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# QUARTERLY NEWSLETTER SUSTAINABLE INDUSTRIAL CLUSTERS

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Dear readers,

As we embark on an exciting 2024, we're thrilled to reconnect through the S.I.C. newsletter highlighting recent project progress.

Over the past quarter, we've gained momentum across initiatives empowering positive change within Ethiopia's manufacturing sector - spanning workforce empowerment, environmental sustainability, community wellbeing and global partnerships.

This edition summarizes impactful milestones like scaling our landmark STOP! programme, advancing workers' education and showcasing production strengths to international buyers.

As we move deeper into 2024, we remain committed to maintaining focus, drive and coordination with our partners to carry this meaningful work forward. Please reach out if interested in learning more about current and upcoming project efforts.

The S.I.C team



Scan here to read more about the S.I.C. project





## Improved worker support



The S.I.C. project continues driving positive change through its STOP! sexual harassment prevention initiative. Initially launched as a pilot program in 4 factories, it has now expanded to 16 additional manufacturing facilities thanks to promising early results and collaboration with partners like PVH. STOP! delivers impactful training and resources to transform workplace attitudes and policies surrounding harassment. By taking a systemic approach - including management procedures, reporting channels, and staff skills building - it institutes positive reforms to ensure female employee safety, dignity and equal opportunities. The planned rollout across 16 more factories marks a valuable step towards wide-scale, lasting change on this crucial issue affecting Ethiopia's predominantly female industrial workforce. The project implementation partner CARE Ethiopia oversees STOP! programme delivery and advises factories on properly adopting new standards.



The S.I.C. project collaborated with Hawassa University to successfully hold women's empowerment event on December 9<sup>th</sup>, 2023 attended by over 120 participants. Featuring stakeholders from Hawassa industrial park factories, HR teams, park management and university leadership, it created awareness on key issues and barriers facing women across student and professional spaces. Sessions highlighted the importance of women's empowerment spanning areas like education access, economic opportunities, health/wellbeing, legal rights and leadership representation to achieve full potential. Keynote speaker Ambassador Mulu Solomon shared her inspirational life story overcoming obstacles to demonstrate how women can achieve great success and break limiting cultural stereotypes. The lively event underscored the need for continuous, coordinated action between diverse community groups to actively champion women's advancement and equality.



## Improved worker support



The S.I.C. project held a 2-day training focused on occupational safety and health (OSH) for 30 female worker representatives from the *Buna Tetu* social dialogue platform based in Hawassa industrial park. While limited OSH awareness and unsafe practices were identified as an issue, the training represented an opportunity to enrich perspectives and strengthen preventative behaviour surrounding health hazards. Given economic limitations noted by some attendees, the project took the initiative to distribute basic sanitary products to provide additional assistance alongside building competencies. Equipped with upgraded understanding, these leaders can now further propagate crucial knowledge throughout factory roles as part of existing peer-to-peer education efforts – already underway. By taking a collaborative approach, the project aims to drive a culture shift where safety and wellbeing become fixed priorities for the predominantly female workforce.



In collaboration with SHINTS, a garment company based in Bole Lemi industrial park, S.I.C. enrolled 200 of its workers in a formal distance education and certification program. By leveraging the company's on-site infrastructure after hours, workers can now access textbooks, tutoring and IT training to help complete critical education milestones. The initiative aims to nurture professional mobility and personal growth by empowering these employees to gain recognized credentials, knowledge and skills using available channels. With the majority of workers women often balancing family duties, this supportive approach helps unlock access to advancement pathways that accommodate their schedule. The project views this priority on enabling continuing education and career progression for the workforce powering Ethiopia's manufacturing rise as both a moral and strategic imperative.

## Improved IP management and environmental sustainability



The S.I.C. project collaborated with the Ethiopian Investment Commission (EIC) to deliver a 3-day capacity building workshop focused on investment promotion and facilitation. Attended by 15 enthusiastic participants, it covered global standards in areas like proactive investor outreach, aftercare support, and social media use. By bridging theory with practical knowledge, it aimed to empower EIC staff with insights and skills to boost foreign direct investment. Sessions introduced strategies like targeted promotion campaigns, investor testimonials, policy advocacy and retaining existing investors. Participants gained hands-on experience developing promotional materials. The successful workshop represented a valuable opportunity to enhance capacities within this vital agency responsible for spearheading Ethiopia's investment promotion.



