



Kingdom of the Netherlands



2023 Annual Report

TRAIDE Ethiopia



Outline

2023 Reflections	3
Key Achievements 2023	9
Progress and Planning	29
Organisation and Team	33
Financial Report	35

2023 Reflections



In 2023, we witnessed a growing interest from both Dutch and Ethiopian companies in establishing business partnerships. Despite the challenges posed by fluctuations in forex availability, more Dutch companies began to explore opportunities within the Ethiopian market, marking a notable increase compared to previous years. The type of interested companies seem to be more conflict sensitive; their models are less reliant on land and vulnerable fixed assets.

Opportunities were identified and actively promoted in various sectors, including water resources management, renewable energy, digitalization, healthcare, coffee, and cocoa. Numerous companies reached out to TRAIDE Ethiopia to seek support to develop partnerships within these sectors. A pivotal shift in our program's approach was initiated, emphasizing our commitment to addressing development challenges through private sector solutions. As such, we have been working hard to catalyse the private sector to address local development challenges.

During Q3 2023, tensions between the Federal Government and Fano escalated, leading to new conflicts and instability. This conflict is foreseen to again have a detrimental impact on the business climate and could dampen the enthusiasm of the private sector. On a more positive note, the changes within foreign currency regulations (60/40% retention scheme) provide some relief to businesses' operations.

In the 4th quarter of 2023, peace talks between the Ethiopian government and the Oromo Liberation Army (OLA) aimed at resolving a long-standing conflict in Oromia failed to reach an agreement. Considering there are a number of investments (Dutch) in the Oromia region, the peace deal could have led to increased stability and security in the country. The conflict in Oromia, along with ongoing fighting in the Amhara region, continues to pose significant security challenges for the private sector and country in general.

MID-TERM REVIEW

A mid-term evaluation was conducted mid-2023 to assess the program's effectiveness. During May and June 2023, independent researcher Pyt Douma reviewed our procedures and reports, and interviewed relevant stakeholders.

According to this review, TRAIDE Ethiopia has been effective and should proceed as planned. Mr. Douma did highlight several areas of attention:

Program Impacts

76 Companies with a supported plan to invest, trade or provide services

432 Business development services provided

2 Strengthened organizations, serving **77** companies

57 Sector relevant publications developed and disseminated

39 Businesses supported to improve their Responsible Business Conduct

- **Responsible Business Conduct (RBC)** – Pyt Douma stresses that the RBC component of the program should be continued and that TRAIDE should have a dedicated RBC staff member. However, the program currently lacks the associated budget.
- **Go-No-Go moments** – The program must develop concrete decision-making mechanisms to decide what business leads to pursue. These mechanisms have been developed (see section New Methodology) and are being implemented.
- **Reporting mechanisms** – More qualitative reporting mechanisms should be developed. Specifically, reporting mechanisms should better illustrate the program's impact and its innovative and flexible nature. To this end, we took a more descriptive approach in this 2023 progress report, elaborating in more detail how we work and adding examples, case studies and testimonials. In addition, we have started to develop articles on our website that will illustrate our approach and impacts in a more qualitative manner.

2023 OPERATIONAL DEVELOPMENTS

Our most noteworthy development in 2023 is undoubtedly our shift from investment promotion to increased efforts on impactful Ethio-Dutch business development.

This shift has a few implications for our operations:

- We now primarily focus on a development problem, look for potential private sector solutions that match the local challenge, and together with the private sector co-create a commercially viable and localized business case. This allows us to create more viable business cases that could more easily attract companies and financing.
- Experiments with our approach and the associated outcomes, showed that we need to provide more proactive support (attracting companies by co-creating the business case) and not limit ourselves to high-level information provision on business opportunities and investment climate. Therefore, our efforts have shifted from quick-scans and opportunity reports towards business development and partnership building.
- We have become more critical about the companies that we work with and strive towards working with companies whose mission aligns with TRAIDE values and who follow basic Responsible Business Conduct (RBC) guidelines.
- Co-creating impactful business cases with (consortia) of companies requires a significant amount of our staff's time and energy, and not all business ideas or partnerships will be viable. That means that we must be critical about which leads we pursue and commit to, creating a need milestones and Go-No-Go decisions.
- We recognize the need to continue working on incoming requests from companies, the Embassy or other sources. The amount of time spent on these requests depends on how much impact potential the respective company has.

A NEW TRAIDE METHODOLOGY

Engaging in a series of activities to develop efficient, longer-term outcomes

As a result of our learnings in the past year(s), we developed a new methodology in 2023. This framework helps us to guide the process of helping the private sector to develop sustainable solutions for local development challenges.

Although our work is too complex to grasp in one comprehensive methodology, this methodology aims to give our teams, partners and donors an overall idea of how we work, guidelines on Go-No-Go moments, and the tools to prevent us from chasing unrealistic and unsustainable cases.

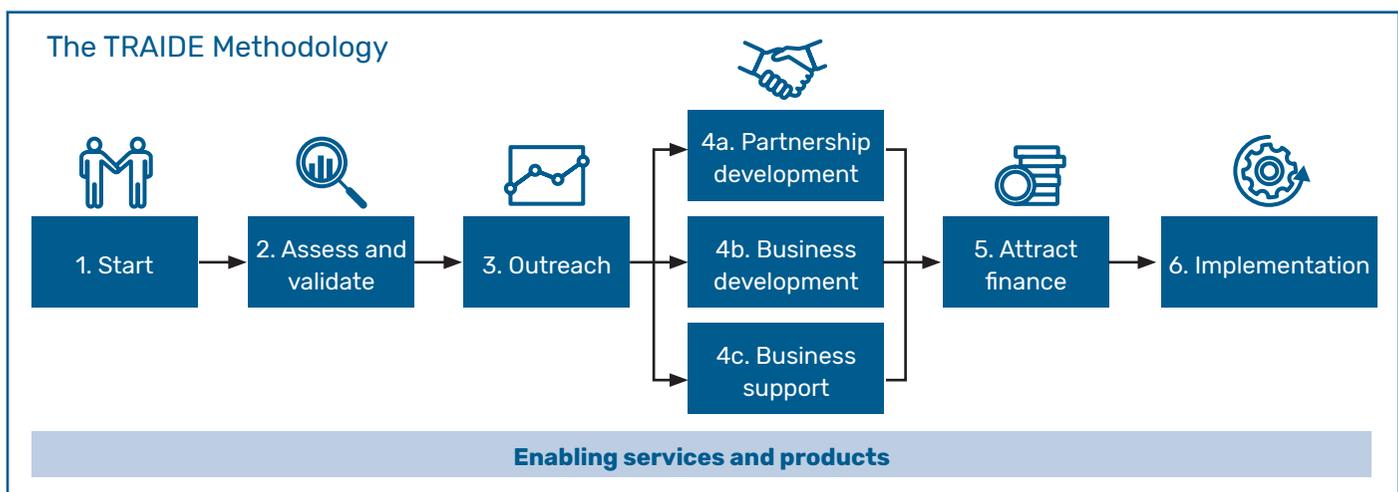
The methodology is part of an ongoing learning cycle whereby we reflect on how our approach leads to development outcomes and allows us to adjust our approach based on our learnings.

To make sure that we work effectively and efficiently, each phase has its own Go-No-Go moments based on a predetermined set of criteria. Examples include:

- Does the lead have commercial potential?
- The trade-offs between positive and negative impacts are acceptable
- A Dutch connection is present or can be developed.

Based on the criteria, the TRAIDE management team will decide whether and how to proceed with a certain lead.

The table on next page gives a more elaborate overview of the different phases in our methodology.



PHASES OF THE METHODOLOGY EXPLAINED

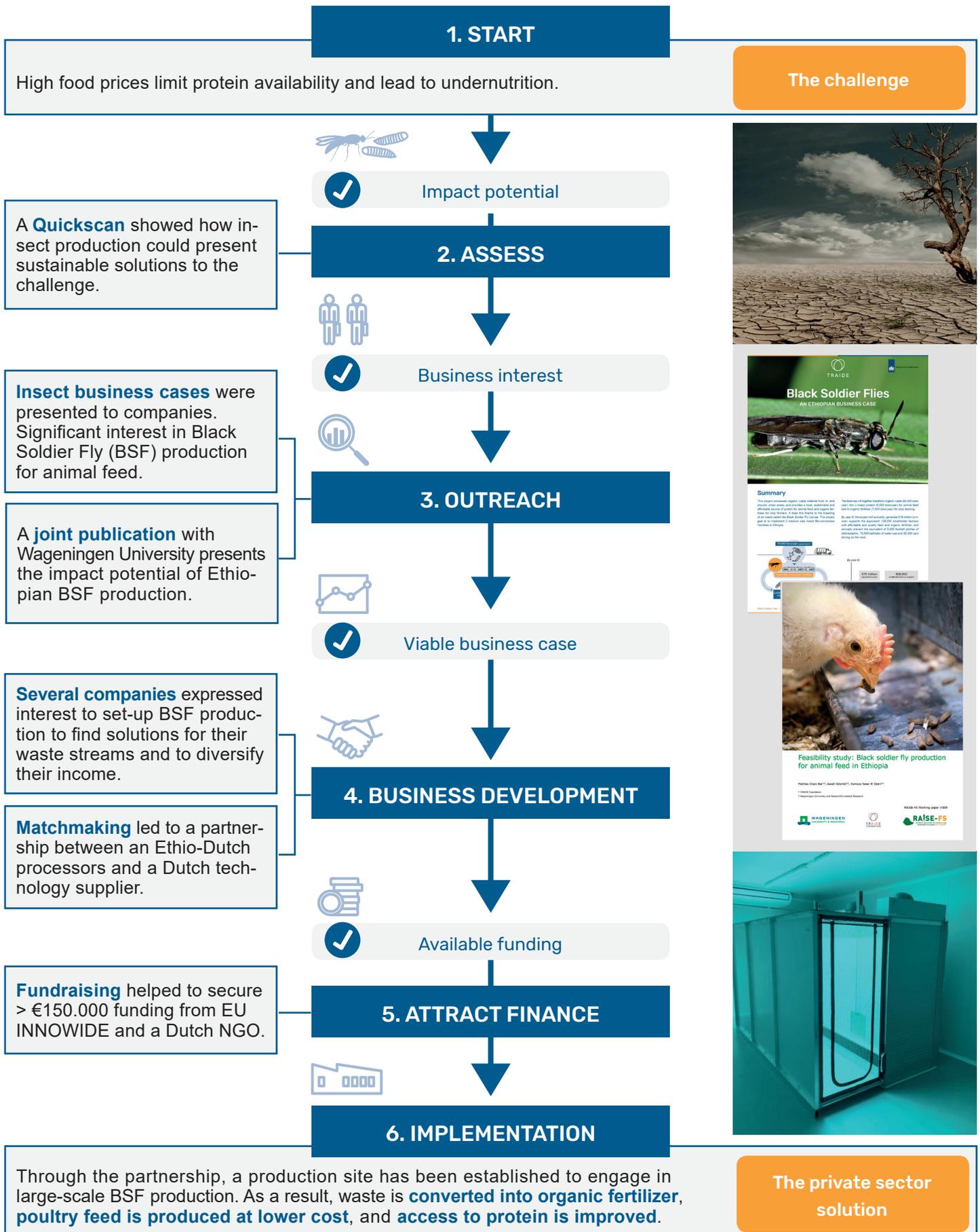
Phase	Objective	Approach	Examples of internal deliverables	Examples of external deliverables
1. Start	Scout for opportunities that could serve our common goal to solve development problems by engaging the private sector to create long-term commercially viable solutions	<ul style="list-style-type: none"> • Priorities of the Multi Annual Country Strategy of the Netherlands Embassy • Company/consortium reaches out to us • We find a business model/ business opportunity • Financial instruments (call for proposals) • Government policies (changes) • Join existing initiatives • Embassy request • Impactful and innovative sector/theme 	<ul style="list-style-type: none"> • Lead board with commercial viability and impact potential 	N.A.
2a. Assess and Validate	Quickly identify, assess, prioritize and validate business opportunities in a (sub-) sector	<ul style="list-style-type: none"> • Desk research • Internal brainstorm • Conduct interviews • Engage stakeholders to validate the business opportunity and assess traction 	<ul style="list-style-type: none"> • Spreadsheets presenting problems, solutions, and business opportunities • Spreadsheet with multi-criteria analysis of business opportunities • Business model canvases for most promising business opportunities 	<ul style="list-style-type: none"> • Slide deck with description of selected business opportunity • Quick scan • Opportunity reports (sector scale) • Factsheet (sub-sector scale or business case)
3. Outreach	Outreach to stakeholders (business leads) to assess appetite for the business opportunities	Engage with individual or multiple stakeholders, if needed using marketing materials such as BORs, factsheets, slide decks	<ul style="list-style-type: none"> • List of interested companies • Completed intake forms for interested companies • More detailed business model canvases for most promising business leads • Results of the TRAIDE service evaluation survey (e.g. after webinar) 	<ul style="list-style-type: none"> • Company visits • Webinars • Hackathons • Round table discussions • Trade or company missions
4a. Partnership Building	Support organizations in forming effective and durable (public-private) partnerships to jointly develop business opportunities into business cases.	<ul style="list-style-type: none"> • Engage with multiple stakeholders to design an effective and durable partnership • Matchmaking • Market information • Business modeling • Responsible Business Conduct advice • Reviewing plans, agreements, etc. 	<ul style="list-style-type: none"> • List of interested companies • Completed intake forms for interested companies • Results of the TRAIDE service evaluation survey • Meeting minutes 	<ul style="list-style-type: none"> • Concept note of the partnership and business case • Detailed (financial) business case (spreadsheet, slide deck) • MoU, partnership agreement
4b. Business Development	Support an individual company to develop the business opportunity into a business case	<ul style="list-style-type: none"> • Developing a detailed new business case or supporting a company with its existing business case • Matchmaking • Provision of market intelligence • RBC advice • Proposal reviewing 	<ul style="list-style-type: none"> • List of potential and completed matches • Completed intake forms for interested companies • Results of the TRAIDE service evaluation survey 	<ul style="list-style-type: none"> • Matchmaking meetings • Market intelligence report • Detailed (financial) business case (excel, slide deck) • Company incoming mission
4c. Business Support	Provide efficient and effective assistance to small incoming requests by companies or the Embassy	<ul style="list-style-type: none"> • Reaching out to stakeholders in our network • Desk research • Matchmaking 	<ul style="list-style-type: none"> • List of potential and completed matches 	<ul style="list-style-type: none"> • Matchmaking meetings • Market intelligence report • Contact lists • Regulatory information

