

ETHIOPIAN AGRIBUSINESS IMPACT INVESTMENT CHALLENGES & OPPORTUNITIES

Impact Investment



Financial Service Supply for Agribusiness

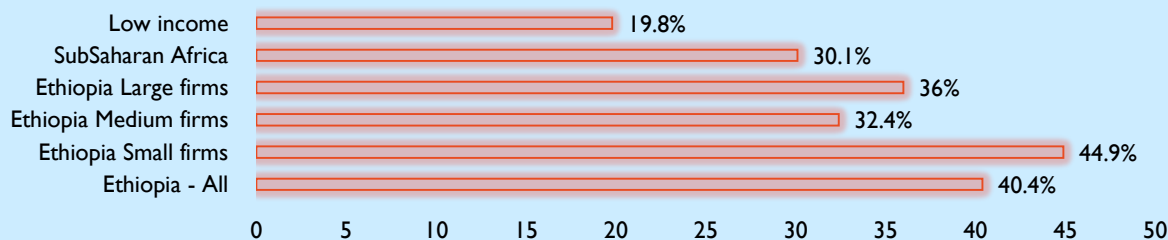


Ethiopian economy is significantly credit constrained.

With a survey conducted by UNDP, about 93% of commercial farm investors fail to obtain agricultural loans from the domestic banking sector largely because: -

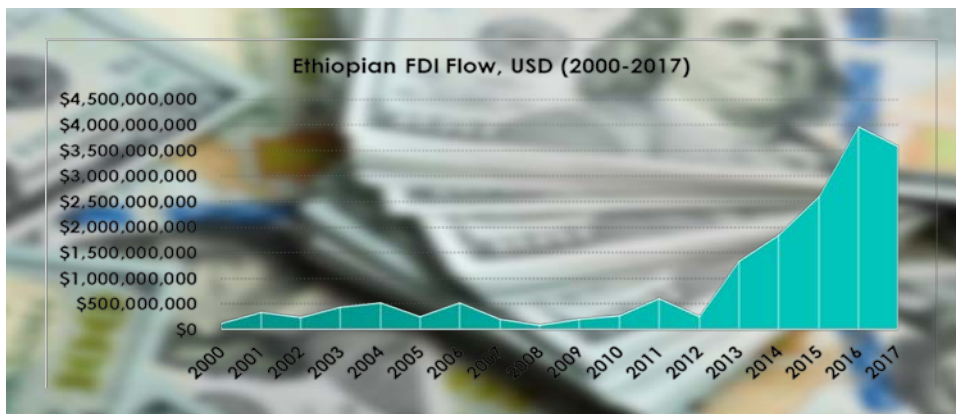
- ✓ the process for applying and accessing loans is too cumbersome,
- ✓ require 100% collateral on loans and
- ✓ banks do not accept leased land as collateral.

Finance access constraint percentage with size of firm



Direct and Indirect Investment Supply in Ethiopia

- ✓ Globally there will be an estimated 900 trillion dollars in financial assets by 2020.



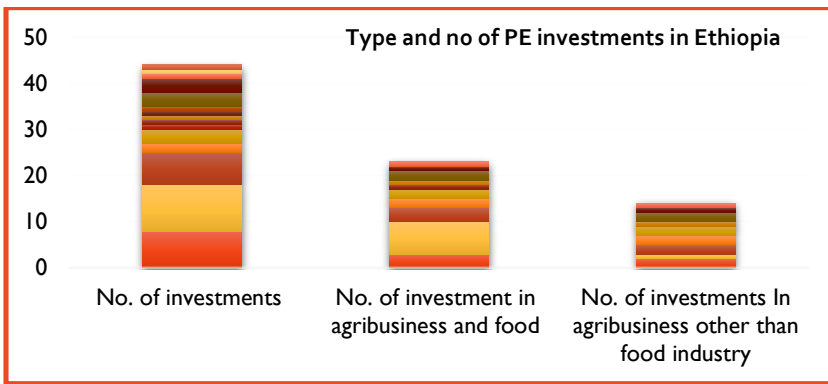
FII/Private Equity

- ✓ It is estimated that of the total PE funds raised globally (USD 4.8 trillion) between 2007 and 2016,
 - approximately 0.6% (USD 28 billion) is earmarked for Africa.
 - 0.06% (USD 2.7 billion) for East Africa.
 - Kenya remains the most popular investment destination in EA.

Source: UNCTAD, 2018

Your Local Partner – Working to Expand Bizz and Dev’t Common Space

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Popular sectors of investment in Ethiopia

- ✓ Manufacturing
- ✓ Agribusiness
- ✓ Mining
- ✓ Fast Moving Consumer Goods
- ✓ Energy & Renewable resources



Demand & Supply Matching Issues

- ✓ Limited specialized service providers
- ✓ Not providing quality and accepted service
- ✓ Limited support and guidance after deal closure

Investor

- ✓ High impact and return interest - main focus in growth stage
- ✓ some investors considered the economy not open enough/liberalized
- ✓ Limited information about the business culture in Ethiopia
- ✓ Limited innovative Fund and Deal Structures

Intermediary

- ✓ Readiness for investment - management and family legacy/exposure
- ✓ Business absorbing capacity
- ✓ Most matured investee prefer debt financing than equity financing
- ✓ Bankable business plan that doesn't satisfies the investor
- ✓ Less Value for intermediaries' service
- ✓ Trust and experience working with outsider

