



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



## TRIANGULAR COOPERATION

# Sustainable Textile Investment and Operation in Ethiopia

## CONTEXT

In the path to industrialize Ethiopia, the government has taken the textile sector as one of its priority agenda to transform the national economy. This entails the aspiration of increasing export of industrial outputs, creation of thousands of jobs, attracting much needed foreign investments and above all, contributing to poverty reduction. The government has been developing industrial parks and creating enabling environment to promote FDIs in the manufacturing sector. According to the Ethiopian Investment Commission, in the last few years, over 100 foreign investors have expressed interest to join the manufacturing sector, with 71 of them being from China. However, many of those Chinese investors in Ethiopia have been facing challenges to meet the Environmental, Social and Governance (ESG) standards.

## PROJECT OBJECTIVE

Improving the ESG standard of Ethiopia's textile sector through capacity building, awareness raising and promotion of business partnerships, with a potential scaling-up and replication elsewhere in Africa and Asia.

## TARGET BENEFICIARIES

Chinese and Ethiopian textile and apparel industries, non-Chinese FDIs, Ethiopian Textile Industry Development Institute.

## WORKING TOWARDS



## POLITICAL PARTNERS

Ministry of Trade and Industry of the Federal Democratic Republic of Ethiopia, Ministry of Commerce of the People's Republic of China, Ministry for Economic Cooperation and Development of the Federal Republic of Germany.

## IMPACT

UNIDO and GIZ have designed strategies to upgrade the ESG performance of target Chinese, Ethiopian and non-Chinese FDIs to meet the minimum ESG requirements of the international brands. The main components of the project intervention includes:

- Upgrading the ESG implementing capacity of Ethiopia's textile and apparel industries and strengthening institutional capacity.
- Establishing ESG performance monitoring systems for target industries.
- Documenting best ESG practices and establishing open access knowledge management platform.
- Formulation of concept for scaling-up and replication of best practices to other African and Asian countries.

The project foresees to incorporate the Ten Principles of the UNGC into strategies, policies and procedures, and establishing a culture of integrity, thereby setting the stage for long-term success.

## IN PARTNERSHIP WITH



## REGION



## GEOGRAPHICAL COVERAGE

# ETHIOPIA



## DURATION

2 years

August 2020 – December 2021



## PROJECT DONOR

Ministry of Commerce of the People's Republic of China



## PARTNERS

- UNIDO;
- GIZ;
- UNGC;
- China National Textile and Apparel Council;
- Ethiopian Textile Industry Development Institute.



## CONTACTS

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