

USAID Transform WASH

Ethiopia's Business Environment and How It Influences WASH Market Development



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Table of Contents

1. Introduction	1
1.1. Background	1
1.2. Methodology	2
2. Economic Situation in Ethiopia	2
3. Business Environment	3
3.1 Access to foreign exchange	4
3.2. Repatriation of profit.....	5
3.3. Import tariffs and taxes.....	6
3.4. Value added tax.....	7
3.5. Intellectual property rights and protection.....	7
3.6. Business start-up requirements.....	9
3.8. Manufacturing challenges	11
3.9. Financing for enterprises and businesses	12
3.10. Financing for consumers	13
4. Conclusions and Recommendations	15
References	19

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USAID Transform WASH aims to improve water, sanitation and hygiene (WASH) outcomes in Ethiopia by increasing market access to and sustained use of a broader spectrum of affordable WASH products and services, with a substantial focus on sanitation.

Transform WASH achieves this by transforming the market for low-cost quality WASH products and services: stimulating demand at the community level, strengthening supply chains, and improving the enabling environment for a vibrant private market.

USAID Transform WASH is a USAID-funded activity implemented by PSI in collaboration with SNV, Plan International, and IRC WASH. The consortium is working closely with government agencies, including the Ministry of Health, the Ministry of Water, Irrigation and Electricity, the One WASH National Program, and regional and sub-regional governments.

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This learning note explores the challenges to the business environment in Ethiopia and highlights opportunities for growth and investment into WASH products and services.

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Abbreviations

ACSO	Agency for Civil Society Organizations
CBE	Central Bank of Ethiopia
CBO	Community-Based Organization
CIF	Cost, Insurance, and Freight
CLTSH	Community-Led Total Sanitation and Hygiene
ECAE	Ethiopia Conformity Assessment Enterprise
EFDA	Ethiopian Food and Drug Authority
ETB	Ethiopian Birr
ERCA	Ethiopian Revenue and Customs Authority
FDRE	Federal Democratic Republic of Ethiopia
FMoH	Federal Ministry of Health
Forex	Foreign Exchange
GDP	Gross Domestic Product
GTP	Growth and Transformation Plan
IGA	Income Generating Activity
IP	Intellectual Property
MDG	Millennium Development Goal
MFI	Microfinance Institution
MoFEC	Ministry of Finance and Economic Cooperation
MSE	Micro and Small Enterprise
NBE	National Bank of Ethiopia
NGO	Non-Governmental Organization
ODF	Open Defecation Free
PSNP	Productive Safety Net Programme
ROSCA	Rotating Savings and Credit Association
SACCO	Savings and Credit Cooperative
SDG	Sustainable Development Goal
SE	Social Enterprise
SEE	Social Enterprise Ethiopia
SILC	Savings and Internal Lending Community
TSEDU	Total Sanitation to End Open Defecation and Urination
TVET	Technical and Vocational Education and Training
UNICEF	United Nations Children's Fund
VAT	Value Added Tax
VSLA	Village Savings and Loan Association
WASH	Water, Sanitation and Hygiene
WHO	World Health Organization

1. Introduction

1.1. Background

Ethiopia has greatly reduced the proportion of its population who practice "open defecation" from nearly 80 percent in 2000 to less than 23 percent in 2017. However, much of this improvement involved installation of unimproved household toilets, meaning that fecal waste is still open to the environment and is a potential source of disease-causing pathogens. Diarrheal diseases are Ethiopia's third leading cause of under-five mortality, causing around 70,000 deaths per year (JMP, 2017).

Unimproved toilets also frequently degrade and do not constitute a sustainable solution, nor do they meet the standard of "basic sanitation" service which is incorporated in the Sustainable Development Goals (SDGs). Only about nine percent of Ethiopia's population currently has access to basic sanitation – a situation that impacts health, safety, finances, and living conditions (JMP, 2021).

To meet the ambitious targets of the Sustainable Development Goals (2030) and the National Open Defecation Free (ODF) campaign (2024),¹ the Government of Ethiopia has called for active participation of public sector, non-governmental organizations (NGOs), community-based organizations (CBOs), private sector companies, and others to provide support and services.

The USAID Transform WASH Activity aims to help Ethiopia reach universal access to basic sanitation and hygiene services, as outlined in the country's 2nd Growth and Transformation Plan (GTP II), the National ODF Campaign, and consistent with SDG Goal 6.2. This activity, which is being carried out in partnership with the Federal Ministry of Health (FMoH) and other government

and private sector partners, is helping establish a strong enabling environment for businesses which provide affordable water, sanitation, and hygiene (WASH) products and services. Transform WASH is active in 63 woredas (districts) located in nine regions of the country (plus the Dire Dawa municipality) and is now in its final year of its six-year lifespan.

Strengthening private sector enterprises and establishing effective business models is a key focus of the project. Owing to the country's challenging sanitation situation, Transform WASH has a strong focus on that sector, including production, distribution, sales, and installation of affordable sanitation products and services. Creating consumer demand for sanitation is another principal component, carried out using a combination of Community-Led Total Sanitation and Hygiene (CLTSH), promotional efforts by the Health Extension Program, local sales agents, and actions taken by the business entrepreneurs themselves.

Though much progress has been made in improving access to WASH products so far, key challenges remain – such as access to foreign exchange currency (forex), import of raw and finished goods, intellectual property protection, business start-up costs, and others – which are discussed in the following sections.

The purpose of this Learning Note is to explore the key challenges faced by private sector WASH enterprises, as well as highlighting opportunities for future growth and investment. A strong private sector will not only help expand access to critical WASH products and services – but also will help Ethiopia to realize its ODF goal and to achieve GTP II and SDG targets.

¹ Ethiopia's National Open Defecation Free Campaign, which is also known as "Total Sanitation to

End Open Defecation and Urination – 2024" (TSEDU).

1.2. Methodology

Information used to formulate this paper was gathered from document research and augmented by in-depth interviews with more than twenty key informants in Ethiopia and the East Africa region. Informants included individuals in government agencies responsible for managing the WASH sector; companies that manufacture, import or market safe water and sanitation products; international NGOs involved with sanitation and financing interventions; and international organizations supporting the WASH sector and promoting private sector initiatives.

Questions posed to these experts included:

- How would you describe the business environment in Ethiopia, and how does it affect WASH businesses and their ability to get products to market?
- What are the key challenges businesses face in starting or expanding WASH businesses, and getting products to market?
- What strategies could be employed to more rapidly expand the WASH marketplace and encourage the growth of enterprises in that market?

