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Ethiopia, UNIDO Collaborate to Boost Agro-Industrial Development

In a significant step toward advancing Ethiopia’s agricultural transformation, Minister of Industry Mr. Melaku Alebel engaged in discussions with a delegation led by Mr. Gunther Beger, Managing Director of the Directorate for SDG Innovation and Economic Transformation at the United Nations Industrial Development Organization (UNIDO).

The focal points of their conversation included integrated agro-industrial parks, the implementation of the Program for country partnership (PCP) to stimulate economic growth, and the development of center of excellence aimed at enhancing sustainable development capacity. Cooperation emerged as a key theme during their meeting.

Minister Mr. Melaku emphasized the collaborative efforts between the Ethiopian government and UNIDO to enhance the livelihoods of farmers and pastoralists.

By optimizing the effectiveness of agro-industrial parks, promising strides are being made in supporting smallholder farmers and connecting them with industries, thereby bolstering their economic potential.

To accelerate Ethiopia’s industrialization journey, the “Ethiopian Tamrit” (Made in Ethiopia) national movement has been set in motion, yielding encouraging achievements.



Plc 2. Mr. Melaku & Mr.Gunther in an agreement for future cooperation



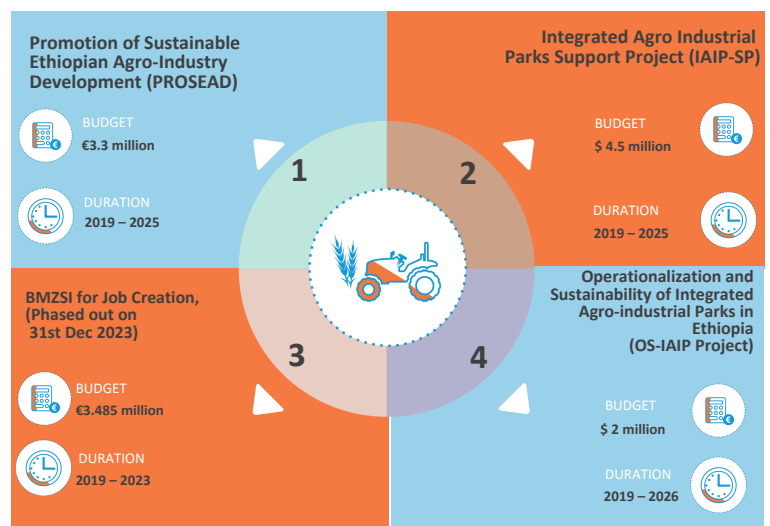
Plc 1. Mr. Melaku & Mr.Gunther in a discussion

On his part, Mr. Gunther Beger, the Managing Director of UNIDO’s SDC Innovation and Economic Transformation Directorate, expressed his commitment to working closely with relevant stakeholders. Their goal is to ensure that the agreement to establish a center of excellence, focused on sustainable development capacity, under the National Partnership (PCP) program, yields fruitful results.

This collaboration underscores the shared vision of Ethiopia and UNIDO in driving agro-industrial development and fostering economic prosperity for all stakeholders involved.

UNIDO’s Focus in the IAIPs

UNIDO is an instrumental partner to the Government of Ethiopia (GoE) in supervising the implementation of the IAIPs. This includes guiding the projects from the conceptualization phase to establishing governance structures, enhancing infrastructure, building capacity, and encouraging investments in the parks and related catchment areas. To support the IAIP concept, UNIDO is now leading four projects: PROSEAD, IAIP-SP, BMZ-SI, and OS-IAIP.



UNIDO, MOI Launch Inaugural Steering Committee Meeting for Food Safety and Traceability Project

The inaugural meeting of the first federal project steering committee on the Operationalization and Sustainability of Integrated Agro-Industrial Parks (OS-IAIP) in Ethiopia project – which will mark a significant milestone in the country’s agricultural and industrial sectors – was held on 12 April 2024 at Sheraton Addis. The project is financed through a soft loan of €22 million to the Ethiopian Government/Ministry of Industry from the Italian Government via the Italian Agency for Development Cooperation (AICS). The project aims to establish food laboratories and ensure food safety quality and traceability systems in and around the four IAIPs. AICS also granted €2 million to UNIDO for implementing the project jointly with MOI.

