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# QUARTERLY NEWSLETTER SUSTAINABLE INDUSTRIAL CLUSTERS

ISSUE 06 // MAY - JULY 2023

Dear readers,

We are excited to present the S.I.C. project newsletter for May - July 2023, keeping you up to date on our recent progress and impact.

Over the past quarter, our team has continued enabling positive change across Ethiopia's industrial parks and manufacturing enterprises.

In this edition, you will find updates on key initiatives like establishing cooperatives, delivering training programs, implementing environmental management systems, mainstreaming gender, and promoting Ethiopian companies internationally.

We hope you enjoy reading the newsletter and please don't hesitate to contact us if you want to learn more about the project milestones.

The S.I.C. team



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## Improved worker support



The establishment of a new worker-owned cooperative in Adama Industrial Park (AIP) has reached an important milestone, with over 1,300 workers already registered. This achievement follows the recent Memorandum of Understanding signed between AIP management, IDH, and the S.I.C. project to create this cooperative jointly. The cooperative's first shop is being set up inside refurbished shipping containers, with facilitation from partners including Plan International, Adama IPDC, and Sunshine Apparel. The legal registration process is now underway, and operations are anticipated to commence soon. This pioneering worker-owned cooperative represents an exciting development for the park and a step forward in empowering the mainly female workforce.



In commemoration of World Day for Safety and Health at Work 2023, S.I.C. held events in Debre Birhan and Kombolcha IPs to raise awareness about the importance of occupational safety and health (OSH). The events assembled representatives from the Labour & Training departments of the respective city administrations, OSH committee members, the Ethiopian Investment Commission (EIC), the Industrial Park Development Corporation (IPDC), and OSH representatives from companies in the parks and on cluster level. A member of the Confederation of Ethiopian Trade Unions (CETU) from Kombolcha represented the workers. The conference enabled experience sharing and exchange between the participants. Additionally, the event raised awareness about the national OSH directive and offered a platform for OSH committees to share achievements from their action plans. These plans were initially developed during S.I.C. facilitated Training of Trainers' sessions and implemented with the project's support. By convening these commemorations, S.I.C. underscored the significance of occupational safety and health and the need for continued coordination to protect workers in the textile and garment industry.



A graduation ceremony was held on June 20th at Hawassa Industrial Park (HIP), celebrating 103 participants who completed a business and entrepreneurship skills training programs. The trainees were awarded certificates in a ceremony attended by representatives from Hawassa IPDC, the EIC, the Hawassa Industrial Park Investors Association, and the Hawassa City Job Creation office. The intensive eight-day training provided modules on developing a business vision, customer and market analysis, revenue and pricing strategies, customer outreach planning, crafting a business story, and women's empowerment. With 103 newly certified graduates, this skills training represents a valuable step in empowering laid-off workers and enabling entrepreneurship. As an example, one female trainee gave testimony on how she initially became dependent on her husband's income after losing her job at the industrial park. However, she recounted that the training "opened her eyes" and gave her new hope and motivation. After the course, she started her own small business which she wants to expand if she can secure additional financing.

# Improved IP management and environmental sustainability



The S.I.C. project has continued supporting Hawassa Industrial Park (HIP) in implementing an environmental management system which complies with ISO 14001 standards. To accelerate this process, the Institute of Ethiopian Standards conducted an internal audit training for 18 participants from HIP and 5 from AIP. Following the training, the HIP task force performed an internal audit of ISO 14001 implementation with the consultant's support. All non-compliances have since been resolved; hence preparing HIP for a third-party external audit and certification. By providing focused training and ongoing assistance, S.I.C. supports HIP embedding international best practices for environmental management. Achieving ISO 14001 certification will demonstrate the park's commitment to responsible environmental stewardship. Additionally, it will enable more sustainable operations that mitigate impacts and risks.



The S.I.C. project has taken the next steps in implementing Resource Efficient and Cleaner Production (RECP) measures at AIP. An expert consultant conducted initial assessments and a kick-off meeting with AIP management and zero liquid discharge (ZLD) unit staff to launch the RECP intervention process at the park. The assessments enabled the consultant to analyse the status quo and identify opportunities to improve resource efficiency, reduce waste, and minimize environmental impacts through cleaner production. By initiating RECP at AIP, the S.I.C. project aims to assist the park in continuously enhancing its environmental performance. Adopting RECP principles and methods will help drive resource conservation, cost savings, and sustainable operations.