2. Economic Situation in Ethiopia

Ethiopia is Africa's second most populous nation (after Nigeria) with a population of 115 million people,² and its economy is the fastest growing in the sub-Saharan region - (nine percent annual growth during the decade leading up to 2018). Despite these gains, the country still ranks as one of the world's poorest countries, with an average per capita income of US \$790 (World Bank,

2019). And although Ethiopia's poverty rate has declined significantly over the past two decades, it was still estimated to be around 24 percent as of 2018 (based on the national poverty line).³

In addition, most of the country's economic progress has been achieved in urban areas, while rural areas (home to more than 80 percent of the country) have experienced much less improvement. And for the poorest segment of the rural population, the situation may even have become worse (World Bank, 2016; World Bank 2021b).

Achieving universal access to basic WASH services in Ethiopia will require further development of the country's private sector. At present, sectors such as banking, telecommunications and transportation are dominated by government-owned enterprises. A lack of competitors constrains development of manufacturing, job creation and growth of exports. Ultimately, this limits the country's trade competitiveness, contributes to the trade imbalance, and reduces the country's resilience to economic shocks. The Government of Ethiopia is therefore strengthening its focus on expanding the private sector by encouraging more foreign investment, establishing industrial parks, and pursuing other market-driven initiatives (World Bank, 2019).

With almost 50 percent of Ethiopia's population under the age of 18, thousands of new jobs must be generated every year just to keep up with population growth. A key economic policy of the government, therefore, is to transform Ethiopia into a manufacturing hub in order to create more employment opportunities. And although relatively modest in scope, Transform WASH (and similar private sector WASH initiatives)

² World Bank (2021).

³ Ethiopia Planning and Development Commission (2018) and UNDP Ethiopia (2018). The Ethiopian 'poverty line' is set at 7,184 ETB per year per person (about US \$0.90 per day). Using the international

poverty line of US \$1.90 per day, the proportion of the population below this mark is around 31 percent.

align with and support this national economic agenda.

There are a number of government agencies that support and regulate the country's economy. These include:

- **Ministry of Finance:** Responsible for general financial management and setting national economic policy.
- **Ministry of Trade and Industry:** Responsible for managing the country's trade system and for increasing foreign exchange earnings.
- **Ethiopian Revenues and Customs Authority:** The agency within the Ministry of Revenues which is responsible for raising funds through customs duties and domestic taxation.
- **Ethiopian Investment Commission:** Responsible for promoting investment in Ethiopian industries and enterprises as well as setting regulations governing how foreign and domestic investors can operate.
- **Ministry of Urban Development and Construction:** Responsible for promoting urban development, and as a poverty reduction mechanism is also responsible for the registration and administration of micro and small enterprises (MSEs).
- **Civil Society Organizations Agency:** Responsible for overseeing the registration and reporting of all civil society organizations (CSOs). Formerly known as the Charities and Societies Agency.
- **Ethiopian Intellectual Property Office:** Facilitates issuing and legal protection of patents, trademarks, and other intellectual property.
- **Ethiopian Food and Drug Authority:** Responsible for certifying certain WASH

products, like water quality testing and treatment technologies.

3. Business Environment

The Ethiopian government has ambitious economic and development goals and is actively encouraging investment (foreign and local) into specific sectors. For example, industries such as manufacturing of plastic products have been granted exemption from customs duties on imported equipment as well as favorable tax treatment and other incentives, such as access to land. Such incentive schemes are justified based on expected earnings of hard currency from exports. However, to qualify for an exemption from customs duties and other taxes on imported equipment, an investment needs to be valued at more than US \$200,000, and the company must employ a permanent staff of at least 50 Ethiopian nationals.⁴ This kind of incentive fails to reduce prices in a nascent, price-sensitive consumer market like the one that exists for WASH products in Ethiopia.

Ethiopia's WASH market potential is extensive. The country met its Millennium Development Goal (MDG) for drinking water supply, yet less than 13 percent of the country has access to safely managed water supplies.⁵ Ethiopia did not meet its MDG for sanitation and has a long road ahead to meet the even more ambitious sanitation and hygiene SDGs. Only about seven percent of Ethiopians currently have access to safely managed sanitation services (which increases to nine percent if both 'basic' and 'safely managed' are considered). Over 17 percent of the country still practices open defecation (JMP, 2021).

The sections which follow below present the key findings from document research and consultations with a wide range of

⁴ Ethiopian Investment Commission website (www.investethiopia.gov.et, retrieved in Aug 2020)

⁵ Safely managed water supply is drinking water from an improved water source located on premises and

available when needed and free of fecal and priority contamination.

business experts. These sources identified the following as the principal challenges facing WASH businesses in Ethiopia:

- Access to foreign exchange⁶
- Taxes and tariffs
- Intellectual property protection
- Business registration and start-up requirements
- Business knowledge and skills
- Import challenges and uncertain demand
- Business and consumer financing

3.1 Access to foreign exchange

To purchase an item for import into Ethiopia, Ethiopian Birr (ETB) must first be converted to a “hard currency”⁷ in Ethiopia’s foreign exchange market. Because the country imports significantly more goods than it exports (US \$15 billion in imports vs. US \$2 billion in exports in 2018) forex is generally in high demand and in short supply.⁸ This situation has been exacerbated by below-market fixed exchange rates (World Bank, 2018).

The ETB was devalued by 15 percent in 2017 and has continued to depreciate; analysts predict that the currency will now undergo a “managed devaluation” to encourage more foreign investment and address the country’s trade imbalance (World Bank, 2017b). Devaluation of ETB requires purchasers of imports to use an ever-increasing amount to obtain the same quantity of forex, effectively increasing the cost of imports and decreasing the price of exports.

For Ethiopia-based businesses that require imported goods or materials, accessing hard currency through the Ethiopian banking system is often identified as their biggest

challenge, as some sectors and businesses are prioritized over others. “All transactions requiring foreign exchange are not created equal,” noted a commentary in the Ethiopian Business Review.⁹

Forex is tightly controlled in the banking system. A major portion of available forex is earmarked for national infrastructure projects, such as the Renaissance Dam and other priorities. Thirty percent of forex coming into commercial banks is transferred to the Central Bank of Ethiopia (CBE), which earmarks it for purchase of strategic materials, such as fossil fuels. Forex also is allocated to a range of ‘sales on demand’ payments including transfers to non-residents’ accounts, consultancy and royalty fees, airline fuel purchase, cargo transfer costs, and more (NBE, 2021).