Phase	Objective	Approach	Examples of internal deliverables	Examples of external deliverables
5. Attract Finance	Fundraising to enable a partnership or business case	<ul style="list-style-type: none"> • Share info on financial instrument/opportunity • Introduction to financier • Development of concept note/quick scan • Writing full proposal • Sign agreement 	<ul style="list-style-type: none"> • List of potential funds • List of potential consultants/partners who can attract finance 	<ul style="list-style-type: none"> • Concept note of the partnership and business case • Detailed financial business case • MoU, partnership agreement
6. Project Implementation	Ensure effective and efficient implementation of a partnership project with active involvement of project partners. In cases where no other coordinator can be found, or where the funding organization explicitly request for our support, we can take a coordinating role to enable a partnership project	<ul style="list-style-type: none"> • Stakeholder management • Project management • M&E • Reporting 	<ul style="list-style-type: none"> • Minutes of agreements among partners • M&E framework 	<ul style="list-style-type: none"> • Annual plans and progress reports • Videos, blog posts
7. Individual Implementation	In cases where a partnership or company implements a project by themselves, our objective is to stay in touch and witness the impact of the project	<ul style="list-style-type: none"> • Engage with the companies or partnership on at least an annual basis 	<ul style="list-style-type: none"> • Updates in CRM system 	<ul style="list-style-type: none"> • Blog posts for our website • Written case study in TRAIDE Foundation annual report



HOW DOES IT WORK?

The TRAIDE methodology enables us to engage in a series of activities to empower companies to reach their impact potential. The example below shows how we moved from a challenge to a private sector solution.



Key Achievements 2023



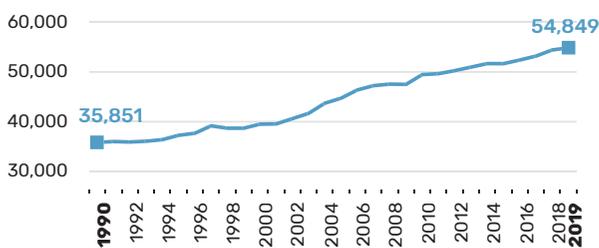


APPROACH

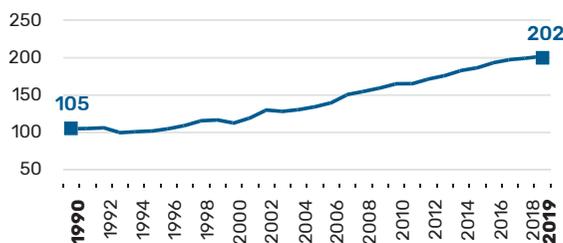
Climate change was identified as a priority theme for the Netherlands Embassy and the Ethiopian government. TRAIDE applied its methodology by analyzing climate change related challenges and identifying private sector solutions. A climate quick scan was conducted to develop a factsheet on climate mitigation and adaptation in Ethiopia. To move from high-level private sector solutions (e.g., organic fertilizer) to concrete business opportunities (e.g., producing organic fertilizer using chicken manure), the factsheet was disseminated on LinkedIn and through targeted outreach. We mapped Dutch financial instruments providing climate finance and NGOs working on climate, shared the factsheet, and conducted interviews with them. Based on the conversations, we aimed to develop a list of business opportunities and leads.

TRENDS OF WORLD'S AND ETHIOPIA'S (GHG) EMISSIONS (CO₂E IN TONNE)

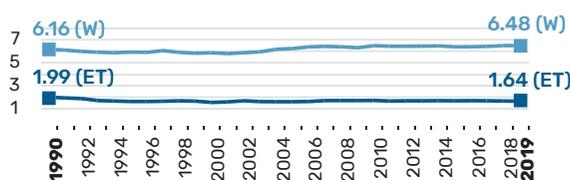
World total GHG emission (CO₂e in tonne)



Ethiopia GHG emission (CO₂e in tonne)



World (W) and Ethiopia (ET) per capita ghg emission (CO₂e in tonne)

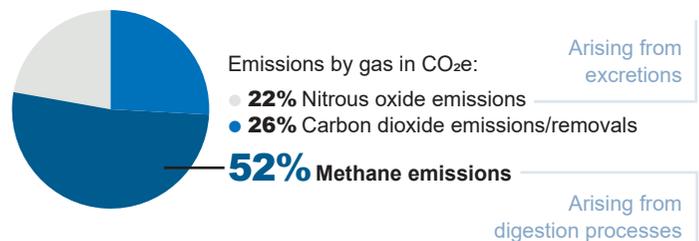
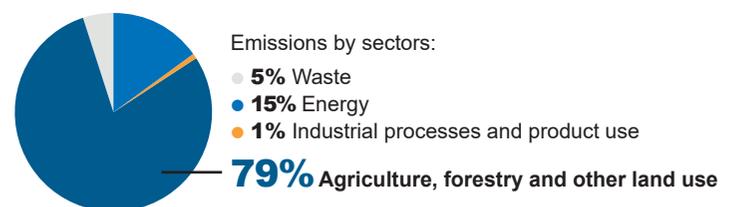


CURRENT PROGRESS

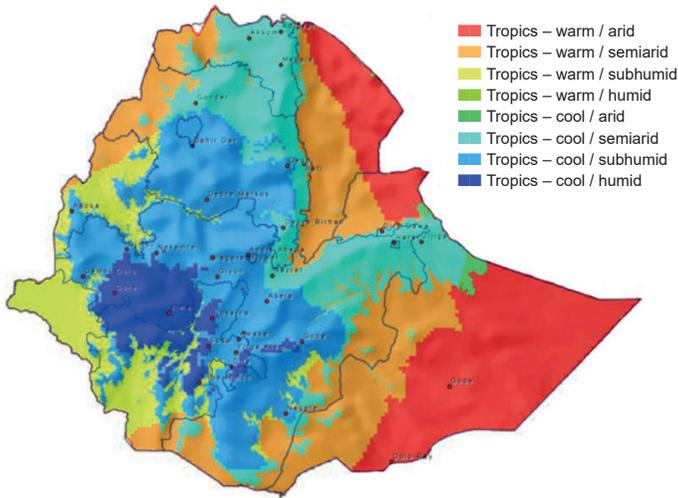
Extracting concrete opportunities from a broad theme such as climate change turned out to be challenging. Several conversations were conducted with financial instruments (for example the Dutch Fund for Climate and Development), NGOs (for example SNV) and other organizations (for example the EU, Stichting Wageningen Research). Yet, most organizations found it difficult to speak about specific business opportunities linked to the general challenge of climate change. Making the conversation topic more specific – for example talking about a specific sub-sector or solution (e.g., drought resistant seeds) – allowed us to have more in-depth conversations and speak about concrete business opportunities.

Because conducting a detailed assessment for each (sub-) sector would require a lot of time and capacity, we decided to change our approach. We broke down the broader topic of climate change into a number of sub-sectors: agriculture, energy, water, health, waste, and ecosystems. We will mainstream climate in our ongoing business development activities on energy, water, health, waste, while doing specific business development on agriculture and climate (in combination with a regional program for Min. LNV). We will consider business development on ecosystems (think of land restoration, afforestation, etc.) for the next phase of the program.

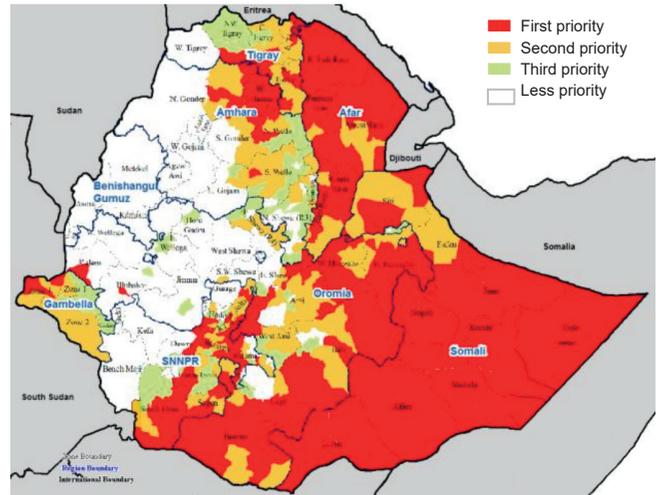
SHARE OF GHG EMISSIONS OF ETHIOPIA (202 T CO₂E IN 2019)



AGRO-ECOLOGICAL ZONES OF ETHIOPIA

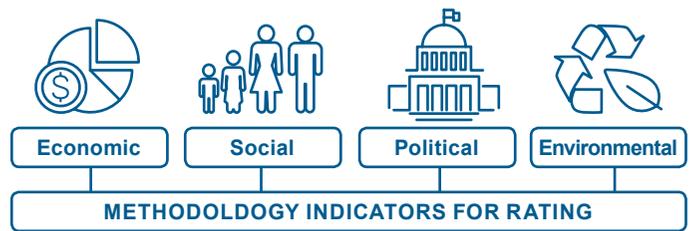


DROUGHT PRONE AREAS IN ETHIOPIA THAT OFTEN REQUIRE HUMANITARIAN RESPONSE



LESSONS LEARNED

The key lesson learned is that it takes several steps to move from a broad development challenge to specific business opportunities. A balance should be struck between one the one hand, doing a rigid assessment of the challenge, and on the other hand, not getting bogged down in the analysis phase and choosing a topic to do business development on. A structured approach, including breaking down the challenge into sub-topics or sectors, can help to identify options for choosing what to focus on. The methodology developed for the regional LNV program can aid in selecting which option to choose by rating each sector/solution/business opportunity on economic, social, political, environmental indicators.





