



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Programme for Country
Partnership **Ethiopia**



ETHIOPIA

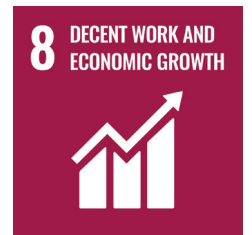
PROGRAMME FOR
COUNTRY PARTNERSHIP (PCP)

ANNUAL REPORT 2021





SUSTAINABLE DEVELOPMENT GOALS





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THE PCP AT A GLANCE



COUNTRY

ETHIOPIA

STATUS

- Programming: September 2014
- Implementation: March 2015
- Completion date: 31 December 2020
- PCP Ethiopia continuation (2021-2025) approved by the UNIDO Secretariat in November 2020
- Continuation phase launched: 1 January 2021 (formulation underway)

**PRINCIPAL NATIONAL
POLICY/STRATEGY
SUPPORTED BY THE PCP**

- Home Grown Economic Reform Programme
- Ten-Year Perspective Plan 2020 - 2030

**FOCUS
SECTORS/
AREAS**

- Agro-processing and selected agro value chains (e.g., coffee, honey, moringa and livestock among others)
- Leather and leather products
- Textiles and apparel

Formulation of PCP Ethiopia continuation is underway and will include additional areas such as tourism and the emerging sectors, i.e., pharmaceuticals, information and communications technology.

**MAIN PARTICIPATING
MINISTRIES/NATIONAL
ENTITIES**

- Ministry of Industry
- Ministry of Finance
- Ministry of Agriculture
- Ministry of Trade and Regional Integration
- Ministry of Innovation and Technology
- Ethiopian Investment Commission
- Environment Protection Authority



<p>KEY DEVELOPMENT PARTNERS</p>	<ul style="list-style-type: none"> • Financial institutions: African Development Bank (AfDB), European Investment Bank (EIB), World Bank (WB) • Bilateral/multilateral partners: Embassy of Italy, Italian Development Cooperation Agency (AICS), European Union (EU), China, Russian Federation, Japan, Republic of Korea, Austrian Development Agency (ADA), Swedish International Development Cooperation Agency (Sida), German Cooperation Agency (BMZ), Montreal Protocol, OPEC Fund for International Development (OFID), Global Environment Facility (GEF), Green Climate Fund (GCF), Norwegian Agency for Development Cooperation (Norad) • UN entities: FAO, ILO, UNDP, UN WOMEN, UNCTAD, IFAD, GEF, GCF • Business sector: illycaffè (MoU), Volvo (MoU), China National Textile and Apparel Council (CNTAC), Ethiopian Honey and Beeswax Producers and Exporters Association, Ethiopian Leather Producers and Exporters Association, Ethiopian Textile Producers and Exporters Association, Ethiopian Chamber of Commerce and Sectoral Association • Other partners: Government of Ethiopia and its specialized agencies. Among others: Ethiopian Enterprise Development (EED), Ethiopian Manufacturing Industry Development Institute, Coffee and Tea Authority (CTA) etc.
<p>UNIDO PROJECTS WITH FUNDING SECURED¹ (COMPLETED AND ONGOING)</p>	<ul style="list-style-type: none"> • Total number of projects: 36 • Total funding secured: \$ 65,239,379 • Total expenditures to end of current reporting period: \$ 34,530,327 • Total balance available: \$30,709,052
<p>TOTAL INVESTMENTS LEVERAGED² (CUMULATIVE)</p>	<p>\$ 1,889,948,657</p>
<p>TOTAL PCP VOLUME (CUMULATIVE SINCE 2015)</p>	<p>\$ 1,955,188,036</p>

¹ **Funding secured:** The total budget (net, i.e. excluding programme support costs) under signed agreements for UNIDO programmes and projects, indicated in US\$ amounts.

² **Funding leveraged:** These include public or private resources, in cash or in-kind, allocated by public or private partners towards the objectives of the PCP. They are contributed partly as a result of UNIDO interventions within the framework of the PCP, and based on a verbal or written commitment. Such resources are not channeled through UNIDO's accounts and accordingly not under the Organization's direct control.

1. Executive summary

The PCP for Ethiopia registered five major milestones in 2021, namely: the inauguration of three Integrated Agro-Industrial Parks (Bure IAIP on 7 February, Yirgalem IAIP on 15 March and Bulbula IAIP on 8 May) in the presence of the Prime Minister and other dignitaries; the inauguration of the first Creative Hub in Ethiopia at the then Federal Small and Medium Manufacturing Industry Promotion Agency (FeSMMIPA) now the Ethiopian Enterprise Development (EED) premises by the Minister of Trade and Industry on 26 May 2021; and the Coffee Training Center at the premises of the Coffee and Tea Authority (CTA) by the Minister of Agriculture and other key stakeholders on 8 June 2021. These high-profile events have attracted senior Government dignitaries and high-level delegations from development agencies raising the visibility of UNIDO's support through the PCP in support of industrial development and economic transformation in Ethiopia.

To reinforce partnerships and respond timely and effectively to existing and emerging challenges facing the industry sector, in 2021, UNIDO initiated the formulation process for the continuation of PCP Ethiopia by another five years (2021-2025), following the official request of the Ethiopian Government and the recommendations of the independent terminal evaluation (2020). The continuation of PCP ETH is aligned with the home-grown economic reform programme, the 10-year perspective plan, the UNSDCF framework, the COVID-19 response and Northern Ethiopia Post-Conflict Recovery plans, and has been developed pending further consideration/deliberation and subsequent approval by the IMC as soon as it commences its operations in 2022. The IMC is also expected to conduct in-depth deliberations on the proposed new PCP ETH coordination structure designed to reinforce coordination, alignment and partnerships, strengthen implementation support, especially with regard to flagship projects.

The year 2021 had several challenges and changes within Ethiopia, nonetheless, 27 high-level national coordination meetings (5 at MoI, 9 at MoA, 10 at MoF and 3 at EFCCC) were undertaken, mainly to deliberate on how to re-instate PCP inter-ministerial coordination platforms, solicit policy and administrative support for LISEC MLC and the new UNIDO TC projects designed to address strategic sectors of national importance; and organize/coordinate senior officials participation at global/regional events to represent the PCP. On the former, during series of bilateral meetings, the State Ministers of Finance, Trade and Industry, Agriculture; and the Directors of Bilateral Cooperation and UN Agencies, Climate Resilient Green Economy (CRGE) Facility and Regional Economic Cooperation at MoF have acknowledged the critical role that PCP has played over the years especially with regard to advancing the flagship projects (e.g. IAIPs, MLC, specialized industrial clusters and SMEs), noting the challenges in running the platform due to emergencies over the year.

In response to the request of the Ethiopia Investment Commission, a common platform was created to align UNIDO projects with the commission's investment activities and programmes. After a Matrix detailing the priority intervention areas was agreed up on and later endorsed and signed into effect by the EIC Commissionaire, all projects are working towards the stipulated results in the Matrix. Based on the direction given, each project has developed a detailed action plan for implementation, which is regularly reviewed during EIC-UNIDO joint meetings.

Senior government officials participated in international forums to share the successful experience of PCP Ethiopia. The major events facilitated include: the participation of H.E. Teka Gebreyesus, State Minister MoI, in the first *PCP Peer Learning session* organized by UNIDO for PCP countries and those interested in the PCP model on 2 February 2021; the *GMIS Digital Series 2021*, a special webinar event organized within the context of the Global Manufacturing Industry Summit where State Minister, MoI, sent a pre-recorded keynote speech on 6 September; the participation of H.E. Sahlework Zewde, President of the Federal Democratic Republic of Ethiopia at the IDDA III High Level Event with the Theme "*Strengthening Africa's Pharmaceutical Industry – Learning the lessons from COVID-19*" on 28 September; and the participation of H.E. Ahmed Shide, Minister, MoF, at the 8th ISID Forum held as part of the UNIDO General Conference on 29 November 2021.

Resource mobilization under the PCP framework includes the USD 22 million soft loan and grant to support the IAIP initiative, which were approved by the Italian Agency for Development Cooperation (AICS) (to be later endorsed by the Ethiopian Parliament), and which subsequently led to the signing of a USD 2 million grant between AICS and UNIDO. It is to be recalled that the Government of Ethiopia has also submitted a funding proposal to the EIB for up to USD 100 million



to finance the construction of the Modjo Leather City (MLC). A start up fund is allocated from the Bank to complete the feasibility study but the investment financing is still under consideration by the Bank. In relation to this flagship project, the State Minister of MoF, H.E. Ms. Yasmin Wohabrebbi, in a meeting held on 31 of May, reaffirmed that MoF will prioritize the LISEC MLC and make concerted efforts to raise the remaining 50% investment for the project.

Funding is secured and implementation commenced with the honey and livestock projects, and donor approval was secured for the Bamboo project. Exploring new promising funding streams, UNIDO is working on a new project under the title: *Enhancing rural livelihood in Ethiopia through improved energy and water access and management* to be funded by the Green Climate Fund (GCF - USD 1.7 million) and implemented in cooperation with AfDB as part of a regional programme (total: USD 10 million) with UNIDO co-funding of USD 145,000.

Further partnership engagement efforts were within the one UN initiative where UNIDO/PCP played active role as an integral part of the UNRC/UNCT. The participation ranged from the regularly held UNCT meetings to engagements in platforms involving much broader set of stakeholders such as IDDA3 briefings; and participation in three out of seven Issue Groups established under UNSDCF 2020-2025 for Ethiopia, i.e., Economic opportunities, Sustainable Job Creation and ERAP for Tigray (now expanded to cover also the affected regions in northern Ethiopia). UNIDO co-chairs the ERAP Issue Group with UNDP, the Job Creation Issue Group with ILO and a sub-group on Digitalization under the Economic opportunities Issue Group. With the IGs, the UNDS in Ethiopia will work through groups organized around a limited number of strategic, multidimensional issues that the UN will pursue as a system under the UNSDCF with the view to improve internal coordination and ensure a coherent UN system-wide approach of analysis, planning, implementation and monitoring vis-à-vis a strategic priority. The IGs, thus, will promote complementarity and synergies and reduce overlaps and gaps within and across priority areas.