The remaining forex is then allocated to fulfill requests that are evaluated according to government priorities. Bank “allocation committees” are responsible for matching available forex with submitted applications. Prioritization tends to follow a basic system:

1. “Essential imports” pharmaceuticals; inputs for manufacturing edible oils; and liquefied petroleum gas (LPG).
2. Inputs for agriculture (fertilizer, seed, and pesticides) and inputs for manufacturing (raw materials and chemicals).
3. A range of other items including oils and lubricants; agricultural machinery and animal feeds; pharmaceutical equipment; manufacturing machinery and spare parts; nutritious baby foods; educational materials; and profit and dividend transfers (NBE, 2021).

⁶ Access to forex is also linked to a range of other challenges, including profit repatriation, royalty payments, import of raw and finished goods, and others which are reviewed further in Section 3.

⁷ A “hard currency” is money issued by a nation or group of nations that is seen as politically and economically stable, and which is globally traded, like

the British pound, the U.S. dollar, the Euro, the Japanese Yen, etc.

⁸ Ethiopia’s trade deficit has hovered around 12-13 billion USD since 2014, and was about \$12.4 billion in 2019 (ITA, 2020).

⁹ Ethiopian Business Review (2018).

Forex requests from non-strategic businesses or for “non-essential” purposes must be queued and wait their turn for available funds. Businesses, including those offering WASH products, often wait many months for their requested forex and have no assurances as to when or how much will become available.

When businesses do receive an allocation, they may be required to use it quickly (i.e., within a 14-day window), and they may not receive the total amount requested. These forex access challenges affect a business's ability to respond to orders, expand operations, maintain positive business relationships (e.g., by making payments on time) and remain competitive. Some businesses operate at a fraction of their production capacity due to forex challenges.

3.2. Repatriation of profit

Repatriation of profit refers to the transfer of profit earned in Ethiopia to a business's home country or, in certain cases, to a third country. Such transfers first generally require an exchange of the business's local earnings to forex.

Under Ethiopian law, foreign investors have the right to repatriate profits for the following reasons and purposes:

- Profits and dividends accrued from an approved investment in Ethiopia;
- Principal and interest payments on loans taken in other countries;
- Payments related to technology transfer or management agreements;
- Transfer of proceeds from the sale or liquidation of an enterprise in Ethiopia;
- Transfer of proceeds from sale or transfer of the business's shares (or of partial

ownership of the business) to a domestic (Ethiopian) investor;

- Payment of compensation owed to a foreign investor.¹⁰

Officially, there are no restrictions on the amount of profit that can be repatriated, but in practical terms business owners expressed concerns regarding limits resulting from the shortage of hard currency and the relatively low priority placed on this type of forex allocation. Given that forex is closely scrutinized, businesses must carefully comply with regulations regarding registration, permitting, periodic auditing, payment of taxes and other obligations (Ibex Frontier, 2017).

Royalty payments

Royalties are payments made by one business to another in exchange for the right to use that business's intellectual property (such as a copyright, trademark or patented design). Ethiopian law permits royalty payments for the right to use a patent, invention, design, or a secret formula or process.¹¹ A five percent tax is levied by the government on royalties paid by an Ethiopian entity, as well as on the non-resident entity who is receiving them (Haile, et al., 2018).

Apart from the taxes levied, Ethiopian law does not seem to place any restrictions on royalty payments to foreign patent holders and allows for such payments to be made in forex. Specifically, the National Bank considers royalty fees as “invisible payments” that are allowed on demand.¹² In practice, however, this means that foreign-owned businesses are likely to experience challenges receiving royalty payments due to the chronic forex shortage in the country and the low priority placed on such allocations. Businesses may wait for months, or

¹⁰ Investment Proclamation No. 1180/2020.

¹¹ Income Tax Proclamation No. 979/2016.

¹² Directive No. FXD/46/2017.

longer, to receive forex allocations for royalty payments.

3.3. Import tariffs and taxes

One of the primary challenges facing businesses in Ethiopia is taxation, which can increase operating costs as well as increasing the price of finished goods and services sold. This includes taxes on imported manufacturing inputs as well as finished products.

To promote domestic manufacturing, the government follows an “import substitution” model, using import tariffs (duties) to raise the cost of importing finished goods and selectively reducing duties on imports of raw materials used to manufacture goods domestically.

Goods imported into Ethiopia are subject to up to five different types of tariffs and taxes, including customs duties, value added tax, surtax, excise tax, and withholding tax. These taxes and tariffs may ultimately comprise up to 50 percent or more of the final retail price to consumers.

Customs duties applied to an imported good can range from zero to 35 percent, depending on how government classifies the item, such as whether it is considered a material or raw input to be further developed locally or a finished product to be sold directly.

Excise tax is levied on a wide range of items, including “luxury” items (e.g., perfumes and cosmetics), goods that are hazardous to health (e.g., tobacco and alcohol), or other goods which are ‘demand inelastic,’ such as motor vehicles, fuels, and textiles. Rates vary from less than 10 percent to as high as 500 percent.¹³

Value added tax (VAT) of 15 percent is levied on imported goods and on all domestic sales transactions when products are sold and change hands.¹⁴

Surtax is a flat 10 percent fee levied on all imported goods. It is based upon cost, insurance, and freight (CIF) value, as well as the sum of customs duty, VAT, and excise tax. Some products are exempt from surtax, such as fertilizer, petroleum, and motor vehicles (Kebede, 2019).

Withholding tax applies to a range of payments, including dividends, interest, and royalties. For domestic payments a rate of two percent generally applies; for imports, a flat tax of three percent is levied on the CIF value of the import goods, unless exempted.¹⁵ Certain other royalty payments, such as those related to mining, are subject to as much as 10 percent withholding tax.¹⁶

Tariff and tax relief and reform

An example of how taxes and tariffs affect the sanitation sector is provided by the SATO pan, a low-cost toilet improvement option, which is currently imported into Ethiopia at a cost of about 150 ETB from a manufacturer in Kenya.¹⁷ SATO pans are classified as “finished products,” so they are subject to the following tariffs and taxes:

- Customs duty of 30 percent
- VAT of 15 percent (at each point of sale)
- Surtax of 10 percent
- Withholding tax of three percent.

With all relevant tariffs and taxes applied to this product (and no credits applied for previous VAT payments), plus profit margin, the pan’s final retail price rises to nearly 500 ETB (Kebede, 2019). This poses a significant challenge to SATO retailers as many

¹³ Proclamation 307/2002; Proclamation No. 1186/2020; and tax rate schedule ([link](#)).

