



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
and
FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Project number:

Project Title: Technical Support for the Implementation of an Integrated Agro Industrial Park (IAIP) in Ethiopia

Starting date:	2015
Duration:	16 Months
Country:	Oromia Region, Ethiopia
Government Implementing Institutions:	Ministry of Industry (MoI) and Ministry of Agriculture (MoA), Federal Democratic Republic of Ethiopia
Executing Agencies:	United Nations Industrial Development Organization (UNIDO) Food and Agriculture Organization of the United Nations (FAO)
Estimated Budget:	EUR 1.45 million, including support costs) ¹
Resource Partner:	Italian Development Cooperation (IDC)

BRIEF DESCRIPTION:

Integrated Agro-Industrial Parks (IAIPs) present a strong option to transform Ethiopian agricultural production from its current fragmented and supply-driven practices to becoming organized, safe, demand-led and quality oriented.

This project proposal is a continuation of the work undertaken during a previous phase (Phase I), when support was given to the feasibility studies and business plans for the implementation of IAIPs in four selected locations in Ethiopia. Phase I was partially funded by the Italian Development Cooperation (IDC). UNIDO, FAO and UNDP provided additional resources and technical support.

The Government of Italy (GoI) through the IDC indicated its willingness to contribute additional EUR 1.45 million for the technical assistance in support of the IAIP initiative. Following the priorities of the GoI, Central-East Oromia has been identified for the realization of the first pilot IAIP; hence, of this proposed joint project.

The proposed project will support the establishment of one Integrated Agro-Industrial Park in Oromia Region. This will also include the establishment of a government nodal entity to coordinate and design the IAIP; promote the IAIP at an international level; and work with smallholder farmers and other value chain actors to develop selected value chains within the Agro-Commodities Procurement Zone (ACPZ).

¹ UN operational exchange rate, as of 1 October 2015: EUR 1 = USD 1.12204

Signatures

On behalf of the Ministry of Industry, Government of Ethiopia:

On behalf of the United Nations Industrial Development Organization:

1. CONTEXT

The agricultural sector is central to the performance of the Ethiopian economy. The sector directly supports 85 per cent of the population and 80 per cent of export earnings are derived from it. Consequently, agriculture remains central to the government's structural transformation and poverty reduction efforts. Yet, only 13.9 million hectares of land (about 27 percent of the arable land) is currently cultivated (CSA, 2013). This abundance of unused arable land presents a substantial opportunity to increase agricultural output.

Male and female smallholder farmers are the main producers of agricultural outputs. They face numerous challenges that must be addressed if the economy and farmers are to benefit over the long term. Smallholder farming is often characterized by low inputs and low outputs. It is also largely supply-driven and farming plots are often scattered over large areas, leaving production highly fragmented and with large post-harvest losses. As a result, organizing raw materials for Ethiopia's burgeoning industrial sector is a substantial challenge.

If agriculture is to continue as a source of economic growth for Ethiopia, structural transformation is needed. Agro-industries are the link between agriculture and industry and present an opportunity for Ethiopia to take a further step in its economic development, moving from agriculture toward light industry.

Agro-industries already account for the largest share of manufactured goods in Ethiopia with food and beverages constituting approximately 52 percent. Agro-industrial development is crucial due to the close connection to the agricultural basis of the Ethiopian economy. The strong linkages to the rest of the economy and the use of abundant agricultural products as inputs create a positive climate for the development of agribusiness. An improved investment climate alone has not been sufficient to attract investors to the agro-processing sector in places where there is a high economic potential. This is mainly due to lack of proper infrastructure and the subsequent inadequate supply of raw material.

Oromia Regional State is one of the nine administrative regions of Ethiopia. It is divided into 18 zones, 309 districts and 6,343 *kebeles* (BoFED, 2007). Total population of Oromia is above 27 million. The major land use patterns include cultivation, forest of different types, woodland, bushes, wetlands, grasslands, barren and settlement areas. The largest proportion of land in Oromia is grassland (33.9 percent). The cultivated land area is the second largest category (28.4 percent).

2. INTEGRATED AGRO-INDUSTRIAL PARKS

In 2009, UNIDO and FAO, in collaboration with the Ministry of Industry and Ministry of Agriculture, developed an agro-industry sector strategy for Ethiopia. One of the important mechanisms for accelerating the agro-industry sector was the development of Integrated Agro-Industrial Parks in Ethiopia.

In 2014, seventeen Agro-Industrial Growth Corridors (AIGCs) were identified by the Government of Ethiopia in all Regional administrations of the Country in an effort to bolster the development of the agro-industrial sector. Four AIGCs (South-West Amhara, Central-East Oromia, Eastern SNNP, and Western Tigray) were selected to pilot the establishment of Integrated Agro-Industrial Parks.

According to the Ethiopian Agro Industry Sector Strategy document, the IAIP is a geographic cluster of independent firms grouped together to share infrastructure (i.e. roads, power, communication, storage, packaging, by-product utilization, effluent treatment, logistics and transport, training, laboratory facilities, etc.) and to exploit the opportunities for joint buying, selling, training, extension services and other synergies which can arise from shared efforts. The IAIPs present a strong option to transform Ethiopian agricultural production from its current fragmented and supply-driven practices to becoming organized, safe, demand-led and quality oriented.

Successful establishment of such pilot IAIPs across strategic production hubs is expected to lead to the transition of agriculture to an organized, high-tech, safe, demand-led, and high-value oriented

sector. The concentration of activities and services in one area is expected to facilitate economies of scale for the transformation of agricultural products for export or further commercialization. IAIPs will lead to increased competitiveness of the agri-food sector, while including smallholder farmers and processing businesses in growing and modernizing agricultural value chains in Ethiopia.

Closely linked to IAIPs are Rural Transformation Centres (RTCs). RTCs are collection and aggregation areas and/or transitional markets, where farmers, cooperatives, individual farmers, and private aggregators sell their produce to feed the IAIP. They are a critical link between farmers and agro-processors.

The development of RTCs implies supporting the existing agricultural clusters and aggregation points, in order to enable the supply of raw and semi-processed material to the IAIP. Improvement of RTCs could envisage investments to perform inter-alia primary processing activities such as cleaning, screening, grading and packaging of products and to ensure delivery of market information, agri-inputs, storage, extension and training services, and agro-logistics to smallholder farmers.

Establishing IAIPs falls within the bounds of Inclusive and Sustainable Industrial Development (ISID), which is a mandate given to UNIDO by its member states as part of the 2013 Lima Declaration. This initiative also contributes to FAO Strategic Objective 4 “Enable more inclusive and efficient agricultural and food systems at local, national and international levels”; and in particular Organizational Output 40203 “Support to value chain actors to promote inclusive, efficient and sustainable agro-food chains”. Finally, it relates to Goal #9 “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation” of the Sustainable Development Goals (SDG) adopted at end of September 2015 at the UN Summit for the Adoption of the Post-2015 Development Agenda.