APPROACH

During our inception phase, the TRAIDE team identified the water sector as a priority sector. We developed a business opportunity report to pinpoint the subsectors within the water sector that hold the most potential for impact and business. The report identified significant challenges faced by the Ethiopian water sector, such as scarce water resources due to climate change impacts, catchment degradation affecting water quality, groundwater management issues, limited access to safe drinking water, and challenges in irrigation, agriculture, and wastewater management.

As a next step, we engaged the private sector through a webinar where we had over 150 participants to whom we presented our findings. We explored different concepts together with interested companies, of which one concept around revitalizing water boreholes was found to be most feasible and impactful. We therefore developed a concept note to use carbon finance to clean up, repair and maintain water boreholes, thereby improving access to safe and clean water for rural communities.

TRAIDE helped to build a partnership of Dutch and Ethiopian companies and an NGO, and facilitated the development of a business model for rehabilitating existing water wells (see water case study). Subsequently, TRAIDE coordinated the development of two proposals for funding to kickstart this new business collaboration.

CURRENT PROGRESS

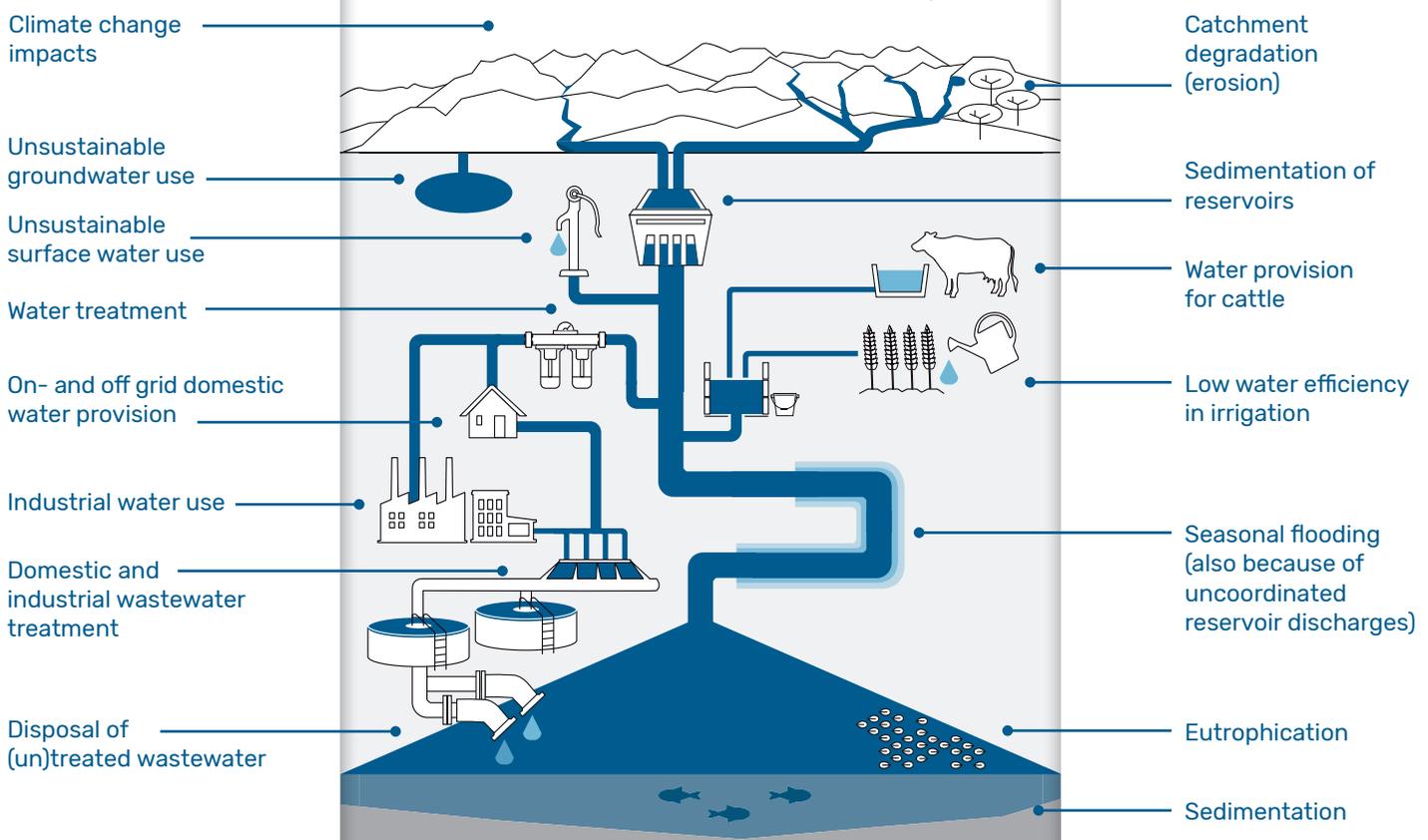
The Ethiopian-Dutch water consortium submitted a proposal for funding from Partners for Water in August 2023. In response to the proposal, RVO has indicated it finds the concept very interesting, but some adjustments are required, and a revised proposal was submitted on February 16, 2024.

A quickscan for an Impact Cluster subsidy was developed in parallel to the Partners for Water, which required some minor improvements. Therefore, together with the water consortium, TRAIDE has adjusted the project design. The full proposal has been drafted and has been resubmitted to RVO.

LESSONS LEARNED

Conducting webinars and engaging companies not currently established in Ethiopia has proven to be an effective strategy for Ethiopia. Our program should keep doing this as helps to spark interest from the private sector. We should keep up with PR activities to encourage companies to consider entering the Ethiopian market. Further, we observed that our involvement in developing partnerships and facilitating collaborations is crucial to nudge companies and help them take the next steps.

Overview of the water sector in Ethiopia



CASE STUDY

Water Investment Cluster



Project Overview

The water investment cluster focuses on addressing the critical issue of inadequate access to clean and safe drinking water in Ethiopia. It targets both communal and household levels, aiming to enhance operational efficiency and sustainability of Water, Sanitation, and Hygiene Committees (WASHCOs) while improving local private WASH sectors through collaboration with the Dutch private sector.

With an ultimate goal of enabling WASHCOs to operate effectively and independently, create a sustainable model replicable in other regions and emphasize transparency and openness for collaboration, the primary activities of the project include:

- Rehabilitating existing water wells
- Establishing a supply network for WASHCOs
- Providing training to enhance operational efficiency
- Developing alternative income sources for WASHCOs
- Setting up innovation pilots for clean water distribution
- Designing a sustainable business model for long-term financial viability.



Projected Impacts

50,000 community members

- Direct impact on local communities' well-being and livelihoods
- Continuous access to clean and safe water

Economic empowerment and job creation

- Improves the local private WASH sector through expertise infusion
- Collaboration with Dutch private sector for technology and innovation





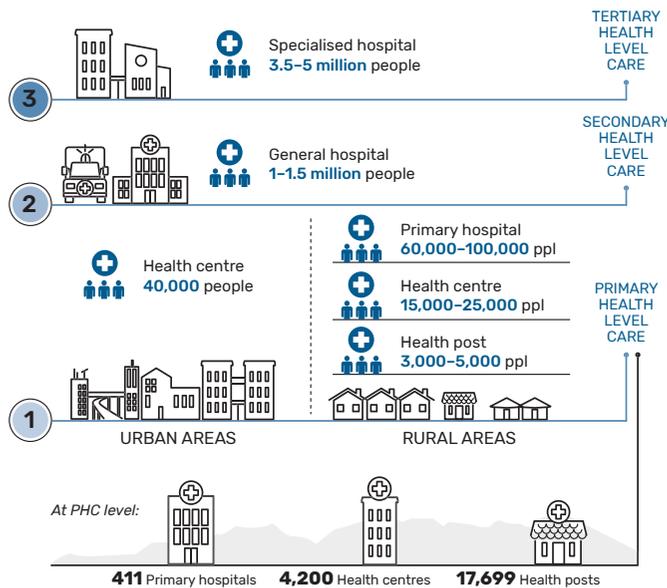
HEALTH

APPROACH

We began our work in the health sector by conducting a sector study, resulting in the Health Business Opportunity Report (BOR). The assessment identified key subsectors including tertiary healthcare services, pharmaceuticals, and medical equipment production among others. In 2023, we disseminated this BOR to various Dutch stakeholders, including Taskforce Healthcare to gain insights into their perspectives and planned activities for the Ethiopian health sector and also to evaluate potential areas for collaboration. Subsequently, our outreach efforts led to a keen interest from several companies looking to explore opportunities in the Ethiopian primary healthcare sector. This prompted a shift in our approach toward providing tailored support to individual companies. Consequently, we conducted intake meetings to assess their specific needs, potential impacts, and the commercial viability of their business cases.

Subsequently, we provided support to different companies. For i+ Solutions, a Dutch provider of pharmaceutical procurement and supply chain services, we facilitated matchmaking meetings with Ethiopian pharmaceutical importers, wholesalers, and digital health companies with direct delivery models. Healthy Entrepreneurs, a Dutch social enterprise that offers last-mile health services through community health entrepreneurs, was supported through a fact-finding mission, in close collaboration with the Health Department of the Netherlands Embassy. As a result of the mission, the Ethiopian Ministry of Health requested a public-private partnership to test and adjust the model through a pilot project. This is a lead which has led to Healthy Entrepreneurs taking its first steps in Ethiopia. We also provided market intelligence and potential partners to PharmAccess, whose work aims to improve healthcare access in Africa through innovative financing and delivery models, focusing on health insurance, healthcare financing, digital innovations, and their SafeCare quality improvement program. Furthermore, we offered business support to health tech companies (i.e. Goal3 and LightDrop Tech) that are assessing the Ethiopian market.

STRUCTURE OF THE ETHIOPIAN HEALTHCARE SYSTEM



CURRENT PROGRESS

The matchmaking meetings with i+ Solutions resulted in limited interest among Ethiopian companies. As there is a lot of traction in our other health activities, we will not continue proactive business development. On the other hand, the results of the fact-finding mission by Healthy Entrepreneurs was positive and we will therefore continue our support. Specifically, we are supporting Healthy Entrepreneurs with the recruitment of a consultant who will develop a concept note together with a Technical Working Group led by the Federal Ministry of Health.