¹⁴ Proclamation 285/2002.

¹⁵ Income Tax Proclamation No. 979/2016 and Council of Ministers Regulation No.410 /2017. Also see Privacy Shield Framework ([link](#)).

¹⁶ KPMG Ethiopia Fiscal Guide 2015/2016 ([link](#)).

¹⁷ The SATO (Safe Toilet) is a low-cost molded plastic toilet pan which has a self-sealing trap lid to shut out flies, other insects, and odors. The pan requires very little water for flushing and cleaning.

customers are unwilling or unable to purchase the product at that price level in addition to other installation and construction costs.

In the interest of keeping the price of SATO pans as affordable as possible and to help establish them as a new market entry in Ethiopia, the government has permitted the first few rounds of bulk imports to be exempt from customs duties; however, a long-term solution has yet to be established.

The government also is engaged with interested parties on proposals to reduce or eliminate customs duties on certain imported WASH and menstrual hygiene products and to reduce or eliminate taxes on a range of domestically produced WASH products, such as menstrual pads and household water treatment products.¹⁸ In early 2021, Ethiopia recognized menstrual hygiene management products as essential items and reduced custom duties from 30 to 10 percent (MoFEC, 2021).

A long-term solution to the issue of tariffs and taxes on WASH products will require that the Ethiopian Revenue and Customs Authority (ERCA) and FMOH get involved in re-classifying certain products as “priority” items and take any other steps needed to keep the cost of these products as low as possible.

3.4. Value added tax

The VAT is an especially challenging tax due to its importance for government revenue and its complicated implementation procedures. VAT accounts for more than 40 percent of total federal revenue from domestic sources and is applied on both

goods and services, including imported products. It typically is applied at a product's initial sale and at all subsequent sales transaction points.¹⁹

Some outlets and retailers may be exempt from charging VAT (e.g., when annual turnover is less than ETB one million) and instead pay a turnover tax (similar to a sales tax) of two to 10 percent.²⁰

In principle, it should be possible to deduct VAT charges paid in previous transactions throughout the value chain. However, in practice this procedure is not always followed as it requires a degree of record-keeping and reporting that are not always possible, and many businesses lack a full understanding of how the VAT is administered (Kebede, 2019). The consumer ultimately covers the cost of VAT and all other applied taxes included in the retail price.

3.5. Intellectual property rights and protection

Intellectual property (IP) rights are granted to persons or companies for creating a unique design, invention, process, or work of art or music. IP rights are awarded through a legal process and generally grant the applicant exclusive rights to use their creation for a specified period of time. Patents, copyrights, and trademarks are examples of legal mechanisms that codify IP rights. The Ethiopian Intellectual Property Office registers IP protections under the Patent Act.²¹

Without adequate IP protection, businesses, inventors, and artists may not receive recognition or financial benefit from their creations. Robust IP rights foster an environment in which innovation and

¹⁸ In 2019, a draft submission document requesting for tax removal on sanitary products has been submitted to the Ministry of Finance by the Ministry of Women and Children Affairs and FMOH.

¹⁹ In principle, it should be possible to deduct VAT charges paid in previous transactions throughout the value chain. However, in practice this

procedure, which requires accurate receipting and reporting, is not always adhered to.

²⁰ Turnover Tax is assessed on gross receipts, as per the Turnover Tax Proclamation No. 308/2002 and Amendment No. 611/2008.

²¹ Also known as Proclamation 123/1995, Concerning Inventions, Minor Inventions, and Industrial Designs.

productivity can flourish and are a key mechanism to stimulate economic investment and growth.

According to several stakeholders interviewed, the country's IP regulations should be reviewed and strengthened to ensure adequate protection. Foreign investors identified the annual IP renewal process as a significant risk.

Two types of IP protection are most common with respect to WASH products:

Patent of Invention: This patent applies to a first registration of a piece of intellectual property invented in Ethiopia or for IP that is registered in Ethiopia within 12 months of successful first registration in another country. A patent of invention is granted an initial period of protection of 15 years and can be extended for another five years.

Patent of Introduction: This is used for protected inventions from abroad that will be introduced to Ethiopia. A patent of introduction is valid for a maximum of 10 years. However, after the third year, patent owners must file for extensions every year and pay maintenance fees. Some patent holders perceived this renewal process as a risk to their IP protection.

Most locally registered businesses interviewed for this study found the application process for patents to be relatively straightforward. The application process requires a certificate of incorporation, suggesting it is advantageous to be a locally registered business or a joint venture between foreign and domestic business partners.

For a foreign-domestic joint venture, the foreign patent owner and its local partner are both listed on the registration, implying that the local partner also acquires the patent rights. Some patent owners cited this aspect of the joint venture modality as a high risk.

Other concerns raised by businesses centered around whether IP rights were adequately protected or enforced once granted. Businesses that have invested heavily in design innovations and establishing their brands want those designs and brand names to be protected, and they rely on patents and royalty payments to operate competitively in the market.

Use of patents in licensed production

Licensed production is the authorized manufacturing (in Ethiopia) of a product using technology developed elsewhere. This involves obtaining permission from a company (licensor) to manufacture and sell its products. The company in Ethiopia that obtains these rights (the licensee) usually agrees to pay royalty fees to the owner or licensor (Haile, 2018).

For example, the creator of the SATO toilet pan design and brand has licensed manufacturing and established distribution contracts with local plastics manufacturers in the region, including in Kenya and Tanzania. IP rights play a crucial role by protecting the company's innovative product from being copied, and they also give the local licensee (manufacturer) production rights with protection from illegal use of the design by others in the market.

The creator/owner of SATO is a potential licensor in Ethiopia but does not have an Ethiopian manufacturing license; thus, they are not permitted to import and own the molds required to produce the pans. A contracted local licensee could purchase and import them, but under Ethiopian law, that company would also be granted permanent rights to own and use those molds. Such a transaction would inhibit the owner from changing its local manufacturing partner in the future, if they felt the situation required it. This limits flexibility and increases the cost of doing business, which is then passed on to the consumer.

These licensing challenges can be avoided if a non-domestic enterprise were able to obtain an Ethiopian manufacturing license. Other options include establishing a joint venture with a local manufacturing company but with specific contractual arrangements between the parties that would mitigate the risks discussed above. However, the financial and administrative hurdles associated with these approaches are perceived as risks by potential investors, which deter foreign companies from investing in local manufacturing of new WASH (and other) products in Ethiopia.

