



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



LIVESTOCK SECTOR DEVELOPMENT WORKSHOP BEIJING, CHINA

UPGRADING THE LIVESTOCK VALUE
CHAIN PROGRAMME
FOR ETHIOPIA
(ULVCP-ETH)

WORKSHOP REPORT



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1. BACKGROUND

Ethiopia is one of the three pilot countries of UNIDO's Programme for Country Partnership (PCP) model, along with Peru and Senegal. The PCP serves to operationalize the Organization's mandate for Inclusive and Sustainable Industrial Development (ISID) and supports countries in achieving Sustainable Development Goal (SDG) 9. The PCP for Ethiopia focuses on three light manufacturing sectors with strong potential for poverty reduction: agro-food processing, textiles and apparel, and leather and leather products. These sectors were chosen due to their prospects for job creation, strong linkages to the agricultural sector, high export potential and capacities to attract private sector investment.

Ethiopia is home to the world's fifth largest herd of cattle, amounting to 56.7 million in 2014. Yet, the Ethiopian livestock sector accounts for only 0.75 per cent of global exports of meat products (mainly comprised of goat and sheep meat). The development of the livestock sector has immense potential for socio-economic development in Ethiopia but there are several constraints that hinder the sector's growth and export potential. The absence of systematized breeding, reduced fodder/feed availability and limited access to animal health services are undermining the production of meat and meat products.

In response to these challenges, UNIDO, together with the Government of Ethiopia and Chinese counterparts, is developing a large-scale programme entitled the "Upgrading Livestock Value Chain Programme (ULVCP)" to be implemented phase by phase. The overall objective of the programme is to improve the performance of selected livestock value chains – red meat, dairy and hides/leather – in Ethiopia. In line with the Government of Ethiopia's GTP II 2015-2020, the programme is comprehensive and addresses critical points of the value chain of each aforementioned sub-sector.

The programme is comprised of three components based on focus sub-sectors. In the first component, the programme will upgrade the red meat value chain through the introduction and improvement of meat processing facilities based on international food safety and management standards in order to target the export market. In the second component, the programme will improve the productivity of milk cows and overall quality of dairy products. The programme will also address the full dairy value chain, particularly milk processors and transporters to reduce post-harvest losses. The third component addresses hides and leather processing through improving hide collection and tanning systems.

The programme will begin with an initial preparatory phase to fully develop a livestock sector upgrading programme. The development of the programme will be based on extensive consultations and baseline studies and will be submitted to all key stakeholders for endorsement at the conclusion of the initial phase, allowing for the full implementation of the programme to commence.

UNIDO organized a workshop in Beijing, China, from 23 to 24 January to discuss and exchange experiences, best practices, and ideas related to current and emerging issues in the livestock value chain, with a particular focus on improving breeding, quarantine systems and quality infrastructure. Upgrading the quality infrastructure and quality assurance systems of the livestock value chain, and upgrading the livestock breeding system are proposed to be implemented during the first phase of the implementation period (2017-2018).

The workshop served to introduce UNIDO's leading approach to programme implementation, the Programme for Country Partnership (PCP), to establish partnerships with Chinese counterparts, and mobilize technical and financial support for the development and implementation of the ULVCP. Participants included technical livestock experts and representatives of the Ministry of Livestock and Fisheries of Ethiopia, officials and experts from the Ministry of Agriculture of China and its affiliated institutes: the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) and the CGC Overseas Construction Co., Ltd. (CGCOC), as well as the Bill and Melinda Gates Foundation, and UNIDO.