3. FEASIBILITY STUDY

The government of Ethiopia emphasized the establishment of IAIPs as a priority and requested UNIDO to coordinate the implementation of a feasibility study and business plan for pilot IAIPs in four Regional States (Amhara, Oromia, SNNP, and Tigray).

At the beginning of 2014, the Italian Development Cooperation committed to partially fund the feasibility study and to contribute to the implementation of one IAIP in a scale to be determined by the feasibility study. UNIDO, FAO and UNDP provided additional resources and technical support to conduct the studies for three additional IAIPs.

The project titled Preparation of feasibility study and business plan for piloting Integrated Agro-Industrial Parks in Ethiopia was prepared by UNIDO and project activities commenced in March 2014. At the same time, the Government of Italy and the Ministry of Finance and Economic Development (MoFED) signed the Ethio-Italian Cooperation Framework 2013-2015 that includes a EUR 10 million soft loan for the establishment of one pilot IAIP. In addition, the IDC indicated its willingness to contribute EUR 1.45 million for related technical assistance.

The original project document prepared by UNIDO divided the implementation of the IAIP into four distinct stages. Phase I –which has been completed recently- addressed the first two stages.

- | | |
|----------|---|
| Phase I | Stage 1: Create a short list of potential locations for the IAIPs (<i>completed</i>) |
| | Stage 2: Prepare a detailed Feasibility Study for the four pilot IAIPs (<i>completed</i>) |
| Phase II | Stage 3: Organize an investment forum for local and international investors |
| | Stage 4: Construct the IAIP and the associated RTCs |

The proposed intervention follows completion of Phase I. It will build upon results of the feasibility studies to address Stage 3 described above, as well as part of Stage 4, through UNIDO’s component; and to develop/strengthen selected agricultural value chains associated with the IAIP, through FAO’s intervention. The mid-term goal is to have an operational IAIP but this will require substantial public

and private investments; therefore it is not within the proposed intervention that the IAIP will be constructed.

4. HOST COUNTRY STRATEGY

The Government of Ethiopia (GoE) expects the industrial sector to play an important role in GDP growth, job creation, foreign exchange earnings, and small & medium enterprise (SME) development over the coming years. The overall goal of the Industrial Development Strategy (IDS) is to bring about the accelerated structural transformation of the economy through enhancing industrialization, raising the share of the industrial sector of GDP from the current 13 percent to 27 percent by 2025, and the GDP share of the manufacturing sub-sector from the current 4 percent to 18 percent by 2025.

Three key overarching policy documents were developed to guide interventions in the sector over a 13-year period (2013-2025). These are: the Industrial Development Roadmap (IDR), which provides a strategic framework for industrial development for the next ten years; the IDS, which defines strategies, programmes and projects for the implementation of the IDR; and, the Industrial Development Institutional Setup (IDIS), which provides an institutional framework for industrial development. The strategic direction for industrial development elaborated in the IDR and IDS are encompassed in the Growth and Transformation Plan 2015/16-2019/20 (GTP II) and beyond up to 2025, by which time Ethiopia aims to become a middle income country.

The Growth and Transformation Plan 2010/11-2014/15 (GTP I) has given special emphasis to the role of agriculture as a major source of economic development. The GTP I consisted of three components, of which the Agricultural Production and Commercialization component focused on strengthening the capacity of farmer organizations and their service providers to strengthen marketing and processing of selected commodities. The plan also gave priority to smallholder farmers to intensify productivity by scaling up of best practices and adopt improved technologies in production to bring average farmers' productivity closer to those of best farmers and integrating with market.

The IAIPs initiative fits within the interventions planned under GTP I and form a core component of the GTP II, which will cover the 2015-2020 period. This project is also in line with Agriculture Sector Policy Investment Framework SO1: "to achieve a sustainable increase in agriculture productivity and production"; "to accelerate agriculture commercialization and agro-industrial development"; and "to sustain rapid and equitable economic growth". Furthermore, higher integration of farmers into the market will increase the income of small farmers, who will spend their additional income locally, boosting local economies.

UNIDO's Programme for Country Partnership

In an effort to make ISID operational, UNIDO developed the Programme for Country Partnership (PCP), a partnership business model to mobilize external partners and resources to increase the impact of UNIDO's technical cooperation. The first two PCPs are being piloted in Senegal and Ethiopia respectively. In Ethiopia, the PCP is closely aligned to the Growth and Transformation Plan and the Industrial Development Strategy.

The overall impact of the Ethiopia PCP closely mirrors that of the Government of Ethiopia's, which is to "improve the economic performance of the manufacturing sub-sector and its contribution to GDP from 4 percent to 18 percent by the end of 2025; to promote exports; to substitute imports and create jobs in the three identified sectors, namely textile, leather and agro-food processing, in an environmentally sustainable manner by building partnerships with all the stakeholders". The establishment of IAIPs is directly incorporated into the Ethiopia PCP under Outcome 1, which states that "fully functional and environmentally sustainable Integrated Agro-Industrial Parks and associated Rural Transformation Centres are operational, sourcing raw materials locally". In this manner, the project is firmly rooted in the priorities of the GoE and the Ethiopia PCP.

Synergies with other Initiatives/Programmes

The project is expected to complement and connect with a number of ongoing initiatives in the area.

The Agricultural Growth Program (AGP) is one of the initiatives that focus on strengthening agricultural extension, developing capacity of farmer organizations and private sector stakeholders, and promoting agribusiness enterprises in four high-rainfall regions with strong agricultural potential. The infrastructure development component of the AGP, especially the construction and management of small-scale infrastructure, rural roads and markets, as well as support to smallholder farmers is very much in line with the concept of RTCs of this project and will therefore maximize the impacts of both AGP and IAIP interventions.

IFAD's irrigation schemes for small-scale farmers are supported in four Regional States of Ethiopia, including Oromia. The programme targets poor rural households in high-density, drought-prone and food-insecure districts of the highlands.

The project is also in line with the program of the Agricultural Transformation Agency (ATA) which is mandated to work closely with all stakeholders to identify solutions to address systemic bottlenecks that affect male and female smallholder farmers across the country. The ATA developed the National Framework for Agricultural Commercialization Clusters (ACCs) which is a cluster-based approach to enhance existing initiatives at federal, regional and local levels focused on increasing crop and livestock production and productivity, aggregation and market linkages. This ACC approach is also in agreement with the RTC concept of the project.

5. THE PROJECT

The overall goal of this project proposal is to contribute to the structural transformation of the Ethiopian economy. This will be accomplished through the development of agricultural value chains associated with the IAIP and will ultimately lead to the establishment of a fully functional and environmentally sustainable Integrated Agro-Industrial Park in Oromia.