A proposal was submitted to Investment Fund for Developing Countries (IFE) to modify the existing ion exchange system and improve the potable water supply for employees at HIP. The detailed proposal was developed jointly by the park, the S.I.C. project, and an IFE-contracted consultant and submitted on June 30, 2023. Additionally, IPDC submitted two more investment proposals with the support of S.I.C. to IFE-KfW for Bole Lemi Industrial Park (BLIP). These include a centralized maintenance workshop and a training centre project concept note, requesting a EUR 4.57 million grant, and a proposal to enhance water supply infrastructure at the park, requesting EUR 3.86 million. Securing funding for these critical infrastructure investments will improve working conditions and operations at the parks. S.I.C. continues collaborating closely with stakeholders to mobilize financing that unlocks sustainable growth opportunities.

## Improved IP management and environmental sustainability



Bole Lemi Industrial Park (BLIP) recently undertook a customer service training for park staff, aimed at enhancing service delivery to tenant enterprises. The first round of training spanned four days and reached 25 BLIP employees. At management's request, a specialized two-day training was consecutively conducted for 15 senior figures, including department heads and other managers. By equipping personnel with customer service skills, BLIP is working to provide exceptional service that enables tenants' success. Participants gained valuable expertise in areas like communication, problem-solving, managing expectations, and understanding customer needs. These trainings represent an investment in continuous workforce development. Building a skilled talent pool across all levels positions the industrial park to understand and meet the needs of manufacturing enterprises.



A high-level delegation recently visited Lisbon and Porto in Portugal to promote investment in Ethiopia's industrial parks. Attendees included representatives from the EIC, IPDC, the mayor of Hawassa City, and the mayor of Dire Dawa. The trip, facilitated by the S.I.C. included meetings with Portugal's Secretary of State for Internationalization, the Madeira International Business Centre, and the Board of Directors of AICEP Global Parques. The delegation also met with the presidents of the Portuguese Footwear Manufacturers Association and the Portuguese Textile and Garment Association. During the visit, EIC and IPDC representatives positioned Ethiopia as the next major investment hub in Africa. They extended invitations for Portuguese stakeholders to visit Ethiopia's industrial parks and explore opportunities first-hand. By engaging key business and government leaders, this trade mission advanced the profile of Ethiopia's industrial parks worldwide. S.I.C. believes that exchanges like this are invaluable for showcasing Ethiopia's potential, attracting foreign direct investment, and supporting the growth of the country's manufacturing industry.



The S.I.C. project recently participated as a founding member in the launch of the Industrial Parks Sustainability Platform (IPSP). The platform is led by the IPDC and brings together diverse stakeholders to advance sustainability across Ethiopia's textile and garment sector. The IPSP aims to facilitate effective public-private dialogue that identifies systemic constraints and proposes solutions for value chain actors to implement. By converting these technical solutions into business opportunities, the platform seeks to ensure sustainable industry operations. IPSP membership encompasses a wide spectrum, including government entities, international development partners, civil society organizations, and private sector firms working together to revive and promote Ethiopia's textile and garment manufacturing. As a collaborative forum, the IPSP will enable collective action on shared sustainability goals.



From June 7-9, 2023, S.I.C. organized a three-day validation workshop in Bishoftu. This enabled the presentation of a draft Industrial Chemical Registration and Administration Guideline, alongside an Environmental Checklist. Both documents were prepared jointly by S.I.C. and Ethiopian Environmental Protection Authority (EPA) experts. The workshop gathered stakeholder feedback to finalize the drafts. Following the event, a team of EPA-assigned experts worked alongside S.I.C. advisors to incorporate this input. The finalized documents have now been submitted to EPA management for approval. By driving progress on these landmark chemical management tools, S.I.C. is assisting efforts to strengthen environmental oversight of the manufacturing sector. The stakeholder consultation process helped ensure that the guidelines and checklist will be practical and effective resources to safeguard communities and ecosystems.



Hawassa Industrial Park (HIP) continues making progress on responsible sludge management practices to meet regulatory standards. So far, the park has improved its sludge handling and storage procedures. HIP now sends dried sludge to the Reppi waste-to-energy facility in Addis Ababa, demonstrating positive advancement. To promote further compliance and enforcement, the S.I.C. project organized an awareness creation workshop from May 18-20, 2023. Participants included government officials, civil society, community leaders, and environmental experts. Additionally, the Federal EPA donated water quality monitoring equipment to HIP which the GIZ eTex project procured and handed over. By improving sludge management infrastructure and building stakeholder capacities, HIP is institutionalizing environmentally sound systems. S.I.C. applauds these efforts which will minimize risks and promote sustainable operations.