As an integral part of the UNCT, UNIDO is participating in a joint-programme (output 2) under the lead of UNDP with ILO and UN WOMEN, funded by the MPTF for COVID-19 pandemic under the title: *Sustaining businesses and protecting jobs in the informal economy of Ethiopia* (USD 1.7 million, USD 419,000 UNIDO).

The launch of UNSDCF - JWP 2020-22 preparation is another important activity undertaken in the implementation of the UNSDCF, to which Project Managers and Coordinators have contributed by providing substantive inputs. At a regional level, UNIDO Regional Director actively participated in REC 3 – UN Reform - Sub Taskforce meeting and was involved in subsequent discussions.

2. Introduction

UNIDO's mandate for Inclusive and Sustainable Industrial Development (ISID) is anchored within the internationally agreed 2030 Agenda and UNIDO's 2013 Lima Declaration. SDG 9: *"Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation"* is at the core of UNIDO's mandate and working agenda. Nevertheless, achieving ISID requires a broader range of resources than any individual entity can provide.

Within this context, UNIDO developed an innovative multi-stakeholder partnership model, the Programme for Country Partnership (PCP) to promote ISID. Aligned with the national development agenda, the PCP supports Member States in achieving their industrial development goals through several key features: i) Government ownership ii) a multi-stakeholder partnership; iii) the facilitation of large-scale public and private finance; iv) a strong analytical framework; v) selected priority industrial sectors/areas; and vi) a monitoring and evaluation system for measuring progress and programme-level impact.

The PCP has been implemented since 2015 in Ethiopia, as one of the first pilot countries, with measurable progress and

achievements. The initial five-year implementation timeframe was completed in 2020. Following the recommendations of the independent evaluation, the official request of the Ethiopian Government for an extension of the PCP, and the subsequent approval by the UNIDO Secretariat, UNIDO initiated the formulation of the PCP for Ethiopia continuation for 2021-2025, to be further elaborated with the Government in 2022.

3. Alignment with and contribution to UNSDCF

UNIDO through the PCP continues to actively engage with the UNRC/UNCT. The participation ranges from the regularly held UNCT meetings to engagements in coordination of the implementation of the UNSDCF through the JWP 2020-22. The PCP is fully aligned to UNSDCF 2020-25 with UNIDO contributing to three of the four Pillars (Outcomes) of the cooperation framework, namely PEOPLE, PROSPERITY and PLANET. UNIDO leads the Prosperity Outcome and contributes to the relevant outputs under People and Planet outcomes. In this context, it is important to note that the PCP, with its strategic focus on priority economic sub-sectors of the country, has effectively helped to ensure that UNIDO's contribution to UNSDCF become fully aligned and streamlined to the existing and emerging priorities introduced by the Government.

The participation of UNIDO in a JP under a MPTF through the RCO is an example of how the UNSDCF can bring together UN agencies and deliver on programmes with effective coordination and complementarity. The JP *“Sustaining businesses and protecting jobs in the informal economy of Ethiopia”* is part of the UN response to alleviate the effects of the COVID-19 crisis and brings together UNIDO, UNDP, ILO and UN Women with a total budget of USD 1,698,57, out of which UNIDO's share is USD 419,440. The output that UNIDO covers in the JP *“Informal sector businesses are supported to be formalized and organized into to access business development support”* is formulated in alignment to the on-going project under the PCP *“Technical Assistance Project for the Up-Grading of the Ethiopian Leather and Leather Products Industry”*, and is clearly demonstrating that resources mobilized through the UNSDCF are also effectively channeled to supplement and strengthen projects implemented under the PCP ETH.





Furthermore, UNIDO is involved in three among the seven Issue Groups established under UNSDCF 2020-2025 for Ethiopia, i.e., Economic opportunities, Sustainable Job Creation and ERAP for Tigray (now expanded to cover also affected regions in northern Ethiopia). UNIDO co-chairs the ERAP Issue Group with UNDP, the Job Creation Issue Group with ILO and a sub-group on Digitalization under the Economic opportunities Issue Group.

The other major contribution of UNIDO through the PCP was the involvement in the Tigray Region Post-Conflict Economic Recovery Planning. UNIDO and UNDP co-chaired the economic recovery part and UNIDO led the *manufacturing sector impact assessment* and *recovery planning* task team. On the latter, work culminated in comprehensive recommendations and manufacturing sector investment profiles (key interventions) needed to get no/less damaged businesses and enterprises back to work and restart their operations. Participation continued in the form of reviewing and providing inputs in the consolidated (including all five pillars) draft report on Tigray Region Post-Conflict Recovery, which was later endorsed by the Government. UNIDO is also co-chairing with the UNDP the Amara and Afar Rapid Recovery Response Planning.

4. Programme-level results

4.1 COORDINATION AND GOVERNANCE

The year 2021 had several challenges and changes within Ethiopia, nonetheless, 27 high-level national coordination meetings (5 at MoI, 9 at MoA, 10 at MoF and 3 at EFCCC) were undertaken, mainly to deliberate on how to re-instate PCP inter-ministerial coordination platforms, solicit policy and administrative support for LISEC MLC and the new UNIDO TC projects designed to address strategic sectors of national importance; and organize/coordinate senior officials participation at global/regional events to represent the PCP. On the former, during series of bilateral meetings, the State Ministers of Finance, Trade and Industry, Agriculture; and the Directors of Bilateral Cooperation and UN Agencies, Climate Resilient Green Economy (CRGE) Facility and Regional Economic Cooperation at MoF have acknowledged the critical role that PCP has played over the years especially with regard to advancing the flagship projects (e.g. IAIPs, MLC, specialized industrial clusters and SMEs), noting the challenges in running the platform due to emergencies over the year.

In a bilateral MoF-UNIDO meeting, the former MoF State Minister, Ms. Yasmin Wohabrebbi reiterated that the PCP was a successful platform and it was instrumental in the commendable progress registered in the agro-industry space and that this platform will continue with commitment and ownership from all sectoral ministries. Similarly, the new MoF State Minister for Economic Cooperation, H.E. Ms. Semereta Sewasew, who took office in November 2021 after the establishment of the new Government following the elections in June 2021, expressed commitment to the PCP in a meeting held on 10 December 2021 (i.e., the State Minister pledged that her Ministry will remain firmly engaged, committed and will continue delivering its responsibility for the success of the PCP. The strong commitment to the PCP by the MoF was expressed by H.E. Ahmed Shide (Minister, MoF) in his address at the 8th UNIDO ISID Forum in November 2021. The other newly appointed senior officials, including H.E. Shisema Gebreselassie (State Minister, MoI), H.E. Dr. Meles Mekonen (State Minister for Agriculture and Horticulture Sector, MoA), H.E. Prof. Eyasu Elias (State Minister for Natural Resources Sector, MoA) have also re-affirmed their commitment to stay engaged and contribute to the success of the PCP's continuation in subsequent consultative meetings held in the month of December.

Considering the importance of the MLC as a flagship initiative in the sector, a high-level meeting in May 2021 involving H.E. Amb. Girma Birru (Senior Advisor for Macro-Economics to the Prime Minister), H.E. Ahmed Shide (Minister, MoF), H.E. Melaku Alebel (Minister, MoI), H.E. Teka Gebreyesus (State Minister, MoI), H.E. Shimelis Abdissa (President, Oromia Regional State), H.E. Eleni Kyrou Head of EIB and UNIDO Representative and the Regional Director Aurelia Calabrò, have agreed MoI to assume leadership of the MLC and establish a technical team to closely follow-up and support. A number of partners continue to show keen interest on the project including AICS, which has already offered Euro 23, 5 million (Euro

18 million in soft loan and Euro 5 million as a grant) as well as AfDB and WB. In a separate meeting, MoF State Minister reaffirmed that MoF will prioritize the MLC and continue following up to raise the remaining 50% investments for this project.

The three UNIDO TC projects, i.e., Honey Value Chain Development and Market Access, Subcontracting Partnership Exchange (SPX) with the aim of establishing a SPX center in Ethiopia, and promotion of Bamboo SMEs and industries for livelihood improvement and environmental sustainability, have gone through different stages of deliberations involving senior officials of government agencies to discuss and agree on objectives, key components, expected outputs and outcomes, and expected task sharing arrangements. In this context, the honey project, funded by NORAD within the Regional GMAP programme, has already started its implementation after its official signature on 8 June 2021, with the establishment of a project coordination unit at MoA and the launching of the Inception Phase. The Bamboo project is considered as a timely and critical intervention of high potential with envisaged impact on manufacturing and environmental sustainability. The EPA (former EFCCC) as the lead agency for this project (now MoA), has written an official support letter for this project on behalf of the counterpart Government agencies. Following the formation of the new Government and the restructuring of Government agencies, the whole responsibility for this project has shifted to MoA as the forestry sector is now under this ministry. With regard to the SPX centre establishment, Mol is in talks with MoF on exploring the possibilities for raising the necessary funds for this project.

The PCP ETH registered five major highly-acknowledged milestones in 2021, namely: the inauguration of three Integrated Agro-Industrial Parks (Bure IAIP on 7 February, Yirgalem IAIP on 15 March and Bulbula IAIP on 8 May) in the presence of the Prime Minister and other dignitaries; the inauguration of the first Creative Hub in Ethiopia at FeSMMIPA (now EED) premises by the Minister Industry on 26 May 2021; and the Coffee Training Center at the premises of the ECTA by the Minister of Agriculture and other important stakeholders on 8 June 2021. These high-profile events have attracted senior government dignitaries and high-level delegations from development agencies.

In response to the Ethiopian Investment Commission (EIC) request, a common platform has been created to align UNIDO projects with the commission's investment activities and programs. After a Matrix detailing the priority intervention areas has been agreed up on and later endorsed and signed into effect by the EIC Commissioner, all projects are working towards the stipulated results in the Matrix. Based on the direction given, each project has developed detailed action plan implementation of which is regularly reviewed in EIC-UNIDO joint meetings.

The other important coordination role of the UNIDO PCP Secretariat in Ethiopia has been to facilitate the participation of senior government officials in international forums. The major events facilitated include: the participation of H.E. Teka Gebreyesus, State Minister Mol, in the *Peer Learning Forum* organized by UNIDO for PCP countries on 2 February; the *GMIS Digital Series 2021*, a special webinar event organized within the context of the Global Manufacturing Industry Summit where State Minister, Mol, sent a pre-recorded keynote speech on 6 September; the participation of H.E. Sahlework Zwede, President of the Federal Democratic Republic of Ethiopia at the IDDA III High Level Event with the Theme "*Strengthening Africa's Pharmaceutical Industry – Learning the lessons from COVID-19*" on 28 September; and the participation of H.E. Ahmed Shide, Minister, MoF, at the 8th ISID Forum during the General Conference on 29 November.