The selection of Oromia for the proposed intervention derives from the priorities of the GoI, which indicated its willingness to support the Central-East Oromia IAIP as first pilot. The Central-East Oromia ACPZ includes East Showa, Bale, Arsi and West Arsi zones.

This project involves coordination with various agencies as per the implementation schedule developed as part of the feasibility study report. UNIDO and FAO will provide technical support to the MoI, MoA and the Oromia Regional Government to fulfil this goal.

The total period for implementation is estimated to be 16 months.

A. PROJECT STRATEGY

This project proposal is prepared based on the outcome and completion of the feasibility studies and business plans for IAIPs in Ethiopia. The joint project will be coordinated by UNIDO and implemented through different components, each one with specific Outcomes and Outputs (see Logical Framework in Annex III).

UNIDO will implement Component One within the PCP Ethiopia framework, under the Organization's mandate for Inclusive and Sustainable Industrial Development. Activities will aim at: allocating the land for the IAIP, providing guidance for constructing the Park, finalizing management and operations modalities, as well as incentives regime for the establishment of the IAIP.

FAO will implement Component Two, as part of its strategy to support value chain actors and to promote inclusive, efficient and sustainable agro-food chains in Ethiopia. The design of this Component should allow for adaptation of implementation modalities as the different value chains develop. Inclusive, sustainable and stronger value chains are the main expected outcome under this Component.

Activities will focus on building market linkages and strengthening the capacities of value chain actors. FAO's work would contribute to upgrading the existing actors by improving already ongoing production and processing activities. Access to credit for different actors will be a priority of the proposed intervention. Public-private partnerships (PPP) with different financial institutions (e.g. Rabobank) and other stakeholders will be explored.

Since the Park is not operational yet, the development of value chains will be achieved through strengthening market linkages with existing firms/buyers that are currently working below their capacity (because of insufficient supply of raw material and/or poor linkages with producers). The aim is to strengthen value chain actors to ensure a reliable and timely supply of raw materials in the right quantity and quality, at competitive price by the time the IAIP will be operational.

Value chains will be selected and targeted among the ones pre-selected during the feasibility study. This pre-selection was done according to seven criteria: (i) volumes of production; (ii) market potential and marketability of the commodities; (iii) potential for creating employment; (iv) number of SMEs/FOs engaged; (v) potential of the commodities for value addition; (vi) social acceptance of the commodities; and (vii) potential for increasing productivity. Accordingly, ten value chains were pre-selected: honey, dairy, live animals/meat, poultry, potato, tomato, fava bean, haricot, wheat, and barley.

The creation of market linkages with existing firms will also be an incentive for these private actors to invest in the development and/or to relocate to the IAIP, once the enabling environment and infrastructures are in place. The creation of RTCs to aggregate production will also be considered as it will be crucial to strengthen hubs/satellite structures to ensure collection and delivery of raw materials to the IAIP.

B. INSTITUTIONAL CO-ORDINATION

The **Ministry of Industry** will have a key role in leading this project, together with UNIDO within the PCP framework of implementation. The Ministry already assigned one senior official for daily follow-up and coordination of the activities of the project. The Ethiopian Food, Beverage and Pharmaceutical Industry Development Institute (FBPIDI) and the Ethiopian Meat and Dairy Industry Development Institute (EMIDI), a national institute focusing on dairy and meat, both under the control of the MoI, have a mandate to work for establishment of IAIPs.

The **Ministry of Agriculture** will play an important role in aligning the ongoing projects related to agricultural and rural transformation and those that provide support to the smallholder farmers in the Agro-Commodities Procurement Zone (ACPZ). The MoA will assign focal persons at Federal level to closely monitor the progress activities of the project. The focal persons will be members of the Project Steering Committee.

The **Ministry of Finance and Economic Development**, in collaboration with the MoI and the MoA, will be responsible for the allocation of financial resources for the project infrastructure; coordination with the regional governments to align their infrastructure towards the development of IAIPs; and for mobilization of financial resources from the government and development partners for the execution of the project.

The **Oromia Regional Government** will play a crucial role through its part in approving the Project Document, working with partners to develop incentive regimes for investors, appointing a focal person for the project from the Bureau of Agriculture (BoA), as well as providing financial support for the development of the IAIP, supporting farmers through the regional BoA and allocation of land. The Oromia Regional BoA will lead implementation of agricultural value chain related activities including establishment and provision of technical support to smallholder farmers. The BoA will also assign a focal person for the Project Steering Committee (PSC) meetings.

The **Chamber of Industries** will represent the private sector and will partner in the mapping of the enterprises.

The **Italian Development Cooperation** will provide a financial contribution and will receive and analyze the reporting from the project and participate in meetings to review project progress and agree on the strategic direction of the project as part of the PSC. IDC will contribute EUR 1.45 million for the project and also assist with the identification of investment opportunities for agribusinesses and promotion in local and international markets.

UNIDO and **FAO**, under the overall ownership and leadership of the MOI and MOA, will be the managing agencies of the project. UNIDO will contribute technical expertise pertaining to establishing industrial zones and will provide the overall project management and implementation leadership. UNIDO will also support the GoE in the execution of the implementation of the soft loan of 10 Million Euro provided to the GoE by the IDC. FAO will focus on the development of selected value chains according to the Ethiopian context; capacity development of smallholder farmers in the catchment areas; and effective integration and backward and forward linkages of value chain actors to ensure reliable and sustainable supply of raw materials to the IAIP.

To oversee the project, UNIDO will appoint a Project Coordinator. To implement Component One of the project, UNIDO will assign a multi-disciplinary team of experts, under the supervision of the Project Manager. FAO will implement Component Two by recruiting a Project Manager, who will be supported by National experts.

C. EXPECTED END-OF-PROJECT SITUATION

Overall, it is expected that Ethiopia will move forward towards the establishment of an IAIP for agro-industry development in Oromia.

Being a private sector-driven initiative, it is suggested that the GoE and the Regional government shall induct strategic partners (medium and large-sized enterprises) comprising of consortium of developers having excellent exposure and high record of accomplishment in the development and management of agro-clusters/agro-processing zones/industrial and business zones management. The profile of strategic partners would be in synergy with the requirements of developing and operating a world-class industrial hub.

On the basis of the feasibility study, it is expected that the IAIP will host approximately 25 large and medium-sized foreign and domestic firms/companies, will create approximately 20,000 jobs in rural areas, and will link more than a quarter-million smallholder farmers to the food industries.