Product certification

Though currently not applicable to sanitation, other WASH products may be required to receive a seal of approval prior to use by the Ethiopian Food and Drug Authority (EFDA). Like the World Health Organization, (WHO), EFDA rates household water treatment technologies as 3-star, 2-star, 1-star or “fail” based on the product’s pathogen removal efficiency (i.e., for bacteria, viruses, and protozoa).

Ethiopian-made household water treatment technologies require EFDA product safety certification. However, EFDA does not currently have a laboratory to test pathogen removal efficiency, and the agency has not authorized any other domestic laboratories for these tests. Also, there are no labs in the country that can conduct tests for viruses and protozoa removal, so these must be conducted outside of Ethiopia.

There are Ethiopian labs that can test microbial efficiency, but these have not yet been authorized by EFDA. For example, a lab run by the Ethiopian Conformity Assessment Enterprise (ECAE) is authorized by EFDA to conduct water quality testing for bottled water, but it has not been authorized to conduct similar tests for household water treatment technologies.

3.6. Business start-up requirements

Starting up a business in Ethiopia entails a wide range of administrative, financial, and legal steps. Some entrepreneurs raised concerns that this process can be overly time-consuming, complex, and costly and acts as a disincentive to opening a business, especially in a relatively new commercial market area, such as WASH.

A key issue, especially for many small- and medium-sized foreign enterprises trying to establish an Ethiopian operation, is the requirement that they make an initial deposit equivalent to at least US \$200,000 in an Ethiopian bank. (Joint ventures between a foreign company and a local partner have a slightly smaller requirement of US \$150,000). While these funds can be spent later, once the business is established, the size of this initial deposit can present a significant hurdle for many investors and enterprises.

The business start-up process also requires that several administrative applications be filed with the appropriate regional and federal government agencies to receive their sign-off or approval. For certain types of operations, such as manufacturing, additional steps may be required, such as preparing an environmental and social impact assessment (ESIA) for the Environment, Forest and Climate Change Commission. If a full ESIA is required, the preparation process typically requires involvement of several types of technical experts, which entails a significant investment funds by the applicant. ESIA serve a vital national purpose of protecting Ethiopia’s environment and local livelihoods, but smaller businesses may struggle with this (or other) business start-up application procedures, including financing the cost of acquiring the needed expertise. These processes also require an investment of time, which entails additional costs for a start-up. Initial review of ESIA is intended to be relatively rapid (i.e., around three weeks) but in practice the entire process of review, revision, if needed, and

approval can take considerably longer (one business noted it can take more than one year). During that time, progress on the specific operation under review will likely be put on hold.

There are a range of other concerns cited by businesses involved in the start-up or early phases of operation, including:

- Complex and costly process for importing raw materials or finished goods
- Increasingly strict and frequently changing regulatory environment; some complain of an 'anti-business' regulatory climate (distrust of businesses' motives)
- Difficulty accessing hard currency (forex) for importation and other international transactions
- High tax rates, which lead to higher prices to consumers and lower demand.

These and other challenges are significant contributors to the World Bank's ranking of Ethiopia as among the most difficult countries in the world in which to do business.

On the other hand, when federal or regional agencies are supportive of a particular project or business, they can readily pave the way for rapid progress, so the experiences of individual businesses in the start-up phase can vary considerably. Further, the "Ethiopian Startup Act" was published in 2020 with the goal of establishing a legal framework for the start-up ecosystem. The Act aims to establish a National Startup Council and an Innovation Fund that will both be chaired by the Ministry of Innovation and Technology. The Startup Act has yet to be passed into law but might open doors for simplified start-up procedures in the future (LinkUp Business, 2021). In some countries, including the UK and South

Africa, governments have established a separate classification for businesses created and designed to address a social problem. These are referred to as "social enterprises"²² (SEs) as they support the government in meeting economic growth, public health, and other societal objectives. SEs are businesses that have a well-defined social purpose but operate using commercial business principles.

The SE classification typically confers tax incentives, streamlined registration processes, and other benefits. This allows such enterprises to combine a mission typically associated with a non-profit agency with the efficiency of a for-profit company, generating revenue to finance its operation in the process. By encouraging the emergence of SEs as a formally established business structure, governments can expand and speed up access to critical services, such as education, energy, health, and water and sanitation, especially in poor communities or regions where it can be most challenging to extend those services.²³

In Ethiopia, the SE registration option does not yet exist. However, a registered non-profit or NGO can apply to the Agency for Civil Society Organizations (ACSO) to undertake an *income generating activity* (IGA). This allows an IGA wing of the NGO to operate as its own entity with separate accounts, offices, staff, and income generation (revenues) from which the NGO can cover some costs while still receiving grants and donations.²⁴

However, relatively few NGOs have sought an IGA classification (British Council, 2017). This 2017 study found that most socially minded businesses in Ethiopia either register as an MSE or as a sole proprietorship. Another finding was that, regardless of their

²² In the United Kingdom, these are called *community interest companies*, and in South Africa, *non-profit companies*.

²³ Emerging Social Enterprise Ecosystems in East and South African Countries. [World Bank, 2017](#).

²⁴ Organizations of Civil Societies Proclamation 1113/2019.

registration as for-profit businesses, these companies continued to regard themselves as SEs. Table 1 below illustrates the findings.

The fact that many socially minded businesses choose to register as MSEs fits with the government's efforts to boost this category of businesses as part of its strategy to reduce unemployment. MSE registration is carried out by the Ministry of Urban Development and Construction and is considered by the 2017 study's informants to be relatively straightforward with low barriers to entry. The MSE classification does carry with it certain limits to capital and human resources, such as a maximum of 30 employees. However, in the overall scheme of the government's drive to grow the economy and stimulate more job growth, larger businesses and industrial interests (which have the capacity to employ a far greater number of people) often take precedence over smaller enterprises, such as MSEs and start-ups.

Table 1: Legal status selected by businesses identifying themselves as "social enterprises" in Ethiopia (adapted from British Council, 2017)

Legal status selected	No. of respondents	Percent of respondents
Micro and small Enterprise (MSE)	41	31%
Sole proprietorship	30	22%
Cooperative	12	9%
Partnership	11	8%
Charity or society	9	7%
Limited partnership	8	6%
Private limited company	8	6%
NGO / non-profit	6	4%
NGO with income generating activity	5	4%
Share company	2	1%
Joint venture	2	1%
General partnership	0	0%
Total	134	

Social Enterprise Ethiopia (SEE) is a relatively new network of social entrepreneurs, which seeks to support and expand this sector of the Ethiopian economy. A key SEE focus is to advocate for separate regulatory recognition for SEs in the country (Patton, 2018).