4.2 PARTNERSHIPS AND RESOURCE MOBILIZATION

Resource mobilization under the PCP framework included the USD 22 million soft loan and grant to support the IAIP initiative, which were approved by the Italian Agency for Development Cooperation (AICS) (to be later endorsed by the Ethiopian Parliament), and which subsequently led to the signing of a USD 2 million grant between AICS and UNIDO. It is to be recalled that the Government of Ethiopia has also submitted a funding proposal to the EIB for up to USD 100 million to finance the construction of the Modjo Leather City (MLC). A start up fund is allocated from the Bank to complete the feasibility study but the investment financing is still under consideration by the Bank. In relation to this flagship project, the State Minister of MoF, H.E. Ms. Yasmin Wohabrebbi, in a meeting held on 31 of May, reaffirmed that MoF will prioritize the LISEC MLC and make concerted efforts to raise the remaining 50% investment for the project.



Funding is secured and implementation commenced with the honey and livestock projects, and donor approval was secured for the Bamboo project. Exploring new promising funding streams, UNIDO is working on a new approved project under the title: *Enhancing rural livelihood in Ethiopia through improved energy and water access and management* to be funded by the Green Climate Fund (GCF - USD 1.7 million) and implemented in cooperation with AfDB as part of a regional programme (total: USD 10 million) with UNIDO co-funding of USD 145,000.

Other resource mobilization efforts were put on hold due to challenges over the year 2021 and aim to be revitalized in 2022, such as efforts for the mobilization of the additional USD 515 million needed to fill the investment gap for the upgrading of the agricultural production and supply system, including agricultural infrastructure development in the selected high potential agro-industrial corridors around the IAIPs.

UNIDO is working on a new project under the title: *Enhancing rural livelihood in Ethiopia through improved energy and water access and management* to be funded by the GCF (USD 1.7 million) and to be implemented in cooperation with AfDB as part of a regional programme (total: USD 10 million) with UNIDO co-funding of USD 145,000. As an integral part of the UNCT, UNIDO is participating in a joint programme (output 2) under the lead of UNDP with ILO and UN WOMEN funded by the UN COVID-19 MPTF under the title: *Sustaining businesses and protecting jobs in the informal economy of Ethiopia* (USD 1.7 million, USD 419,000 UNIDO).

UNIDO initiated the formulation of the PCP ETH continuation, in line with the *Home-Grown Economic Reform Program*³, the 10-year perspective plan, the UN Sustainable Development Cooperation Framework for Ethiopia 2020-2025, the COVID-19 response and Northern Ethiopia Post-Conflict Recovery Plans, to be further developed in 2022 with the Government.

The PCP Ethiopia continuation will focus on flagship projects, e.g., the three IAIPs and the MLC. Seeking alignment with ongoing big budget related flagship projects, including the Agricultural Commercialization Clusters, agricultural growth programme, will be pursued for resource optimization. The textile sector will be maintained as a potential target sector rather than a priority sector. More attention will be given to the private sector, in particular with regard to the agro-industrial parks and private investment for building production facilities.

Further partnership engagement efforts were undertaken within the one UN initiative where UNIDO/PCP played active role as an integral part of the UNRC/UNCT. The participation ranged from the regularly held UNCT meetings to engagements in platforms involving much broader set of stakeholders; and participation in three out of seven Issue Groups established under UNSDCF, i.e., Economic opportunities, Sustainable Job Creation and ERAP for Tigray (now expanded to cover also the whole of war affected northern Ethiopia). The launch of UNSDCF - JWP 2020-22 preparation is another important activity undertaken in the implementation of the UNSDCF, to which UNIDO provided substantive inputs. Among the tasks undertaken under the UNCT was the *Tigray Region Post-Conflict Economic Recovery Planning*. This was an initiative launched by the GoE and a coalition of development partners.

3 The Ethiopian Reform Agenda aims at overcoming existing challenges through a comprehensive and synchronized set of measures in 3 main areas: macro-economic (correcting imbalances and safeguarding macro-financial stability), structural (creating an enabling environment for investment) and sectoral (focusing on key sectors where Ethiopia has great potential such as : agriculture, manufacturing, mining, tourism, ICT and Creative Industries) reforms. The overall developmental goals for the next 10 years can be summarized as follows:

- Sustain a rapid and inclusive economic growth setting the country on a path to prosperity;
- Build a resilient and diversified middle income-level economy achieved through:
- Building a dynamic private sector;
- Raising agricultural productivity and modernization of agriculture;
- Diversification, technological upgrading, and innovation;
- Inclusive and sustainable industrialization and urbanization;
- Inclusive digital economy;
- Eradicate extreme poverty and hunger, and reduce the proportion of people living in poverty by half;
- Build human capabilities;
- Affordable health care;
- Quality education to relevant school-age children;
- Safe drinking water;
- Affordable, reliable and clean energy and transportation services;
- Build an emerging market economy-level modern policy and institutional framework;
- Build an efficient, resilient, and well-functioning financial market system that provides affordable access to finance to investors and consumers.

UNIDO and UNDP co-chaired the economic recovery part and UNIDO led the manufacturing sector impact assessment and recovery planning task team.

On the latter, work culminated in comprehensive recommendations and manufacturing sector investment profiles (key interventions) needed to get no/less damaged businesses and enterprises back to work and restart their operations. Participation continued in the form of reviewing and providing inputs in the consolidated (including all five pillars) draft report on Tigray Region Post-Conflict Recovery, which was later endorsed by the Government, and work plan development for the later formed Tigray Issue and Sustainable Job Thematic (Pillar II) Groups. The Group's activities expanded to cover the Afar and Amhara Regional States. Following the request of GoE, another rapid recovery assessment was launched, co-chaired by UNIDO and UNDP, for the Amhara and Afar Regions. Key priority areas and activities for rapid recovery response in the two regions were identified.

During the reporting period, there was active participation in global/regional and national functions and events that could potentially bolster UNIDO/PCP visibility and enhance partnerships and synergy among programmes/initiatives, including COMESA 4th Technical and Ministerial Meeting on Industry on 24 – 27 May; the forum for the identification of key priority areas of intervention for FAO Country Program Framework (2021-2025) on 11 May (UNIDO proposed key priority areas for consideration); the AU SAFGRAD organized webinar on boosting investment in agricultural R&D in Africa (17 May); the Food Science and Nutrition National Strategy review conference organized by EIAR (20 May); the webinar on “Farmer-Led Irrigation Multi-Stakeholder Dialogue” organized by IWMI (27 May); the Food Safety Day Celebration (June 7), jointly organized by Ministry of Health and Federal Food and Drug Administration where UNIDO's contribution to food safety was acknowledged; the Ethiopian Food Systems Road Map & Position Paper Review Workshop (June 11); and in MoA, the ATA & FAO organized Ethiopian Food Systems Strategy Launch Event (9 July).

4.3 RESULTS OF PCP ADVISORY SERVICES

Policy advice is provided at different levels in a coordinated manner within the PCP ETH platform or individually at UNIDO TC projects level. The engagements during the reporting period were in the form of direct support in policy making, policy formulation or provision of inputs in strategy/plan development processes, including:

- UNIDO/PCP continued participation in the revising and updating process of the *Industrial Development Strategy* of the country ;
- PCP Secretariat's work with the State Ministers of Mol and MoA, Commissioner of EFCCC and DG, FeSMMIPA in the review and endorsement process of various new TC projects including Honey Value Chain Development Market Access, the second phase of the Livestock Value Chain Upgrading, Bamboo Sector Capacity Building and Subcontracting Partnership Exchange (SPX) project;
- A major contribution to Tigray Region Post-Conflict Economic Recovery, UNIDO and UNDP co-chaired the economic recovery part and UNIDO led the manufacturing sector impact assessment and recovery planning task team. On the latter, work culminated in comprehensive recommendations and manufacturing sector investment profiles (key interventions) needed to get no/less damaged businesses and enterprises back to work, restart their operations. An additional economic recovery assessment planning process was launched for other regions, co-chaired by UNDP and UNIDO. Key priority areas and activities for rapid recovery responses in the two regions were identified;
- Based on the request of MoA State Minister, a summary report was produced and submitted on UNIDO – Italy cooperation in the agro-industry development space;
- The PCP Secretariat consulted MoF and Mol State Ministers on possibility for Post-COVID-19 crisis resumption of the PCP ETH Inter-Ministerial Coordination Committee meetings;
- Participation in various strategy, development planning events that enhance the visibility of UNIDO/PCP including Boosting Investment in Agriculture R & D (17 May); FAO's Program Framework and Strategic Interventions review for five years (2021 – 2025) on 10 May; Food Science and Nutrition Research Strategy review conference organized by EIAR (20 May); farmer led irrigation development partners dialogues organized by IFAD (27 May); Food safety Day Celebration Workshop on June 7 where UNIDO was recognized as key actor in this endeavor; Ethiopian Food Systems Road Map and Position Paper Review Conference on 17 June;



- On-going active participation in UNSDCF work plan development for 2021 – 2022 and the various task teams including rural job creation were activities which required professional input from UNIDO;
- Other much recognized contribution of the PCP was assistance and advisory service rendered to senior Government officials in their participation in high-level international forums;
- Active participation was made, on behalf of the PCP ETH, in various global and regional forums, including by providing inputs in the FAO Country Program Framework being developed for the period 2021 – 2025; in an African Union webinar to review a study on boosting agricultural R & D investment in Africa conducted in May, in a Food Science and Nutrition Research Strategy review conference organized by the Ethiopian Institute of Agricultural Research on Thursday, 20 May, in a webinar entitled: “*Farmer Led Irrigation Multi-Stakeholder Dialogue*” organized by the International Water Resources Management Institute (IWMI) on Thursday, 27 May, in MoA organized webinar to review the draft Food Systems Road Map, deliberate on and refine game changing solutions/initiatives that need to be pursued to ascertain sustainable consumption patterns (particularly action Track 2 in the road map), and in reviewing and providing inputs on the IFPRI Global Food Policy Report and the AU SAFGRAD’s guideline for inclusive agricultural value chain development in Africa;
- Furthermore, at project level, **the IAIPs project** led a consultancy service aimed at developing food quality, safety and traceability assessment study to understand the situation of quality assurance institutions in Ethiopia and identify potential area of intervention; IAIP operation and management manual; and an IAIP investment promotion strategy including incentive packages, investment selection criteria and after-care services. **LISEC project** on its part has