It is expected that a nodal entity that will operate and oversee the IAIP will be established. A management structure for the IAIP will also be completed and operational. Various scenarios were recommended after the feasibility study, to ensure meaningful participation of the private sector. The preferred situation would have the involvement of GoE, Regional government, financial institutions and banks, consortium of private investors – Engineering, Procurement and Construction (EPC) as well as Operation and Maintenance (O&M) through professional agencies.

Opportunities for investment and incentive mechanisms (e.g. tax advantages, reliable power supply, grants for innovative models) will also be more widely known than at present, due to investment *fora* and communications actions.

Smallholder farmers and Farmers' Organizations (FOS) in the ACPZ will be better integrated in medium and large-scale value chains and general market access, being well prepared to address production requirements such buyers (focus will be on processors) may impose. Farmers and FOs groups will be better able to enter in agreements with buyers in a fair manner to ensure that they gain an improved standard of living based on their agricultural labour. Commercial buyers will be linked with producers through business-to-business (B2B) mechanisms.

Five or six identified agricultural value chains (among the ones pre-selected in the ACPZ) will be developed to ensure sustainable and reliable supply to the pilot IAIP once the Park will be established and operational, setting an example for how the agricultural sector can be organized to: facilitate linkages between farmers and large-scale value chains, improve quality of produce, and increase

investment flows. Quality of the commodities will be improved and links will be made with certification bodies and quality control systems.

Appropriate business models will be selected and promoted to improve the inclusiveness (i.e. working with existing cooperatives, unions and private sector actors), efficiency (through PPP arrangements) and competitiveness of the selected VCs.

D. TARGET BENEFICIARIES

- Smallholder farmers in the ACPZ will benefit directly through enhanced capacity to produce quality product, improved market access, and better access to inputs, new technologies and credit.
- GoE – in particular the MoI and MoA, as well as the Regional government of Oromia where the IAIP will be established - will benefit through capacity development initiatives.
- Private sector agribusiness – large-scale, small-scale, both domestic and international – will benefit from improved opportunities to do business in Ethiopia.
- Other value chain actors such as cooperative unions, transporters, service providers, etc. will benefit from increased business opportunities.

E. COUNTERPART SUPPORT CAPACITY

The Ministry of Industry and the Ministry of Agriculture both have the capacity to provide overall guidance and leadership of the project. The MoI has been engaged in the development of industrial zones and has the mandate for the development of industrial clustering activities, including allocation of land and management of industrial zones. The MoA is presently coordinating the nationwide AGP. Both ministries will coordinate at the regional level to align their initiatives to the project. Regional governments were also involved in the feasibility studies and have shown considerable interest in their continued participation in the development of IAIPs and RTCs.

F. GENDER

The implementation of the IAIP will address the increased role of women beneficiaries in the agro-industry sector. The percentage of women who will be entering the workforce in the industries and other nodes of the food value chain will be increased significantly during and after implementation of the IAIP project. Reporting will be gender-disaggregated.

G. IMPLEMENTATION ARRANGEMENTS

The Governance structure will consist of a high-level joint project steering committee which will be chaired by the MoFED and the MoI, providing strategic oversight to the implementation of the project. The proposed project will be overseen by two Management bodies:

- ***Project Steering Committee***

The project shall receive guidance from the Project Steering Committee. The PSC will provide overall strategic direction, decide on major issues and guide on policy matters. The PSC will be composed of Senior Officials from MoI, MoA, MoFED, BoI from Oromia Region, ATA, Private Sector representatives, UNIDO, FAO, UNDP and IDC, and shall be chaired by the State Minister of Industry.

- ***Technical Task Force***

A technical task force (TF) shall be formed in the Region. The TF will be composed of senior officials from BoI, BoA, BoFED, ATA, Cooperative Promotion Agency, and selected Universities. The TF will be actively engaged in all regional matters in the implementation of the IAIP; it shall be chaired by the Vice President and Head of the BoI of the Region. UNIDO and FAO shall assign a focal person for day-to-day activities in the region.

The project will be coordinated by UNIDO and managed by UNIDO and FAO under the guidance and leadership of the MoI and MoA. The multi-disciplinary team members contracted to implement the project will report to the UNIDO Project Coordinator.

UNIDO will appoint a Project Manager who will be responsible for the day-to-day management of the Component One project. FAO will also appoint a Project Manager (with extensive expertise in agribusiness development) to implement Component Two of the proposed project. MoI will host the project office.

The implementation of the project will require multi-disciplinary expertise in: infrastructure and park development; investment promotion and attraction; agro-food economics and marketing; project economic and financial analysis; agribusiness engineering; land administration; and transport and logistics. Short-term experts with experience in analysing, designing and supporting PPP transactions in the agro-food sector will be recruited by UNIDO and FAO for specific assignments.

Project office staff, regional coordinators, and technical consultants will be recruited for the project.

H. OBJECTIVES, OUTPUTS AND ACTIVITIES

See Logical Framework in Annex III.

I. GOVERNMENT/NATIONAL INPUTS

The GoE will form an entity “The Ethiopian Infrastructure and Agro Industry Development Corporation” (EAIIDCo) to undertake the development of the park, provide relevant regulations and legal framework, provide land, align the IAIP to GTP II, allocate budget for off-site infrastructure development, align the infrastructure development in the regions to the project activities, and assign professionals to act as focal points during the implementation of the project.

The Oromia Regional government has already allocated land for the IAIP, and will provide direct financial contribution to its development.

J. RISK AND RISK MANAGEMENT

Risks, their likelihood to occur, and the threats they constitute to the project and the means to reduce such risks are given in Annex II.

K. PROJECT MONITORING AND EVALUATION

The multi-disciplinary project team will be closely monitored by the UNIDO Project Coordinator who will liaise closely with UNIDO and FAO Project Managers. The Project Coordinator will provide monthly updates on activities and progress, against the activities as stated in the logical framework and project document. The Project Managers will undertake regular missions to the project site to monitor project progress.

The monitoring of the activities and financial disbursements will be the responsibility of UNIDO and FAO, according to their respective implementation modalities. The PSC will approve annual work

plans and will review annual progress reports. Reporting to the PSC, the TF shall closely follow the activities of the project to assure its quality.

The project shall be subject to a mid-point evaluation and a final independent evaluation during the final year. The organization, terms of reference and precise timing of the evaluations will be decided after consultation between the counterparts.

L. LEGAL CONTEXT AND CONTRACTUAL ARRANGEMENTS

The Government of the Federal Democratic Republic of Ethiopia agrees to apply to the present project, *mutatis mutandis*, the provisions of the Standard Basic Assistance Agreement between the United Nations Development Program and the Government, signed on 26 February 1981 and entered into force on 5 November 1984.

M. BUDGET

See budget sheet (Annex I).

N. TIME FRAME AND SCHEDULING

The suggested implementation schedule for the various activities under each output component is attached as Annex IV.

