



UNITED NATIONS  
INDUSTRIAL DEVELOPMENT ORGANIZATION



# Driving agro-industrial growth and rural development

## CONTEXT

Agro-industrialization is increasingly seen as the force driving economic transformation. As countries make the leap from agriculture to manufacturing, agro-processing is the stepping stone. But in many developing countries, agro-industrialization faces major challenges: e.g., weak infrastructure and utilities; uncondusive business environments; high initial investments for the establishment of manufacturing plants, inconsistent supply of raw materials, and a lack of competitiveness at regional and global levels.

## APPROACH

Integrated agro-food parks are an effective tool to address such challenges and facilitate agro-industrial growth. UNIDO is supporting the development of agro-food parks in Ethiopia, Kenya, Mongolia, Nigeria, Senegal and Tanzania. They provide a favourable business environment for development of the agro-industry sector more broadly, and help add economic value in countries/regions heavily dependent on the production of unprocessed or semi-processed agricultural products.

Typically located in agriculture and agri-business growth corridors, agro-food parks link smallholder farmers with the demand side of the value chain, while ensuring a consistent supply of raw materials to

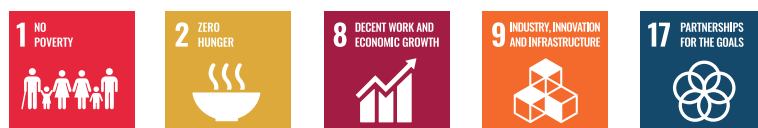
agro-industries. They thus enable a shift from a fragmented and supply-driven agricultural sector to one that is organized, demand-led and quality-oriented.

Agro-food parks are designated spaces for the transformation of agricultural products, promoting integration and creating synergies between agricultural producers, and processors, input providers, business service providers, government agencies, research and development institutes, and training hubs.

Rural Transformation Centres link agro-food parks to agricultural production areas. They collect, store, and undertake some primary processing of agriculture products. And information, goods and services – such as quality standards, agricultural inputs, and extension services – flow through them, from the industries back to the farmers. These centers are a vital link connecting rural smallholder farmers to regional and global value chains.

Agro-food parks are an important tool for advancing the inclusive and sustainable industrial development objectives of Members States. Drawing on its core functions, UNIDO leverages technical assistance in a neutral broker role, bringing actors together to scale up best practices, increase investment, and create impacts far beyond a specific project.

## WORKING TOWARDS



## GEOGRAPHICAL SCOPE



Ethiopia, Kenya,  
Mongolia, Nigeria,  
Senegal, Tanzania



## PARTNERS

African Development Bank  
European Union  
National governments



## FOCUS AREAS

- Agricultural value chains
- Agro-food processing
- Value addition
- Rural transformation



## CONTACT

[agribusiness@unido.org](mailto:agribusiness@unido.org)



ETHIOPIA

**+157**

investors identified across  
four agro-food parks



**\$662**

million for public  
investment in industrial  
infrastructure leveraged

**\$581**

million for private  
investment in park  
development leveraged

## INSIDE ETHIOPIA'S YIRGALEM IAIP

In Ethiopia, UNIDO is supporting the development of four integrated agro-industrial parks (IAIPs) which are home to a number of companies, including food processing firms. The Sunvado factory, for example, established in 2018 and owned by Dutch company, Tradin Organic, is a processing facility for premium organic avocado oil inside the Yirgalem IAIP. Most avocados in the southern region of Ethiopia are typically

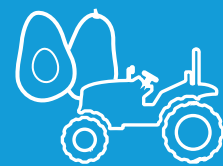
sold at low prices to the local market, but the Sunvado facility offers farmers a better price, and then exports the premium oil to markets such as Japan, the Netherlands, and North America. Working together with the avocado farmer cooperatives, Sunvado employs field extension workers to support the supply chain, and established an organic monitoring system which helped secure organic certification in 2019.

**“Thanks to this park, it’s not difficult for us to find a market for our products”**

Tefera Kebede, Coffee Farmer

**“We buy our avocados from the region, and we pay the farmers a good price”**

Okke Meijer, Sunvado plant manager



Yirgalem  
IAIP

**73000**

smallholder farmers  
integrated into global  
value chains, 22% of  
them women



Yirgalem  
IAIP

**78** avocado fruit  
collection centers  
established