GENERAL INDICATORS

							
	Number of hospitals (public)	Number of health centres	Number of health posts	Average life expectancy	Maternal mortality rate (UN est.)	Under-5 mortality rate	Health professionals to population ratio
Ethiopia	>411	>4,200	>16,600	66.6	353 / 100,000	59 / 1,000	2.1 / 1,000
Kenya	4,616 public health facilities			67	342 / 100,000	43.2 / 1,000	1.5 doctors / 10,000
The Netherlands	618	-	-	81	4 / 100,000	4 / 1,000	3.7 physicians / 1,000



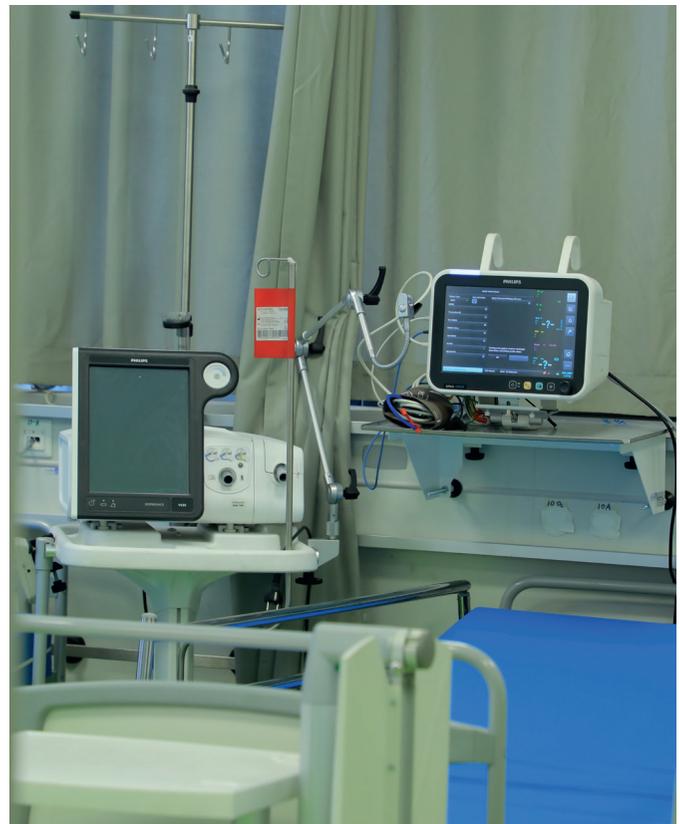
TRAIDE's support during our factfinding mission in Ethiopia exceeded our expectations. Their tailored program, local expertise, and proactive approach allowed us to successfully assess the market. We appreciate TRAIDE's commitment to support us in our mission to address health needs in hard-to-reach areas of African countries, and we look forward to future collaborations."

Joost van Engen | Founder Healthy Entrepreneurs

In addition to this, we are looking for funding opportunities that can kick-start the implementation of a pilot project on last mile health services in a rural district of Ethiopia. We are moreover supporting PharmAccess to tailor their SafeCare business model to the Ethiopian context by introducing them to the right officials at the Ministry of Health and to reliable potential licensing partners. PharmAccess is planning to visit Ethiopia for a factfinding mission in Q2 of 2023, for which we will provide support.

LESSONS LEARNED

As the Ethiopian Government plays a key role in the Ethiopian healthcare sector, it is very important to involve the Ministry of Health and other health related government organizations when working on private sector solutions for challenges in the health-care sector. Our collaboration with the Health Department at the Netherlands Embassy has been instrumental to make sure we, and the companies we work with, are engaging with the right officials with the right decision-making power and get the buy-in from the Ethiopian Government.





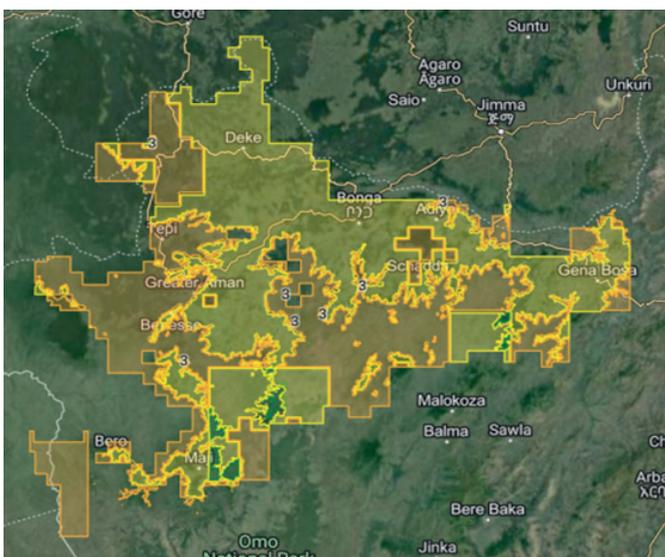
COCOA

APPROACH

In 2022, TRAIDE conducted a field visit to the Tepi Agricultural Research Center (TARC) in the Southwest Region to research the potential of growing cocoa in Ethiopia. In 2023, we continued our assessment by researching the (international) market opportunities in cocoa and developed a factsheet on the business opportunities for Ethiopian cocoa. We also developed a high-level suitability map which shows the areas in which cocoa can be cultivated.

Based on this research, TRAIDE saw significant opportunities for creating a new cocoa sector in Ethiopia which can have substantial impact on job creation, economic growth, import substitution, local value addition, FOREX generation, and sustainable agriculture. We developed a two-fold approach for catalyzing business and investments into cocoa: convening industry stakeholders and creating the first Ethiopian-grown chocolate. First, we engaged key stakeholders active in the cocoa/chocolate sector in the Netherlands and Ethiopia to spark their interest and identify potential partners for setting up a cocoa pilot project. Second, we aimed to work with TARC to process the cocoa harvested from their trial sites, test its quality, and manufacture the first batch of Ethiopian-grown chocolate bars. Early 2024, we planned to organize a stakeholder event to showcase the chocolate and chart the way forward.

COCOA SUITABILITY MAP OF THE SOUTH WEST REGION (GIS analysis conducted by TRAIDE). Green and orange areas indicate the most favourable conditions for growing cocoa.



FORESEEN BUSINESS OPPORTUNITIES FOR COCOA SECTOR





Potential for impact



**CONTRIBUTION
TO THE
AGRICULTURAL
GDP**



**FARMER
RESILIENCE
& INCOME
DIVERSIFICATION**



**IMPORT
SUBSTITUTION**



**EXPORT REVENUES
& FOREIGN
CURRENCY**



**FOREST
PROTECTION
& SOIL
REGENERATION**



**VALUE ADDITION
FROM LOCAL
PROCESSING &
MANUFACTURING**

CURRENT PROGRESS

Our first objective was successful, with several companies interested in cocoa and some key organizations identified as potential partners for a cocoa pilot program. This includes companies interested in cultivation such as Shococh and Horizon Plantations, Dutch cocoa traders such as Daarnhouwer and Crafting Markets, chocolate manufacturers such as NIB Candy and YENE, government organizations such as the Ethiopian Institute of Agricultural Research and TARC, NGOs such as Solidaridad, SNV and GIZ, and knowledge institutes such as Stichting Wageningen Research (SWR), Wageningen University (WUR), and the International Center for Tropical Agriculture (CIAT). Our second objective proved more challenging. A joint plan was developed and TRAIDE signed an MoU with TARC and the Ethiopian Institute of Agricultural Research to formalize the partnership. We arranged an expert via PUM to assist with cocoa fermentation and provided budget for covering some of the costs TARC would incur. However, the collaboration eventually collapsed due to high budget demands by TARC without clarity what the money would be spent on or any guarantee that this would significantly contribute to the project objectives.

To find an alternative path, TRAIDE started a collaboration on a working paper on the opportunities for Ethiopian cocoa with SWR, WUR and CIAT. The paper will be used to engage companies and donors to kickstart a pilot for growing Ethiopian cocoa. We will involve senior government officials (e.g., Minister of Agriculture, Regional President) where needed. Through this activity, we intend to spark interest in Ethiopian-grown cocoa and kickstart new initiatives related to cocoa cultivation and processing.

LESSONS LEARNED

Collaborating with government bodies has been challenging. Hence, we will focus on working with the private sector and international knowledge institutes. A lot of companies are interested in cocoa, but there is a need for more research and a proof of concept to catalyse large-scale investment into the sector. In 2024, we will therefore focus on further strengthening the business case for cocoa and engage in fundraising to start a pilot project.



COFFEE

APPROACH

In the inception of our coffee activities, the idea of exploring the coffee sector originated during a regular TRAIDE-EKN conversation. Subsequently TRAIDE conducted a quick scan to assess the current state of the Ethiopian coffee sector, government initiatives, regulatory framework, global coffee trends, Dutch experiences, and associated trade and investment opportunities. Following the completion of the quick scan, we presented the findings to the EKN, which was well-received.

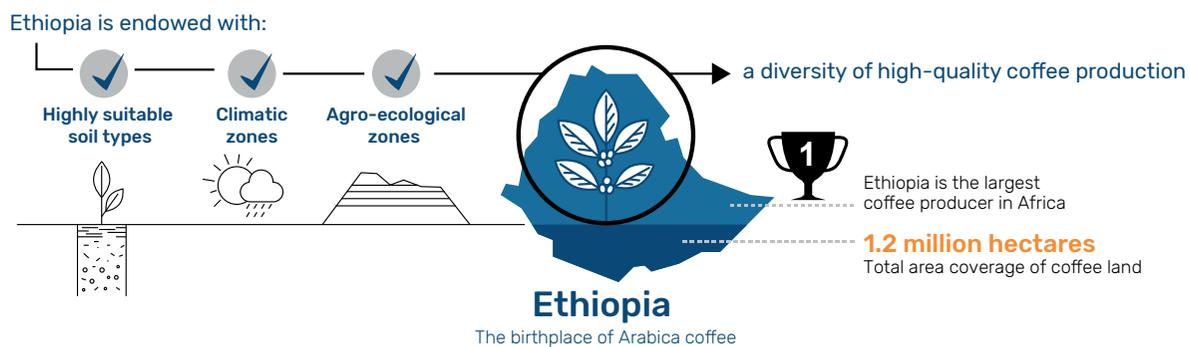
Subsequently, we tested whether the private sector was interested to engage further. While considering different outreach methods such as webinars and trade missions, we connected with the International Trade Center and their Netherlands Trust Fund project to explore potential collaboration. From these discussions emerged the idea of organizing a joint trade mission for Dutch companies. TRAIDE reached out to several coffee traders and roasters to attract them to the trade mission.

Consequently, we organized a coffee trade mission with the International Trade Center. The purpose of the mission was to strengthen current business links or establish new connections between Dutch buyers and Ethiopian producers. The trade mission also addressed the upcoming EU legislations and how it might affect the Ethiopian coffee sector.

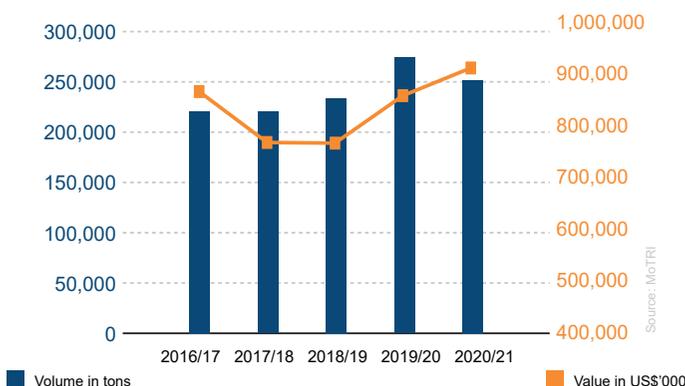
CURRENT PROGRESS

The trade mission in Q4 2023 helped six Dutch coffee buyers to establish connections with coffee producers in Ethiopia and gain a better understanding of the coffee sector. Some companies already purchased their first batches of coffee or ordered samples. Information exchange sessions between companies and the cooperative unions were organized to help the buyers better understand how cooperative unions are addressing the Deforestation Regulation (EUDR) and upcoming Corporate Social Sustainability Responsibility Due Diligence Directive (CS3D), and the activities they are undertaking to comply with these regulations. The Dutch buyers also met with the director of the Ethiopian Coffee and Tea Authority to address questions and concerns regarding the impact of EU regulation on Ethiopian coffee exports.