ANNEX I
JOINT PROJECT BUDGET

COMPONENT ONE (UNIDO)				
Budget lines	Items	Unit	Unit cost (Euro)	Total (Euro)
11-00	International consultants	Months	8,912	320,844
15-00	Project travel	Lump sum	40,106	40,106
16-00	UNIDO staff travel	Lump sum	1,782	8,021
17-00	National experts	Months	1,782	155,966
21-00	Subcontracting	Lump sum	47,235	46,344
30-00	In-service training (exchange of experience)	Lump sum	44,562	44,562
35-00	Workshops	Lump sum	22,281	36,541
45-00	Equipment	Lump sum	53,474	53,474
51-00	Miscellaneous	Lump sum	42,145	42,145
Sub-total				748,002
AoS (13%) on ITC component				
Additional Admin costs (1%) of the Joint Project				
			Total (USD) Component One	859,742
COMPONENT TWO (FAO)				
Budget lines	Items	Unit	Unit cost (Euro)	Total (Euro)
5011	Salaries Professional	Months	5,592	201,330
5013	Consultants	Months	2,050	49,196
5014	Contracts	Lump sum	35,649	35,649
5021	Travel	Lump sum	22,281	22,281
5023	Training	Lump sum	53,474	53,474
5024	Expendable Procurement	Lump sum	124,773	124,773
5027	Technical Support Services	Lump sum	8,912	8,912
5028	General Operating Expenses	Lump sum	26,737	26,737
Sub-total				522,352
5029	Support Costs (13%)			67,906
			Total (Euro) Component Two	590,258
			TOTAL BUDGET (Euro)	1,450,000

Budget per Output

Outcomes / Outputs	Budget Lines										TOTALS
	11-00	15-00	16-00	17-00	21-00	30-00	35-00	45-00	51-00		
COMPONENT ONE (UNIDO)											
Outcome 1: The IAIP is piloted to maximize value addition of agricultural products in a cost-efficient and sustainable manner.	320,844	40,106	8,021	155,966	46,344	44,562	36,541	53,474	42,145	748,002	
Output 1.1: The nodal entity including park management structure is endorsed.	80,211	10,026	2,005	38,991	11,586	11,140	9,135	13,369	10,536	187,000	
Output 1.2: Land is allocated for IAIP and design of IAIP is approved.	160,422	20,053	4,011	77,983	23,172	22,281	18,270	26,737	21,072	374,001	
Output 1.3: Agro-processing business investment opportunities promoted locally and internationally.	40,106	5,013	1,003	19,496	5,793	5,570	4,568	6,684	5,268	93,500	
Output 1.4: Linkages between smallholder farmers and agro-industries are facilitated.	40,106	5,013	1,003	19,496	5,793	5,570	4,568	6,684	5,268	93,500	
COMPONENT TWO (FAO)											
Outcome 2: Farmers have the capacity and incentive to sell raw materials to the IAIP in the right quantity and quality, timely, at competitive price.										590,257.92	
Output 2.1: Increased production and productivity of quality raw materials from selected value chains in the ACPZ.											
Output 2.2: Improved quality of production and post-harvest management practices for selected commodities in the ACPZ.											
Output 2.3: Business models promoted to facilitate market linkages between smallholder farmers within the ACPZ and large buyers.											

ANNEX II

RISKS AND RISKS MANAGEMENT

Risks	Likelihood 1 = minimal 5 = high	Threat to the project 1 = marginal 5 = killing	Risk management
Insufficient energy source available locally.	2	4	Close work with the GoE and feasibility studies to ensure that IAIIP are established in areas where access to energy sources is possible in sufficient amounts. Renewable energy sources should be examined.
Limited private sector interest in the IAIIP.	2	4	The private sector has been part of the development of the project and various activities are aimed at bringing an increased number of private sector actors (and investment) to the IAIIP. The GoE will prepare an incentive package for investors.
Limited human resource capacity in counterpart ministries to ensure adequate project monitoring	3	3	Capacity building exercises are planned for the project for staff of counterpart ministries.
Public investments in hard industrial infrastructure is delayed / not happening, effectively hindering all private investment.	2	3	Effective inter-ministerial coordination through the joint task force for close monitoring and quick trouble-shooting of public infrastructure projects, including finance, land, road, water, electricity and legal issues.
The business climate in Ethiopia is not optimized for domestic and foreign investment, slowing down or hindering further investment in manufacturing plants.	2	3	1. Continuous stakeholder consultation – the Government must know what private investors understand as obstacles slowing them from investing further in Ethiopia or to even retreat from Ethiopia; 2. Involve relevant ministries and address identified bottlenecks on federal and regional level; 3. Involve relevant ministries and the private sector, and prepare and publish an improved investment incentive package.
Sufficient funding (hard currency, local currency) cannot be mobilized in Ethiopia for interested private sector investors. A lack of liquidity from financial institutions for investments forces enterprises to self-finance investments, which leads to no or slow growth if enterprises cannot access finance abroad.	3	2	1. Review the national system for providing credit for industrial projects and compare to those of China and India; 2. Identify and implement ways of increasing the credit flows for investment in productive capacity for both domestic and foreign companies.
Coordination with other development partners will not occur or may occur in an inefficient manner.	2	3	UNIDO and FAO will bring together various partners working on issues related to IAIIPs and agriculture in general. Such activities will be under the guidance of the MoI and MoA that are well placed to coordinate activities.
Side selling of supported value chain products for other market outlets	2	4	Develop Inclusive and attractive forward agreement modality among business men and smallholder. This should be supported with legal mechanisms.
Erratic rainfall.	3	4	This needs discussion with the region opportunities for accessibility of irrigation as one criteria for selecting target areas
Certified seeds in selected value chain may not be available and accessible.	2	4	Discussion with MoA and Oromia Regional government for increasing access to certified seeds
Building market linkages while the IAIIP not yet operational could reduce incentives to use the IAIIP.	2	4	Value chain actors need to be constantly involved into the development of the IAIIP to enhance potential benefits for firms to relocate within the IAIIP and for smallholder farmers to sell their production to the Park.

