



ETHIOPIA

ONGOING PROGRAMMES

Fit For Market (FFM, FFM SPS, FFM+)



ICR Facility



ACP Business-friendly



FD4ACP



Boost Africa



ACP Quality Infrastructure



Business ACP



Women Entrepreneurship for Africa



Digital Finance for Resilience (DFS4RES)



DESCRIPTION OF INTERVENTIONS

Fit For Market programmes support companies in the horticultural sector and their environment to ensure their international access to horticultural and national markets while complying with sanitary and phytosanitary regulations and market requirements, individually or collectively. Support includes food safety, environmental management, social compliance and business management. The main types of support are related to the implementation of a management system (on social themes, environment, quality) meeting the requirements of international certification standards required by customers (GLOBALG.A.P., HACCP, Rainforest Alliance, SMETA, etc.).

Set up in the continuity of FFM past programmes, the new **FFM+** programme support is tailored to facilitate the transition of ACP horticulture towards more sustainable food systems, addressing the priority areas identified in the Farm to Fork strategy of the European Green Deal.

As an illustration of the support provided by FFM to the private sector in Ethiopia, the programme trained the staff of **Koga Veg Agricultural Development PLC**, an Ethiopian company that produces vegetables for domestic and international markets, in composting methods and waste management. Multiple agents from the **Plant Regulatory Agricultural Authority of Ethiopia** also participated in training sessions organised by the **FFM SPS** programme on organisation and execution of official controls, pest surveillance and pest free country status. COLEAD has also partnered with the **Ethiopian Agricultural Authority (EAA)** with the aim of setting up effective SPS systems.



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SPS systems and activities in Ethiopia are the responsibility of the state. In this partnership, COLEAD and **EAA** are assessing the national SPS system in Ethiopia using the COLEAD Rapid SPS Assessment Tool (R-SAT) methodology, which is intended to focus on food safety and plant health control systems within the avocado value chain. The approach used was conducted in a step-by-step sequence of activities together with a technical working group drawn from both public and private stakeholders.

The **ACP Business-friendly** programme is designed to achieve two key outcomes of:

- Adopting and implementing business-friendly, inclusive and responsible national policies and legal frameworks;
- Strengthening productive, processing, promoting and marketing capabilities and value chains.

At macro level, the ACP BF Rapid Response Window provides quick support to governments in the investment climate space and along the two main programme themes, particularly in the context of mitigating the economic risks, and working towards a green, resilient and inclusive recovery, in the post pandemic world. These interventions expediently support and leverage existing (longer term) World Bank operations focused on private sector development. Thus far, 16 project activities within the OACPS have received (or are in the process of receiving) support under this window through three phases. Over the past years, the rapid response window has been mobilized to bring key stakeholders together to ensure policy dialogue, build counterpart capacity to contribute to economic recovery efforts, and support policy actions towards green, resilient, and inclusive development in addition to building a robust analytical foundation for further policy reform, among other areas of assistance.

UNIDO is implementing the meso-level component of the Programme. Investment promotion interventions are aimed to facilitate the process of identifying, mobilizing capital, knowledge, and technological resources for a more targeted investment development impact. Main project counterparts in the country include the **Ethiopian Investment Commission (EIC)**, the **Regional Investment Offices (RIOs)**, the **Food, Beverage, and Pharmaceutical Industry Development Institute (FBPIDI)**, the **Investment Promotion Development Corporation (IPDC)** and **Regional Investment Promotion development Corporations (RIPDCs)**, the **Agricultural Transformation Authority (ATA)**, and the **European Business Forum (EUBF)**.

The COVID-19 pandemic severely impacted Ethiopia's investment park operations, thereby jeopardising the government's job creation agenda.



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There was a need to complement the government's investment retention efforts, targeting strategic investors. ACP Business-Friendly was mobilised in this regard to support the **Bole Lemi II** and **Kilinto industrial parks**. The programme supported retention of investments by creating incentives for investors to both restart and maintain maximum possible operations throughout this period, and to launch a proactive investment generation campaign. **EIC** worked on the compilation and updating of its FDI Business Directory. The programme also capacitated 6 staff of the investment commission in 11 technical advisory and capacity building support sessions, focusing on enhancing investment monitoring practices and aftercare services, enabling the development of the Business Directory and the design of investors' surveys. The activities led to the analysis of a database consisting of 5 632 enterprises from which 1 050 prioritized FDI companies were selected on basis of specific criteria and a technical hands-on training for conducting interviews and updating data of investor companies in the UNIDO's Digital Investment Profiling System (DIPS).

Capacity building support to the **EIC** and **FBPIDI** was undertaken to use the DIPS as a means for project data collection and uploading of investment project opportunities on meanwhile launched "Invest-in-ACP" Portal. By end of 2022, **EIC** team had delivered 100 investment opportunities, whereas **FBPIDI** delivered 145 opportunities largely emanating from the agr-based sector and value chain SMEs. Discussions are ongoing with **EUBF** to explore synergies in terms of FDI mapping interventions with specific focus on EU investors operating in Ethiopia. UNIDO also provided support to EIC following its participation in Expo 2022 (Dubai).

A visit to Ethiopia by ITC and International Coffee Organization (ICO) was also organised in the ambit of technical assistance work provided to the coffee value chain, since the two organisations are expected to support in the mobilization of investor interest and for that, will work with EIC and FBPIDI.

Micro-level interventions are led by ITC through its Alliances for Action approach that promotes inclusive and sustainable agricultural value chains.