Inauguration of the Yirgalem Integrated Agro-Industrial Park by Ethiopia’s Prime Minister Abiy Ahmed in May 2021. See the press release page: <https://www.unido.org/news/ethiopias-prime-minister-abiy-ahmed-inaugurates-third-integrated-agro-industrial-park>



Inauguration of the Yirgalem Integrated Agro-Industrial Park by Ethiopia’s Prime Minister Abiy Ahmed in March 2021. See the press release page: <https://www.unido.org/news/prime-minister-abiy-ahmed-inaugurates-yirgalem-integrated-agro-industrial-park-sidama-state-ethiopia>

prepared and submitted a report on assessment of the 10-year strategic development plans of the Ethiopian Investment Commission (EIC) and Ministry of Trade and Industry (MoI); prepared and submitted an assessment report on capacity needs of ELIA for the possible interventions; prepared and submitted a report on proposed support intervention for MSMEs in Modjo, Adama, Bishoftu and Addis Ababa. Furthermore, the project has commissioned and led two consultancy studies on slaughter-house and hides and skins warehouse restructuring and on slaughter-house by-product utilization and treatment; and another study Syllabus development for training in hides and skins production in cooperation with the federal TVET. The **UNIDO Honey** Project Team has been proceeding with the Environmental and Social Management Plan (ESMP) development. The **textile project** on capacity-building and job creation sponsored: a) ERP system development for ETIDI where formulation of 16 modules has been completed as per the ETIDI working procedures; b) the development of two training manuals on merchandising and pattern making; and c) the preparation of a needs assessment study in Tigray in order to redefine a new action plan of the project to develop understanding of the current ESG situation for the textile and apparel sector in Ethiopia, design targeted policy recommendations and capacity-building measures; and encourage target industries to contribute more to the sustainable development of Ethiopia's textile and apparel industry and disseminating best ESG practices. The **SIDA/Volvo** sponsored Mesale Drivers Academy project was involved in road safety policy preparation and private sector inclusion in collaboration with the MoT.

4.4 TECHNICAL COOPERATION RESULTS

As indicated earlier, the inauguration of the three pilot IAIPs vis. Yirgalem (SNNP Region), Bure (Amara Region) and Bulbula (Oromia Region); the Creative Hub and the Coffee Training Center in Addis Ababa; and the official signing of the new honey value chain project between MoA and UNIDO, constitute the major milestones registered by UNIDO TC projects in 2021.

Other notable achievements during the reporting period include:

- Review of the draft report on food quality, safety and traceability and preparation of IAIP operations and management manual by the IAIP project;
- LISEC project was engaged, among others, in the conduct of training syllabus and training material review and development, as well as carrying out training for trainers to the raw H&S supply actors by M/S LIDI; finalizing the study document of an energy audit in selected Ethiopian tanneries; preparing an assessment report on capacity needs of ELIA; preparing a report on proposed support intervention for MSMEs in Modjo, Adama, Bishoftu and Addis Ababa; and preparing and following up with MoI on the Modjo Leather City (MLC) action plan for coordination of resource mobilization;
- The inauguration of the Coffee Training Center at the premises of the ECTA took place on 8 June at the presence of the Minister of Agriculture and other stakeholders. Other key activities which determined the completion of the project intervention at field level are: the procurement and supply of equipment (electric transformer) for the Coffee Cooperative Union at Delo Mena project site to ensure sustainable power supply and upgrading of two coffee washing stations at Sidama site;
- With regard to the moringa 2nd phase project, an inception phase report was produced, and a monitoring and evaluation framework and communication strategy developed;
- The new honey value chain development and market access project was signed June 2021, launching the inception phase for the first six months of the implementation period. As per the recommendation of the State Minister of MoA, H.E. Dr. Fikru the inception phase work plan and the setting up process of the Project Implementation Unit is underway with recruitment of experts with knowledge and required level of expertise of the commodity value chain;
- The Government of China funded project *Upgrading the Livestock Value Chain (ULVC)* has produced a revised project timeline and intervention framework that will guide project implementation throughout the project life-cycle; revised the joint technical working group (JTWG) and project steering committee (PSC) Terms of Reference based on the recent changes in the Ministry of Agriculture of Ethiopia. A National expert started his assignment on 1 October;
- The Creative Hub established within the leather cluster project has been inaugurated on 26 May with the presence of the Minister of Trade and Industry and other major stakeholders at the premises of the formerly-known FeSMMIPA (now called EED). The Creative Hub started to provide a wide range of services to designers and innovative entrepreneurs such as seminars and workshops, trainings, prototyping techniques, social events, and networking sessions. Moreover, it



started offering the possibility to access digital instruments (such as 3D printers, laser cutters, digital library etc.) and will encourage digital payments with the newly-launched “Telebirr” mobile payment system. The project has further facilitated the official opening of the LOMI leather shop in the presence of the donor representative, the Italian Agency for Development Cooperation (AICS), and conducted digital marketing training in addition to other extensive trainings and events;

- The textile project entitled *Capacity-Building and Job Creation for Youth and Women working in the textile sector in Migration Prone areas of Ethiopia* (AICS, Italy) focused on the development of the ERP system and user manual for 16 modules at ETIDI and the provision of TOT trainings on gender mainstreaming. Moreover, due to the challenges in the Tigray Region during the year 2021, there was no possibility of implementing activities in that project area. A needs assessment on the current conditions of the Tigray Region was conducted at the beginning of 2021 in close collaboration with ETIDI and Mol, the main project counterparts. Results of the assessment and recommendations are shared with main stakeholders and used to formulate a new action plan for year 2022 based on the new project needs. The *sustainable textile investment and operation in Ethiopia* (China-funded) project held its 2nd PSC virtual meeting on July 22 and carried out a sustainable investment promotion virtual workshop on July 15 in cooperation with UN Global Compact. In addition to this, a Knowledge management hub on ESG was developed, cooperation between CNTAC and ETIDI initiated, training on project management was provided to ETIDI experts, a training manual on ESG improvement for Ethiopian Textile industry was developed by GIZ and will provide training to the 30 selected industries at the beginning of 2022. Within the *Circular Economy in the textile sector in Ethiopia* project to be funded by GEF, the PPG documents of the project was prepared and endorsed by all stakeholders at the validation workshop of December 10, 2021;
- *The second Japanese solar powered surface water treatment technology* project to be implemented in Dumerso (SNNPR) almost concluded the construction of the foundation for the water treatment technology;
- Investment promotion: The *EU-ACP funded project* continues to prioritize investment retention and mobilization support to investment promotion institutions, primarily EIC. Work is being undertaken across all sectors including agro-processing, manufacturing, infrastructure development and the tourism sectors in support to PCP Ethiopia and PROSEAD interventions and Integrated Agro Industrial Parks (IAIPs) to support ongoing efforts of IPDC, and RPDCs. Highlights of the work undertaken during 2021 included capacity-building and advisory support to EIC in the implementation of investment monitoring and strengthening investor outreach service, as well as investment project profiling undertaken by EIC and FBPIDI. Some 1050 foreign-owned companies have been uploaded on a Digital Investment Profiling System (DIPS) to which EIC staff have been granted unlimited access for use. In addition, an initial assessment and listing of process improvement recommendations to EIC aftercare service and data analysis functions have been initiated, listing existing SOPs for investment facilitation and after care support, identifying information and follow-up mechanism gaps. This assessment is determining baselines for UNIDO technical support to EIC in terms of aftercare service SOP improvement and recommendations. Also a preliminary assessment of investment targeting and lead generation by EIC was initiated, identifying areas where UNIDO can provide support, including the identification of potential investors for targeting actions, including the engagement with the EU Business Forum to leverage the role of EU investors to mobilize new investments in the country. Capacity-building sessions with 14 FBPIDI officers (M12/F2) and 7 EIC officers (M 6/ F1) on UNIDO’s Investment Opportunity Profiling Methodology and the use of DIPS for data collection and uploading of investment project opportunities have been undertaken. Investment opportunity profiling work is expected to deliver more than 150 profiles during 2022;
- *UNIDO ITPO Tokyo* focal point facilitated the visit of Japanese investors to Yirgalem IAIP and Hawassa Industrial Park, between Japanese potential telecom operators and the Ethiopian Telecom, and Japanese steel company and Ethiopian Kaliti Metal and Yapi –Merkenzi Addis Ababa office; and provided support services to Fumin Corporation - EIAR piloting, research and testing of FUMIN organic fertilizer and to existing Japanese investment and trading firms in the country;
- *UNIDO ITPO Korea* in collaboration with the Ethiopian Investment Commission facilitated the 1st session on Capacity-Building in Research and Policy Advocacy in the ICT Sector. The National Information Resource Service of Korea shared its experiences and its future road map to support Ethiopia in establishing a Digital Government system. 39 leads are identified and shared with ITPO Korea by the national focal point. Furthermore, the signing of a letter between the Ministry of Agriculture, State Minister Dr. Fikru Regassa and a Korean firm for the introduction of bee hive controller technology; and ongoing engagement with 7 firms from the Republic of Korea to identify potential sourcing of leather from Ethiopia has been facilitated;
- *UNIDO ITPO Italy* has started a new global project which includes Ethiopia, promoting investments in the field of energy.