Investee

- ✓ Poor Linkages Between Agribusinesses, Investors and Innovation Networks
- ✓ Poor and Inconsistent Impact Measurement Practice

Policy

- ✓ Some attractive business types closed for government, Ethiopian citizens and Ethiopian companies
- ✓ No clear formality and change of procedure/Unclear Regulatory Practice
- ✓ Difficulty for exit/repatriation of money

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WHO WE ARE - TAP CONSULTANCY SERVICE PROFILE

TaP Consultancy Service is a legally registered business firm based in Ethiopia that mainly focused in business and development, with a dedicated team of high level experts to its mission “Working to expand Bizz and Devt Common Space” for people centred prosperity as a trusted local partner. The firm has full time senior professional staffs and more than 20-part time associates from different profession with third and second degree academic rank. TaP has many associates for data collection and field supervision in different part of the country who speak local languages. The founders and associates have impressive career of 20 years and more with excellent recognition for their quality service.



Clients and Assignments



TaP has been partnering with many local and international organizations and has provided standard services for many clients in the past. TaP’s engagement, among others, include sector development strategies and plans, programs and projects designs; value chain studies in different sectors; impact evaluation and studies, studies on infrastructure study, industry and sector review, investment analysis; trainings and coaching on value chain analysis and development, Planning, Monitoring and Evaluation, marketing, business management, leadership; enterprises and business development services, etc. We would like to thank you and acknowledge our clients/partners who gave us the opportunity to contribute and learn.

“Unique individuals with unique ideas are the ones who are going to shift the world to a new enlightenment.” Luis Enrique Cavazos.

“Every successful [Party] knows that its achievement depends on a community of persons working together.” Paul R.

Let us make our contribution excellent to have better world.

We are committed to work together with you for better world and contribute our best in fulfilling your organization vision.

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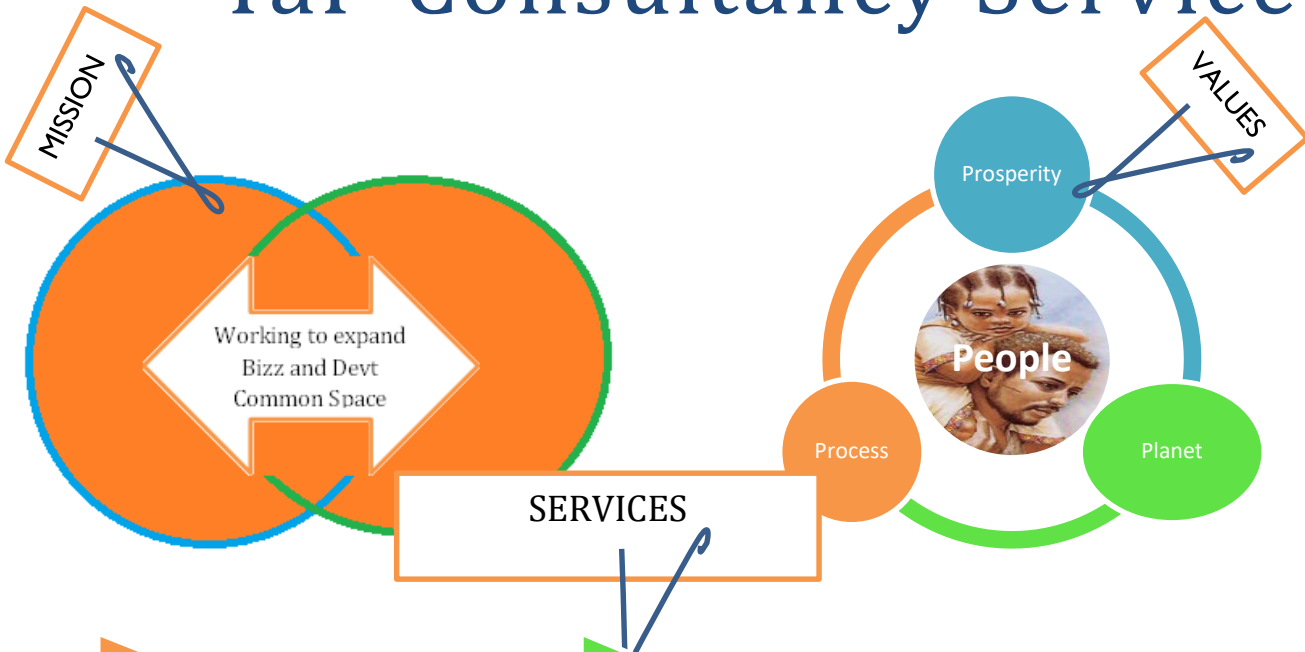
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TaP Consultancy Service



Business Development

- Value Chain/Industry Analysis
- Market Research
- Trade & Economic Analysis
- Business Plan & Feasibility Study
- Business Management Training/Coaching for MSEs/Cooperatives
- Business Linkages & Promotion

Project Design and Evaluation

- Development Project Design
- Intervention Plan and Model Development
- Project staff Training in Value Chain, Market Linkages/Facilitation, Producer Group Support, Inclusive, Green and Gender Sensitive Value Chain
- ME Design and Baseline
- Mid-term, Final, Impact Evaluation

Social Business and Marketing

- Social Business Design and Development
- Social Product and Services Development
- Professionalism in Business & Development
- Customer Handling

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