3.8. Manufacturing challenges

Ethiopia's Second Growth and Transformational Plan (GTP II) sought to transform the country and place it on a path to become a low middle-income economy by encouraging a shift to high productivity industries, especially manufacturing. The policy has emphasized development of manufacturing through industrial parks, encouraging foreign investment, as well as to attract and support small and medium enterprises. However, the country's manufacturing sector, though larger than it was in 2010, still only comprises about 5.3 percent of its GDP.

Business knowledge and skills. Many investors have raised concerns about the limited capacity of the manufacturing workforce. Although some enterprises may accept this as part of the cost of doing business in the country, low productivity ultimately can increase manufacturing costs. The cost of labor is relatively low, which does help to reduce costs, but the flip side of this is that Ethiopia's relatively weak labor law system and its lack of a minimum wage are challenging factors to workers, and ultimately are a constraint on the development of a strong and skilled industrial labor force. Low workforce productivity and high turnover rates are factors that can act as deterrents to manufacturing investment. The labor union movement in the country is growing but is still not very strong, and progress toward improving workers' rights has been mixed.

The government does, however, recognize the importance of strengthening the skills of the country's workforce and has invested in

technical training institutes such as the Adama Technical University and others.

Weak infrastructure. Another challenge for the economy, in general, and for industrial and manufacturing development in particular, is the country's relatively poor infrastructure. This includes roads, transport systems, electricity, market chain logistics, water and sanitation, telephony, and internet services. These factors make it difficult to access many parts of the country, to import and export goods, and overall makes the country less competitive from a global market perspective. A related issue is the relative lack of industrial information for the country, and research studies which would assist (and attract) investors.

Importing materials and goods. Many manufacturers cannot source their needed manufacturing equipment or material inputs from the local supply chain, and so must import them. The importation process can be costly, logistically challenging, and time consuming. Some informants noted that it can take six to nine months to receive an order from an international distributor. Depending upon the product and process, once these materials are finally in the hands of the importing company, they may get used up within just a few weeks or months of production. A consequence of this inefficiency is that manufacturers often choose to produce only well-known products that have strong existing consumer demand (requiring little to no marketing), rather than take a risk on a new product line with unproven demand or profit margins (such as new newly introduced WASH products). An example from the USAID Transform WASH initiative is the three-year effort required to facilitate a manufacturer's introduction of the SATO pan (plastic toilet slab) into the Ethiopian market.

Product certification. WASH and other products newly introduced to Ethiopia may be required to be reviewed and approved by EFDA, as well as by ECAE, as discussed

in Section 3.5 above. Some businesses reported that the ECAE and EFDA have overlapping responsibilities and it can be difficult to coordinate the review and certification process between the two agencies. Laboratories and even WHO may also be involved for products linked to human health, such as water filters. There also were concerns that the classification of a specific product was changed from one round of importation to the next, and even the process itself - leading to increased fees, delays, and other additional expenses.

Foreign exchange currency. A scarcity of forex, mentioned elsewhere in this Learning Note, remains a key challenge for the manufacturing sector. The bottlenecks make it difficult to import needed raw materials and equipment, as well making loan and profit-sharing payments. This can hold up manufacturing production and deter investment.

Political stability. Political and security issues in various parts of Ethiopia are not new, but a situation which began in the north of the country during 2020 is still ongoing, and there are both related and unrelated security issues arising in other regions. These situations impact not only the communities and individuals involved, but generally create a less favorable investment climate for the country.

3.9. Financing for enterprises and businesses

Small and medium enterprises in Ethiopia often cite the lack of access to affordable financing as one of their top challenges. For enterprises offering sanitation and other WASH products and services, accessing loans can be even more difficult than for other sectors of the economy. This is because financial service providers, including commercial banks, microfinance institutions (MFIs), and Savings and Credit Cooperatives (SACCOs) typically have little or no

experience working with WASH sector businesses. Also, a common perception by finance institutions is that the WASH sector is highly subsidized by government and other agencies, and therefore is not very profitable (and therefore a high risk for lending). However, observations from the Transform WASH project suggest that WASH businesses generally have good rates of loan repayment, though these enterprises sometimes have problems with late payments due to the seasonality of their customers' agriculture-based income (Aboma, 2020). From a WASH business perspective, even when loans are available, the high interest rates charged are a key disincentive.

It's important to keep in mind that the term "WASH business" refers to a broad range of enterprises, including small-scale artisans who make and/or install latrines; retail shops that sell latrine pans and related supplies; importers and wholesale distributors of WASH products; and commercial manufacturing operations. Also, many such businesses not only offer WASH products and services, but also manufacture and/or sell other items. For smaller enterprises, borrowing from SACCOs or MFIs may be suitable options, but as mentioned above, these potential sources of financing may be unfamiliar in the WASH sector. For larger-scale WASH product manufacturing, financing will likely need to be secured through commercial banks (or brought in by foreign joint-venture partners).

Part of the financing solution will likely require building a greater understanding within the financial sector regarding the scope and scale of business opportunities offered by the WASH sector. The government-led, multi-partner One WASH National Program (OWNP) recognizes the importance of strengthening the private WASH sector and has highlighted the importance of introducing innovative financing models through commercial banks and MFIs for this purpose (OWNP, 2019).

The Ministry of Finance and Economic Cooperation (MoFEC), a key OWNP player, and the National Bank of Ethiopia (NBE) are particularly well-positioned to increase the availability of loans to WASH sector businesses. There is a growing body of evidence from interventions carried out through OWNP (such as the Transform WASH activity and others) which demonstrate the positive influence of MFI and SACCO loans made to WASH enterprises (Aboma, 2020).

Another issue raised by potential WASH sector investors and entrepreneurs is the uncertainty of consumer demand, and the ability to remain profitable. Some of these actors have expressed a desire for "demand guarantees" by government or development agencies to ensure, for example, a minimum sales quantity and/or pricing level. Again, this may result from a lack of familiarity with the WASH sector, from perceptions that consumer demand and willingness to pay are not strong enough, and/or a concern that the WASH marketplace is still new and untested in the country. More effective communication and dissemination of WASH market information, sharing the experiences of existing WASH enterprises, and giving a voice to satisfied WASH consumers as well as households who desire improved services - could all contribute to strengthening financing opportunities for the growing WASH private sector.