PCP ETHIOPIA's PROJECT OVERVIEW 2015-2021

Resource Mobilization Summary (USD)				
Project/Intervention	Committed Funds to PCP Projects by Q4 2021			
	UNIDO TC	Parallel Funding	GoE Co-financing	In-kind (Private sector)
Priority Sectors				
Agro-Processing				
Integrated Agro-Industrial Parks	20,075,289	770,735,857	981,690,845	-
Coffee VC project	4,147,562	-	-	111,607
Fishery VC project	2,000,000	-	-	-
Dairy for Development (D4D)	159,056	-	-	-
Livestock VC Upgrading	2,382,948	-	-	-
Beles VC Project	897,020	-	-	-
Moringa VC Project	2,684,706	-	-	-
Strengthening the quality compliance capacity of the honey value chain for greater market access	1,769,580	-	-	-
Total Agro-Processing	34,116,161	770,735,857	981,690,845	111,607
Textiles & Apparel				
Capacity Building and Jobs in the T&G Sector (I & II)	2,603,811	-	2,000,000	-
Sustainable textile investment and operation in Ethiopia	353,982	-	-	-
Promotion of Circular Economy in the Textile/Garment Sector through the Sustainable Chemicals and Waste Management in Ethiopia	100,000	-	-	-
Total Textile and Apparel	3,057,793	-	2,000,000	-
Leather & Leather Products				
Leather Initiative for Sustainable Employment Creation	8,815,462	126,011,518	-	-
Leather Cluster Initiative	2,632,692	-	790,000	-
Total Leather and Leather Products	11,448,154	126,011,518	790,000	-
Cross-Cutting Interventions				
Trade and Investment Promotion				
Investment Forums (I, II and III)	735,095	-	473,934	-
SME Profiling & Benchmarking	170,000	-	-	-
Total Trade and Investment Promotion	905,095	-	473,934	-
Energy & Environment				
HCFC phase-out management plan (stage 1 & 2)	147,771	-	-	-
ULH-MHP Technologies for Productive Use	1,368,727	-	-	-
Solar-Powered Water Sanitation System (I & II)	884,956	-	-	-



Resource Mobilization Summary (USD)				
Project/Intervention	Committed Funds to PCP Projects by Q4 2021			
	UNIDO TC	Parallel Funding	GoE Co-financing	In-kind (Private sector)
Enhancing rural livelihood in Ethiopia through improved energy and water access and management	1,479,000			
Total Energy and Environment	3,880,454	-	-	-
Institutional Capacity-Building				
SINCE (I & II)	1,509,116	-	-	-
PPP SELAM Vocational Academy (I & II)	4,875,483	-	-	5,050,694
Women & Youth Entrepreneurship Programme	1,006,420	-	-	-
Other Strategy/Roadmap Development Projects	1,024,349	-	-	-
Promoting bamboo and rattan small and medium-sized enterprises and industries for pro-poor livelihood development and environmental management	1,966,200			
Sustaining businesses and protecting jobs in the informal economy of Ethiopia	392,000			
Total Institutional Capacity-Building	10,773,568	-	-	5,050,694
PCP Coordination	1,058,154	-	-	-
Total cross-cutting	19,701,473			
Total PCP Portfolio to December 2021	65,239,379	896,747,375	984,954,779	5,162,301

4.4.1 PCP PRIORITY AREAS

4.4.1.1 Agro-Processing

The major milestone for agro-processing was the inauguration of the three agro-parks at Yirgalem (SNNPR), Bure in Amara Region and Bulbula in Oromia Region. In terms of facilitating coordination, eight RTC workshops have been held and nine PROSEAD/IAIP-SP coordination meetings undertaken under the EU-funded component of the IAIP initiative. Serving as secretariat, the UNIDO IAIP project has facilitated three technical subgroup meetings on agriculture (chaired by AICS), skills development (chaired by GiZ), investment (chaired by DfID) and access to finance (chaired by IFAD). One more subgroup will be formed on decent work (to be chaired by ILO) to improve coordination in these important areas of intervention. Furthermore, during the period under report, various functions were successfully executed including the Technical Task Force planning workshop at Yirgalem IAIP on 30-31 July 2021, consultative workshop for the promotion of IAIPs in general on 25 August and specific to Bulbula IAIP. The latter was presided by H.E. Temesgen Tilahun (D/Commissionaire, EIC) and two Service Land Lease Agreements were signed by Oromia IPDC and two investors, Shire Shanghai Industry and Trade Plc. and Oda Share Company with a total initial capital of over USD 122 million.

The IAIP project has negotiated and coordinated with IFC and AICS to pilot collateral commodity financing and capital goods lease in collaboration with Mol. Mol has set up a specialized Working Group including NBE, MoA, ATA, the National Banks Association, IFC, UNIDO and AICS on Commodity Collateralized Financing. UNIDO in partnership with Mol, the Regional Industrial Parks Development Corporations, and BMZ is working towards the piloting of CCF for agro-processors

and farmers' cooperatives active in the Integrated Agro-Industrial Parks and related RTCs in Oromia, Amhara, Sidama/SNNPR and Tigray. With the INOE project, the IAIP project has signed a 3.6 million ETB support agreement with Sidama IPDC. The agreement is aimed at delivering services on strengthening MSME clusters in selected micro value chains and creating employment opportunities. To expand the partner base, the IAIP project has started working with the *Tony Blair Institute* management team to align the activities being conducted by UNIDO and the Institute. Areas of collaboration where the two organization can complement each other have been identified and a work plan developed and agreed upon. Similarly, the project is collaborating with the *Ethiopian Management Institute* and *Ethiopian Food and Drug Authority* in the area of management capacity-building for UNIDO's government counterparts with the former, and in food, quality and traceability capacity-building and assessments with the latter.

The inauguration of the first of its kind, fully equipped *Coffee Training Center* on 8 June was the result of coordinated work between the Coffee and Tea Authority and the Coffee Project. Other projects including moringa, honey, fishery, livestock value chain upgrading, and the Mesale Drivers Academy have managed to conduct their Project Steering Committee meetings and review progress and challenges during implementation. The new ones, Honey and Livestock Value Chain upgrading, have set up project implementation units, developed work plans and launched the inception phase in coordination with Government counterparts. The *moringa project* has helped identify potential marketing partners to ensure sustainable market access for the cooperative who will eventual go into contract agreement after obtaining organic certification for their products

The livestock upgrading project has worked with General Administration of Customs of China (GACC) research center on a market study in China that aimed at identifying market requirements to export meat to China.

ERP ID	Completed project / sub-programme title (since start of the PCP)	Donor	Funding (US\$)
160110	Engineering design work for integrated agro-industrial parks and rural transformation centers in Ethiopia	PTF-Ethiopia	1,241,504
140330	Establishing Moringa-based Economic Development Program to Improve the Livelihood of Rural Women in Ethiopia	Italy	1,085,893
170226	Dairy for Development (D4D): Creating jobs along the dairy value chain in Amhara State, Ethiopia. Phase 1: North Gondar dairy value chain inception study	Austria	159,056
130316	Integrated Industrial Upgrading and Enterprise Development Approach	China	983,980
160252	Upgrading the livestock value chain in Ethiopia	PTF-China	654,000
Sub-total:			4,124,433
ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
130144	Improving the Sustainability and Inclusiveness of the Ethiopian Coffee Value Chain through Private and Public Partnership	Italy	4,147,562
170180	Capacity-building to upgrade the livestock value chain in Ethiopia	PTF-China	1,728,948
160276	Technical and institutional capacity-building for increasing production and developing the aquaculture and fisheries value chains in Ethiopia	Russia	2,000,000
190001	Support for the integrated agro-industrialization process in Ethiopia-PROSEAD component 5	EU	3,567,839
190016	Improved rural livelihoods through supporting the moringa value chain development in Southern Nations, Nationalities and Peoples' Region, Ethiopia	Italy	1,598,813



170118	Capacity and entrepreneurial skills development for sustainable agro-industrialization	AfDB	4,205,607
190092	Inclusive and sustainable industrial development for job creation in Ethiopia and Senegal	Germany	7,896,307
190339	Operationalization and sustainability of integrated agro-industrial parks in Ethiopia	Italy	2,180,052
200017	Strengthening the quality compliance capacity of the honey value chain for greater market access	Norway	1,769,580
Sub-total:			29,094,708
Total:			33,219,141.00

4.4.1.2 Leather and Leather Products

On the LISEC Component 1 project implemented by UNIDO, Hides and Skins (Output 1) has undertaken a stakeholder consultative workshop to review the existing raw H&S Marketing Regulatory Framework implementation status and the related standards and grading practices. A meeting hosted by EUD Ethiopia was held to discuss the possibility of complementarity and a possible Joint-Plan between UNIDO LISEC, Output 1 and HEARD Programme (Health of Ethiopian Animals for Rural Development). The training syllabus and training materials on raw hides and skins have been finalized, the challenge regarding training of trainers is being addressed. Ownership relating to the host of the training programme between Federal TVET and MoA, procurement of tools to enhance quality for the selected beneficiaries as per their respective gaps has been finalized and awaiting shipment, consultancy work to conduct slaughterhouse restructuring and a slaughterhouse by-products utilization study is on-going. In a recent meeting at MoA, the State Minister of Agriculture, Dr. Fikru Regassa, reaffirmed his commitment to play an active leadership role as owner of Output I of the project. Regarding Output 2 (Support to Tanneries), the study on energy audit and waste to energy prepared by SIGRA Group has been validated and recommendations were implemented by the selected companies. A successful effort was made to reinforce linkages between LIDI / LIDI Regional center and Modjo TVET by fostering close working relationships between the Team of Modjo TVET Center, LIDI and UNIDO-LISEC. The study conducted by LIDI on productivity, competitiveness and diversification has been incorporated in the annual workplan for LIDI. The establishment of LIDI Regional Center is ongoing. In Output III 3 (Promotion of investment in/around Modjo Leather City) equipment for the establishment of Modjo MSME footwear and leather goods cluster has been procured and awaiting shipment; the building to host the common manufacturing services for the cluster has been handed over to the project, although it requires rehabilitation. LISEC partnered with ELIA (Ethiopian Leather Industries Association) in hosting the 12th Edition of the All Africa Leather Fair (3-5 December 2021); two workshops were held on the sidelines of the fair, namely: Workshop 1 “COVID-19 impact on the Ethiopian Leather Industry and Highlighting UNIDO LISEC project Interventions”; and Workshop 2 on “Strategic business plan and guideline for establishment of MSME Cluster development in footwear and leather goods manufacturing”. A B2B was organized to be carried out virtually and physically before the fair started and a number of international and local traders had registered. However due to the situation in Ethiopia and the spike of COVID-19 cases, many cancelled their travels to the fair. Thus, onsite B2B meetings took place through on-desk interactions that benefited both local and international trades.