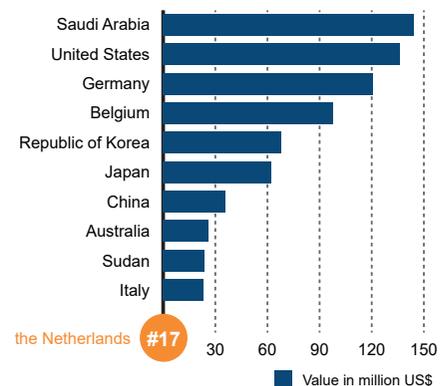
Follow up meetings with all trade mission companies have been organized. Most companies have indicated their specific interests on what type of support they require from TRAIDE. The type of sought support is mostly related to additional B2B linkages (e.g., to directly source from smaller cooperatives and farms with an export license) and support to deal with the upcoming legislations.



ETHIOPIAN COFFEE EXPORT TREND IN VOLUME (IN TONS) AND VALUE (IN US\$'000)



MAJOR EXPORT DESTINATION COUNTRIES OF ETHIOPIAN COFFEE IN 2020/21 (VALUE IN MILLION US\$)





TRAIDE will also engage in the development of new business concepts (e.g., developing a business model for joint sourcing for small roasters, setting up projects that help with compliance to EU regulations and increase sustainability of the value chain). One concrete initiative is supporting the establishment of Acorn programs in Ethiopia, which could provide a solution for EUDR compliance and helps to increase smallholder farmer income through agroforestry and carbon credits.

LESSONS LEARNED

The collaboration between TRAIDE Ethiopia and TRAIDE Netherlands, which involved sharing expertise, resources, and networks, was instrumental in attracting Dutch companies

to the Ethiopian market. Engaging external stakeholders and joining efforts for trade missions has proven to be an effective approach. We believe that, when organizing such missions in the future, we should strike the right balance between bringing larger companies with high potential impact through scale/size, but who have the resources to contribute to such a mission or organize it themselves, and smaller companies who need more support to engage the Ethiopian market.

In the coffee sector we see significant changes due to the incoming EU regulations. This can have a negative impact on the sector but is also an opportunity to make the sector more sustainable. TRAIDE will continue to work with Dutch initiatives that aim to make Ethiopian coffee farmers compliant with EU rules while helping farmers do better business and increase their income.



Business support through individual trade missions

TRAIDE supports companies that want to bring their products and services to Ethiopia and where we believe that their business model will make a positive contribution to the development of focus sectors.

Organizing incoming missions to Ethiopia has proven to be an effective way to support companies in this. Companies can use factfinding missions to understand how they can adapt their business model and tailor their product or service to the Ethiopian market. They can also use such missions to find the right partners, scope potential clients and figure out how to deal with potential obstacles to doing business.

TRAIDE works to ensure new companies have sufficient information and connections to be able to get started. We do not engage in sales activities for companies.

In 2023, TRAIDE has organized 5 trade missions, serving 9 companies. As a result, some companies are now buying, have started their operations or are exploring their next steps to entry.

CASE STUDY

Coffee trade mission

Trade mission and CS3D



Organized by TRAIDE and ITC, a Dutch buyers' tour took place in November 2023 in Ethiopia where selected coffee buyers met Ethiopian coffee producers. Buyers gathered in Addis Ababa, then visited coffee farms and cooperatives of Yirgacheffe Coffee Farmers' Cooperative Union and Oromia Coffee Farmers' Cooperative Union. The mission involved 6 Dutch coffee companies - EspressoOH, Gosling Coffee, UCC, Daarnhouwer, Koffiestation, and Barista College.

Objectives

- Raising awareness about the uniqueness of Ethiopian coffee
- Understanding the value chain
- Catalyze Ethio-Dutch business opportunities and facilitate partnerships
- Sharing knowledge about market dynamics

Activities

- Inspecting coffee trees and cherries
- Observing the washing and drying process
- Q&A sessions with union and cooperative managers
- Networking

Discussions covered topics like European Union directives on Corporate Sustainable Due Diligence, Deforestation, direct and fair trade, and specialty coffee. The tour concluded with a networking event in Addis Ababa that brought together buyers, Ethiopian Coffee and Tea Authority, ITC-Alliances for Action's network, and other stakeholders.

In addition to upcoming EU regulations and addressing farmers' readiness, the aim is to build long-term, direct trade relationships based on trust and mutual growth, leading to sustainable benefits for both buyers and suppliers.

Outcomes

- In December 2023, Daarnhouwer made its first new crop container purchase from Yigarcheffe Cooperative Union.
- EspressoOH bought one bag of coffee from Oromia Cooperative Union to test the quality and is looking to purchase more. Gosling has requested a sample from Dehab Specialty Farm to taste their coffee and explore a potential business relationship
- As several companies have expressed their interest to buy more coffee from Ethiopia and to engage in more sustainable production. In 2024, TRAIDE will use these requests to engage in further business development.



Company reflections on the Coffee Trade mission



Because of the trade mission, 1. We made some promising contacts and links for more intense partnerships with farmers. 2. by knowing more about the real practicalities of Ethiopian farms (Agroforestry), to speak about current challenges, so we can help our customer understand why we do things a certain way."

Koffiestation



Most appreciated this mission because we got the opportunity to meet the producers of some of the best coffees in the World."

Daarnhouwer



The contact with producers is what liked the most about the trade mission. Further, the mission has helped us open our mind to the deforestation issue."

UCC





DIGITALISATION

APPROACH

Digitalization is a priority sector identified during the inception phase of TRAIDE, from both Ethiopian and Dutch perspectives. Therefore, a quick scan was conducted to determine which subsectors in digitalization could offer the most attractive Ethio-Dutch business collaboration opportunities. Upon conducting our brief research, we identified Fintech including payment services, data center providers, business process outsourcing (BPO), outstaffing, as potential subsectors with business opportunities.

However, we also recognized challenges such as infrastructure, regulatory constraints, digital literacy, talent skills, and a relatively small national market that act as bottlenecks for the sector. Consequently, after assessing these challenges, we concluded that to capitalize on any business prospects, the country must not only open the sector but also cultivate a skilled workforce to meet international industry demands.

As such, we organized a roundtable discussion focused on Talent and Skills, aiming to tackle the main gaps in available skills – spanning technical and soft skills – and what type of training are provided to bridge these skill gaps. Furthermore, factors such as access to the internet and mobile penetration were explored to understand their impact on skill development and accessibility. After the successful outcomes of the roundtable, we continued to provide support to companies in the Edtech (Buku) and Fintech sector (Simbuka, LendXs, Advision). Additionally, we maintained ongoing discussions with the private sector and other relevant stakeholders to identify other potential areas of impact and business opportunities, focusing particularly on BPO and Fintech.

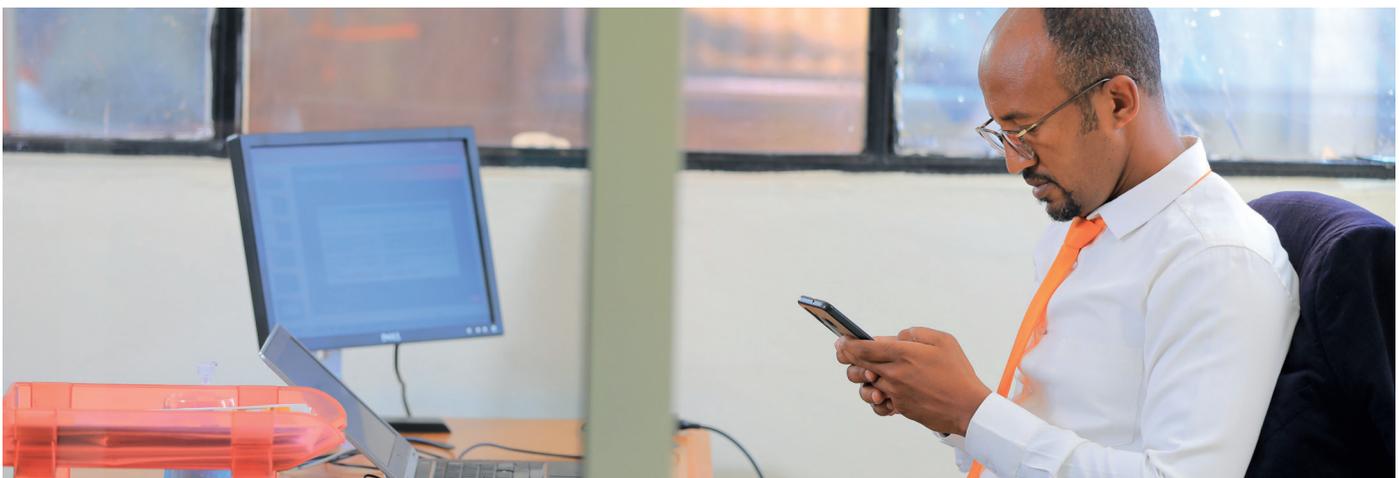
CURRENT PROGRESS

We are currently conducting an assessment and validation for the Fintech and BPO subsectors. Discussions are being held with the UN ITC to organize a joint trade mission on BPO. To empower talent and skills development, TRAIDE is collaborating with Ice Addis, STUDIO.WHY, and ITC to facilitate an Agribusiness Hackathon scheduled for Q2 2024 (April 4-6). The event will bring together a group of 16-24 women to brainstorm solutions for challenges in the Ethiopian agriculture sector, utilizing agritech components to promote women empowerment. Participants will have the chance to showcase their abilities, learn from industry experts, and gain valuable experience in problem-solving and teamwork. This aligns with our approach of nurturing talent and fostering continuous learning and improvement within the digitalization sector.

LESSONS LEARNED

A follow-up survey conducted after the roundtable indicated that the companies appreciated such platforms as valuable networking events. They were able to connect with companies operating in the same sector, which encouraged collaboration.

Overall, through our various engagements with international organizations (UNIDO), government stakeholders (Ethiopian Investment Commission, Ministry of Innovation and Technology), as well as incubators (Gebeya) and associations (Business Process Outsourcing Association), it has become evident that there is a growing appetite for the sector to streamline operations, enhance services, and improve access to information in key sectors like business process outsourcing, Fintech, and incubation centers. This underscores the business opportunities in the digitalization sector and the potential to create significant impacts.



CASE STUDY

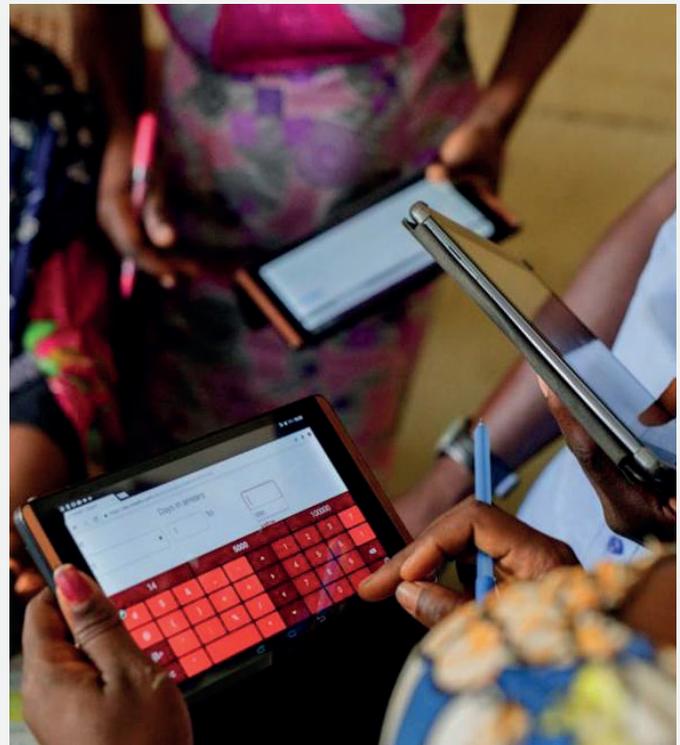
A new partnership to advance entrepreneurship in the digitalization space

CINOP – IceAddis



CINOP and IceAddis is one example of companies who got to know about each other through the roundtable organized by TRAIDE. They started a collaboration on a 3-year project, for a budget of 400k euros. The project, titled **“3E – Entrepreneurial Ecosystem in Ethiopia”** includes activities such as:

- Establishing the Tegbareid "Future Skills Incubator" focused on digital skills & e-commerce
- Making existing curricula market-relevant, with a focus on entrepreneurship, digital solutions, and e-commerce
- Reinforcing relationships between, Tegbareid college and private sector on digital skills and e-commerce and catalyzing career development of Tegbareid alumni



Link between CINOP and IceAddis was established via webinar organized by Traide. After that I did several co-creation sessions with CINOP and IceAddis and now this beautiful project of 3 years.”

