third of Bunge's total production capacities are 34% located in South America, 27% in North America, 26% in Europe, and 13% in Asia-Pacific. As of July 2021, the milling facilities are only located in North and South America (mainly in Brazil).

Bunge has had operations in Melbourne since 2001. However, the company does not have manufacturing facilities in Australia, only a storage and port access for grains in Bunbury (Western Australia). The port terminal provides farmers a way to export rapeseed to Europe (e.g., the Netherlands and France) and China, where it is used to make cooking oils. It also exports wheat to Southeast Asia and the Middle East, where it is milled and used to make bread and other bakery products. In 2015, Bunge constructed two new grain bunker sites at Arthur River (Tasmania) and Kukerin (Western Australia) with the potential to store over 200,000 metric tonnes.

Profiling target companies – example for plant-based products

Bunge (2/2)**Recent developments and investments**

Bunge is entering the pulse market through investments into established companies. In January 2021, Bunge invested AU\$45.7 million (US\$35 million) in Australian Plant Proteins (APP) to acquire a minority interest and certain intellectual property, licensing, and distribution rights in APP. APP produces faba bean, yellow lentil, and red lentil isolate powders, which are highly soluble and can be used in protein bars, baked goods, non-dairy drinks, and other products. The APP facilities are in Werribee and Horsham (Victoria). The agreement will allow APP to double the output of its plant protein isolates by March 2022. Bunge will become the exclusive distributor in the Americas region and will have the option to license APP proprietary processing technology outside Australia. Since 2020, the company also holds a 25% ownership interest in Merit Functional Foods Corp., a plant-based protein ingredients company established in 2019 in Canada.

According to a recent interview with the CEO, Bunge expects continued growth in its plant-based protein segment with a special focus on the production of food ingredients. This suggests a high likelihood of future investment activity in this area, either through continued acquisitions or greenfield investment.

Bunge Limited delivered strong gains for shareholders over the twelve months to June 2021. The company has outperformed expectations particularly in processing and merchandising, where strength in softseed crush and global grain and oil value chains drove favorable returns. This performance should provide the resources required for future expansion.

Key decision-makers

- John Nepl is the Chief Financial Officer at Bunge Limited. He has been at the company for over two years and is based in its headquarters in Chesterfield Missouri. E: john.nepl@bunge.com
- Stephen Bennett has been working at Bunge for over 14 years and is currently the commercial manager, based in Melbourne. E: stephen.benett@bunge.com

Assessment of investment potential

There is potential for future expansions as the company plans to innovate and expand the plant lipids portfolio to serve the global demand for plant-based proteins. Investment projects could also take place through the Australian Plant Proteins company as opposed to Bunge directly.

Profiling target companies – template

Company name**Founded:** Year**Sector:****Turnover:** US\$ (last year available)**Employees:** ### (last year available)**Website:****Phone:****Headquarter:** Address**Overview**

Provide an overview of the company including main products and market share in key markets.

Manufacturing and R&D footprint

- Include all key locations worldwide.

Recent developments and investments

- Include key developments over the last three to five years.

Key decision-makers

- Name, position, contact details, and if possible key information such as any membership to an association or relevant experience in this industry/company.

Assessment of investment potential

- Summary assessment.

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