The first FPSC meeting featured with the participation of high-level officials from federal and regional governmental institutions and development partners as well as the projects donor Italian Agency for Development Cooperation (AICS).

Minister of Industry Mr. Melaku Alebel, leading the discussion, emphasized the necessity of bolstering integrated agro-industrial parks with advanced frameworks for food quality, safety, and traceability systems.

Minister Melaku Alebel pointed out that the integrated agro-industrial parks program could offer solutions to existing infrastructure and policy frameworks within the agricultural sector.



Ms. Aurelia Calabro, UNIDO Ethiopia Representative

He outlined the program’s critical objectives, including attracting reputable domestic and international investors, ensuring product quality, and establishing effective food safety and traceability mechanisms. The minister also highlighted the importance of collaborative efforts to overcome financial and foreign currency challenges in the sector and the need for a functional organizational structure to support the program’s goals.

Ms. Aurelia Calabro, the UNIDO representative and director, underscored the potential of the industrial cluster to generate significant benefits by creating backward and forward linkages that would strengthen both local and international companies.

She stressed the importance of focusing on the integrated agro-industrial parks’ food safety and quality laboratories, as well as their safety and traceability systems for value chains.

Ms. Alexandra, the Deputy Head for AICS also reaffirmed AICS commitment in supporting the OS-IAIP intervention and the Ethiopian government in addressing the rural industrialization and inclusive and sustainable development during her speech.

The meeting concluded with the endorsement and official inauguration of the OS-IAIP project’s global plan of action, marking the establishment of the federal project steering committee—a crucial step toward realizing the vision of sustainable and operational integrated agro-industrial parks in Ethiopia.

The Ministry of Industry and UNIDO expressed their sincere gratitude to AICS for their unwavering cooperation in funding various interventions in Ethiopia.



H.E Mr. Melaku, H.E Hassen State minister and MOI state minister at the meeting



STAKEHOLDERS DISCUSSIONS

Advancing Food Safety and Traceability in the Ethiopian Agro-Industrial Parks: Stakeholder Workshop Conducted

A stakeholder workshop focusing on Food Safety, quality, control, and traceability with the IAIP programme took place in Addis Ababa.

Stakeholders from various sectors gathered in a collaborative effort to tackle critical challenges in the Agro-food industry quality domain. The workshop focused on food safety, quality, control, and traceability systems for the Integrated Agro-Industrial Parks in Ethiopia.

The United Nations Industrial Development Organization (UNIDO), in collaboration with the Ministry of Industry (MOI) and financing from AICS, engaged ART-ER (Attractiveness Research Territory – Emilia Romagna) as consultants. Their task is to study and propose the best practices in Food Safety, Quality, Control & Traceability Systems for the Integrated Agro-industrial Parks.

The ART-ER team shared their firsthand observations and recommendations, along with insights from the Italian experience.

During the workshop, various presentations covered topics such as food regulation and enforcement systems, the challenges of IAIPs in implementing food safety systems, food safety and quality standards, policy development practices, and lessons for IAIP initiatives by representatives from Ethiopian regulatory bodies.

The workshop served as a platform for meaningful discussions among stakeholders, including government agencies, private enterprises, research institutions, and international organizations.



Ms. Alexandra Attisani, AICS Deputy Head, during her speech



ART-ER team consultants at the meeting.

Moving forward, the consultant firm Art-ER, in collaboration with UNIDO, is expected to provide support in governance, legal frameworks, laboratory enhancements, and coordination during their remaining time in the country. Their expertise will be crucial in navigating the intricacies of food safety.

The workshop concluded with a commitment to ongoing collaboration, knowledge exchange, and the adoption of best practices in traceability. Stakeholders acknowledged that traceability is not only a regulatory necessity but also a pathway to establishing safer and more sustainable food systems as the industry progresses.



