Early Warning System

WB-P510576

Agriculture Value Chains Development for Productivity, Commercialization and Jobs in Ethiopia

Quick Facts

Countries	Ethiopia
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2027-01-28
Borrower	Government of Ethiopia - Ministry of Finance; Ministry of Agriculture
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 250.00 million
Project Cost (USD)	$ 272.82 million

Project Description

According to the Bank's website, the objective of this project is to increase productivity and commercialization of selected agricultural commodities and expand employment opportunities for targeted beneficiaries in Ethiopia.

The Agriculture Value Chains Development for Climate Resilience, Commercialization, and Jobs in Ethiopia (AVC4Jobs) project seeks to boost productivity and commercialization of key agricultural commodities and create jobs for targeted groups. Led by the Ministry of Agriculture, it advances climate-smart, market-driven agrifood systems by strengthening production, aggregation, value addition, and market links in priority regions.With an initial allocation of US$ 272,817,143, including IDA allocation of US$250 million and counter funding from agribusiness enterpriser organizations of US$22,817,143, the project focuses on six high-potential commodities--poultry, dairy, red meat, Avocado, maize and soybean--chosen for their impact on food security, climate resilience, commercialization, and job creation.

All 14 regions will benefit from cross-cutting support such as capacity building, digital solutions, and improved information systems. Value chain-specific investments will begin in eight priority regions and may expand to six others, potentially adding more commodities if funding allows.

Interventions follow a value chain-led, market-driven approach to address constraints across input, production, aggregation, processing, and marketing, focusing on farmers, cooperatives, unions, and Micro and Small Enterprises. Core activities include climate-smart production, aggregation, post-harvest efficiency, agribusiness skills, inclusive agri-finance, risk management, and digital transformation.

AVC4Jobs supports national strategies like Ethiopia's 10 Year Development Plan, the revised Agriculture Policy, the National Horticulture Strategy, and the Digital Agriculture Roadmap. It promotes commodity clustering around agro-industrial parks, rural transformation centers, and mechanization hubs to drive rural economic growth and private sector engagement.

Early Warning System Project Analysis

The AVC4Jobs Project is a large-scale, multi-component initiative targeting integrated value chain development for livestock, fisheries, and crop commodities across all regional states and major urban centers. The Project encompasses infrastructure investments, capacity building, digitalization, and institutional strengthening, with a strong emphasis on climate-smart and inclusive approaches. While the project is designed to enhance productivity, resilience, and market access, its activities—such as feed and forage production, genetic improvement, disease management, aggregation, processing, and digital infrastructure—are anticipated to generate a range of environmental risks typical for agricultural and livestock sector interventions in Ethiopia. Key environmental risk factors include pollution and resource use, waste generation, impacts on biodiversity and habitats, community health and safety concerns, and potential effects on physical cultural resources. These risks are generally site-specific, temporary, and reversible, and can be effectively managed through established mitigation measures such as environmental screening, careful infrastructure siting, pollution and waste management, and biodiversity conservation.

While the project is designed to deliver substantial social benefits, the anticipated scope, geographic reach, complex context,and nature of interventions—particularly those involving infrastructure, aggregation, and market access—are expected to generate a range of adverse social risks and impacts that are significant in scale and complexity, but generally manageable with robust mitigation measures. Key concerns include potential land acquisition and involuntary resettlement from infrastructure development, which may displace households and smallholders, especially in areas with informal land tenure. Project activities could also affect livelihoods and access to resources for vulnerable groups, such as pastoralists and women-headed households, by disrupting traditional systems and potentially excluding those lacking the means to participate in modernized value chains. Additionally, interventions may directly or indirectly impact on the rights and practices (land, resources, livelihoods, social fabric, culture, governance/customary systems) of historically underserved peoples and other vulnerable groups, with risks of exclusion from project benefits.

Investment Description

- World Bank (WB)

Total Project Cost: US$ 272.82 million

IDA Credit: US$ 250.00 million

Contact Information

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ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: https://www.worldbank.org/en/access-to-information/request-submission

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Bank Documents

- Concept Environmental and Social Review Summary (ESRS) - Agriculture Value Chains Development for Pr
- Concept Project Information Document (PID)
- Official Documents- Disbursement and Financial Information Letter for Grant E5760-ET.pdf
- Official Documents- Letter Agreement for Grant 5760-ET.pdf