Since the publication in February 2022 of a proposed EU Directive on Corporate Sustainability Due Diligence (CS3D), attention has turned to the questions of how VC actors and stakeholders will operationalise its requirements. Under its Rapide Response Window, ITC has piloted practical bottom-up case studies on "accompanying measures" (AM) to the CS3D in three VCs in selected countries, including the Ethiopian coffee value chain. As part of this activity, a "Stakeholder's Dialogue on Accompanying measures to the EU CS3D, Emerging lessons from CS3D Pilots" was organised in April 2023 in Brussels, where emerging lessons from the Ethiopia pilot were presented by the representative of **Ethiopia Coffee and Tea Authority**.



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The **ACP Quality Infrastructure (QI)** programme supports ACP policy makers, institutions and private sector actors to **(i)** enhance the regional Quality and Regulatory infrastructure governance; **(ii)** strengthen the availability of the value chain-specific QI services; **(iii)** promote quality culture and practices. The programme complements and builds on the ongoing achievements of the **ACP Business-friendly** programme reinforcing the UNIDO's programme action. **ACP QI** for the African region was officially launched in Luanda in December 2022, during the OACPS Business Days held on the margins of the OACPS Heads of State Summit.

FO4ACP The overall objective of **Farmers' Organisation for ACP** programme is to increase income and to improve livelihood, food and nutrition security and safety of organised smallholder and family farmers in ACP countries. At regional level, FO4ACP is active through the **East African Farmers Federation (EAFF)** which adopted a new Strategic Plan 2021-2028 and rolled out a regional COVID-19 sensitisation campaign supported by the programme. Two regional policy studies – for dairy and maize value chains – were conducted aiming at improving business environment. In this context, two business to business (B2B) meetings for the above value chains were through the East African Farmers

The ICR Facility focuses on supporting private and public stakeholders and regional institutions, to improve their investment climate and business environment by facilitating public-private dialogue, among other actions. The facility provided support to the **Social Enterprise Association of Ethiopia** in the development of a set of criteria that further defines the nature of a social enterprise and in mainstreaming and incorporating a detailed cross-cutting component focused on social entrepreneurship and enterprises into the Action Plan for the National Enterprise Strategy. The support also includes the development of a framework for stakeholders to monitor and assess the policy documents and initiatives to ensure they are developed, endorsed, enacted, and implemented as intended. The ICR Facility also supported the **EU Business Forum Ethiopia** in its ability to conduct public-private dialogues based on validated information and evidence, and to attract new members.



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Boost Africa is implemented by the African Development Bank (AfDB) and the European Investment Bank (EIB). It offers blended finance and focuses on supporting entrepreneurially-driven, early stage, and start-up SMEs on the African continent. Boost Africa targets innovative investments in any sector, with special focus on those that have a high potential for economic impact. Boost Africa also provides technical assistance to: i) venture capital funds which are considered for investment by Boost Africa; ii) investee companies of funds in which Boost Africa has invested. Training by AfDB's "Entrepreneurship Lab" for Ethiopian startup owners, has been provided through Boost Africa.

DFS4RES Digital Finance for Resilience in the ACP Countries aims at deploying digital finance solutions at the scale and speed necessary to deepen financial inclusion, and accelerate economic recovery from COVID-19, in order to make economies and societies more resilient to external shocks. Digital finance market assessments were conducted through DFS for Resilience programme, consisting of in-depth diagnostics of each market to identify gaps and priorities and determine appropriate engagement approaches. Partnerships were established between the programme and public and private sector actors. An Inclusive Digital Economy Scorecard (IDES) is adopted by the government through the **Ministry of Innovation and Technology**. One of the key challenges in the development of an inclusive digital economy are sustainable DFS distribution networks. To address this challenge DFS4RES supports **Highlights Tradings**, one of the eight so called "super-agent" distributors for Ethio Telecom, to design and roll out a digital agent management platform. The programme also started the design of a partnership with the **Association of Ethiopian Microfinance institutions (AEMFI)** and **Africa 118** to support the digitization of MSMEs.

WE4A aims to improve the business capacity of women-led enterprises to increase their chances of raising follow-on funding from private sector investors. Both the Initial acceleration and follow-on growth programmes aim to assist women entrepreneurs in Sub-Saharan Africa to flourish and contribute to employment creation in their communities through enhanced business capacities, access to formal financial services, and integration into local/regional value chains.

Component 1 of the programme provided gender sensitive entrepreneurship training and seed capital through the the Tony Elumelu Foundation; component 2, implemented by GIZ through the "Employment and Skills for development in Africa" (E4D) project, links African women entrepreneurs (TEF alumni) to private sector initiatives and provide technical assistance to build commercial bridges with larger lead businesses and integrating their supply chains;



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and component 3, led by the Swiss Association for Entrepreneurship in Emerging markets (SAFEEM), supports African women entrepreneurs to secure second stage financing as a major stepping-stone to be becoming fully bankable and capitalizing on the employment potential of their businesses. In Ethiopia, WE4A supports **ZAAF** a collection of handcrafted leather goods & accessories. **ZAAF** works with artisanal communities that specialize in various traditions of craftsmanship, bringing together ancient skills, combinations of unusual indigenous materials, and leading edge designs and quality standards.

MORE INFORMATION

- Read the Monitoring Report 2021:
<https://businessacp.com/wp-content/uploads/2019/12/Annual-Report- online-version.pdf>
- Visit the "Programmes' Highlights" page on the Business ACP website:
<https://businessacp.com/en/94071-2/>