The *Modjo Leather City* is back on track with discussions being initiated by UNIDO, the European Investment Bank (EIB) and MoI. With the assistance of the Advisor to the Prime Minister, Amb. Girma Birru a meeting was held on 29 April 2021 in the Office of the President of the Oromia Regional State H.E. Mr. Shimeles Abdissa. The meeting was chaired by the President, where in attendance were H.E. Mr. Ahmed Shide, Minister of Finance, H.E. Mr. Melaku Alabel, Minister of Industry and the State Minister Teka Gebreyesus. It is to be recalled that the Government of Ethiopia has submitted a funding proposal to the EIB for up to USD 100 million to finance the construction of the MLC, and a startup fund is allocated from the bank to complete the feasibility study but the investment financing is still under consideration by the bank. In relation to this flagship project, the State Minister of MoF, H.E. Ms. Yasmin Wohabrebbi in a meeting held on 31 May reaffirmed that MoF will prioritize the LISEC MLC and make concerted efforts to raise the remaining 50% investment for the project. The State Minister duly acknowledged the pledged funds by AICS and expressed her interest to reach out to the agency and other partners on possibilities for additional support for this important project. Mrs. Yasmin pointed out the critical need to

complete updating the feasibility study as it is going to be used as an important reference in the fund mobilization process. In this connection, Modjo Leather City (MLC) action plan was prepared and follow up with MoF and MoI for coordination of resource mobilization.

With regard to the Leather Cluster project, a collaborative effort between the project and the EED (formerly known as FeSMMIPA), led to the completion and opening for business of the first Creative Hub in Ethiopia on 26 May 2021. The facility has been created with the intent to assist creative innovators, designers and small and medium-sized enterprises (SMEs) in a variety of fields by deepening their understanding of global design and industrial concepts, providing cutting-edge working tools and resources, and strengthening the link between young innovators, industrial, and governmental entities. Since the opening in May, the Hub has provided 44 different trainings, 19 workshops, 6 experience sharing/lectures with various international experts in various fields, 13 visits to industrial and governmental entities, and 13 networking events with large and medium-sized companies/industry actors, entrepreneurs, and government officials.

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
159291	Phase 2 (Extension) of the Technical Assistance Project for the Up-Grading of the Ethiopian Leather and Leather Products Industry	Italy	2,632,692
160086	Leather Initiative for Sustainable Employment Creation (LISEC)"	EU	8,815,462
Total:			11,448,154

4.4.1.3 Textile and Apparel

In the effort to contribute towards sustainable textile investment and operations in Ethiopia, UNIDO jointly with the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) have designed strategies to improve the environmental, social and governance performance of Ethiopia’s textile industries, mainly owned by Chinese and Ethiopian investors, thereby, promoting investment and export. UNIDO has been implementing key activities in collaboration with the China National Textile and Apparel Council (CNTAC) and the Ethiopian Textile Industry Development Institute (ETIDI). During the reporting period, the project has achieved some intermediate results, while some other activities are in progress. UNIDO jointly with CNTAC and ETIDI have published a report “Baseline Survey Report - Environmental, Social and Governance Performance of Textile and Apparel Enterprises in Ethiopia”. The baseline survey report was also endorsed by the project steering committee composed of the partners (Ethiopian Ministry of Industry (MoI), Ministry of Commerce (MofCom) of the People’s Republic of China, and the Ministry of Economic Cooperation and Development of the Federal Republic of Germany) and project technical partners (CNTAC, ETIDI, and GIZ). The sustainable textile knowledge management hub (www.africansustainabletextile.org) is developed to share state-of-the-art sustainable textile operations, sharing of best practices and the promotion of investment development is under final stage to be launched in the second quarter of 2022. The knowledge management hub is designed in a bilingual format (English and Chinese), which is envisioned to be scaled up to serve at least 10 other African countries, thereby contributing towards the achievement of the SDGs and countries’ NDC. To improve the capacity of the management and operation staff of 30 textile industries, i.e., composed of



15 Chinese, 10 Ethiopian and 5 other FDIs; the project has developed comprehensive ESG training manuals. The training is foreseen to be conducted during the 1st quarter of 2022, which will be provided by GIZ international experts. The training manual was designed to support industries to integrate the ESG principles in their operation, to enable them to design an action plan, independently undertake monitoring and evaluation of their ESG performances and execute performance scoring, and promote their corporate responsibility to attract international brands, while contributing towards inclusive and sustainable industrialization in the country. As part of the institutional capacity-building of the project intervention, UNIDO, in cooperation with the UN Global Compact, has successfully conducted awareness creation workshop on the Ten Principles of UN Global Compact for Chinese and Ethiopian key stakeholders. The purpose of the awareness creation workshop was to promote the Ten Principles of the UN Global Compact and encourage industries and support actors to incorporate those principles into their strategies, policies, and procedures. In addition, to upgrade the project management capacity of local counterparts, UNIDO has delivered structured trainings on project progress monitoring and result evaluation techniques. The training was given for key experts from ETIDI and Mol. A Memorandum of understanding (MOU) was drafted to establish collaboration between CNTAC and ETIDI. The collaboration is expected to strengthen the strategic partnership that transforms the status quo to more sustainable, inclusive, responsible, and resilient industry operation through policy dialogue, knowledge, and technology transfer, jointly developing, testing and incorporating innovative mechanisms to optimize the ESG management systems and operation efficiency of the industries, and through promoting business partnerships and FDIs. To promote global partnerships and accelerate sustainability in the Ethiopia's textile sector, the project has prepared an international sustainable textile conference concept. The conference is planned to be conducted in the second quarter of 2022. The conference will be organized by UNIDO jointly with CNTAC, ETIDI and Mol in a hybrid format. The main component of the conference includes panel discussions (involving panelists from senior experts and politicians), presentations by global and national experts on the current advances in climate responsive technologies and innovative industrial operation managements, and presentations on industries' ESG best practices by target international and national industries and input suppliers. Key topics in industries' energy and water stewardship protocols, best human resources management practices, and future trends in sustainable fashion industries will be presented. Target participants are tentatively identified, while the identification and communication with keynote speakers, special guests, and panelists is in progress.

Regarding the *Capacity-building and job creation initiative*, after a needs assessment was conducted in the Tigray Regional State, it was decided to shift the implementation of project activities and that a re-definition of project work plan is needed with relocation of project activities to Addis Ababa.

UNIDO is developing the initiative *to promote Circular Economy in the textile and garment value chain in Ethiopia through sustainable management of POPs chemicals and waste*; and the reuse, recycling and remanufacturing of textile/garment discards and waste. In addition to promoting the economic competitiveness of the sector, the project will also support the adoption of international best practices and compliance with international standards, norms and/or regulations. In particular, the project will assist the selected countries to implement the provisions of the Stockholm Convention on persistent organic pollutants with synergistic effects of also reducing the emission of greenhouse gases, thereby addressing the issue of climate change. The project was approved by the Global Environment Facility (GEF) during its 59th Council Meeting held from 7-11 December 2020. In the course of 2021, the Project Preparation Grant (PPG) phase was implemented to validate, update and deepen the information already articulated in the PIF.

With the support of the Ministry of Industry, ETIDI with the guidance of UNIDO and its international experts, visited and assessed several textile and garment industries. The PPG consultations and assessments studies resulted in the following main documents which were used to develop the project document (CEO endorsement):

- Identification of BAT/BEP and RECP options for selected Ethiopian Textile and Garment Industries
- Climate Risk Screening

- Impact assessment of COVID-19 in the implementation of waste management for selected Ethiopian Textile and Garment Industries
- Baseline Study on Waste Generation, Characterization and Management Practices for Selected Ethiopian Textile and Garment Industries
- Environmental and Social Management Plan
- Gender Mainstreaming

The MoI coordinated the activities and developed a Stakeholder Engagement Plan (SEP) under this project. During the PPG period, UNIDO held discussions to build partnerships with relevant stakeholders including government institutions, development partners, international brands, university and research institutions, etc. UNIDO is partnering with GIZ through their Sustainable Industrial Clusters (S.I.C.) project in Ethiopia. Resources and information will be shared to ensure synergy. Furthermore, UNIDO organized several virtual training webinars for the Ministry of Industry and ETIDI teams on BAT/BEP and RECP, Procurement and Gender Mainstreaming.

As a result of all the PPG activities carried out by the Ministry of Industry, ETIDI, international experts and UNIDO team in the field and HQ, the project document (CEO endorsed) was developed and a PPG validation and endorsement workshop by national relevant stakeholders was organized and conducted by MOI and UNIDO both virtually and in person on December 10/2021. After the participants' endorsement of the project document, UNIDO submitted the project document for internal review and will submit the project to GEF SEC in February for the final approval.

ERP ID	Completed project / sub-programme title (since start of the PCP)	Donor	Funding (US\$)
200231	Promotion of circular economy in the textile and garment sector through the sustainable management of chemicals and waste in the Ethiopia	GEF	100,000
Sub-total:			100,000
ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
170040	Capacity-building and job creation for youth and women in the textile sector in migration prone areas of Ethiopia	Italy	2,603,811
190414	Sustainable textile investment and operation in Ethiopia	China	353,982
Sub-total:			2,957,793
Total			3,057,793

4.4.1.4 Cross-cutting

The EU-funded project entitled “*Support to Business-Friendly and Inclusive National and Regional Policies, and Strengthening Productive Capabilities and Value Chains in cooperation with EIC*” is in the process of developing a business directory and investment project profiling as part of an investment promotion activity. Aside from identifying business leads and facilitating business linkages, the ITPO Liaison Offices were engaged in organizing various events in coordination with their counterparts.

ITPO Tokyo also organized a technology exhibition on 13-15 October 2021 to showcase selected sustainable technologies from Japan in the fields of energy, environment, agri-business and human health. Twenty-five (25) companies took part as exhibitors. Furthermore, the liaison office has facilitated business dealings and discussions involving multi-national companies including SUMITOMO's bid to participate in the Ethiopian telecom business, and the company's long-term



interest to invest in the agriculture sector in Ethiopia, and Fumin Corporation Japan research and testing of FUMIN organic fertilizers. In addition, the office organized a mission to Sidama Region, Hawassa and Yirgalem, and conducted site visits to Food for Future, PLC Japan, and a dairy processing investment in Arbegona woreda, Yaye city. In this connection, the office has facilitated the company's investment activities and the construction of the factory in Arbegona. Furthermore, ITPO Tokyo organized and conducted an Ethiopian online delegate programme launched on 4 October in partnership with the Ethiopian Investment Commission. More than ten Japanese firms who are based in Japan, South Africa, Kenya and Ethiopia have participated in this delegate programme.