The S.I.C. project conducted an intensive 6-day 'Training of Trainers' workshop focused on strengthening the competencies of industrial park maintenance personnel. 15 participants gained hands-on expertise in areas like troubleshooting and repairing vital equipment such as generators, air conditioning units and electrical systems. By mastering diagnostic techniques to spot impending issues early and fix malfunctions swiftly, this upskilling aims to drastically limit equipment downtimes and boost continuity. Trainees can now put their upgraded skills into practice by training additional technicians. This propagation of knowledge has far-reaching impacts as smooth functioning of utilities across the industrial parks fuels economic engines regionally and nationwide. While longer-term effects are still unfolding, the capacity building initiative seems poised to offer sizeable returns on investment by minimizing disruptive failures and expensive external contractors.

# Improved IP management and environmental sustainability



Hawassa industrial park continued progress towards adopting international best practices on environmental stewardship. After months of preparation supported by the S.I.C. project, the park underwent a preliminary ISO 14001:2015 environmental management system (EMS) certification audit in November 2023. While some minor non-conformities were identified, assessors noted Hawassa IP's credible efforts thus far across areas like system documentation, performance monitoring, and staff competencies around sustainability policies and procedures. The park now enters a critical 3-month period to amend initial audit findings and demonstrate progress towards compliance ahead of a final certification assessment. Achieving ISO 14001 certification remains a crucial milestone on Hawassa IP's journey to anchor sustainability at the heart of its culture and operations – driven by ambitious national blueprints.



Managers from IPDC and EIC actively participated at this year's African Economic Zones Association's (AEZO) annual meeting in Tangier, Morocco. Following a panel discussion where IPDC played an active role, the corporation was rewarded the 'Model Eco-Industrial Park' award. In addition, the attendees gained exposure to global standards, policies and emerging best practices. With the theme "Promoting Sustainable Industrialization and Economic Diversification", the meeting rallied research institutes, investment promotion agencies and other stakeholders to share knowledge, foster peer learning and align technical cooperation. By enabling this strategic participation, the project connected Ethiopian economic zone developers with leading insights, trends and networks to inform their own programs and advancement.



The S.I.C. project organized a 3-day discussion forum focused on catalysing the advancement of the Dire Dawa Free Trade Zone (DDFTZ). Bringing together high-level stakeholders like government authorities, city officials, university experts, business leaders and investors, the engagements centred on strengthening policy frameworks, exchanging international best practices, and aligning efforts to nurture success for the strategic economic zone. Thoughtful dialogue explored opportunities surrounding logistics networks, banking access, customs processes, environmental sustainability, local community impact and more. By enabling this open exchange between diverse public and private stakeholders, the project aimed to foster peer learning and coordinate action on pressing points to unlock the zone's immense potential.

## Improved IP management and environmental sustainability



The S.I.C project held an intensive 3-day training workshop focused on social and environmental sustainability for 20 key staff from the EIC. Sessions explored international standards, national eco-industrial park guidelines, investment oversight mechanisms, and more to enrich perspectives on critical topics like community impact, resource efficiency, and responsible operations. Additionally, 30 industrial park managers and technical heads were trained on the national EIP framework and its implementation. Further training equipped 15 personnel from leading industrial parks with assessment competencies rooted in the sustainability framework. By propagating specialized expertise across these influential stakeholders, the project aims to firmly anchor environmental stewardship and social well-being at the heart of Ethiopia's industrial growth story.



## Improved sustainability frameworks



Representatives from the MoI, IPDC and EPA attended the COP28 climate summit held in Dubai. The sessions focused on exchanging the latest solutions and standards on crucial issues from leveraging carbon markets to energy transitions, climate-resilient industry practices and creating environmentally and socially sustainable jobs. By facilitating exposure to global perspectives, the S.I.C. project works to strengthen national capacities and visions surrounding climate change mitigation and adaptation within Ethiopia's vital industrial growth stakeholders. The insights gathered through the extensive community learnings and best practice sharing at COP28 will directly inform efforts back home to anchor sustainability while concurrently powering economic expansion. This participation thus marked an opportunity to catalyze progress by aligning local strategies with emerging innovations in sustainable industrial development.