Thijs Merton | IceAddis



RENEWABLE ENERGY

APPROACH

Renewable energy is another sector where Ethiopian and Dutch interests overlap. Ethiopia has a need to improve its clean energy production and energy access and can make use of Dutch companies' experience and technology. Consequently, we conducted a quick scan that revealed the opportunities in this sector for both off-grid and on-grid solutions. We delved deeper into the sector by engaging relevant stakeholders such as the Ministry of Water and Energy, Ethiopian Electric Power, Ethiopian Electric Utility, and private sector players. The opportunities for energy integration into the national grid include massive projects, including public-private partnership projects in the subsectors of wind, solar, hydro, and geothermal energy generation. Our outreach activities, such as webinars and individual engagements, to present these findings in the renewable energy sector generated limited interest. Therefore, we changed our approach and focused on supporting companies with renewable energy solutions which are assessing the Ethiopian market.

This project requires collaboration with a local manpower or subcontracting organization for operations. TRAIDE will assist WTS Energy by linking them to partners who can offer services on payroll administration, management of statutory deductions, local insurance, and local logistics.

In addition to these activities, we have been working on identifying pressing issues in the Ethiopian renewable energy sector and connecting them with potential private sector-led solutions. Our renewable energy team has started with outreach to various Dutch and Ethiopian stakeholders to assess and validate business opportunities. The next step is to select the most promising business opportunities for further outreach and business development. Besides this broader process of assessing and validating business opportunities, several concrete leads are starting to materialize related to clean cooking. Based on our experience in this sector in Rwanda, we have decided to dedicate time to assess the potential for a new private sector project.

CURRENT PROGRESS

TRAIDE supported several companies in the renewable energy sector. We supported Spark Energy to hire a local employee to navigate the Ethiopian market and to engage in additional business development. TRAIDE has supported eBee, an electric bike company, through an assessment of the investment climate, regulatory obligations, tax incentives for assembly plants, and outreach to different initiatives working on cycling. eBee plans to visit Ethiopia in the second half of 2024, and TRAIDE will facilitate introductions with the relevant stakeholders. WTS Energy, a company that offers staffing solutions to the renewable energy industry, is currently engaged in a new energy project in Ethiopia.

LESSONS LEARNED

We are more likely to attract more (Dutch) companies in the renewable energy sector by focusing on companies that are already operating in Africa, as such companies are experienced with complicated settings. We also see more potential to work with companies that offer household or farm-level energy products than with companies engaged in large-scale renewable energy infrastructure projects. The latter involves high capital requirements and requires specific expertise, which makes specialized consultancies or other engineering firms a better match for these larger Ethiopian market opportunities.



More than just a service provider, TRAIDE stands as a true partner in responsible business development. Their dedication, knowledge, and passion for connecting us with relevant stakeholders were instrumental in our smooth integration."

Shagun Jain | Commercial Director Spark Energy

CASE STUDY

Spark Energy

SPARK
Bright days ahead

Spark is a Dutch company that focuses on providing solar energy solutions for rural and off-grid communities in emerging economies. They specialize in creating microgrids and offering sustainable solar energy products and services to empower underserved rural areas with reliable electricity access.

Our approach

Entering the Ethiopian market, Spark wanted to navigate cultural nuances and establish reliable partnerships. After assessing their potential impact and commercial viability, TRAIDE assisted by providing market insights and guidance on the financial landscape, validating their business case, and connecting them with potential partners and distributors.

A challenging context

Only 48% of Ethiopian households currently have access to electricity, a figure expected to increase due to population growth. The Government aims for complete electrification by 2030, presenting challenges but also opportunities. Private sector involvement could accelerate electrification, create employment and income, and mitigate CO₂ emissions.

Entering the Ethiopian market, Spark recognized the importance of navigating cultural nuances and securing reliable partners. Fortunately, TRAIDE Ethiopia provided invaluable support, exceeding our expectations.

Their expertise facilitated introductions to ideal local partners, including government departments and experienced distributors, while ensuring alignment with our values and goals. Furthermore, TRAIDE guided us through the financial landscape, offered deep market insights, and validated our business case, fostering a culturally sensitive and successful expansion plan.

We highly recommend TRAIDE to any company seeking an authentic and purposeful expansion into the Ethiopian market."

Shagun Jain | Commercial Director Spark Energy

Impacts

Our support has led to a partnership between Spark and Modify (local distribution firm). Over 3,000 families now have access to clean energy in their homes through Spark's solar kits, ensuring uninterrupted studying, business, and entertainment even after sunset.





WASTE

APPROACH

In the Netherlands and Ethiopia, transitioning towards a circular economy is becoming a policy priority. TRAIDE planned to conduct a quick scan on waste valorisation in 2023, but through our network, we found out that two other organizations – Soil&More and FirstConsult – were already engaged in a study on Ethiopia’s waste economy. Instead of duplicating work, we partnered with them to turn their report into a visually attractive factsheet.

Our approach has been to disseminate the factsheet on LinkedIn and through targeted outreach to key organizations working on waste and the circular economy. We then conducted several interviews with companies (e.g., Crown Packaging, Kubic, Taka Taka Solutions) and NGOs (e.g., Technoserve, SNV, GIZ) to better understand the sector and identify concrete business opportunities and specific leads.

CURRENT PROGRESS

The factsheet has gained significant traction on social media, leading to several companies approaching TRAIDE to discuss business opportunities. The conversations with key stakeholders also helped to paint a better picture of what specific business opportunities have most potential. For example, we see interesting opportunities for plastic recycling into packaging, household products, and building materials, as well as for organic waste recycling into organic fertilizer and biogas. We would also like to further explore opportunities in recycling of electronic waste.

Due to capacity constraints, the TRAIDE team was not able to conduct all planned stakeholder interviews, and we have scheduled our work on waste to resume in Q2 of 2024.

LESSONS LEARNED

The report developed by Soil&More and FirstConsult outlined some high-level business opportunities, but these were not sufficient to determine concrete business opportunities that TRAIDE can use for business development. Therefore, we needed to conduct some additional research on business opportunities and identify the key stakeholders in the sector. The first results show significant interest among companies in circular business models and opportunities to valorize waste streams and contribute to import substitution. The lack of FOREX can actually contribute to build a business case when waste is used to substitute virgin raw materials or imported products.

As a next step, we will finalize our research and organize a webinar to determine which companies would be interested in specific business opportunities. Based on the outcomes, we will develop a plan to engage in further business development and set up new circular business initiatives. We also see an opportunity to map waste streams created by Dutch businesses in Ethiopia and develop new concepts on how to utilize them.

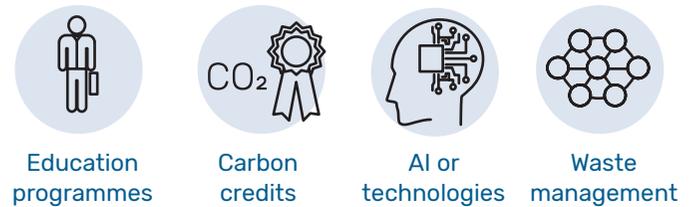
FORESEEABLE BUSINESS OPPORTUNITIES FOR WASTE SECTOR



Recycling plastic, paper and cardboard Refurbishing and recycling e-waste



Compost and fertiliser production from organic waste + Capacity building and technical assistance to SMEs



Education programmes Carbon credits AI or technologies Waste management

POTENTIAL FOR IMPACT



INCREASED EMPLOYMENT OPPORTUNITIES



SKILLS AND KNOWLEDGE ACQUISITION AND TRANSFER



REDUCED ENVIRONMENTAL AND HEALTH RISKS



REDUCED AMOUNT OF WASTE TO LANDFILL



PROMOTION OF CIRCULAR ECONOMY



IMPORT SUBSTITUTION AND CONSERVATION OF NATURAL RESOURCES

OTHER

WHO'S WHO IN ETHIOPIAN POLITICS AND ECONOMIC UPDATES

In the dynamic landscape of Ethiopian politics, our team monitors the frequent changes in the government structure and high-level political positions to ensure that our records are up to date. This has been highly appreciated by the EKN and has been helpful for our work to enhance collaboration with relevant stakeholders. Additionally, every six months, we conduct a review of the country's macroeconomic development to stay informed, maintain accurate information for our analysis, and share with The Netherlands Embassy and other stakeholders.



BUSINESS SUPPORT

The Netherlands Embassy has been approached by several companies interested in the Ethiopian market. TRAIDE has provided guidance to some of these companies, such as Delby (frozen foods company), Bolsius (scent and fragrance), Royal HaskoningDHV (engineering company). TRAIDE has shared information about doing business in Ethiopia, detailed market information about their respective sectors, and linked them to relevant stakeholders and potential partners.

TOP TRADED PRODUCTS ET-NL IN 2022 (VALUE IN MILLION USD)

ET EXPORTS TO NL

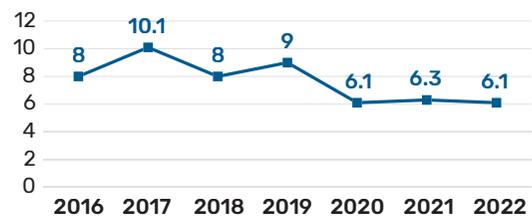
	Flowers and cuttings	193	#1
	Coffee	13	#2
	Pharmaceutical plants	3	#3
	Fruits and vegetables	2	#4
	Animal or vegetable fat	2	#5

NL EXPORTS TO ET

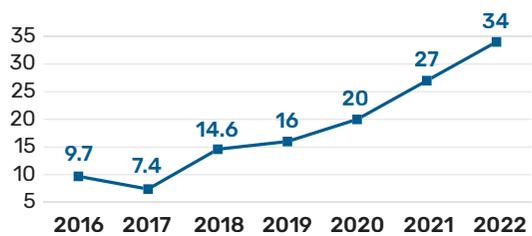
	Pharmaceutical products	152	#1
	Machinery and mechanical appliances . . .	9	#2
	Milk and milk products	5	#3
	Fertilizers	5	#4
	Flour	3	#5

ECONOMICAL INDICATORS FOR ETHIOPIA

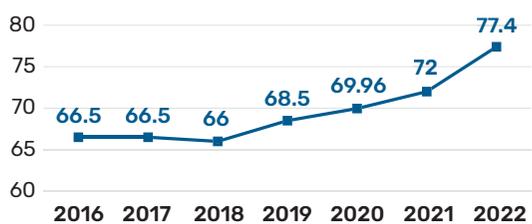
GDP GROWTH RATE (%) avg. around 8% over the past 10 years



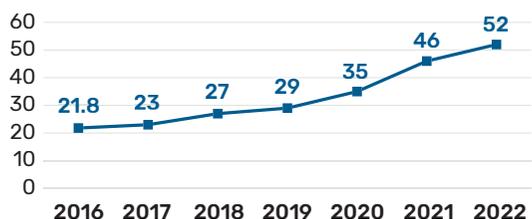
INFLATION (%)



PRIVATE CONSUMPTION (% of GDP)



BIRR/US\$ EXCHANGE RATE



BUSINESS DEVELOPMENT CASE STUDY

Increasing Ethio-Dutch collaborations

TRAIDE aims to work with the Dutch and Ethiopian private sector to create long-term commercially viable solutions. This includes building new business relationships between companies based in Ethiopia as well as the Netherlands.

