



International Labour Organization (ILO)
ProAgro Ethiopia –‘Promotion of Decent Work in Agribusiness’ Project

Project highlights

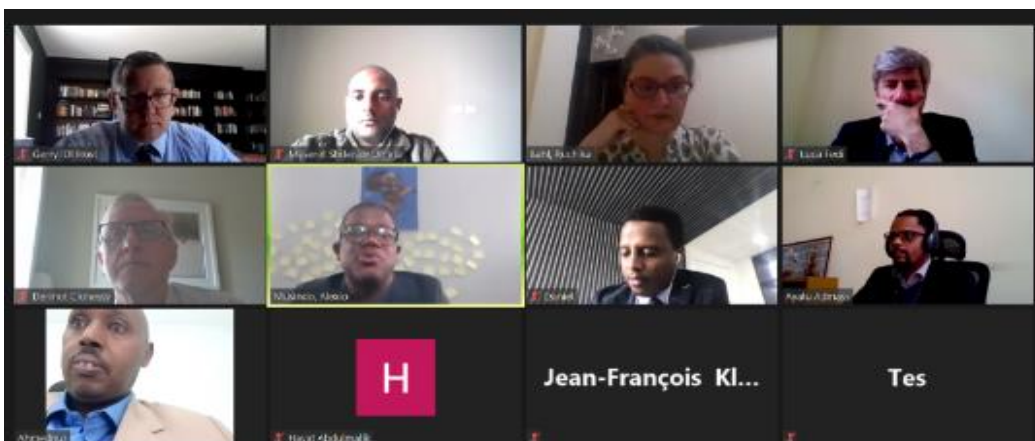
December 2020 –May 2021

1. A baseline diagnostic assessment on understanding the capacity development needs of the Ethiopian Investment Commission undertaken:

The ProAgro Ethiopia project as part of its inception phase undertook in collaboration with the Ethiopian Investment Commission, a baseline diagnostic of the investment promotion system in Ethiopia, from an employment perspective. The objective was to determine the effectiveness of current FDI policies, institutions and practices to drive more and better employment outcomes from new and existing FDI investment projects with a focus on agribusiness.

The diagnostic study found the need to support Ethiopian Investment Commission (EIC) and the Regional Investment Bureaus (RIB) in the project’s target areas – Amhara and Sidama on targeting investors, negotiating incentive offerings, facilitating company project set-up and supporting the retention/expansion of existing investors.

A virtual validation workshop on the findings of the diagnostic report was held on 26 April 2021 with the Deputy Commissioner co-leading the discussion along with ILO Country Director and was attended by the EIC team and the tripartite constituents. Moving forward, the project is designing a joint capacity building plan for the commission and its regional bureaus by identifying areas of interventions to enhance investment promotion activities focussing on decent employment.



**Virtual Validation Workshop on the findings of the diagnostic report with stakeholders
26 April 2021**



- 2. A Rapid Skills Assessment (RSA) of the Agro-processing sector during the COVID-19 pandemic', Ethiopia** was conducted with the objective to identify the skill and labour deficiencies, shortages and surpluses resulting from the impact of the COVID 19 pandemic and to recommend effective reskilling and upskilling measures in the Agro-processing sector.

The study found that the Technical Vocational Education and Training (TVET) system was lagging behind in providing skills development relevant for the agro-processing sector. Lack of practical orientation within the current education and training system, weak competency of higher education trainers resulting in imparting of low quality trainings and weak industry linkage has resulted in poor work-based learnings and/or limited apprenticeships and internships programmes for trainees. A supply-driven nature of the education and training system and minimal skills anticipation has contributed to the skills mismatch. In addition, the agriculture TVETs that were assessed were offering very few trainings catering to the agribusiness industry.

A virtual validation workshop on the study findings was held on 11 May 2021 with stakeholders including the tripartite constituents. The report is currently being finalised in light of the relevant observations and inputs received.

- 3. The Pro Agro Ethiopia project conducted a Sector and Region Selection study** that aimed to provide an objective way for the project to narrow its scope in identifying sectors and regions where its implementation would have high potential impact. It was conducted through a review of existing literature and data as well as through insights conveyed during in-depth interviews with key sector stakeholders as well as the representatives from the agro-industrial parks in the four regions of Ethiopia namely Amhara, Oromia, Sidama/SNNP and Tigray. Eight agriculture sectors were analysed relative to three overarching criteria: relevance for the target group, opportunity for growth to create more and better jobs and the feasibility of the project to implement in a way that could bring meaningful change. Given the assessments to these criteria, three sectors were identified i.e. Fruit and vegetables, Poultry and Edible Oil.

Regarding potential region selection, regions were assessed relative to the extent the project would be positioned to drive change in the selected three sectors. In an assessment of ongoing activities and emerging initiatives as well as the relative security and stability outlook in each region, it was recommended that the project work in both Amhara and Sidama regions. The study is available on https://www.ilo.org/empent/areas/value-chain-development-vcd/WCMS_778097/lang--en/index.htm

- 4. Market System Analysis (MSA) Study:** Building on the sector and region selection, ProAgro Ethiopia conducted a Market System Analysis (MSA) for each of the three sectors. This analysis sets out to understand the project's target group - female and male farmers, workers and small and medium enterprises (SMEs) - in the context of the fruit and vegetables, poultry and edible oils sector in both Amhara and Sidama regions. Given the project focus, the analysis has delved into key constraints across the value chain and a series of practical, evidence-informed interventions identified to address those constraints influencing these sectors, including access to finance, skills, cooperatives, wages and working conditions, entrepreneurship and the enabling environment.

The three sector reports have been shared with relevant stakeholders and the tripartite constituents for their feedback and observations which is currently being processed.