2. SUMMARY OF PROCEEDINGS

The ULVCP-ETH workshop took place from 23 to 24 January 2017 at UNIDO's regional office in Beijing, China. The workshop was hosted by UNIDO, together with the Ministry of Commerce of China (MOFCOM) and the China International Center for Economic and Technical Exchanges (CICETE). Participants included representatives of government institutions, as well as development partners such as the Embassy of Ethiopia to China, the Ministry of Livestock and Fisheries of Ethiopia, the Chinese Ministry of Agriculture (MoA) and its affiliated institutes, the General Administration of Quality Supervision, Inspection and Quarantine of P.R.C (AQSIQ) and the CGC Overseas Construction Group (CGCOC), as well as the Bill and Melinda Gates Foundation.

The first day of the workshop featured a high-level discussion focusing on multi-stakeholder partnerships and served to define the institutional roles of participating organizations in the development and implementation of the ULVCP in Ethiopia. It also discussed key areas of collaboration within UNIDO's PCP for Ethiopia. Experts from the Ministry of Livestock and Fisheries of Ethiopia, UNIDO and Chinese institutions also held a technical meeting on the proposed projects part of the initial phase implementation (upgrading the quality system and the breeding system of the livestock value chain).

During the second day, representatives from UNIDO, MOFCOM, CICETE and the Permanent Mission of China to UNIDO, also discussed the feasibility of the two projects and agreed to begin implementation of the "upgrading the quality infrastructure and quality assurance system" project during the first phase of the ULVCP. During the meeting, stakeholders discussed the possibility of aligning projects with the priorities and requirements of the South-South Cooperation Assistance Fund of China.

The workshop provided a unique opportunity for participants to discuss the current and emerging issues of the livestock value chain in Ethiopia, with a particular focus on improving breeding, quarantine systems and the quality infrastructure. UNIDO will continue working with MoA, AQSIQ and MOFCOM to facilitate the development of quality infrastructure in Ethiopia. The Ministry of Agriculture of China showed strong interest in the programme and highlighted that breeding technology is not yet mature in Ethiopia. Also, AQSIQ expressed its willingness to support the upgrading of quarantine systems and quality infrastructure in Ethiopia, within the framework of the ULVCP. MOFCOM expressed its strong support to the project, including in terms of finance.

3. SUMMARY OF DISCUSSION SESSIONS

Mr. Ralf Bredel, UNIDO Representative, UNIDO Field Office in China

Mr. Bredel welcomed participants to the workshop, provided a brief background on the PCP-Ethiopia and the ULVCP, and introduced the agenda of the workshop.

Mr. Zou Ciyong, Director of the Department of Partnerships and Results Monitoring, Programme Development and Technical Cooperation, UNIDO

Mr. Zou opened the workshop and introduced ISID and SDG goals, and UNIDO's Programme for Country Partnership (PCP) model. He highlighted the key features of PCP-Ethiopia, summarized the milestones of PCP-Ethiopia in 2016 and presented opportunities for private sector participation. He pointed out that Ethiopia is rich in resources and has a large livestock sector. However, quality of products and limited market opportunities present challenges. To tackle challenges like livestock diseases and limited access to international markets, it is crucial to upgrade the livestock value chain in Ethiopia. An introduction of UCLVP's route map and potential partners was also made by Mr. Zou.

Mr. Dejene Tezera, Chief, Department of Agribusiness Development, Team leader PCP-ETH, UNIDO

Mr. Tezera indicated that industry is a key driver of development under the ISID mandate, Agenda 2030, in particular SDG 9, and is the defining feature of the PCPs. He stressed the key challenges of the livestock sector in Ethiopia such as widespread diseases, limited access to the international market, limited investment, low productivity and limited value addition. He also indicated that the ULVCP has an integrated approach, focused on establishing a disease free zone, improving productivity and quality, feed and fodder supply, feed-lot/large-scale fattening, investment promotion, development of livestock processing parks and capacity-building. He also suggested the programme to be implemented through collaboration between UNIDO, the Government of Ethiopia, Food and Agriculture Organization and Chinese institutions. Chinese institutes, the FAO and UNIDO will provide technical expertise and capacity-building.