An example of new Ethiopian and Netherlands-based business relationships initiated by TRAIDE include those between **DolMel**, a garment and fashion start-up, and two Dutch companies: **Janssen Holland**, an African garment retailer, and **SETeMa**, a textile machinery company. We introduced DolMel and its products to Janssen, which has since purchased garment samples. Through conversations facilitated by TRAIDE, DolMel was able to secure a deal with SETeMa to use its factory to print on textiles.



An example of a new business relationship established between companies in Ethiopia is the one between **Greenbz Investment**, an Ethiopian avocado oil company, and **Alfa Fodder and Dairy Farms**, a Dutch dairy farm. Through exploratory conversations with both companies, TRAIDE identified the opportunity for Greenbz to sell its avocado pulp to Alfa as input for its animal feed and introduced the two companies. Alfa has since bought its first truckload of avocado pulp and is testing the performance of feeding the pulp to its cows (impact on health, milk production).



Progress and Planning



5-YEAR PROGRAM TARGETS AND RESULTS

PROMISED TARGETS FOR MORE BUSINESS	2021 RESULTS	2022 RESULTS	2023 RESULTS	2024 REMAINING TARGETS	TOTAL RESULTS/TARGETS
10 Sector quick scans performed	1	6	1	2	8/10 Sector quick scans
8 Investment opportunity reports published	1	3	2	2	6/8 Investment reports
5 Business cases developed	1	3	4	0	8/5 Business cases
6 Trade missions (co)organised	1	1	5	0	7/6 Trade missions
300 Business linkages organised	±30	69	142	150	241/300 B2B linkages

PROMISED TARGETS FOR BETTER BUSINESS	2021 RESULTS	2022 RESULTS	2023 RESULTS	2024 REMAINING TARGETS	TOTAL RESULTS/TARGETS
3 Private sector associations supported	1	1	1	0	3/3 Association
8 Public private platforms organised	3	6	3	0	12/8 Platform meetings
150 Front office services provided	±30	50	40	35	120/150 Front office services
3 Investment clusters supported	1 cluster 5 companies	3 clusters 9 companies	4 clusters 26 companies	0	8/3 Investment clusters
40 companies with RBC support	7	18	14	15	39/40 Companies

2024 ACTIVITIES

The Ethiopian business climate deteriorated significantly in 2023, aggravating risks and curbing investment appetite. Although the country's volatile nature has become the new normal, we still observed significant interest from (Dutch) companies and attracted several new companies. These dynamics reiterate that we must continue with Ethio-Dutch business development, so that we have more initiatives to address local development challenges.

As all program targets will be achieved in 2024, our upcoming activities should mostly focus on realizing pending initiatives and on further business development. As to be able to proceed with our effective work in Ethiopia, we moreover intend to design a program proposal for the next phase.



PROGRAM REFLECTIONS

Analyzing the 5-year program targets and results show positive results in meeting promised targets for increased business and improved business outcomes over the years 2021, 2022, and 2023. Overall, the progress overview and results indicate that we are on track to meeting the program targets by the end of 2024.

To illustrate, Business case development consistently exceeded the promised targets each year. Similarly, trade missions surpassed the promised targets, indicating success in organizing company visits to Ethiopia. Results for supporting better businesses have either been surpassed, or are close to being met.

TRAIDE also sees a need to change the type of KPIs that we report on, as current output indicators do not sufficiently represent the new methodology we have adopted. For instance, where there was an emphasis on writing business opportunity reports in the past, we want to focus more on crafting new business concepts, building private sector partnerships and linking these to finance. This will require a new set of (qualitative) indicators to measure progress. We intend to make these changes for the next phase of TRAIDE Ethiopia.

Reflections on targets, progress and possibilities for program continuation.

When reflecting upon the past years and assessing the midterm review, we believe that TRAIDE Ethiopia has been quite successful. The team has been overdelivering by offering more outputs, products and services than originally planned. In fact, we foresee that, according to our contractual commitments, we will **reach all targets in 2024**.

We see that, despite the challenging circumstances, the TRAIDE work has been very fruitful. Interesting learnings and the mid-term review has led us to alter our approach and enabled us to further engage on sustainable private sector development. As such, we have already **catalysed many new sustainable private sector initiatives** and are perceiving many leads across sectors with great impact potential.

Because we have achieved our results earlier, this also implies that we have been going through our budget quicker. As such, **2024 is a year where we intend to attract new funding**. The TRAIDE Foundation is eager to proceed with our activities in the years to come. As such, we will write a new proposal to continue our TRAIDE activities for the coming years.



2024 Planning

Activities	J	F	M	A	M	J	J	A	S	O	N	D
Climate												
See LNV workstream	■	■	■	■	■	■	■	■	■	■	■	■
Explore potential for climate-specific mission				■	■							
Cocoa												
Working paper cocoa opportunities	■	■	■									
Stakeholder engagement & partnership formation				■	■	■	■	■				
Proposal development & fundraising									■	■	■	■
Coffee												
Needs assessment trade mission companies	■											
Coffee sector roundtables			■									
Follow-up support		■	■	■	■	■	■	■	■	■	■	■
Digitalization												
Agritech hackathon event				■								
Agritech business development support					■	■	■	■	■	■	■	■
BPO trade mission								■				
Fintech business model and landing support	■	■	■	■	■	■	■	■	■	■	■	■
Energy												
Assess potential for high tier clean cooking	■	■										
If go: stakeholder outreach, partnership building, attracting finance			■	■	■	■	■	■	■	■	■	■
Complete assessment and validation of general business opp.	■	■	■									
If go: stakeholder outreach, partnership building, attracting finance				■	■	■	■	■	■	■	■	■
Health												
Business development and attracting finance Healthy Entrepreneurs	■	■	■	■	■	■						
Company missions Dutch health companies		■	■	■								
Business development depending on interest after company missions					■	■	■	■	■	■	■	■
Waste												
Validate specific business opportunities				■								
Webinar					■							
Business development on selected opportunities						■	■	■	■	■	■	■
Water												
Coordination water consortium	■	■	■	■	■	■	■	■	■	■	■	■
Refine proposals	■	■	■									
Explore alternative funding options				■	■	■	■					
Other sectors												
Publish factsheets affordable housing & last-mile distribution		■										
Publish factsheet hydropower					■							
Spin-off: LNV												
Select business opportunities		■										
Develop concept notes			■	■	■	■						
Online workshops							■	■	■	■		
Business lead selection											■	■
Agripreneurship												
Develop terms of reference	■	■										
Validation workshop		■										
Selection implementation partner			■									
Implementation				■	■	■	■	■	■	■	■	■
Program coordination and MERL												
Official reporting moments		■	■								■	
Explore regional collaborations	■	■	■	■	■	■	■	■	■	■	■	■
Supporting donors												
Who's who in Ethiopian politics				■			■			■		
Economic updates							■					



