

| RLI INVESTMENT SNAPSHOT                    |   |
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| NIMAN MOHAMED GENERAL CONSTRUCTION COMPANY |   |
| <b>Reason for Selection:</b>               | The construction industry in Ethiopia is booming and plays a critical role in the support network for displaced populations, namely through the building and provision of housing, shelters and other structures for settlements and camps. As a Grade 3 contractor, Niman Mohamed can support shelter provision through contracts with humanitarian operations and provide employment for displaced populations, both in the camps as well as in the surrounding community.  |
| <b>Location:</b>                           | Jijiga, Somalia, Ethiopia   |
| <b>RLI Business Category:</b> <sup>1</sup> | R3: Refugee Supporting / R4: Refugee-Supporting, Host-weighted  |
| <b>Company Background:</b>                 | Established in 2018, Niman Mohamed General Construction Company is a government-designated Grade 3 general contractor, which means it is qualified to engage in construction works including buildings, roads, railways, and bridges. <sup>2</sup> The company is known to provide competitive services and has a positive reputation based on the projects they have completed in Jijiga, earning a name for themselves in the industry.   |
| <b>Industry/Sector:</b>                    | Construction  |
| <b>Products and Services:</b>              | Construction; Construction materials supplier   |
| <b>Management Team:</b>                    | They have a seven-person management team led by Abdikerim Jama.   |
| <b>Employees:</b>                          | 53 site workers; predominately male staff.  |
| <b>Market Overview and Trends:</b>         | <p>The Ethiopian construction industry is predominately made up of micro-entrepreneurs, “the majority of whom operate in the country’s informal economy. Ethiopia’s formal construction sector comprises indigenous and indigenized firms, as well as numerous major foreign civil engineering and construction companies.” While regulations dictate that contractors are “required to be registered with the Ethiopian Ministry of Urban Development and Construction,” there is a significant gap in registration and enforcement, as well as a disconnect between health and safety standards and onsite realities.<sup>3</sup></p> <p>The construction sector of Jijiga is experiencing a significant growth spurt in recent years due to its rapidly increasing population. There are currently several development projects being undertaken by both the government and private sector. Improved security and relative peace in the region have further encouraged such development.<sup>4</sup></p> |

<sup>1</sup> This is the category RENEW believes the company could occupy after receiving appropriate technical assistance support. The concept of refugee-lens investing (RLI) is new to Ethiopia, as such, there are very few companies operating in the formal sector of the studied secondary cities that currently meet the RLI criteria.

<sup>2</sup> Grade 3 registration allows contractors to engage in construction projects costing up to 15M Birr. Grade 3 contractors must have a general or technical manager registered as an Associate Engineer IV or a Professional Engineer III. Source: Construction Review Online. 4 Key Requirements to Register as a Contractor in Ethiopia. 2020. [LINK](#)

<sup>3</sup> Who Owns Whom: African Business Information. The Construction Industry in Ethiopia. 2018. [LINK](#).

<sup>4</sup> Interviews with company manager and local economic development consultant.

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| <b>Estimated Investment Needs*:</b>   | The company is seeking an investment of \$180K to expand operations through the hiring of new, skilled employees and expanding their purchasing power for input materials for construction, as well as for their supply sales operation.   |
| <b>Target Funding Source(s):</b>      | Banks, foreign investors, government contracts   |
| <b>Investment Opportunity:</b>        | <p>With a rapidly growing urban population in Jijiga, as well as most of the country, construction is a rapidly expanding industry with high demand. It is becoming one of the major economic drivers in the country, despite recent setbacks in raw material price inflation.<sup>5</sup></p> <p>The construction industry is labor intensive, and thus a large employer, particularly of day laborers, but also skilled technicians.</p> <p>Supporting a construction company in Jijiga presents an interesting investment case and a strong RLI connection, as the RLI lens can support the engagement of refugee employees.</p> <p>Furthermore, affordable housing is in high demand, particularly, but not solely, for displaced populations. As such, there is an opportunity for the RLI network to work with construction companies to engage in these types of projects to support the development of inclusive housing opportunities for host and refugee communities.</p> |
| <b>RLI Social Impact Opportunity:</b> | <p>Investing in construction companies, such as Niman Mahamed, would help expand operations and increase their employment capacity.</p> <p>Further skills development through technical assistance and capacity building could help construction companies secure higher grade certifications that would allow them to competitively bid and win larger and more lucrative contracts, once again, expanding their hiring capacity.</p> <p>With the rapid influx of IDPs in regions such as Somali, there is a shortage of adequate housing, and there is a high demand for construction companies to support housing development.</p> <p>With the appropriate coaching on RLI, construction companies could employ refugees, source materials from refugee-owned and managed businesses and support refugee infrastructure development, such as affordable housing.</p>  |
| <b>RLI Support Strategy:</b>          | <p>The RLI network could provide seminars and events for construction industry leaders to raise awareness about the value of refugee inclusion in their operations and value-chain. These platforms could also disseminate information about the Refugee Proclamation and the accompanying rights to work for refugee populations. Internal capacity building support could help HR teams target refugee recruitment.</p> <p>The RLI network could also facilitate partnerships between construction companies and humanitarian and development IGOs to implement inclusive housing projects and infrastructure development to serve host and refugee communities.</p>   |

<sup>5</sup> ITE Build & Interiors. Ethiopia's Construction Industry: Transforming a Nation: A Market Insights Report. [LINK](#).