



PRO
SEAD

PROSEAD ETHIOPIA

Promotion of Sustainable Ethiopian Agroindustrial Development

CONTEXT

Ethiopia's economy is mainly based on the agriculture sector (35% of GDP, 76% of national employment) which plays an important role in the national economy and the livelihood system of the country. However, the agricultural sector is not yet performing to its optimum and the majority of the food processors operate well below design capacity. Despite the increase in global and domestic demand for processed agricultural products (PAPs), agroprocessing only contributes 5% of GDP, 1% of employment opportunities and 2% of exports, and the trade balance for PAPs remains substantially negative. The Government of Ethiopia (GoE) supports the transformation of the Ethiopian economy from agriculturally driven growth towards a more industrial oriented economy. To this end, the PROSEAD Initiative and the Integrated Agro-Industrial Parks Development Programme (Iaip) aim to establish industrial facilities that enhance local smallholder farmers and SMEs linkage to global value chains and therefore expedite the economic transformation process and enhance jobs creation and shared prosperity.

APPROACH

The PROSEAD Initiative aims at accelerating the mobilisation of public investments and leverage private investments for the realisation of IAIPs. The parks are designed to enable the clustering of agro-industries, industry-support services and public services delivery and to enhance a network of Rural Transformation Centres (RTCs) in order to strengthen the capacities and incentives of farmers and SMEs. Through inclusive and sustainable infrastructures, value chains development, improved skills and access to finance, Ethiopian agroprocessors and value chain actors in the parks are able to generate a virtuous cycle of increased agriculture productivity, market orientation and returns to smallholder farmers, fostering decent employment opportunities (in particular for youth and women), balanced regional development and expansion of opportunities.

IMPACT/RESULTS

PROSEAD is the result of a multistakeholder dialogue involving the government of Ethiopia and several development partners. It has so far contributed to the development of environmentally sound infrastructure at parks and rural transformation centres levels, to foster the dialogue between value chains actors (producers, processors, financial institutions), to spur domestic and foreign private sector investments in the parks and rural transformation centres, to strengthen the capacities of governmental institutions at federal (Ministry of Industry) and regional levels (4 regional industrial parks development corporations), to test new approaches to skill development at University, TVET and parks levels.

AT A GLANCE

TIMELINE: 2019 - 2024

DONORS: PROSEAD is an open multistakeholders project. So far, the EU, with a grant of 45 MEUR has been able to leverage further grants and loans from AfDB, EIB, IFAD, ATA ACC, BMZ/GiZ for a total amount of around 400 MUSD.

BUDGET: 400 MUSD

THEMATIC AREAS: Agribusiness Development

FOCAL SECTOR: Sustainable Agriculture and Food Security

STRATEGIC OBJECTIVE: Increase decent employment and incomes for rural Ethiopians

POLICY OBJECTIVES: Participation development/good governance; Aid to environment; Gender equality (including Women In Development); Trade Development.

SDGs: SDG 9; SDG 8; SDG 2; SDG 12

Information: <http://europa.eu>