Mr. Negus Kebede, Minister Counselor, Head of Business Diplomacy Embassy of Ethiopia to China

Mr. Negus Kebede highlighted the successful cooperation between Ethiopia and China, the outcomes of this partnership, and examples of trilateral collaboration. He pointed out that China is a trusted development partner of Ethiopia. The specific areas of cooperation in the agricultural sector have been associated with agricultural technology, knowledge and skills transfer, such as strengthening agricultural assistance in the form of agricultural projects; personnel training and dispatch of agricultural experts; technological exchanges and cooperation; agricultural technology demonstration and extension; and agricultural product trade and investment promotion. The Ethiopian Government has been building and promoting the establishment of special economic zones equipped with the necessary infrastructure to attract foreign export-focused investment. He thanked UNIDO's PCP-Ethiopia for supporting inclusive and sustainable industrialization in the country. He indicated that the Embassy is more than willing and ready to work closely with UNIDO and relevant departments of China to fully explore the potential of the Ethiopian livestock sector and to develop specific projects designed to upgrade quality infrastructure and genetic improvement systems.

Mr. Yao Shenhong, Permanent Representative, Permanent Mission of China to UNIDO

Mr. Yao Shenhong highlighted the importance of ISID, SDG 9, and the PCP model, reiterated China's full support to UNIDO's efforts, and he expressed his hope that more countries will join the PCP. He also highlighted that Chinese experiences can serve as examples for developing countries and that Chinese experts, techniques and technologies, as well as standards could be shared with other countries through the ULVCP.

Mr. Liu Junfeng, Deputy Director General, Ministry of Commerce, People's Republic of China, MOFCOM

Mr. Liu presented his strong support to the ULVCP, and indicated that MOFCOM would fund the development and implementation of ULVCP provided that the programme is in line with the policies of South-South Cooperation Assistance Fund. He requested an appropriate administrative structure delineating the roles and duties of the

various parties involved in the process. Regarding the component of inspection and quarantine, he suggested that UNIDO could contribute in the areas of policymaking, investment promotion, standards development and training plans. He also suggested the establishment of livestock demonstration farms by the Government of Ethiopia, taking into consideration the interest of the private sector and sustainable development of the livestock sector.

Mr. Zhao Zhongyi, Deputy Director General, China International Center for Economic And Technical Exchanges, CICETE

Mr. Zhao highly praised the ULVCP. CICETE intends to support and closely follow developments regarding the ULVCP's road map. Mr. Zhao requested that the programme's components should be aligned with the existing situations in Ethiopia, and should be closely linked with international markets.

Mr. Seyoum Dadi Bediye, National Expert, UNIDO

Mr. Seyoum highlighted that Ethiopia is endowed with abundant livestock resources. The overall objective of the "upgrading quality infrastructure and quality assurance system" project is to support and strengthen Ethiopian veterinary services, particularly to upgrade the existing quarantine, inspection and certification system in order to meet international and Chinese standards, thus creating conducive conditions for livestock and livestock products export. He also indicated that the project aligns with national government priorities that aim to improve the existing inspection, quarantine and certification to meet international standards. Livestock raisers in the disease free zone demonstration areas, fattening and processing enterprises and livestock industry parks will be the direct beneficiaries of the capacity-building and support services provided by the project and the improved husbandry and marketing system. Farmers, pastoralists and agro-pastoralists will benefit from enhanced national and region laboratory capacity, and improved disease prevention and improved international market access for livestock and livestock products.

Mr. Wang Jimin, Deputy Director General, the Institute of Agricultural Economics and Development, CAAS

It was indicated by Mr. Wang Jimin that livestock disease and breeding methods are having negative impacts on livestock products. The diseases control system should refer to international standards, and breeding methods should be chosen and rely on the requirements of target markets, especially the international market. Improving linkage between smallholder farmers and private can also play a significant role to improve the quality of livestock product. Livestock breeding through the embryo transfer technologies are not sufficiently developed in Ethiopia, and need to be improved. In order to allow small-holder farmers to benefit from the livestock sector and attract more investments, Mr. Wang also recommended that the Government of Ethiopia supervises the ULVCP and the establishment of demonstration farms.

