

# Strengthening Rural Value Chains in Ethiopia

## Private Sector for Agricultural and Agribusiness Transformation

### The Challenge

In Ethiopia, over 50 million people, younger than 15, are expected to enter the labour market in the coming years. To match this demand by almost half the population, at least two million jobs need to be created every year. In this regard, agriculture and a diversified rural economy have a key role.

In its reform effort, the Government of Ethiopia is focusing on the promotion of the private sector as a driving force of economic growth. The Industrial Development Strategic Plan is a key strategy which considers the private sector as engine for the transformation of the agricultural sector.

This initiative requires a cooperation between the government and the private sector, founded on a sector-specific agricultural policy. The plan must also be complemented by efforts to enhance the capacity of local state actors to promote rural development and improve access to agricultural inputs, services and markets.

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### Our Approach

- Strengthen dialogue mechanisms between the government and the private sector in the agribusiness sector
- Advice and strengthen the Ministry of Agriculture (MoA) for a private sector oriented agricultural policy
- Increase the strategic, technical and management capacity of regional ministries of agriculture and other actors to promote rural economic development
- Improve access to inputs, services and markets for actors in the avocado, onion and soybean value chains in the three regions

### The benefits

- Improved investment climate in agribusiness sectors
- New jobs in agriculture-based small and medium enterprises
- Increased agricultural productivity at production level
- Increased income for smallholder farmers

### Operational Area



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