ITPO Korea, in coordination with EIC and the National Resource Services of Korea, organized an online seminar on “Capacity-Building in Research and Policy Advocacy in the ICT Sector”, and facilitated the introduction and popularization of new beehive controller technology by a Korean Firm to Ministry of Agriculture. The office continues to provide partnership building support in the area of pharmaceuticals, chemicals production, energy and smart agriculture, and it is leading an ongoing engagement with 7 Korean firms to identify potential sourcing of leather from Ethiopia. It also collaborated with EKOS Steel Mill PLC and KOTRA to organize the Korean Agricultural Machinery Exhibition held from 2-5 November 2021 involving 13 Korean companies. *ITPO Italy* has started a new global project, which includes Ethiopia, promoting investments in the field of energy.

In partnership with *the Water Development Commission* a solar powered water treatment plant is made operational in Chancho, Oromia region by the energy project. A new ABM project (200333) was approved by UNIDO in August 2021, and is waiting for approval by the GCF on the AfDB's framework programme. In consent of both State Ministers for irrigation and potable water, a non-objection letter for both ABM projects is acquired from the National Designated Authority (NDA) at the Environment and Forest Commission and is sent out to the Green Climate Fund (GCF). The status of the proposal submission process is communicated to both Agriculture and Water Bureaus. Detail project documents are under development through the involvement of the two beneficiary regional sector bureaus (Oromia agriculture and water bureaus).

ERP ID	Completed project / sub-programme title (since start of the PCP)	Donor	Funding (US\$)
160089	Stemming irregular migration in northern and central Ethiopia	EU	1,509,116
120619	HCFC phase-out management plan (stage I)	Montreal Protocol	139,771
120211	A Private Public Partnership Project: Training Academy in Heavy Duty Equipment and Commercial Vehicles in Ethiopia	Sweden	1,915,562
150037	PCP - Programme for Country Partnership in Ethiopia (programming/ coordination)	PTF - China	1,058,154
150130	UNIDO's Third ISID Forum - Finance for Development	PTF-China	250,000
180168	HCFC Phase-Out Management Plan (Stage II)	Montreal Protocol	8,000
Sub-total:			4,880,603

ERP ID	Ongoing project / sub-programme title	Donor	Funding (US\$)
140347	Training Institute for Commercial Vehicles Drivers in Ethiopia: A Private-Public Partnership Project to Support Specialized Skills Development.	Sweden	2,959,921
210112	Sustaining businesses and protecting jobs in the informal economy of Ethiopia	UN COVID-19 Response and Recovery Fund	392,000
180206	Phase 2: Improving public health through solar-powered water sanitation systems in Ethiopia	Japan	884,956
	Enhancing rural livelihood in Ethiopia through improved energy and water access and management	UN	1,479,000
	Promoting bamboo and rattan small and medium-sized Enterprises and industries for pro-poor livelihood development and environmental management	China	1,966,200
Sub-total:			7,682,077
Total			12,562,680.00

PCP ETHIOPIA KEY PERFORMANCE INDICATORS

Agro-processing

- Three of the four pilot integrated agro-industrial parks (IAIPs) inaugurated by the Prime Minister and open for business Six investors established processing factories at the IAIPs with \$229,432,670 capital outlay
- 16,703 jobs created in the IAIPs and the associated Rural Transformation Centres
- 93,000 IAIP-linked farmers benefitted from sales and technology transfer
- 93,000 IAIP-linked farmers trained and equipped with skills on production and supply of industry-grade agricultural raw material
- The first of its kind coffee training centre in Ethiopia, equipped with state-of-the-art technology, opened to support skills development, demonstrating effective public-private partnerships between the Government and the private sector, in particular illycaffè
- 27,000 coffee farmers trained
- Coffee project-linked farmers increased their income by 168 per cent

Leather and leather products

- 10 studies and analytical work undertaken, including related to the competitiveness of the leather sector; the setting up of the Leather Industry Development Institute regional centre in Modjo; and micro-, small and medium-sized enterprises (MSMEs) cluster in Modjo for footwear and leather goods
- Creative hub with state-of-the-art tools and materials established by the leather cluster project to support start-ups and small and medium-sized enterprises (SMEs) in industrial innovation and designs
- 3,518 new jobs created, including 57.6 per cent for women
- 700 SMEs reached in four clusters
- 120 SMEs acquired specialized skills
- 340 SMEs increased their profit margin
- Average of five per cent increase in export volume achieved
- \$255,418 mobilized to support SMEs from the Italian Agency for Development Cooperation



Textiles and apparel

- 72 persons trained, including 39 women. Trainees drawn from counterpart agencies and industries
- Enterprise resource planning (ERP) and knowledge hub on environmental, social, and governance (ESG) internet-based platforms established to facilitate communication between the Ethiopian Textile Industry Development Institute and stakeholders engaged in the textile sector
- \$3,000,000 mobilized from the Global Environment Facility to support the Ethiopian textile and garment sector through circular economy

Cross-cutting interventions

- 16,041 kWh of green energy produced to supply an elementary school and 70 households
- 500 households gained access to drinking water thanks to an innovative solar power filtration system producing 8,400 litres of clean water per day
- 155 business opportunity profiles developed for industrial development institutes and 1,054 firms listed in the business directory for the Ethiopian Investment Commission to support investment promotion and aftercare services
- 20 business deals facilitated with Japanese firms, with an average of \$1 million investment each
- 12 selected Japanese technologies being promoted in Ethiopia
- In total, over \$1.9 billion leveraged in funding to support industrial infrastructure and agricultural commodity value chain development (cumulative amount for the period 2015-2021, including UNIDO's technical cooperation portfolio, government allocations and parallel funding from development partners)
- Over 20 government agencies, international institutions, including financial institutions, and development partners are actively participating in the PCP framework
- 14 public institutions and agencies benefitted from capacity-building support and technology transfer

5. Response to COVID-19

The COVID-19 crisis has led to severe economic losses by workers in the informal economy. In this regard, the JP “*Sustaining businesses and protecting jobs in the informal economy of Ethiopia*” is part of the UN response to alleviate the effects of the COVID-19 crisis and brings together UNIDO, UNDP, ILO and UN Women with a total budget of USD 1,698,57, out of which UNIDO's implementing share is USD 419,440.

Based on the findings of the UN's SEIA, the most vulnerable and affected group in Ethiopia so far includes workers, mainly women members in micro and small enterprises (MSEs), especially in the informal sector, and cooperatives. The second most vulnerable group of workers are the 3.1 million self-employed workers that constitute about 41% of the 7.5 million employed people in urban areas of Ethiopia. Within this broader context, both the UN Country Team (UNCT) and key Ethiopian government authorities have recognized that there is an urgent and critical need to plan and implement initiatives focused directly at the informal sector. The major goal of the Joint Programme is to execute evidence-based and gender-sensitive initiatives and emergency actions to mitigate the negative impacts of COVID-19 on the private sector in order to protect jobs and social services. To that end, the overall policy goal has been to preserve the productive base, firm structure (formal/informal), and employment levels in the economy while avoiding a harmful breakdown across sectors (particularly agriculture and non-agriculture) as well as social service sectors.

The output that UNIDO covers in the JP “*Informal sector businesses are supported to be formalized and organized into to access business development support*” is formulated in alignment to the ongoing project under the PCP “*Technical Assistance Project for the Up-Grading of the Ethiopian Leather and Leather Products Industry*”. UNIDO closely worked with the Federal Small and Medium Manufacturing Industry Promotion Agency (FeSMMIPA) – now called *Ethiopian Enterprise Development (EED)* – to identify the baseline of informal SMEs active in the leather sector in Addis Ababa. As result, a database has been designed capturing relevant and important data. Moreover, the newly created database aims to assess operators in the informal economy, capturing the level of impact (in terms of sales) and identify potential target

businesses and operators in the informal sector. The preliminary findings of the assessment showed that the leather MSEs clusters have been highly impacted by the ongoing COVID-19 pandemic. Early results illustrate that the ongoing pandemic crisis has forced the MSEs leather clusters to lose capital and increase operational expenditures, while scaling down their manufacturing operations (sometimes up to 40-80% due to reduced demand). Furthermore, the MSEs experienced increasing difficulties in access to credit, inflation, and shortage of raw material supplies. In light of the above, one of the first response intervention identified was to acquire critical raw materials for MSEs. The first round of raw materials was distributed to 237 MSEs, addressing approximately 900 employees, in order to increase the MSEs' overall production capability. Additionally, another area of intervention identified was the establishment of a marketing link for MSEs. In this regard, UNIDO and EED supported over 177 small and medium enterprises (SMEs) to market and sell their own products in the center of the city for 7 consecutive days. Following several months of negative sales due to the COVID-19, the facilitated market linkages created an opportunity to increase significantly SME turnover.

6. Communication

- The major milestones registered by PCP ETH in 2021 i.e. the inauguration of the three pilot integrated agro-industrial parks at Yirgalem, Bulbula and Bure; and the inauguration of the Coffee Training Center and the Creative Hub have received broad electronic and print media coverage partly because of presence at these events of the leaders of the country including the Prime Minister but also, mainly, because of the anticipated quite significant contribution of the modern industrial infrastructure to the national economy;
- As indicated above, the participation of senior Government officials including the president of FDRE at the IDDA III event, the minister of MoF at UNIDO's 8th ISID Forum, and the state minister of MoI at the PCP Peer Learning session and the GMIS 2021 Digital Forum representing PCP Ethiopia was important for sharing the experiences and achievements of the successful partnership platform at regional and global scale earning the PCP Ethiopian chapter wide recognition and appreciation;
- The various publications including the regularly produced newsletter of the regional office hub, manuals, pamphlets and flyers produced and circulated by flagship projects have helped to reach wider audience of stakeholders delivering timely message on the contribution of UNIDO TC projects within the PCP framework to the advancement of the industrial sector and economic development in Ethiopia.