ANNEX III

LOGICAL FRAMEWORK

Overall Objective:	Efficiency and competitiveness of selected agricultural value chains is developed in order to ensure a reliable supply of raw material to the Integrated Agro-Industrial Park (IAIP) in Oromia Region, and support is provided to the Government of Ethiopia to establish an environmentally sustainable IAIP.				
Outcomes / Outputs	Activities	UN agency	Indicators	Means of Verification	Assumptions
COMPONENT ONE					
Outcome 1: The IAIP is piloted to maximize value addition of agricultural products in a cost-efficient and sustainable manner.				GoE documentation	
Output 1.1: The nodal entity including park management structure is endorsed.			Nodal entity is established.	GoE documentation	Human resource capacity for efficient EAIADCo is available or can be trained
	1.1.1. Define inputs for the operation of the IAIP by the GoE and regional government.	UNIDO	Signed document dividing roles and responsibilities between governments.	Submitted signed document	Federal and regional government will divide roles and responsibilities
	1.1.2. Support the establishment of the EAIADCo, nodal entity of GoE.	UNIDO	Nodal entity of GoE is legally registered.	Legal documentation	Counterparts have the will and capacity to establish the EAIADCo
	1.1.3. Build capacity of the EAIADCo to manage and oversee operations of the IAIP,	UNIDO	Number of training courses on management and	Project monitoring reports/specific training course reports	Human resource capacity for efficient EAIADCo is available or can be trained

Overall Objective:	Efficiency and competitiveness of selected agricultural value chains is developed in order to ensure a reliable supply of raw material to the Integrated Agro-Industrial Park (IAIP) in Oromia Region, and support is provided to the Government of Ethiopia to establish an environmentally sustainable IAIP.				
Outcomes / Outputs	Activities	UN agency	Indicators	Means of Verification	Assumptions
	including providing support in the process of construction service procurement for on-site infrastructure and management of contracts.		procurement processes held.		
	1.1.4. Develop park management modality based on the feasibility study at federal and regional levels for operation and oversight of the IAIP.	UNIDO	Proposed park management modality is submitted for endorsement.	Document submitted	Management modality will be acceptable to counterparts.
	1.1.5. Organize a workshop to endorse the selected modality of management and operations of the IAIP.	UNIDO	Workshop is held.	Workshop report	All counterparts will attend the workshop and endorse management modality
	1.1.6. Obtain required clearances from relevant ministries for allocated roles in the IAIP and obtain budget allocation from relevant authorities at federal and regional levels for IAIP-related activities.	UNIDO	All required clearances obtained and budgets allocated (by federal and regional governments).	Clearance documentation. Confirmation with counterparts	Ministries will provide necessary clearances. Appropriate budgets will be allocated.
	1.1.7. Establish implementation frameworks for the operation of the IAIP and form Special Purpose Vehicles (SPVs) for park management.	UNIDO	The number of frameworks implemented and SPV established.	Frameworks submitted to PM and registration documentation for SPVs is available.	Counterparts agree to implementation framework and SPV for park management.
Output 1.2: Land is allocated for IAIP and design			Land allocation documents are obtained and design	Land titles and design is submitted and available	Identified land can be used. Design is acceptable to counterparts.

Efficiency and competitiveness of selected agricultural value chains is developed in order to ensure a reliable supply of raw material to the Integrated Agro-Industrial Park (IAIP) in Oromia Region, and support is provided to the Government of Ethiopia to establish an environmentally sustainable IAIP.						
Overall Objective:	Outcomes / Outputs	Activities	UN agency	Indicators	Means of Verification	Assumptions
	of IAIP is approved.			of IAIP is endorsed.		
		1.2.1. Process allocation of land and title deeds for IAIP and transfer ownership to selected nodal entity.	UNIDO	Number of land titles transferred to nodal entity.	Government documentation	Nodal entity is established in time and has the legal authority to accept land titles
		1.2.2. Draft ToR, subcontract or recruit a consultant(s) for site investigations, surveys, field investigations and detail designs. Conduct detailed geotechnical, site topography, provision of water, evaluation of solar and other renewable energy potential, etc. and other studies to guide implementation.	UNIDO	Number of quality detailed studies to guide implementation submitted.	Detailed studies submitted to PM.	Studies are sufficiently detailed to allow for the procurement/construction phase to commence.
		1.2.3. Design detailed engineering plan for the IAIP and prepare Bills of Quantity (BoQs) and detailed project costs.	UNIDO	Number of detailed engineering plans/BoQs submitted.	Engineering plan submitted to PM	Engineering plan is endorsed by the counterparts and cleared for procurement/construction phase to commence.
		1.2.4. Based on estimated operational costs establish recommended selling prices for plots and ready-built sheds.	UNIDO	Selling prices established.	Government documentation	Unit prices are competitive for comparative services
Output 1.3: Agro-processing business investment opportunities				Number of promotional events held	Project monitoring records	Promotional events are well-attended

Overall Objective:	Efficiency and competitiveness of selected agricultural value chains is developed in order to ensure a reliable supply of raw material to the Integrated Agro-Industrial Park (IAIP) in Oromia Region, and support is provided to the Government of Ethiopia to establish an environmentally sustainable IAIP.				
Outcomes / Outputs promoted locally and internationally.	Activities	UN agency	Indicators	Means of Verification	Assumptions
	1.3.1. Establish a function technical task force in Oromia region, under the PCP national task force.	UNIDO / FAO	Number of meetings held by the task force.	Reports from the meetings of the task force.	Importance of promoting agribusiness development is clearly understood by local institutions.
	1.3.2. Support the government in the preparation policy instruments including consolidation of incentive regimes for attracting and promoting investment in the IAIP.	UNIDO	Incentive package prepared.	Government documentation	Incentive packages reflect real concerns/interests of private sector actors
	1.3.3. Prepare and participate in agribusiness conferences and seminars to network and promote integrated IAIP.	UNIDO	Number of agribusiness conferences and seminars attended.	Project travel documentation and travel reports	Conferences and seminars are only attended if directly relevant to increasing interest in investment in IAIP.
	1.3.4. Prepare a communications strategy for the IAIP (including promotional materials such as brochures, logos, media kits, video presentations, materials marketing kits and media campaigns), in coordination with industry associations.	UNIDO	Number of promotional materials published within the finalized communication strategy.	Finalized communications strategy.	Communication strategy and promotion materials accurately reflect IAIP.
	1.3.5. Research and compile profiles of potential international investors with the ability to participate in constructing and	UNIDO	Number of profiles drafted.	Profiles submitted to PM.	Research accurately identifies international investors of importance.