On June 15-16, 2023, S.I.C. facilitated a training focused on mainstreaming gender and empowering women. Attendees from the Ministry of Industry (MoI), affiliated organizations, and women-owned companies built skills in areas like leadership, mindset, and self-awareness. Feedback indicated that the guidelines required revision prior to publication. As a result, S.I.C. deployed a local gender expert consultant to review the document. By driving progress on guideline implementation, S.I.C. is assisting efforts to promote inclusion and women's empowerment across Ethiopia's manufacturing sector. This training builds stakeholder capacities, while expert input will help refine the guidelines into an impactful tool for change.



From July 13-15, 2023, the S.I.C. project held a three-day training to promote compliance in Ethiopia's manufacturing sector. Attended by 50 experts and stakeholders, it equipped trainees to conduct baseline assessments of companies using newly endorsed tools. Fifty selected firms will undergo the assessments, led by researchers from relevant centers. The action plan's objective is to evaluate the company's status against the environmental compliance checklist, sludge management standard, chemical guidelines, and gender mainstreaming guidelines. Based on the findings, targeted interventions will be planned to assist companies in achieving fuller compliance across these sustainability domains. By taking a collaborative approach, S.I.C. and the Ministry of Industry aim to systematically enhance regulatory alignment and responsible business practices. The assessments will provide a clearer picture of the existing gaps, thus, any support can be targeted for maximum impact.

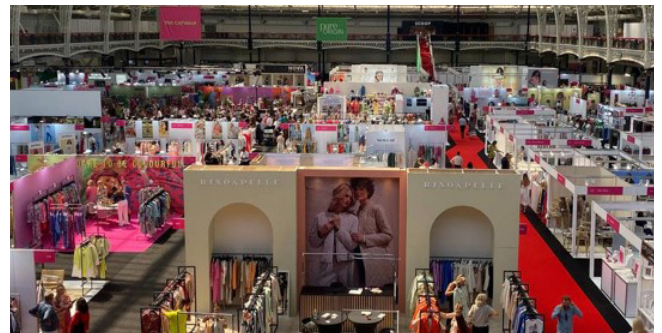


## Strengthened business linkages

The annual East Africa Textile and Leather Week was held in June 2023, drawing over 1,500 exhibitors and 6,500 buyers from across the region. The S.I.C. project established a “Made in Ethiopia” country pavilion at this major event, hosting 5 Ethiopian leather manufacturing companies. This high-profile pavilion enabled a targeted promotion of their capabilities to intra-regional buyers. An emerging Ethiopian fashion designer received a platform to highlight unique designs before a global audience. Additional S.I.C. support included arranging meetings for companies and providing relevant market intelligence. By facilitating participation in this premier regional industry expo, S.I.C. created valuable opportunities to highlight Ethiopian manufacturing strengths. Connecting companies with prospective regional partners can accelerate their growth and boost exports.



Paris hosted the leading Texworld Evolution B2B fair in July 2023 for global textile manufacturing and sourcing. The event featured 50 exhibitors and attracted 3,500 buyers from over 80 countries worldwide. Through a shared booth, the S.I.C. project facilitated the participation of 10 Ethiopian textile and garment companies. This presence enabled them to display the latest products and capabilities before a global audience. Additional support included assistance with marketing materials and scheduling meetings with prospective international buyers. By providing this platform at a premier industry event, S.I.C. connected Ethiopian firms with opportunities to increase their exports. Exhibiting before influential international buyers allow them to highlight the nation’s emerging strengths as a manufacturing and sourcing hub.



Source Fashion London was held in July 2023 as a premier UK event connecting apparel and textile suppliers with retailers. This year’s edition brought together 136 international exhibitors and 3,845 trade visitors. With the UK representing a strategic market, the S.I.C. project coordinated the participation of 5 Ethiopian garment manufacturers. The companies were able to connect directly with major British fashion brands and demonstrate their expertise. As an Africa-focused show, it presented an opportunity to showcase Ethiopia as an emerging regional textile hub with sourcing and manufacturing partners who can deliver quality and value.

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