Ethiopia

PROGRAMME FOR COUNTRY PARTNERSHIP
Industrial development strategy

Vision to become MIC by 2025

Prepared:
• Industrial development strategy
• Road map
• Institutional set-up

Established National Industrial Development Council (NIDC) for coordination.

Industry leading the transformation

Manufacturing sector -- 4% to 18% of the GDP

• Upgrading
• Enterprise cultivation 65,000 SMEs
• Industrial Zones development

Create 780,000 Jobs
Partnership country programme

Based on the opportunities and endowments - three sub-sectors (and IZs as tool) identified.

- **Opportunities**
  - Job creation potential
  - Raw material
    - SHF commercialization
  - Export potential
  - Attracting investment

- **Assets**
  - Low labor cost
  - Abundant resources
  - AGOA/Cotonou (EU and US) Proximity to EU/US
  - Global Trend of ind. Migration to Africa

- **Sectors**
  - Leather and leather products
  - Textile and apparel sector
  - Agro-food sector
  - Industrial zones
<table>
<thead>
<tr>
<th>Sector</th>
<th>Targets</th>
<th>Interventions</th>
<th>Indicative budget possible partners</th>
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<tbody>
<tr>
<td>Leather and leather products</td>
<td>- Export US$132 million&lt;br&gt;- US$1.4 billion&lt;br&gt;- jobs 150,000</td>
<td>- Improve livestock value chain&lt;br&gt;- Technical assistance for entrepreneurial and management skills, production diversification&lt;br&gt;- MLC (IZ) and clustering of MSEs</td>
<td>US$1.4 billion (Italian Cooperation, WB, IFC, AfDB, USAID)</td>
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<td>sector</td>
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<tr>
<td>Textile and apparel sector</td>
<td>- Cotton production from 210,000 to 1.8 million tonnes&lt;br&gt;- Yield 1.7 to 2.8 t/ha&lt;br&gt;- 260,000 new jobs by 2020&lt;br&gt;- Export US$2.7 billion</td>
<td>- Improve cotton value chain&lt;br&gt;- Increase productivity and production of ginning factories and establish new facilities&lt;br&gt;- Support TIDI</td>
<td>US$2.3 billion (WB, AFDB, IFC, ATA, UNDP, UNIDO) other DPs</td>
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<td>Agro-food sector</td>
<td>- Establishment of 4 IAIPs&lt;br&gt;- Establishment of 90 large companies&lt;br&gt;- Export US$1.7 billion&lt;br&gt;- 160,000 new jobs by 2020</td>
<td>- Establish four integrated agro-industry parks and 50 rural transformation centers&lt;br&gt;- Upgrade selected value chains (coffee, fruit and vegetables, livestock, fisheries) around IAIPs&lt;br&gt;- Promote investment in four IAIPs,</td>
<td>US$2.5 billion (Italian Cooperation, FAO, UNIDO, AfDB, IFC, WB) other DPS</td>
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<td>Industrial zones</td>
<td>- Establishment of 4 Izs&lt;br&gt;- 534 factories in Izs&lt;br&gt;- 175,000 new jobs</td>
<td>- New Izs established&lt;br&gt;- Two existing Izs expanded&lt;br&gt;- Management of the Izs established&lt;br&gt;- One-stop services provided at Izs</td>
<td>US$1.5 billion (WB, IFC for private sector finance; AfDB for off-site infrastructure) Other DPS</td>
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<td>and investment promotion</td>
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# PROGRAMME FOR COUNTRY PARTNERSHIP

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<thead>
<tr>
<th>Sector specific interventions</th>
<th>Functional interventions</th>
<th>Textile and apparel</th>
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<tbody>
<tr>
<td>Agro-Food</td>
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<td></td>
<td>• Integrated Agro-industrial park</td>
<td>• Improving raw material and product supply chains</td>
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<tr>
<td></td>
<td>• Agro-food value chains</td>
<td>• TIDI to center of Excellence</td>
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<td></td>
<td>• Input (SHF linkages)</td>
<td>• Fashion studio</td>
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<tr>
<td>Leather and leather products</td>
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<td></td>
<td>• Leather City in the town of Modjo</td>
<td>• Fashion studio</td>
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<td></td>
<td>• Footwear clusters</td>
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<td></td>
<td>• Fashion studio</td>
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<tr>
<td></td>
<td>• LIDI capacity Bldg</td>
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### Capacity building
- Strengthening analytical capacity of MoI in the generation of policy
- Establishment of an industrial observatory and M&E system
- Improve coordination of South-South and Triangular Industrial Cooperation

### Environment and Energy
- Environmentally sound management and by-products utilization
- Greening of Value Chains: Leather and Textile
- Promotion of RE and energy efficiency

### Investment promotion and IZs
- Technical Assistance Program for investment promotion and IZ
- Establishing linkages between resident LM industries to the SMEs
- Identification and promotion of investment projects
- Strengthen coordination and M&E mechanism (tools, methodology)
- Governance of IZs

### Trade Facilitation
- Strengthen the institutional capacity to improve Quality along Value Chains.
- Trade logistics
- Market Access through the expansion of the Quality Assurance systems
Partnership (concrete example of the IAIP development)

4 parks
- Geographical clustering of industries
- Market access for 2 million SHF
- I (hybrid seeds and fertilizer by PS)
- One stop service
- Shared services (packaging, cold and dry storage, training centers, research banks, logistics etc.)

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<th>Partner</th>
<th>Interventions</th>
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<tr>
<td>UNIDO; FAO, UNDP, ATA</td>
<td>Feasibility study, business plan</td>
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<td>Federal and regional</td>
<td>Land, offsite infrastructure</td>
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<td>governments</td>
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<tr>
<td>IFC</td>
<td>Finance for the private sector (TBD)</td>
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<td>WB</td>
<td>Loan to the government infrastructure and capacity building (TBD)</td>
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<td>AfDB</td>
<td>Off-site infrastructure (TBD)</td>
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<td>Private sector</td>
<td>Anchor investors/leasing shells</td>
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Integrated services; partnership a case of the livestock value chain in IAIP
In the rift-valley region

Value chain integration
- Feed lots
- Abattoirs
- Tanneries/ CETP
- By-product use
- Leather city
Synergies with partners
Maximizing impact through partnership

COORDINATION MECHANISM
NIDC and NTF
• Coordinates partners, private sector and Gov. institutions
• Promotes investments
• Leads fund mobilization/allocation

UNIDO
Multidisciplinary team for integrated services
THANK YOU!