Mr. Li Yanyun, Senior Expert, Center of International Cooperation Service of MOA, China

Mr. Li Yanyun indicated the key issues that should be addressed within the UCLVP: Ethiopian famers' cattle breeding methods are not uniform and lead to uneven product quality. The embryos of hybridization within the local breed and elite germplasm are too large and lead to cow dystocia. Although Ethiopia is rich in livestock resources, the weak diseases control system has a severe impact on export potential.

Ms. Liang Dan, Senior Expert on Development Assistance, China

Ms. Liang highlighted the relevance of ULVCP to the development of livestock sector in Ethiopia. She shared her past experiences related to the Ethiopian livestock sector, including some of the long-standing development challenges. She believes that the ULVCP will greatly improve the Ethiopian livestock sector and support economic development in the country.

Ms. Ma Wenxiu, Director, Division of America and African Affairs, Department of International Cooperation, AQSIQ

Ms. Ma made a brief introduction on the foundation and responsibilities of AQSIQ, as a strategic partner to UNIDO. AQSIQ is already cooperating with Ethiopia and other African countries on livestock product quality improvement and certification. Ms. Ma highlighted that the AQSIQ is looking into ways of establishing a system of certification with the ULVCP, and showed their interests in cooperating with UNIDO and other African countries in this regard. AQSIQ also confirmed their support to UNIDO's mandate of ISID.

Ms. Nie Fengying, Deputy Director General, Ministry of Agriculture of China, Centre of International Agriculture Research (CIAR)

A comprehensive introduction was made by Ms. Nie Fengying on the organizational structure of the Centre of International Agriculture Research's (CIAR) and its major tasks in the areas of international agricultural research, international agricultural information services, training programmes, etc. Ms. Nie Fengying also talked about the success of agriculture-research cooperation with Exim-Bank of China, China Development Bank, and China National Cereals, Oils and Foodstuffs Corp China National Cereals, Oils and Foodstuffs Corporation, etc. The global strategy of CIAR and their interests in trilateral collaboration with UNIDO and Ethiopia were also highlighted.

Mr. Liu Dong, Senior Programme Officer, Bill and Melinda Gates Foundation

Mr. Liu expressed strong interest in the ULVCP, particularly the livestock industrial park, and highlighted the value of the programme. He expressed the Foundation's willingness to participate in the ULVCP and intention to continue communication on further details.

Mr. Shi Dexiang, Deputy General Manager, CGCOC Agriculture Development

Mr. Shi Dexiang introduced CGCOC's successful experience in the development of agriculture and the animal husbandry industrial park. The Group will continue to explore opportunities with the Government of Ethiopia and other partners to accelerate the livestock development model. UNIDO's ULVCP is compatible with the Group's business requirements. He expressed CGCOC's strong willingness to cooperate within the framework of the ULVCP.

Mr. Yang Pengdi, Deputy Managing Director, CGCOC Group/Ethiopia Branch

Mr. Yang Pengdi highlighted that the CGCOC Group has established modern agricultural parks in a number of African countries, providing cutting-edge technology and helping the host countries to achieve food security and improve the quality of agricultural development. He highlighted the strong willingness of CGCOC to cooperate with UNIDO and the Government of Ethiopia.

Mr. Peng Dajun, Deputy General Manager, CGCOC Ethiopia Agriculture Division

Mr. Peng highlighted the possible participation of the private sector in the production and export of red meat and the development of a livestock industrial park in Ethiopia. He also discussed some of the challenges they have come across with the livestock value chain in Ethiopia, especially regarding diseases and limited access to international markets.

