



## TECHNICAL SUPPORT FOR THE IMPLEMENTATION OF AN INTEGRATED AGRO-INDUSTRIAL PARK IN ETHIOPIA

*Efficient and competitive agricultural value chains for agro-industries*

### Context

The development of Integrated Agro-Industrial Parks (IAIPs) – which focus on the transformation of agricultural and livestock products – is a strategic tool under UNIDO's inclusive and sustainable industrial development mandate. UNIDO promotes the IAIP concept with a farmer-centric and investor-friendly approach to support the structural transformation of economies through the commercialization of the agricultural sector. In Ethiopia, four IAIPs are currently under construction in the regions of: Amhara, Oromia, the Southern Nations and Nationalities People's Region (SNNPR) and Tigray. The IAIPs will lead to economies of scale for agro-food industries and ensure better access to markets for smallholder farmers.

### Strategy

The IAIPs are designed to create value downstream, in rural farming communities, and upstream, in two distinct yet integrated components: the primary production and collection centre(s) and the state-of-the-art agro-processing hub. These will be strategically located to achieve balance in regional development, harnessing the natural resource endowment and skill set in a sustainable and environmentally-friendly manner.

This joint UNIDO-FAO project is being implemented to support value chain actors and to promote inclusive, efficient and sustainable agro-food chains in the Ethiopia's Oromia region. UNIDO's support will focus on allocating the land for the IAIP; providing guidance for the construction of the Park; finalizing management and operations modalities; and developing an incentives regime for the establishment of the IAIP.

### Impact

- The Regional Industrial Park Development Corporations (RIPDC), as nodal agencies for the implementation of the IAIPs, have been established.
- Detailed engineering designs and environmental impact assessment studies provided the foundation for commencing the construction process.
- The construction of the four IAIPs and pilot Rural Transformation Centres is 50 to 80 per cent completed.
- Several road shows, investment event and meetings were conducted locally and abroad by the Government of Ethiopia in partnership with UNIDO and other development partners.
- Two international agro-industry investment fora have been organized in Addis Ababa in 2016 and 2018, attracting about 1,200 national and 3,000 international participants. The events were critical for catalysing support from development partners, including the EU, AfDB and Italy's Emilia Romagna region, which has, since 2018, participated in IAIP development.
- Four strategic value chain analyses for the Agro-Commodity Procurement Zone of Central-Eastern Oromia were completed.
- The strategic analysis and business plan for horticulture produce were finalized.
- 48 staff were trained in the methodological framework for enhancing production and productivity of priority agro value chains.



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### Outlook

Positive spill overs from the project activities implemented in the Oromia region have also been achieved in Amhara, SNNPR and Tigray. The project has also been successful mobilizing additional resources from the Government of Ethiopia for the development of basic infrastructure in the four IAIPs, from domestic and foreign private sector investors, and from other development partners – including EU, AfDB, IFAD, GIZ, AFD, Korea Exim Bank – for a total value of over EUR 250 million). When fully operational, the four IAIPs are expected to generate USD 1.7 billion in revenue from export, and provide 160,000 new jobs.



### At a Glance

**Goal:** Support the establishment of one Integrated Agro-Industrial Park

**SDGs:** SDG 1, SDG5, SDG9

**Thematic areas:** Agribusiness and Rural Development Women and Youth

**Donor:** Italian Agency for Development Cooperation (AICS)

**Partners:** Ministry of Industry, Ministry of Agriculture Ministry of Finance and Economic Development, Oromia Regional Government, Chamber of Industries, Food and Agriculture Organization of the United Nations (FAO)

**Budget:** EUR 1,450,000

**Duration:** 4 years

**Status:** On-going