Organisation and Team

TRAIDE The Netherlands

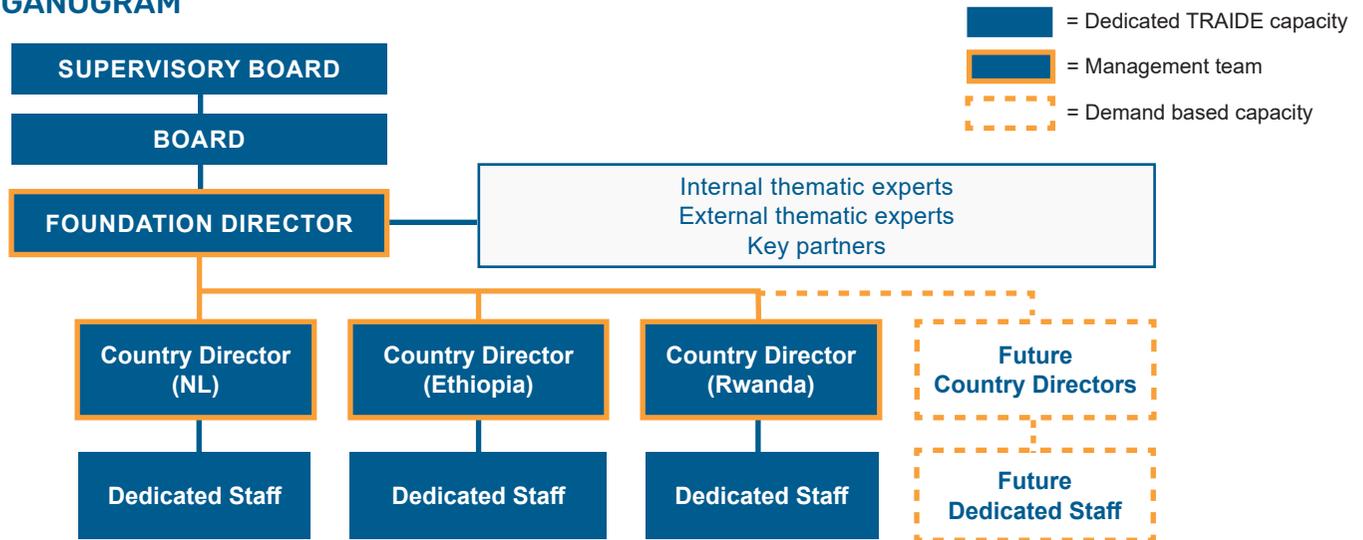
**MULTIPLE OFFICES,
WORKING TOGETHER**

TRAIDE Ethiopia

TRAIDE Rwanda



ORGANOGRAM



TRAIDE TEAM

= New team members

Ethiopia team



Sander de Raad
Country Director



Elham Mohammed
Program Manager



Anniek Elemans
Program Officer



Hiwot Tadesse
Project Officer



Hemen Sirahbizu
Project Officer



Eyuel Seyoum
Communications



Kiya Girma
Project Officer



Mehari Ketema
Project Officer



Thomas Meijer
Project Officer

The Netherlands team



Gertjan Beex
Global Director



Thijs Rutgers
Country Director



Saya Berzinji
Project Officer

Rwanda team



Diwy Tomassen
Country Director



Marie Fidele
Project Officer



Yanna in 't Veld
Project Officer



Gretta Ishyaka
Project Officer



Titus van Boekel
Project Officer



Martijn Ebrecht
Project Officer

Financial Report



BUDGET UPDATES

See the audited financial statements for a complete report

Output	#	Budget line	Org	Staff member*	New budget 2021			Actual 2021		
					Unit price	#	2021	Unit price	#	2021
OUTPUT 0 Management, Baseline, M&E reporting	0.1	Monthly updates and annual progress reports	TF	Gertjan, Auke & Anniek	€ 20,000	6	€ 120,000	€ 20,000	6.9	€ 137,646.83
	0 Total					€ 120,000			€ 137,646.83	
OUTPUT 1 8 Business opportunity reports	1.1	Business opportunity reports, workshops and meetings	TF/RE	Auke & Gertjan	€ 30,000	2	€ 60,000	€ 30,000	1.1	€ 33,209.96
	1 Total					€ 60,000			€ 33,209.96	
OUTPUT 2 300 B2B linkages and 6 trade missions	2.1	Trade missions organised, reported & follow-up support	TF/RE	Thijs R & Gertjan	€ 27,500	1	€ 27,500	€ 27,500	0.3	€ 9,176.91
	2 Total					€ 27,500			€ 9,176.91	
OUTPUT 3 8 Public Private Platforms supported	3.1	Platforms meetings organised	TF/EXT	Anniek & TBD	€ 20,000	2	€ 40,000	€ 20,000	0	€ 0.00
	3 Total					€ 40,000			€ 0.00	
OUTPUT 4 150 Front office services provided to new companies	4.1	Tailored advice and input for public-private dialogue	TF/EXT	TBD	€ 5,000	2	€ 10,000	€ 5,000	2.2	€ 10,926.02
	4 Total					€ 10,000			€ 10,926.02	
OUTPUT 5 3 investment clusters organized and supported	5.1	Kunzila support, Flying Swans and other inv. clusters	TF/SYS	TBD	€ 50,000	2	€ 100,000	€ 50,000	1.4	€ 71,832.61
	5 Total					€ 100,000			€ 71,832.61	
OUTPUT 6 Private sector association support	6.1	Support to private sector associations	TF/RE	Anniek & Fasika	€ 10,000	3	€ 30,000	€ 10,000	2.4	€ 24,288.62
	6 Total					€ 30,000			€ 24,288.62	
OUTPUT 7 Responsible Business Conduct (RBC) component	7.1	Develop best practices and meetings with PSAs	TF/RE	Sander & Fasika	€ 60,000	1	€ 60,000	€ 60,000	0.2	€ 14,050.56
	7 Total					€ 60,000			€ 14,050.56	
OUTPUT 8 Unforeseen	8	10% Unforeseen of total programme cost	TBD	TBD			€ 44,750			€ 1,331.00
Subtotal program cost	Sub-total program cost				€ 492,250			€ 302,462.51		
Overhead TRAIDE foundation	15% overhead TRAIDE foundation (including auditor cost)				€ 73,838			€ 45,369.38		
Total program cost					€ 566,088			€ 347,831.89		
IN (Start year and if applicable later in year)									€ 440,000	
LIQUIDTY START YEAR									€ 440,000	
OUT									€ 347,832	
LIQUIDITY AT DATE									€ 92,168	

Budget lines

As the program has evolved to better match Netherlands Government Private Sector Development objectives, our budget lines do not adequately reflect the new way of working. As such, we have requested new budget lines in Q3 2024. However, as the contractual complications and the administrative burden (and costs) of making such revisions are too high, it was decided that new budget lines can be adopted during a new program. As such, it remains challenging to match the current activities with the outdated budget lines. Regardless, TRAIDE Ethiopia is overdelivering and will continue reporting on the budget lines as per our contract.

New budget 2022			Actual 2022			New budget 2023			Actual 2023			Output
Unit price	#	2022	Unit price	#	2022	Unit price	#	2023	Unit price	#	2023	
€ 20,000	6	€ 120,000	€ 20,000	7.6	€ 152,923.10	€ 20,000	1	€ 20,000	€ 20,000	1.9	€ 37,741.76	OUTPUT 0
		€ 120,000			€ 152,923.10			€ 20,000			€ 37,741.76	
€ 30,000	6	€ 180,000	€ 30,000	7.4	€ 223,119.59	€ 30,000	1	€ 40,000	€ 30,000	3.6	€ 109,295.78	OUTPUT 1
		€ 180,000			€ 223,119.59			€ 40,000			€ 109,295.78	
€ 27,500	1	€ 27,500	€ 27,500	0.4	€ 10,456.03	€ 27,500	3	€ 82,500	€ 27,500	3.8	€ 105,280.80	OUTPUT 2
		€ 27,500			€ 10,456.03			€ 82,500			€ 105,280.80	
€ 20,000	2	€ 40,000	€ 20,000	2.1	€ 41,879.47	€ 20,000	3	€ 60,000	€ 20,000	2	€ 40,997.53	OUTPUT 3
		€ 40,000			€ 41,879.47			€ 60,000			€ 40,997.53	
€ 5,000	3	€ 15,000	€ 5,000	6.2	€ 31,157.88	€ 5,000	3	€ 15,000	€ 5,000	8.7	€ 43,282.21	OUTPUT 4
		€ 15,000			€ 31,157.88			€ 15,000			€ 43,282.21	
€ 50,000	1	€ 50,000	€ 50,000	1.7	€ 86,536.17	€ 50,000	2	€ 100,000	€ 50,000	2.1	€ 106,810.13	OUTPUT 5
		€ 50,000			€ 86,536.17			€ 100,000			€ 106,810.13	
€ 10,000	3	€ 30,000	€ 10,000	4.2	€ 42,266.39	€ 10,000	3	€ 30,000	€ 10,000	0.8	€ 7,834.46	OUTPUT 6
		€ 30,000			€ 42,266.39			€ 30,000			€ 7,834.46	
€ 60,000	0.5	€ 30,000	€ 60,000	0.8	€ 45,611.45	€ 60,000	0	€ 15,000	€ 60,000	0.5	€ 28,924.21	OUTPUT 7
		€ 30,000			€ 45,611.45			€ 15,000			€ 28,924.21	
		€ 49,250			€ 25,614.39			€ 36,250			€ 29,353.40	OUTPUT 8
		€ 541,750			€ 659,564.47			€ 398,750			€ 509,520.28	
		€ 81,263			€ 98,934.67			€ 59,813			€ 76,428.04	
		€ 623,013			€ 758,499.14			€ 458,563			€ 585,948.32	
					€ 400,000.00						€ 842,481.03	
					€ 492,168.11						€ 576,150.00	
					€ 758,499.14						€ 585,948.32	
					€ -266,331.03						€ -9,798.32	

Output	#	Budget line	Original budget 2024			New budget 2024			Actual 2024		
			Unit price	#	2024	Unit price	#	2024	Unit price	#	2024
OUTPUT 0 Management, Baseline, M&E reporting	0.1	Monthly updates and annual progress reports	€ 20,000	2	€ 40,000	€ 20,000	0	€ 0	€ 20,000	0	€ 0
	0 Total		€ 40,000			€ 0			€ 0		
OUTPUT 1 8 Business opportunity reports	1.1	Business opportunity reports, workshops and meetings	€ 30,000	0.3	€ 9,000	€ 30,000	0	€ 0	€ 30,000	0	€ 0
	1 Total		€ 9,000			€ 0			€ 0		
OUTPUT 2 300 B2B linkages and 6 trade missions	2.1	Trade missions organised, reported & follow-up support	€ 27,500	2	€ 55,000	€ 27,500	2	€ 40,086	€ 27,500	0	€ 0
	2 Total		€ 55,000			€ 40,086			€ 0		
OUTPUT 3 8 Public Private Platforms supported	3.1	Platforms meetings organised	€ 20,000	3	€ 60,000	€ 20,000	3	€ 12,820	€ 20,000	0	€ 0
	3 Total		€ 60,000			€ 12,820			€ 0		
OUTPUT 4 150 Front office services provided to new companies	4.1	Tailored advice and input for public-private dialogue	€ 5,000	1	€ 5,000	€ 5,000	0	€ 0	€ 5,000	0	€ 0
	4 Total		€ 5,000			€ 0			€ 0		
OUTPUT 5 3 investment clusters organized and supported	5.1	Kunzila support, Flying Swans and other inv. clusters	€ 50,000	2	€ 100,000	€ 50,000	2	€ 84,821	€ 50,000	0	€ 0
	5 Total		€ 100,000			€ 84,821			€ 0		
OUTPUT 6 Private sector association support	6.1	Support to private sector associations	€ 10,000	3	€ 30,000	€ 10,000	3	€ 75,611	€ 10,000	0	€ 0
	6 Total		€ 30,000			€ 75,611			€ 0		
OUTPUT 7 Responsible Business Conduct (RBC) component	7.1	Develop best practices and meetings with PSAs	€ 60,000	0.5	€ 30,000	€ 60,000	0.5	€ 16,414	€ 60,000	0	€ 0
	7 Total		€ 30,000			€ 16,414			€ 0		
OUTPUT 8 Unforeseen	8	10% Unforeseen of total programme cost			€ 47,750			€ 108,201			€ 0
Subtotal program cost	Sub-total program cost		€ 376,750			€ 337,953			€ 0		
Overhead TRAIDE foundation	15% overhead TRAIDE foundation (including auditor cost)		€ 56,513			€ 50,693			€ 0		
Total program cost			€ 433,263			€ 388,646			€ 0		
IN (Start year and if applicable later in year)			Request advance for 2024 is 388,646 minus 5% of total project cost =						€ 284,599		
LIQUIDTY START YEAR									€ 274,801		
OUT									-		
LIQUIDITY AT DATE									€ 274,801		

Expedited expenditure

Throughout 2021 – 2023, the TRAIDE teams in Ethiopia and the Netherlands have expanded to full capacity. As such, the program is on track and is expecting to reach its' contractual targets in Q3 2024. The speed of the program also implies that we have been going through our budget quicker. With current projections, we expect to run out of budget in 2024. We could mitigate budgetary requirements by reallocating team members to projects in other countries (Kenya, Tanzania, Uganda and Rwanda). This and some additional cost saving measures will enable us to stretch out the budget until Q3 or – in the most optimistic scenario – until Q4 of 2024. However, this is an undesirable approach as we wish to continue Ethiopian activities on a similar pace and realize initiatives with high impact potential. As such, 2024 is a year where we must attract new funding.

Budget total		Actual 31-12-2023		Notes difference Actual 2023 and Budget 2023 (+10%)	Notes difference Original and New Budget 2024 and T
total #	2021-2025	#	2021-2025		
15	€ 300,000	16.4	€ 328,312	Faster implementation of program resulted in more cost in 2023	Funds already depleted for whole project
	€ 300,000		€ 328,312		
10	€ 310,000	12.2	€ 365,625	Faster implementation of program resulted in more market scans and BORs	Funds already depleted for whole project
	€ 310,000		€ 365,625		
6	€ 165,000	4.54	€ 124,914	More market linkages and resources required than originally anticipated	Remaining funds for 2024/2025 will be utilised
	€ 165,000		€ 124,914		
11	€ 210,000	4.14	€ 82,877	Less work on this component than anticipated, more time spent on BORs, B2B and frontoffice support.	Remaining funds for 2024/2025 will be utilised (minus the overspending on Output 0, 1 4)
	€ 210,000		€ 82,877		
11	€ 55,000	17.1	€ 85,366	Much more support services provided to consortia of companies	Funds already depleted for whole project
	€ 55,000		€ 85,366		
7	€ 350,000	5.3	€ 265,179		Remaining funds for 2024/2025 will be utilised
	€ 350,000		€ 265,179		
15	€ 150,000	7.44	€ 74,389	Support to ENLBA reduced but more time spent on socioeconomic analyses	Remaining funds for 2024/2025 will be utilised
	€ 150,000		€ 74,389		
2	€ 105,000	1.48	€ 88,586	More team members worked on this output after the departure of a key employee in 2023 resulting in higher cost.	Remaining funds for 2024/2025 will be utilised
	€ 105,000		€ 88,586		
	€ 164,500		€ 56,299	Slightly less as result of more spending on BOR	Remaining funds for 2024/2025 will be utilised
	€ 1,809,500		€ 1,471,547		
	€ 271,425		€ 220,732		
	€ 2,080,925		€ 1,692,279		

Request decision continuation TRAIDE Ethiopia

We are eager to proceed with our activities in the years to come and hope to preserve our built-up capacity for the next phase. As such, we will develop a new proposal for the next phase of TRAIDE Ethiopia and hope that additional funding will allow us to continue our operations.



TRAIDE

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Kingdom of the Netherlands