4. CONCLUSIONS

All the participants showed great interest in partnerships and alliances within the framework of the ULVCP. Agreement and understanding were reached through the workshop, including the following:

1. Ethiopia has a well-developed foundation in breeding and quality inspection. The Government of Ethiopia expressed strong willingness and demands to upgrade the livestock value chain.
2. The Ministry of Agriculture of China showed strong interest in the programme and stressed that breeding technology in Ethiopia is not yet mature, and that programme implementation modalities still need further discussion and research.
3. AQSIQ expressed their support to the quarantine system and quality infrastructure of Ethiopia in the framework of the “upgrading the quality infrastructure and quality assurance system” project and suggested that the establishment of a “Disease Free Zone” be considered in the initial stage of implementation.
4. MOFCOM offered their support to the projects, and pointed out further technical adjustments that should be taken into consideration based on the discussions of the workshop. It was suggested that the final project documents “upgrading the quality infrastructure and quality assurance system” project be finished and submitted to MOFCOM for review as soon as possible.
5. Representing the private sector, the CGCOC expressed their willingness to cooperate and coordinate with the ULVCP for co-implementation.

Stakeholders voiced their willingness to continue further discussion and coordination with UNIDO on all aforementioned points.

ANNEX 1: Photos taken during the ULVCP-Workshop in Beijing, China



Photo 1: Mr. Zou introducing UNIDO, ISID, PCP, ULVCP-ETH and possible partnerships with government institutions and the private sector.



Photo 2: Participants exchanging opinions on upgrading the quality infrastructure and quality assurance system.



Photo 3: Technical experts from the Ministry of Livestock and Fisheries of Ethiopia, UNIDO and Chinese institutions discussing best practices, systems and technologies for breeding and quality improvement of livestock products.

ANNEX 2: Workshop agenda

23 January 2017

Date	Discussion points	Expected outcome
10:00-10:15	Moderator: Mr. Ralf Bredel UNIDO Representative, UNIDO Field Office in China	
10:15-10:45	Mr. Ciyong Zou Director of Department of Partnerships and Results Monitoring, UNIDO - Opening speech and highlights UNIDO, ISID and PCP and possible partnership with government institutions and the private sector	- UNIDO modality to implement ULVCP-ETH agreed
10:45-11:00	Mr. Negus Kebede Minister counselor, Head of Business Diplomacy Embassy of Ethiopia to China - Highlights Ethiopia and China cooperation	- Strategic cooperation
11:00-11:15	Ms. Nie Fengying Ministry of Agriculture of China, CIAR - Highlights the trilateral collaboration between the government of Ethiopia, Government of China and UNIDO in the development of the agricultural sector, with special focus on livestock development	- Trilateral collaboration strengthened
11:15-11:30	Ms. Ma Wenxiu Director, Division of America and African Affairs, Department of International Cooperation, AQSIQ - Highlights the trilateral collaboration between the government of Ethiopia, UNIDO and AQSIQ on quality infrastructure and systems improvement with special focus on livestock quality supervision, inspection, quarantine and certifications	- Trilateral collaboration strengthened
11:30-11:50	Mr. Yang Pengdi Deputy Managing Director, CGCOC Group/Ethiopia Branch Mr. Peng Dajun Deputy General Manager, CGCOC Ethiopia Agriculture Division - Highlights the possible participations of the private sector in the production and export of red meat and the development of livestock industrial park development in Ethiopia	- Private sector participation modality agreed

11:50-12:00	<p>Mr. Dejene Tezera Chief, Department of Agribusiness Development, Team leader PCP-ETH, UNIDO</p> <p>Closing remarks</p>	
Working lunch		
14:00-17:00	<p>Moderator: Mr. Dejene Tezera Technical experts from Ministry of Livestock and Fisheries of Ethiopia, UNIDO and Chinese institutions.</p> <p>- Best practices and modern technologies of breeding to improve the production and productivity the livestock through selective cross breeding, artificial insemination (AI) and embryo transfer technology</p> <p>Best practices and modern technologies of the livestock quality infrastructure such as cold chain development, farm-to-folk quality inspection and supervision, quarantine and food traceability system; animal health and control mechanism and best experiences towards creating a disease free livestock zone in Ethiopia</p>	<p>- Best practice, system and technology for breeding improvement agreed</p> <p>- Best practice, system and technology for livestock products quality improvement agreed</p>