7. Upcoming milestones and major results expected in 2022

In 2022, UNIDO and the Government will proceed with the formulation of the PCP for Ethiopia continuation to cover an additional five years, and support the reinstatement of the Inter-Ministerial Coordination Mechanism. The PCP continuation phase will maintain flexibility to capture current government priorities and adapt to new changes and arising challenges.

The MoF will seek to mobilize the additional USD 515 million needed to fill the investment gap for the upgrading of the agricultural production and supply system, including agricultural infrastructure development in the selected agro-corridors around the IAIPs. It is to be recalled that the Government of Ethiopia has also submitted a funding proposal to the EIB for up to USD 100 million to finance the construction of the MLC, and this will need close follow up going forward. Furthermore, close follow up will be required to get approval of the Ethiopian Parliament for the USD 22 million soft loan and grant pledged by AICS, and support the signing process of another USD 3 million for de-risking investment in the coffee sector from the same organization.



TC PROJECTS

- The IAIP project will continue to facilitate coordination meetings among implementing development partners and the Government, federal and regional technical working groups, organize workshops and skills upgrading trainings, and organize industrial study tours at federal and regional levels in collaboration with donors. Furthermore, the project will build the capacity of federal and regional institutions to provide oversight in quality and enhanced food safety; and continue to engage in investment promotion towards the IAIPs;
- LISEC project: Training of trainers of the FTCs and FTVETS will be finalized; slaughterhouses and hides and skins warehouses will be rehabilitated through the supply of tools and equipment; feasibility for slaughterhouse by-product utilization completed and submitted to MoA to explore investments; tanneries assisted in adopting modern technologies and assisted to start the process of LWG (Leather Working Group) compliance; LIDI Regional Satellite and laboratory established and functional providing services to the cluster tanneries in and around Modjo; Modjo Footwear and Leather Goods Cooperative established, and the common manufacturing facility commissioned and in use;
- The coffee project will keep supporting the Ethiopian Coffee and Tea Authority in managing sustainability the operations at the Coffee Training Center, in partnership with the Ethiopian coffee private sector, and illycaffé technical advisory;
- The moringa project is planning to start the full phase of implementation, including the finalization of the gender baseline assessment study;
- The honey project is entering the inception phase and is in the process of setting up a project coordination unit at the Ministry of Agriculture to be managed by project staff and the focal person delegated by the ministry;
- The livestock value chain upgrading project funded by MoFCOM China has recruited an NPC and is planning to launch phase II of project operations soon;
- The leather cluster project will work with EED (formerly known as FeSMMIPA) on providing additional trainings and technical support to the Creative Hub beneficiaries, broadening the formative offer. Furthermore, it is expected that the number of beneficiaries at the Creative Hub will be expanded as well;
- The textile project plans to deliver the purchased machinery and equipment including one digitizer, 10 CAD CAM software systems for pattern making, one standby generator, one plotter and pattern cutter, and 10 computers with all assessors to the project site in Mekelle (conditions permitting); conclude the ERP system modules and training manual development. However for the time being, it will be implemented only in Addis Ababa area due to the current situation in the Tigray Region. Furthermore, with the 2nd project on sustainable textile investment and operations funded by China, a series of trainings will be conducted on design and ESG management. The project will also establish ESG knowledge hubs or digital platforms to enable target textile and apparel industry access to knowledge materials, online trainings, relevant ESG-related and market information, interactive ESG performance scoring, and facilitate international brands access to have quick access to ESG performances of local and Chinese counterparts for establishing business relations, and sharing industrial best practices and capacity-building measures.
- The training programme of the Mesale Drivers Academy is expected to progress with TV and radio announcements put out and expectations of more new trainees to enroll in the training, and the Academy is hoping to secure occupational standards approved at the national level;
- The construction of the foundation for the treatment technology for the water sanitation project is expected to be completed and WASH training will be organized to the beneficiary community;
- On investment, renewed efforts will be made to secure funding for the event industry, capacity-building and the subcontracting partnership exchange projects; and
- ITPO Tokyo and ITPO Korea focal points will continue with their outreach programmes to identify enterprise/business leads with potential investment opportunities and with organizing functions to promote investments from Japan and the Republic of Korea in Ethiopia. ITPO Italy will continue with the promotion of investments in the field of energy.

Annex 1: PCP portfolio overview – UNIDO TC

ERP ID	PCP component or cross-cutting area	Completed project / sub-programme title (since start of the PCP)	Donor	Funding (US\$)
160110	Agro-Processing	Engineering design work for integrated agro-industrial parks and rural transformation centers in Ethiopia	PTF & Ethiopia	1,241,504
140330	Agro-Processing	Establishing Moringa-based Economic Development Program to Improve the Livelihood of Rural Women in Ethiopia	Italy	1,085,893
170226	Agro-Processing	Dairy for Development (D4D): Creating jobs along the dairy value chain in Amhara State, Ethiopia. Phase 1: North Gondar dairy value chain inception study	Austria	159,056
130316	Agro-Processing	Integrated Industrial Upgrading and Enterprise Development Approach	China	983,980
160252	Agro-Processing	Upgrading the livestock value chain in Ethiopia	PTF-China	654,000
200231	Textile	Promotion of circular economy in the textile and garment sector through the sustainable management of chemicals and waste in the Ethiopia	GEF	100,000
160089	Cross cutting	Stemming irregular migration in northern and central Ethiopia	EU	1,509,116
120619	Cross cutting	HCFC phase-out management plan (stage I)	Montreal Protocol	139,771
120211	Cross cutting	A Private Public Partnership Project: Training Academy in Heavy Duty Equipment and Commercial Vehicles in Ethiopia	Sweden	1,915,562
150037	Cross cutting	PCP - Programme for Country Partnership in Ethiopia (programming/coordination)	PTF-China	1,058,154
150130	Cross cutting	UNIDO's Third ISID Forum - Finance for Development	PTF- China	250,000
180168	Cross cutting	HCFC Phase-Out Management Plan (Stage II)	Montreal Protocol	8,000
Sub-total:				9,105,036

ERP ID	PCP component or cross-cutting area	Ongoing project / sub-programme title	Donor	Funding (US\$)
130144	Agro-processing	Improving the Sustainability and Inclusiveness of the Ethiopian Coffee Value Chain through Private and Public Partnership	Italy	4,147,562
160276	Agro-processing	Technical and institutional capacity-building for increasing production and developing the aquaculture and fisheries value chains in Ethiopia	Russia	2,000,000
170180	Agro-processing	Capacity building to upgrade the livestock value chain in Ethiopia	China	1,728,948
190001	Agro-processing	Support for the integrated agro-industrialization process in Ethiopia-PROSEAD component 5	EU	3,567,839



ERP ID	PCP component or cross-cutting area	Ongoing project / sub-programme title	Donor	Funding (US\$)
190016	Agro-processing	Improved rural livelihoods through supporting the moringa value chain development in Southern Nations, Nationalities and Peoples' Region, Ethiopia	Italy	1,598,813
170118	Agro-processing	Capacity and entrepreneurial skills development for sustainable agro-industrialization	AFDB	4,205,607
190092	Agro-processing	Inclusive and sustainable industrial development for job creation in Ethiopia and Senegal	Germany	7,896,307
190339	Agro-processing	Operationalization and sustainability of integrated agro-industrial parks in Ethiopia	Italy	2,180,052
200017	Agro-processing	Strengthening the quality compliance capacity of the honey value chain for greater market access	Norway	1,769,580
159291	Leather	Phase 2 (Extension) of the Technical Assistance Project for the Up-Grading of the Ethiopian Leather and Leather Products Industry	Italy	2,632,692
160086	Leather	Leather Initiative for Sustainable Employment Creation (LISEC)"	EU	8,815,462
170040	Textile	Capacity-building and job creation for youth and women in the textile sector in migration prone areas of Ethiopia	Italy	2,603,811
190414	Textile	Sustainable textile investment and operation in Ethiopia	China	353,982
140347	Cross cutting	Training Institute for Commercial Vehicles Drivers in Ethiopia: A Private-Public Partnership Project to Support Specialized Skills Development.	Sweden	2,959,921
210112	Cross cutting	Sustaining businesses and protecting jobs in the informal economy of Ethiopia	UN	392,000
180206	Cross cutting	Phase 2: Improving public health through solar-powered water sanitation systems in Ethiopia	Japan	884,956
	Cross cutting	Enhancing rural livelihood in Ethiopia through improved energy and water access and management	UN	1,479,000
	Cross cutting	Promoting bamboo and rattan small and medium-sized Enterprises and industries for pro-poor livelihood development and environmental management	China	1,966,200
Sub-total:				51,182,732
PCP total⁴				60,287,768

⁴ This figure does not include all TC projects phased out from the initial start of PCP Ethiopia. See the figure in the snapshot for the total portfolio since 2015.

Annex 2: Investments leveraged by the PCP, updated for 2021

Parallel Funding (USD)								
Partner	Project	Link to PCP/ UNIDO	2016	2017	2018	2019	2020	2021
GoE	Public Financing (IAIPs Infrastructure)	IAIPs	150,000,000	150,500,000	203,000,000	100,600,000	330,000,000	110,000,000
EU	Agriculture Growth Project	Value Chains – IAIPs		75,000,000				
AICS	Agricultural Value Chain Development	IAIPs		50,223,214	37,946,429		3,348,214	2,000,000
Norway	Agricultural Value Chain Development	IAIPs						1,769,580
China	Agricultural Value Chain Development	Industry – IAIPs						4,349,148
WB	National Quality Infrastructure	Industry – IAIPs		50,000,000				
EU	LISEC – MLC Package	LISEC – MLC			8,091,518			
AfDB	IAIP Infrastructure Development Project	IAIPs			61,330,000	100,000,000		
EU	PROSEAD	IAIPs				270,038,000		
Various	PROSEAD Parallel Funding (AfDB, Italy, Korea Exim Bank)	IAIPs					122,850,000	
EIB	MLC	MLC					100,000,000	
AICS	Bilateral	MLC					17,920,000	
GoE	Textile Sector Study	Textile			2,000,000			
GoE	Leather Clusters Infrastructure	Leather			790,000			
GoE	Third International Agro-Industry Investment Forum	Investment Promotion				473,934		
UN	Capacity building	Industry						2,958,000
Total			150,000,000	325,723,214	313,157,946	471,111,934	574,118,214	121,076,728
Grand Total (Parallel Funding, 5 years)			1,955,188,036					



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