3.10. Financing for consumers

Affordability of WASH products and services remains a significant concern for many Ethiopian households and for the businesses that sell them. Although Ethiopia recorded a sharp decline in the national poverty rate between 2000 and 2016, nearly one fourth of the population remains below the national poverty line. This means that installing an 'improved' household pit toilet (which costs around 1,200 ETB or

US\$25) is a significant investment for a large portion of the country's households, especially as income tends to be seasonal for those with agrarian livelihoods (nearly two thirds of the country's work force).²⁵ Access to affordable credit can be vital to encouraging this type of household investment.

There currently are a range of rotating savings and credit associations (collectively known as ROSCAs) in Ethiopia which target low- to middle-income households. For example, *iqqub* and *iddir* are home-grown mechanisms designed for infrequent or emergency expenditures, such as social celebrations and funerals. These mechanisms do not charge interest, but they have limited capacity and would require adaptation and significantly more funds to reach scale. Another popular local financing system is community-based health insurance, through which members make payments into a collective fund, which can be accessed to cover health care costs when a member falls ill.

Community-based initiatives, such as Village Savings and Loan Associations (VSLAs), Savings and Internal Lending Communities (SILCs), and Savings and Credit Cooperative Organizations (SACCOs) are likely better-suited for household investment projects like toilet purchase and installation. They offer the advantage of local credibility and relatively low interest/service charges, as well as also encouraging households to build up savings. However, these mechanisms require training, management, and supervisory systems which often require external support (e.g., by the Federal Cooperatives Agency or NGOs).

Transform WASH has been working to establish VSLAs to improve household access to credit for sanitation-related investments. Scaling this up for large-scale sanitation

financing would likely require much more supervision, training, and support (Aboma, 2020).

Public and private MFIs are more professionally run than ROSCAs and generally have significantly more capital, but they tend to charge higher interest rates and be geographically limited to Ethiopia's highlands. Water.org has successfully worked with several MFIs to develop affordable household loans for WASH product purchases.²⁶ The loans have proven very popular - in less than one year, these MFIs disbursed loans totaling nearly ETB 19 million (US\$560,000), reaching 22,500 individuals. The loan repayment rate was 99.9% (Getnet, 2019). WASH organizations working with banks and MFIs can now cite evidence from this successful microfinance effort to advocate for increasing the availability of loan products suitable for household WASH investments.

However, MFIs and ROSCAs are often unable to reach consumers at the lower portion of the economic spectrum. Since many of these households are also food-insecure, the Federal Ministry of Agriculture established the Productive Safety Net Program (PSNP), which assists about eight million people (World Bank, 2017a). FMOH and development partners are advocating with the Ministry of Agriculture to explore options for including sanitation as part of the PSNP program as a way of reaching the very poor.²⁷

Gender issues also factor into the uptake of WASH products and services, and the use of financing schemes. A study of cookstove purchases in northern Ethiopia found that women are far more interested and willing to pay for those products (Alem et al., 2018). Similarly, women are often responsible for household water and so are more conscious of water-related problems and

²⁵ The Global Economy (2019 data).

²⁶ Metemamen, Vision Fund, and Specialized Financial and Promotional Institution.

²⁷ The fifth Productive Safety Net Program begins in 2021.

are more willing to pay for improved services (Bogale et al., 2012). The burden of not having access to improved sanitation or adequate hygiene facilities also tends to be felt more by women (and girls). It may therefore be advantageous to tailor WASH loan products and financing drives towards female consumers.

FMoH has also recognized the need for affordable household financing for WASH and is working with commercial lending institutions to establish a class of bank loans targeting household sanitation, similar to what was done to increase the availability of credit for fertilizer purchases.

There are, therefore, a wide range of credit mechanisms in Ethiopia – some of which are well-suited to financing consumer purchase of WASH products and services by low-income households. Evidence suggests that repayment rates on these loans is quite high – indicating that such loans should be considered low-risk by credit institutions and loan associations. However, the capacity and scale of these mechanisms, especially those located at community level such as ROSCAs, are still relatively small compared to the scope of the country's WASH needs – especially for household sanitation. Additional innovation and expansion are needed in the consumer financing arena to meet the latent but growing demand for household sanitation and other WASH amenities – which will also help private sector WASH businesses to grow and develop.

4. Conclusions and Recommendations

Private sector sanitation and other WASH enterprises in Ethiopia have made exciting inroads in the past several years. They have introduced new household sanitation, safe water, and hygiene products to consumers, as well as starting new businesses and expanded existing ones. In so doing, they

have created more employment opportunities and helped move the country toward universal access to basic WASH services. However, the size of most of these operations is still relatively small compared to the scale of the challenge. Businesses still face market hurdles that can limit the growth and profitability of their operations, and which increase pricing and reduce availability for consumers.

Some of the challenges facing the WASH market are more general and affect the entire economy, and although they are beyond the scope of this study, nevertheless they are important and worth mentioning:

- Unreliable power supplies
- Unstable and costly internet and mobile phone network service
- Security concerns and road closures in some areas
- Inflation and depreciation of the Ethiopian Birr.

Experience with Transform WASH and other market-focused projects has revealed several more specific issues that, if addressed, could help strengthen and expand the private sector WASH market in the country. These are summarized below, along with regulatory and policy actions which might help address the issues.

Access to foreign exchange currency. The relative scarcity of forex in Ethiopia makes acquiring it for importing raw and finished materials one of the most important challenges for many WASH businesses.

Recommendations:

- *Review foreign exchange operating guidelines and consider ways of making the application, queueing, and liquidation processes more accessible, accommodating, and transparent.*
- *Encourage policy reforms that raise the priority of forex access for socially oriented businesses in emerging markets, such as for WASH products.*

- *Advocate for WASH products to be added to the list of “essential or priority goods,” so that forex is more readily allocated to businesses importing or manufacturing WASH goods.*

Taxes and tariffs. Steep import tariffs and a range of domestic taxes can greatly increase the cost of sanitation and other critical WASH products. This lowers overall demand and places additional economic burdens on poor households.

Recommendations:

- *Complete ongoing research to understand the effects of lowering tariffs and taxes on sanitation products, including influence on consumer demand and on government revenues.²⁸*
- *Review and revise classification of imported WASH products to ensure critical items can readily be imported.*
- *Review and revise import tariff and domestic tax rates and policies to ensure critical WASH products are as affordable as possible.*
- *Provide training to WASH businesses and consumer advocacy groups on VAT accounting and reporting processes to help reduce unnecessary application of this tax.*

Business start-up requirements. The challenges of starting a new business can affect entrepreneurs in many sectors, including WASH. Encouraging constructive reforms to streamline the registration process and lowering the barriers to entry will help expand the ability of the private WASH sector to offer solutions to a wide range of consumer needs.