Group Picture of Meeting participants

A multi stakeholder dialogue held to an Advanced Sustainable Agro-Industrial Development in Ethiopia

The PROSEAD initiative, short for Promotion of Sustainable Ethiopian Agro-Industrial Development, held its 16th quarterly review meeting in Addis Ababa on March 19, 2024, bringing together various stakeholders and development partners.

This multi-stakeholder dialogue aims to foster sustainable agricultural value chains by supporting and maintaining environmentally sound infrastructure development in Integrated Agro-Industrial Parks (IAIP), Rural Transformation Centers (RTC), and other supply chain requirements and investments in the relevant catchment areas.

PROSEAD is geared towards accelerating investments and enhancing governmental capacities at both federal and regional levels. The initiative has benefited from a substantial investment of USD 352 million from partners like the European Union Delegation (EU), African Development Bank (AfDB), Italian Agency for Development Cooperation (AICS), International Fund for Agricultural Development (IFAD), German Corporation for International Cooperation (GIZ). The United Nations Industrial Development Organization (UNIDO) serves as the development partner coordinator on the initiative and provides technical assistance to the Ministry of Industry.

During the meeting, key topics such as infrastructure development, market linkages for smallholder farmers, access to finance, skills development, food safety, governance, and coordination were discussed. Some highlights from the presentations include:



Group Picture of Meeting participants

During the meeting, key topics such as infrastructure development, market linkages for smallholder farmers, access to finance, skills development, food safety, governance, and coordination were discussed. Some highlights from the presentations include:

- IFAD introduced its PACT initiative focused on empowering smallholder farmers with a fund more than USD 150 M.
- Agricultural Transformation Institute (ATI) reported positive outcomes in agricultural production.
- GIZ showcased progress in enhancing the skills of youth and women in agro-industrial areas.



PROSEAD Project NPC, Mr. Mesfin making an opening speech

The meeting also emphasized the need for coordination with additional stakeholders. This included representation, presentations and commentary offered by:

- Foreign Commonwealth and Development Office (FCDO), which discussed investment initiatives.
- International Labor Organization (ILO), which presented approaches to enhanced employment and productivity in small agribusinesses.
- Food and Agricultural Organization (FAO), which described the importance of supply/value chains, infrastructure investment and upstream distribution linkages.
- Tony Blair Institute (TBI), which introduced efforts to strengthen information flows for GOE accountability.
- KfW Development Bank, which described the importance of capital investment in Centers of Excellence and vocational strengthening and the complementary work they are doing with partners to enhance performance in the sector.

Ms. Mercedes Marin Nortes, Programme Officer for the European Union Green Deal Team, underlined the significance of strengthening value chains to retain current investors and attract new ones into the parks, and to create more employment and increase incomes for rural Ethiopians.

The collaboration between various stakeholders and their continuous efforts to strengthen the agro-industrial sector in Ethiopia showcases a commitment towards sustainable development and economic growth in the region



UNIDO Ethiopia IAIP NEWSLETTER

IAIP EVENTS

UNIDO Supports Ethiopian Companies at Macfrut Expo in Rimini, Italy



MACFRUT 2024

FRUIT & VEG PROFESSIONAL SHOW
8-9-10 May 2024 - Rimini - Expo Centre

The United Nations Industrial Development Organization (UNIDO) has facilitated the participation of Ethiopian companies from the Integrated Agro Industrial Parks in Bulbula and Yirgalem to attend the prestigious Macfrut Expo held in Rimini, Italy from May 8 to May 10, 2024. The sponsored companies include YBM Manufacturing PLC, TK Manufacturing and Trading PLC, SUNVADO Manufacturing PLC, and SIZ Agro Processing.

Macfrut, a vertical trade fair, is dedicated to enhancing the Italian and foreign fruit and vegetable sector. The event brings together service providers from across the entire supply chain, covering production, pre-harvest, post-harvest technologies, and packaging. With a focus on innovation and industry standards, Macfrut serves as a benchmark for the sector.

The exhibition provides a unique opportunity for attending companies to connect with global suppliers and gain valuable insights. UNIDO ensures that Ethiopian companies stay connected and build new relationships with industry players from around the world.