24 January 2017

9:00-12:00	- UNIDO internal meeting for updating the project documents and designing the action plan for 2017	- Action plan developed for 2017
Lunch		
Closure meeting		
14:30-15:00	<p>Mr. Dejene Tezera Chief, Department of Agribusiness Development, Team leader PCP-ETH, UNIDO</p> <p>- Reports the outcomes of the discussion</p>	- Common understanding on the projects
15:00-16:45	<p>Representatives of UNIDO, Ethiopia, MOFCOM and CICETE - Open discussion</p>	- Inputs for the project
16:45-17:00	<p>Mr. Ciyong Zou Director of Department of Partnerships and Results Monitoring, UNIDO</p> <p>- Closing remarks</p>	

ANNEX 3: List of participants

NO.	Name	Organization	Position
1	Mr. Zou Ciyong	UNIDO	Director
2	Mr. Ralf Bredel	UNIDO Field Office in China	UNIDO Representative
3	Mr. Dejene Tezera	UNIDO	Chief
4	Mr. Zhao Jie	UNIDO	Industrial Development Officer
5	Mr. Seyoum Dadi Bediye	UNIDO	National Expert
6	Ms. Liang Dan	-	Senior Expert on Development Assistance
7	Mr. Liu Junfeng	MOFCOM, China	Deputy Director General
8	Mr. Wang Daohao	MOFCOM, China	Division Director
9	Ms. Liu Bingyang	MOFCOM, China	Commercial attaché
10	Ms. Li Luning	DITEA, MOFCOM, China	Commercial attaché
11	Mr. Zhao Zhongyi	CICETE	Deputy Director General
12	Mr. Zhang Ning	CICETE	Division Director
13	Mr. Li Kunxian	CICETE	Deputy Division Director
14	Mr. Negus Kebede	Embassy of Ethiopia to China	Minister Counselor
15	Mr. Mesfin Tilaye Eshete	Ministry of Livestock and Fisheries, Ethiopia	Veterinary Expert
16	Mr. Tesfaye Mulatu Bereded	Ministry of Livestock and Fisheries, Ethiopia	Quarantine Expert
17	Mr. Yao Shenhong	Permanent Mission of China to UNIDO	Deputy Permanent representative
18	Mr. Wang Jimin	The Institute of Agricultural Economics and Development, CAAS	Deputy Director General
19	Ms. Nie Fengying	Ministry of Agriculture of China, CIAR	Deputy Director General
20	Dr. Zhang Yue	Ministry of Agriculture of China, CIAR	Expert
21	Mr. Hong Zhijie	Center of International Cooperation Service Ministry of Agriculture of China	Protocol Division Director
22	Mr. Li Yanyun	Center of International Cooperation Service of MOA, China	Senior Expert
23	Ms. Ma Wenxiu	Division of America and African Affairs, Department of International Cooperation, AQSIQ	Director

24	Mr. Liu Jian	Bureau for Import and Export food Safety, Department of International Cooperation, AQSIQ	Division Director
25	Mr. Wang Xin	Division of America and African Affairs, Department of International Cooperation, AQSIQ	Official
26	Mr. Liu Dong	Bill and Melinda Gates Foundation	Senior Programme Officer
27	Mr. Shi Dexiang	CGCOC Agriculture Development	Deputy General Manager
28	Mr. Yang Pengdi	CGCOC Group/Ethiopia Branch	Deputy Managing Director
29	Mr. Peng Dajun	CGCOC Ethiopia Agriculture Division	Deputy General Manager



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