## Strengthened business linkages

Representatives from JICA and ITOCHU Corporation were hosted by the S.I.C. project to align in the development of Ethiopia's cotton industry. With the largest uncultivated cotton growing area in Africa at over 3 million hectares, participants explored how to leverage Ethiopia's tremendous potential. As a vital cash crop with labour-intensive cultivation, cotton powers both industrialization and poverty alleviation. Key topics included governance improvements, fuelling domestic value addition, tapping export markets for sustainable cotton, and coherent promotion strategies for the sector. With aligned efforts, developing this industry can significantly boost jobs and economic growth. The vibrant exchange highlighted cotton's pivotal role in the historical industrial take-off of nations. Realizing a thriving, sustainable cotton sector in Ethiopia promises substantial opportunities for shared prosperity.



The recent Africa Sourcing and Fashion Week (ASFW) 2023 provided an unparalleled opportunity for Ethiopian textile and garment manufacturers to showcase their capabilities on the global stage. The "Made in Ethiopia" country pavilion specially featured 20 leading Ethiopian companies, displaying the nation's strengths and potential before over 300 exhibitors and 5,000 trade attendees from more than 50 countries worldwide. ASFW 2023 represented a strategic platform to increase the profiles of Ethiopian firms and boost their access to international buyer networks and partnerships. Facilitating participation helps them significantly expand visibility and exports to new high-value markets. Additionally, the S.I.C. project organized buyer engagements including a breakfast dialogue under

Chatham House rules. It convened major international buyers, Ethiopian government representatives and key stakeholders for thoughtful exchange on positioning Ethiopia as a competitive manufacturing and sourcing hub. Buyers gained valuable insights on strengths, challenges and areas of focus – from evolving trade policies to improving logistics networks and lead times. The open dialogue helped align efforts to grow this crucial sector. An immersive industrial parks tour also provided first-hand exposure to Ethiopia's existing capabilities and infrastructure assets ready to support their manufacturing needs. While buyers noted areas for continued improvement, they expressed great excitement to further explore mutually beneficial partnerships given the immense potential witnessed.

A training focused on strengthening integrated management systems in line with international standards was conducted for Anbessa shoes factory. The 3-day session equipped leadership with an in-depth understanding of requirements across quality, environmental and occupational health/safety domains, as per ISO 9001, 14001 and 45001 certifications. With advisory services from a consulting firm, Anbessa is now undergoing implementation processes to embed certified systems enabling world-class production quality, environmental stewardship and worker wellbeing. Achieving this globally recognized and audited management performance bar will allow the company to signal excellence in sustainably meeting customer needs and operating responsibly.



Recognizing opportunity areas through assessments, the S.I.C. project initiated sales/marketing plus website/e-commerce development support for Ethiopian leather companies. A comprehensive sales training program was launched involving 16 firms from the sector. By uncovering strategies to resonate with consumers, establish differentiation and tell their brand stories effectively across channels, companies can significantly boost market penetration. In parallel, specialized assistance has begun for building functional websites and integrating e-commerce infrastructure. Having strong online visibility and seamless digital commerce in today's business landscape enables improved discoverability, reputation and sales potential. By proactively addressing identified gaps through expert-led initiatives in both traditional and digital selling realms, the project aims to provide leather companies access to game-changing capabilities that unlock growth in target segments.



KerEzhi Ethiopia, an aspiring leather goods producer, is set to benefit from extended on-site engagement with two international industry experts within its manufacturing facility. With specialized understanding around bolstering productivity and enhancing quality assurance for premium leather wallets, their hands-on involvement spans advising production processes, workforce skills development, and recommendations to institutionalize global best practices. Additionally, these visiting professionals will conduct practical training sessions for local experts at the Manufacturing Industry Development Institute (MIDI) - facilitating broader knowledge propagation across Ethiopia's vital leather sector. By embedding international experience directly on the factory floor while concurrently upskilling the industry's training institute, this S.I.C. project facilitated collaboration enables KerEzhi to bolster capabilities and contribute to wider ecosystem development.

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