UNIDO through the EU-funded PROSEAD project for Ethiopian companies at Macfrut underscores commitment to fostering growth and collaboration in the horticultural industry. As the expo unfolds, participants can expect to be inspired by the latest trends, innovations, and networking opportunities.

The Integrated Agro-Industrial Parks in Ethiopia are hubs of innovation, collaboration, and sustainable growth. They bring together diverse stakeholders to create a thriving ecosystem that benefits both producers and consumers.



YBM Manufacturing PLC having a visitors at the expo,



Showcasing Agro Industry Excellence at Ethiopia Tamirit Expo 2024

UNIDO has facilitated investors from Sidama and Oromia Integrated Agro Industrial Parks (IAIP) to participate in the Ethiopia Tamirit Expo.

The Integrated Agricultural Industry Park is showcasing at the “Ethiopia Tamirt; (Made in Ethiopia)” Expo 2024 at Millennium Hall in Addis Ababa from May 9 to May 13, 2024.

Prime Minister Abiy Ahmed (Dr.) inaugurated the expo. The products from Integrated Agro Industry Parks, investment opportunities, and overall activities are being actively promoted to local and international visitors.



Processed milk product by Douley Milk processing company from Yirgalem IAIP



Yirgalem IAIP showcasing their product to visitors

Visitors are showing interest in processed products like honey, avocado oil, and flavored milks produced by different companies in the park, aiming to establish market connections and attract new investors.

The Ethiopia Tamrit Expo 2024 is a remarkable event celebrating the country’s manufacturing excellence. Scheduled from May 9 to 13, 2024, this five-day extravaganza takes place at the prestigious Millennium Hall in Addis Ababa. It serves as a focal point for Ethiopia’s industrial creativity, ingenuity, and entrepreneurial spirit, drawing participants from across the globe. The expo runs for five days, ending on May 13, 2024.

The EU-funded PROSEAD (Promoting Sustainable Agro-Industry in Ethiopia) project and the AfDB-funded Integrated Agro Industrial Parks-Support Project (IAIP-SP) provided support for the initiative.



Processed honey product by Shecka Nordic honey processing company from Bulbula IAIP



A foreign investor curious about opportunities in the park.



SUCCESS STORIES

The inspiring Journey of a Dairy Farmer: “From a few cows to a thriving business “



Meet Ayele Ayane, a 35-year-old farmer from Sidama region. He has six kids and worked in dairy, coffee, and cattle farming. Although working across the three sectors, he found he could only just barely earn a good income for his family.

When the Douley PLC milk company was established in the Yirgalem integrated agro-industrial park, Ayele saw an opportunity to ensure that he was one of the suppliers of fresh milk to the factory. Ayele previously sold 70 litres of milk in the local market per day, but since starting to supply for Douley milk processing company, he has expanded his farmland, converted the chat farm to grazing land for the cows, raised the number of milk cows from four to eleven, and prepared a suitable place for the cows. His hard work is now paying off, having boosted his daily milk production to 160 liters per day for the cooperatives.

Ayele also explains that he was pleasantly surprised to earn an increase in the price per litres from 25 Birr/litre to 35 Birr/litre when he began selling to Douley PLC. Ayele continues by noting “my income was about Birr 35,000, but now it is Birr 70,000. This allows me to enroll my kids in a private school, build a house in the city, and hire five local youths to help on my farm.”

With the newly established milk processing company, and a lot of hard work on his part, Ayele’s dedication to his business has paid off, and his dairy farm has become a great success. He is now one of the most successful dairy farms in the region. Not only has he been able to provide for himself and his family, but he has also been creating jobs in the local community and contributing to the local economy.



IAIP FIGURES AND FACTS

JOBS CREATED IN THE IAIP

15,602 Jobs



JOBS CREATED



13,000
CONSTRUCTION PHASE



2,602
MANUFACTURING JOBS



791
FEMALE

FARMERS LINKED TO THE PARK



FARMERS LINKED TO THE PARKS

180,667

Small Holder Farmers