Recommendations:

Review and sensibly reform start-up capital investment requirements to encourage more rapid growth of sanitation and other WASH businesses.

- *Streamline the registration process and reform the taxation structures for businesses, especially for those which can demonstrate a clear poverty reduction, public health, environmental, or other social objective.*
- *Engage with the Ministry of Innovation and Technology to promote WASH-related businesses to be considered and supported under the new Start-up Act.*
- *Consider establishing a separate classification for such businesses (as social enterprises) to help grow this sector of the economy. Engage with Social Enterprise Ethiopia and other relevant groups to help promote this.*
- *Strengthen the “income-generating activity” mechanism for registered NGOs, including providing relevant tax, investment, and other forms of relief to encourage greater use of this option by WASH-focused organizations.*

Encourage local manufacturing of WASH products through favorable start-up and related operating business regulatory reforms, to help encourage investment.

Recommendations:

- *Advocate for stronger government support for MSEs including manufacturing enterprises, especially those focused on providing products and services to low-income households.*
- *Work with the TVET system and technical universities to expand WASH-related training, especially programs aimed at unemployed youth.*
- *Support efforts to strengthen the country’s infrastructure as well as to improve monitoring and dissemination of business information and establish better supply chain logistics.*
- *Work with relevant government agencies (e.g., ERCA) to advocate for review and reform of the process to import*

²⁸ Additional research has been planned by FMOH and USAID’s Transform WASH project to confirm the

actual extent of this effect; however, it has been delayed by the COVID-19 pandemic.

materials and goods needed for manufacturing.

- Advocate for establishing a formal government office or point person(s) to promote small-scale manufacturing industries in Ethiopia, to provide technical advice, and to help resolve challenges. Such a position(s) could be located within ERCA and/or the Ministry of Trade and Industry.
- Promote clarification of the roles of EFDA and ECAE regarding product certification (and re-certification), and to appropriately streamline the process, especially for MSEs with social goals, including manufacturing and sales of WASH products.

Limited options for affordable financing.

WASH businesses and consumers lack access to affordable loans – which is holding back both household and commercial investment.

Recommendations:

- Collaborate with the MoFEC and NBE to support commercial banks, SACCOs, and MFIs to develop loan products suitable for businesses manufacturing or selling WASH products and services.
- Establish systems to track WASH market demand, sales, pricing, and other relevant data to help regulatory as well as financing institutions to more effectively support and manage expansion of the WASH economy.
- Advocate for the National Bank and the development banks of Ethiopia to establish WASH-focused loan products and to set target percentages of their funding for loans to WASH enterprises.
- Address the perceived risk of making loans to WASH businesses through improved communication with the financial sector and encourage OWNPs to provide demand guarantees for WASH product orders and service contracts.

- Assess VSLAs and related consumer financing options for low-income families and identify ways of strengthening and expanding these approaches.
- Establish training, technical support, and capital financing programs to help scale up the most promising consumer credit approaches.
- Work with FMOH and with commercial and development banks to strengthen their support for MFI loan products and programs tailored for household purchase of WASH products and services.
- Advocate for establishment of loan guarantee facilities and/or other mechanisms (such as dissemination of information on WASH-related loan repayment rates) to encourage financial institutions to expand low-income household access to affordable credit.
- Work with the ministries of Finance and Agriculture to establish a practical mechanism(s) to link the PSNP with the national effort to end open defecation, and ensure low-income Ethiopian households have access to credit and/or other financial support to acquire basic WASH services.

Address women's needs in the WASH marketplace. Women have strong, demonstrated interest in improved WASH services, and can play an influential role in the market.

Recommendations:

- Advocate with leading financial and credit institutions to design products, services, and financing mechanisms suitable for women, encouraging them to play a catalytic role in stimulating the private sector market.

Increase Ethiopian product certification capacity. Being able to test and certify WASH products such as water filters, water treatment chemicals, and others will eliminate the need to send such items out of the country for testing and should speed up the approval process.

Recommendation:

- *Support the establishment of efficient in-country WASH product testing and certification protocols and processes.²⁹*

Intellectual property rights and protection.

Stronger IP protection, as well as longer protection periods, could help encourage certain investors to introduce or innovate new WASH products and services in Ethiopia. This type of reform also would encourage local manufacturing of essential WASH products.

Recommendations:

- *Review Intellectual Property (IP) protection policies and enforcement mechanisms and enact reforms which ensure they are competitive both regionally and globally.*
- *Encourage review of trademark and patent protection systems, and to make any needed reforms to ensure they are competitive both regionally and globally.*
- *Promote enactment of reforms such as issuing multi-year protections, ensuring joint-venture partners can retain certain IP protections, lengthening overall protection periods, and adequate enforcement.*

Focus on existing entrepreneurs to expand the sanitation market.

Growth of the private sanitation market will likely be faster and more efficient if government encourages existing businesses to expand and add WASH products to their current portfolio, rather than trying to start new businesses from scratch. Strengthening the skill level of the workforce also will encourage investment.

Recommendations:

- *Review policies focused on encouraging unemployed youth to start sanitation businesses. Enact appropriate reforms and incentives to encourage existing businesses to expand into the sanitation/WASH marketplace.*
- *Promote within the private sector the national Open Defecation Free campaign and the business opportunities it presents.*
- *Tailor and expand vocational training efforts (such as TVET colleges) to focus on building critical skills for the growing WASH economy.*

Address the perceived risk of uncertain demand

for WASH products and services. Uncertainties in consumer demand, and certain entry barriers for WASH enterprises have elevated the perception of risk among businesses and investors. This can be alleviated in part through “guaranteed demand” or an initial order placement for new products and services. The government and its partners should consider providing guarantees of purchase quantities and/or pricing levels to lower the start-up risks for local manufacturers or importers.

Recommendations:

- *Review experience and evidence regarding demand guarantees in Ethiopia and the region and identify suitable approaches to address this concern.*
- *Establish effective business monitoring systems to track demand, sales, pricing, and other relevant data to help regulatory agencies to more effectively support and manage expansion of the WASH economy.*

²⁹ The primary agencies they work with include Ethiopian Food and Drug Authority and the Ministry of Trade and Industry.

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