Efficiency and competitiveness of selected agricultural value chains is developed in order to ensure a reliable supply of raw material to the Integrated Agro-Industrial Park (IAIP) in Oromia Region, and support is provided to the Government of Ethiopia to establish an environmentally sustainable IAIP.						
Overall Objective:	Outcomes / Outputs	Activities	UN agency	Indicators	Means of Verification	Assumptions
		managing IAIP.				
		1.3.6. Identify international companies interested in developing business partnership in the IAIP and RTCs.	UNIDO	Number of Ethiopian companies mapped and profiled.	Map of companies submitted to PM.	Local agro-processing companies have an interest in developing business partnerships with IAIP and RTCs.
		1.3.7. Support the organization and implementation of a series of investment fora to showcase the IAIP to international private sector companies, development finance institutions, public sector actors and other potential parties interested in IAIP investment.	UNIDO	Number of investment <i>fora</i> organized. Number of interested parties attending the investment forums.	Forum report(s). Registration for the forum(s).	International actors (DFI, public sector and private sector actors) are interested in and will be willing to travel to a forum.
Output 1.4: Linkages between smallholder farmers and agro-industries are facilitated.				Number of agreements reached	Records of agreements available.	General adherence to contracts exists.
		1.4.1. Promote public/private dialogue to improve the operating environment.	UNIDO	Number of events organised.	Reports from the events.	There is mutual interest to improve the operating environment
		1.4.2. Organize national <i>fora</i> on the benefits of inclusion in large-scale agricultural value chains and RTCs and challenges/opportunities for value	UNIDO / FAO	Number of events organized.	Reports from the events.	Stakeholders have an intrinsic reason for doing so.

Overall Objective:	Efficiency and competitiveness of selected agricultural value chains is developed in order to ensure a reliable supply of raw material to the Integrated Agro-Industrial Park (IAIP) in Oromia Region, and support is provided to the Government of Ethiopia to establish an environmentally sustainable IAIP.				
Outcomes / Outputs	Activities	UN agency	Indicators	Means of Verification	Assumptions
	chain actors.				
	1.4.3. Build synergies with different programs and projects supporting smallholder farmers (e.g. IFAD, WB, WFP) in the ACPZ.	UNIDO / FAO	Number of programs and projects supporting smallholder farmers in the ACPZ.	Project monitoring reports.	Other development partners are ready and willing to build synergies with the project.
COMPONENT TWO					
Outcome 2: Farmers have the capacity and incentive to sell raw materials to the IAIP in the right quantity and quality, at timely, at competitive price.		FAO	Farmers' ability to consistently produce the right quantity and quality of raw materials; Farmers' willingness to sell their raw materials on agreed terms of conditions.	Project monitoring	Farmers will supply raw materials to the IAIP.
Output 2.1: Increased production and productivity of quality raw materials from selected value chains in the ACPZ.			Percentage of farmers that have entered into business agreements to sell their production; Number of farmers, FOs and extension staffs that have participated in capacity building activities on collective	Project report	Farmers in the ACPZ are open to shift to more commercial, market-oriented forms of agriculture to supply raw materials to the IAIP.

Efficiency and competitiveness of selected agricultural value chains is developed in order to ensure a reliable supply of raw material to the Integrated Agro-Industrial Park (IAIP) in Oromia Region, and support is provided to the Government of Ethiopia to establish an environmentally sustainable IAIP.						
Overall Objective:	Outcomes / Outputs	Activities	UN agency	Indicators	Means of Verification	Assumptions
				marketing and aggregation.		
		2.1.1. Complete the feasibility study with an in-depth analysis (including mapping out value chain actors, available institutions, service provision, specific market opportunities, available technologies, facilities, business models, policies/strategies, capacity gaps and investments needs) of 5-6 identified commodities value chains.	FAO	In-depth feasibility study; Number of value chains identified during the feasibility study.	Study reports.	Value chains prioritized by the feasibility study are present in the selected area.
		2.1.2. Provide smallholder farmers with improved agricultural inputs and technologies to increase productivity through enhanced agricultural practices.	FAO	Number and type of technologies provided; Quantity of inputs and technologies adopted by smallholder farmers; Type of technical support provided to service providers and smallholder farmers.	Assessment reports; List of inputs provided.	Smallholder farmers understand the importance of increasing production and productivity to supply raw materials to the IAIP.
		2.1.3. Provide smallholder farmers and other value chain	FAO	Number of trained smallholder farmers	Project reports.	Farmers understand the importance of increasing production and productivity to

Efficiency and competitiveness of selected agricultural value chains is developed in order to ensure a reliable supply of raw material to the Integrated Agro-Industrial Park (IAIP) in Oromia Region, and support is provided to the Government of Ethiopia to establish an environmentally sustainable IAIP.						
Overall Objective:	Outcomes / Outputs	Activities	UN agency	Indicators	Means of Verification	Assumptions
		actors (FOs/Coops, extension workers, etc.) with trainings on improved agricultural technologies and practices.		and extension workers in each training subject.		supply raw materials to the IAIP.
		2.1.4. Support establishment and functioning of community-based seed enterprises (seed multipliers) to improve access and availability to improved seeds.	FAO	Quantity of certified seeds produced; Number of smallholders engaged in seed production	Project reports.	Smallholders are aware of new market opportunities and therefore are willing to establish MSMEs.
Output 2.2: Improved quality of production and post-harvest management practices for selected commodities in the ACPZ.				Number and type of post-harvest management practices and technologies provided; Number of farmers that adopt improved practices of post-harvest management.	Assessment reports.	Understanding of quality requirements set by the IAIP and willingness to meet those.
		2.2.1. Provide training to value chain actors to improve knowledge and skills on post-harvest management technologies and practices.	FAO	Number of trained smallholder farmers and extension workers in each training subject.	Project monitoring reports/workshop report.	Value chain actors understand the importance of improving quality to supply raw materials to the IAIP.
		2.2.2. Stimulate community-based production of simple post-harvest management technologies (e.g. for improved storage).	FAO	Number of youth trained and fabricate improve storage units; Number of metal silos	Project reports; List of inputs provided.	Youths are aware of these new opportunities.

Efficiency and competitiveness of selected agricultural value chains is developed in order to ensure a reliable supply of raw material to the Integrated Agro-Industrial Park (IAIP) in Oromia Region, and support is provided to the Government of Ethiopia to establish an environmentally sustainable IAIP.						
Overall Objective:	Outcomes / Outputs	Activities	UN agency	Indicators	Means of Verification	Assumptions
				distributed.		
		2.2.3. Facilitate linkages between smallholder farmers and financial institutions (MFIs, banks, etc.) to improve access to finance and stimulate investments in post-harvest management technologies.	FAO	Number of farmers that have been linked to financial institutions.	Submit list of linkages created.	Intrinsic interest of value chain actors in access financing.
		2.2.4. ToT training for extension workers and other actors on quality standards set by the IAIP to improve the regulatory environment.	FAO	Number of stakeholders that participated to awareness raising events.	Event reports.	Stakeholders understand the importance of improving quality to supply raw materials to the IAIP.
Output 2.3: Business models promoted to facilitate market linkages between smallholder farmers within the ACPZ and large buyers.				Improved integration of targeted farmers and buyers in local markets; Number and value of contracts between farmers and buyers.	Record of agreements available.	General adherence to contracts exists.
		2.3.1. Develop and promote discussion on contract options between value chain actors.	FAO	Number and type of contract options explored and developed.	Project reports.	Stakeholders are willing to engage into business-to-business relations.
		2.3.2. Facilitate business-to-business contracts between smallholder farmers and large	FAO	Number of contract agreement between	Project reports.	Business models are successfully identified and promoted.

