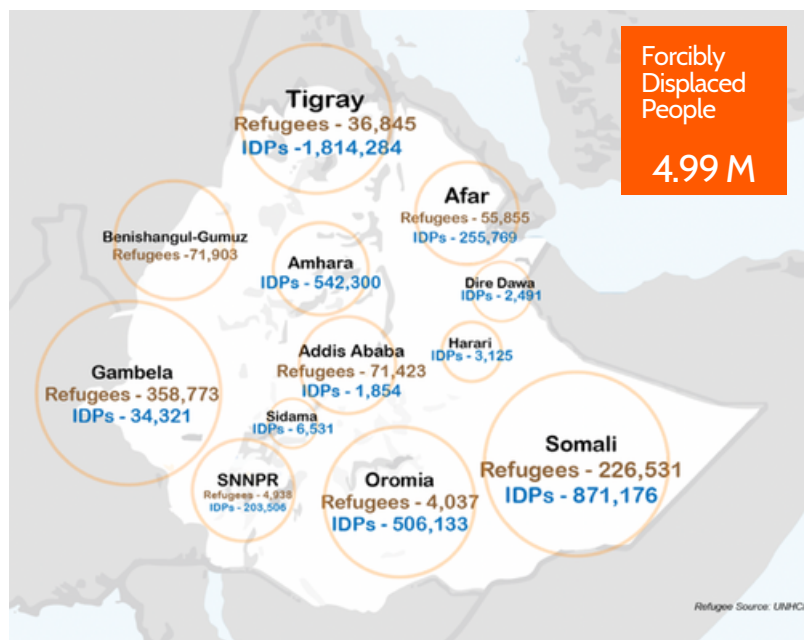


ETHIOPIA

Ethiopia is the crossroads for centuries of migration, trade and resettlement and, in many ways, refugees and immigrants are seen as part of the national fabric. Ethiopia hosts three large cohorts of refugees from Somalia, South Sudan and Eritrea. While the investment landscape has improved in recent years due to government reforms, there remain a number of unique considerations for foreign engagement in the country.



The Business & Investment Climate

Despite the challenges Ethiopia has faced in the past four years, the government has made progress on its ambitious economic reform agenda:

- Recently revised sixty-year-old commercial code, enacted a new investment regulation, began steps to sell two telecom spectrum licenses to foreign operators, and developed a financial sector liberalization roadmap.
- Low-cost labor, a national airline with well over 100 passenger connections, and growing consumer markets are key elements attracting foreign investment.
- As of 2020, FDI only represented 2.2% of Ethiopia's GDP. 72% of FDI reported was equity, in part due to government regulations.

159

of 190 countries in ease of doing business

\$3.9B

FDI in the 2020-2021 fiscal year

Industries and Business Models

High-level landscape of the current markets of each region

	IDP Pop.	Refugee Pop.	Ag / Food	Construction	Furniture	Metals and Minerals	Textiles	Electronics trade	Livestock trade
Tigray Region	1,814,284	36,845	X	X		X			
Somali Region	871,176	226,531	X				X	X	
Amhara Region	542,300		X	X	X				
Oromia Region	506,133	4,037	X	X		X			
Gambela Region	34,321	358,773	X				X		
Afar Region	255,769	55,855		X			X		
SNNPR	203,506	4,938	X	X					
Benishangul-Gumuz		71,903			X				
Addis Ababa (city)	1,854	71,423	X	X	X				
Sidama	6,531		X						
Harari	3,125		X						X
Dire Dawa (city)	2,491		X	X	X				

Ethiopia: Potential for Refugee Lens Investing (RLI)

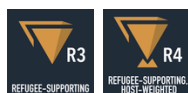
The analysis of the current investment environment in Ethiopia recommends that, from the government's priority sectors, committed and patient RLI implementers focus on agriculture/agroprocessing, textiles and energy. Within these industries, there are three priority business models that show potential for RLI in Ethiopia today:

- 01** Agro-Processing:
- Both an industry and a business model, agro-processing employs a large number of individuals, matches the professional experience / backgrounds of many refugees and addresses food security challenges in the country.
 - Considering the legal structures that currently limit formal employment for refugees, industries that heavily rely on informal employment present a strong RLI case.

- 02** Direct Sales:
- Direct sales agent models, that utilize low-cost labor could create new channels that bypass high-cost middlemen.
 - Agent models can increase rural penetration for basic consumer goods and pharmaceuticals.
 - Commission-based sales agent model can provide more employer flexibility to support refugee agents without necessitating formal employment registration and paperwork.

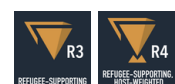
- 03** PayGo:
- PayGo increases access to high-cost goods and services that might otherwise be unattainable for refugee communities by allowing a customer to pay small amounts in installments over a number of months.
 - As the telecom and banking industries open up to foreign actors, Ethiopia will see an increase in adoption of mobile money and online payment platforms that will ease doing business with remote customers.

Scan the QR for Details on Additional Pipeline Opportunities



EthioChicken has grown rapidly into a nationwide company, employing over 1,600 Ethiopians and distributing more than 20 million birds each year to 4.8 million smallholders. The company also has two feed mills producing top quality feed. Investing in EthioChicken will further help the company develop a healthy business relationship between the host and refugee communities through value-chain enhancement, awareness raising and market linkages. They also seek to improve delivery, health safety and capacity to warmer areas.

Refugee Impact: EthioChicken has partnered with DAI SHARPE to expand their value chain into refugee camps. Currently, they have 35 mother units serving refugee populations in Jijiga and 11 in Gambela. They are eager to further expand this business model to the IDP populations in Adama, where they are currently working with the host-community.



Mina Water produces natural and purified water sourced from the mineral-rich streams of the Faafan Mountains. Unsafe water is a significant contributor to disease and malnutrition worldwide. This recognition has led to the proliferation of the industry. In addition to high local demand, there is also significant opportunity to capitalize on the export market of drinking water.

An investment in Mina could support improved health outcomes and overall wellbeing for refugees and host communities.