Overall Objective:	Efficiency and competitiveness of selected agricultural value chains is developed in order to ensure a reliable supply of raw material to the Integrated Agro-Industrial Park (IAP) in Oromia Region, and support is provided to the Government of Ethiopia to establish an environmentally sustainable IAP.				
Outcomes / Outputs	Activities	UN agency	Indicators	Means of Verification	Assumptions
	buyers (e.g. contract farming).		farmers and buyers.		
	2.3.3. Establish horizontal collaboration mechanisms in marketing of outputs and logistics (clustering around identified RTCs) to reduce costs.	FAO	Number of clusters identified and supported.	Project reports.	Smallholder farmers and other value chain actors are willing to create horizontal linkages.

ANNEX IV
GANTT CHART

Outputs / Outcomes	Activities	Month											
		2	4	6	8	10	12	14	16				
Outcome 1: The IAIP is piloted to maximize value addition of agricultural products in a cost-efficient and sustainable manner.													
Output 1.1: The nodal entity including park management structure is endorsed.													
	1.1.1. Define inputs for the operation of the IAIP and RTCs by the GoE and regional government.	x	x	x									
	1.1.2. Support the establishment of the EAIAIDCo, nodal entity of GoE.			x	x								
	1.1.3. Build capacity of the EAIAIDCo to manage and oversee operations of the IAIPs, including providing support in the process of construction service procurement for on-site infrastructure and management of contracts.					x	x	x	x				
	1.1.4. Develop park management modality based on the feasibility study at federal and regional levels for operation and oversight of the IAIP.						x	x	x				
	1.1.5. Organize a workshop to endorse the selected modality of management and operations of the IAIP.								x				
	1.1.6. Obtain required clearances from relevant ministries for allocated roles in the IAIP and obtain budget allocation from relevant authorities at federal and regional levels for IAIP-related activities.		x	x									
	1.1.7. Establish implementation frameworks for the operation of the IAIP and form Special Purpose Vehicles (SPVs) for park management.					x	x						
Output 1.2: Land is allocated for IAIP and design of IAIP is approved.													
	1.2.1. Process allocation of land and title deeds for IAIP and transfer ownership to selected nodal entity.					x	x						
	1.2.2. Draft ToR, subcontract or recruit a consultant(s) for site investigations, surveys, field investigations and detail designs. Conduct detailed geotechnical, site topography, provision of water, evaluation of solar and other renewable energy potential, etc. and other studies to guide implementation.						x	x					
	1.2.3. Design detailed engineering plan for the IAIPs and prepare Bills of Quantity (BoQs) and						x	x					

		Month								
Outputs / Outcomes	Activities	2	4	6	8	10	12	14	16	
	detailed project costs.									
	1.2.4. Based on estimated operational costs; establish recommended selling prices for plots and ready-built sheds.								x	
Output 1.3: Agro-processing business investment opportunities promoted locally and internationally.										
	1.3.1. Establish a function technical task force in Oromia region.	x	x							
	1.3.2. Support the government in the preparation and consolidation of incentive regimes for attracting and promoting investment in IAIP and RTCs.		x	x						
	1.3.3. Prepare and participate in agribusiness conferences and seminars to network and promote integrated IAIP.				x	x			x	
	1.3.4. Prepare a communications strategy for the IAIP (including promotional materials such as brochures, logos, media kits, video presentations, materials marketing kits and media campaigns), in coordination with industry associations.			x	x					
	1.3.5. Research and compile profiles of potential international investors with the ability to participate in constructing and managing IAIP.		x			x	x			
	1.3.6. Identify international companies interested in developing business partnership in the IAIP and RTCs.					x	x	x	x	
	1.3.7. Support the organization and implementation of an investment forum to showcase the IAIP to international private sector companies, development finance institutions, public sector actors and other potential parties interested in IAIP investment.						x	x	x	
Output 1.4: Linkages between smallholder farmers and agro-industries are facilitated.										
	1.4.1. Promote public/private dialogue to improve the operating environment.			x	x	x	x			
	1.4.2. Organize national <i>fora</i> on the benefits of inclusion in large-scale agricultural value chains and challenges/opportunities for value chain actors.					x	x	x	x	
	1.4.3. Build synergies with different programs and projects supporting smallholder farmers (e.g. IFAD, WB, WFP) in the ACPZ.		x	x						
Outcome 2: Farmers have the capacity and incentive to provide raw materials to the IAIP in the right quantity and quality, timely, at competitive price.										
Output 2.1: Increased production and productivity of quality raw materials from selected value chains										

Outputs / Outcomes	Activities	Month											
		2	4	6	8	10	12	14	16				
in the ACPZ.													
	2.1.1. Complete the feasibility study with an in-depth analysis (including mapping out value chain actors, available institutions, service provision, available technologies, facilities, policies/strategies, capacity gaps and investments needs) of 5-6 identified value chains with high-potential.	x	x										
	2.1.2. Provide smallholder farmers with improved agricultural inputs and technologies to increase productivity through enhanced agricultural practices.			x	x	x	x	x	x				
	2.1.3. Provide smallholder farmers and other value chain actors (FOs/Coops, extension workers, etc.) with trainings on improved agricultural technologies and practices.		x	x				x	x				
	2.1.4. Support establishment of community-based seed enterprises (seed multipliers) to improve availability and facilitate access to improved seeds.			x	x	x	x	x	x				
Output 2.2: Improved quality of production and post-harvest management practices for selected commodities in the ACPZ.													
	2.2.1. Provide training to value chain actors to improve knowledge and skills on post-harvest management technologies and practices.					x	x	x	x				
	2.2.2. Stimulate community-based production of simple post-harvest management technologies (e.g. for improved storage).			x	x	x	x	x	x				
	2.2.3. Facilitate linkages between smallholder farmers and financial institutions (MFIs, banks, etc.) to improve access to finance and stimulate investments in post-harvest management technologies.			x	x	x	x						
	2.2.4. Raise awareness among extension workers and other actors on quality standards set by the IAP to improve the regulatory environment.					x	x	x	x				
Output 2.3: Business models promoted to facilitate market linkages between smallholder farmers within the ACPZ and large buyers.													
	2.3.1. Promote discussion on contract options between value chain actors.		x	x	x								
	2.3.2. Facilitate business-to-business contracts between smallholder farmers and large buyers (e.g. contract farming).		x	x	x								
	2.3.3. Establish horizontal collaboration mechanisms in marketing of outputs and logistics (clustering around identified RTCs) to reduce costs.		x	x	x								
Monitoring		x	x	x	x	x	x	x	x				

