

# Investing in the agricultural sector of Ethiopia

## A guide for new investors



October 2008

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Addis Ababa  
October 2008



## Colophon

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It is noted that the regulations, procedures and addresses are subject to change and it is advisable to check them beforehand.

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Addis Ababa, Ethiopia, October 2008



Ministry of Trade  
and Industry



FEDERAL DEMOCRATIC REPUBLIC  
OF ETHIOPIA  
ETHIOPIAN INVESTMENT AGENCY



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እና አስተርጓሚ አሰሪዎች  
Ethiopian Horticulture Producers  
and Exporters Association  
(EHPEA)



agriculture, nature  
and food quality



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## Foreword

The idea for an investment guide stems from a discussion between a Dutch investor and the Agricultural Counsellor at the Embassy of the Kingdom of the Netherlands in Addis Ababa. The investor said he was impressed by the facilities and support for new investors in Ethiopia. At the same time he found it difficult to know the full set of requirements that needs to be fulfilled when starting a business. He felt an overview of the steps to be taken would be very handy for new investors.

The objective of this guide is simple and straightforward: to give new investors in Ethiopia a quick and systematic overview of the steps involved in starting an agricultural business, and it indicates the main issues to take into consideration.

During the process of preparing this booklet, increasingly it became clear that there is a wide interest from different sides. The publishing organisations therefore have taken the stance that in this case the perfect would be the enemy of the good and opted for rapid publication of the guide. The latter may therefore have some flaws. It should also be kept in mind that procedures occasionally change. Thus, we wish to stress that actual requirements and procedures in place should always be verified.

A special word of thanks goes to Kyra Rutten, private consultant, and Yohannes Latamo of the Ethiopian Investment Agency for compiling this guide. We duly appreciate the contributions of different public and private agencies who, in one way or another, have contributed to the compilation of this guide.

We sincerely hope and trust that this guide will help you in organizing the legal and procedural requirements and get your business up and running in a smooth manner.

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Ethiopian Investment Agency

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Agricultural Counsellor  
Embassy of the Kingdom of the  
Netherlands

Addis Ababa  
October 2008





## 1. Favourable conditions in Ethiopia

Ethiopia harbours an extraordinarily rich agro-biodiversity resulting from its geography, climatic differences, ethnic diversity and strong food culture. Unique is the great variation in climates, due to the great variation in altitude ranging from sea level up to 4500 meters. Altitudes between 500 metres (normally warm) and 2600 metres (cool nights and mild day temperatures), and all altitudes in between, are common. This together with ample possibilities for irrigation makes it possible that a large variety of crops can be grown. The hot lowlands are suitable for crops like sugarcane, palm oil, maize, cotton and sesame. On the higher altitudes crops like coffee, tea, teff and roses can be grown and on even higher altitudes wheat, barley and linseed. The variation in climate also makes it possible to grow all types of fruits, vegetables and flowers.

Besides the climatic conditions also the investment conditions in Ethiopia are important. The government is giving priority to the horticultural sector and other export products like leather, oilseeds and coffee, and as a result the investment package offered is attractive. It includes amongst others a tax holiday and favourable financing possibilities and active assistance for obtaining land. Land can be leased on long-term at very favourable conditions, labour is cheap and loans can be obtained at advantageous terms. Other important advantages of Ethiopia are the personal safety and the fact that government offices work according to procedures. This results in a relatively low level of corruption compared to other African countries.

The floriculture sector has grown within 5 year from almost nothing to more than 1000 hectares at the end of 2008. At the moment mostly roses are grown but summer flowers show a rapid growth. Recently also lilies and freesias are being cultivated. In addition, the climatic conditions are ideal for the production of plant cuttings; at the moment (2008) 5 international companies have such an operation in Ethiopia.

Export of fruit and vegetables has been limited but is now growing strongly with new investors coming in. Both in Europe and the Middle East a growing interest exists for products from Ethiopia. Presently, the main export products are fresh beans, strawberries, tomatoes, courgettes, peppers and fresh herbs. A new crop is table grapes. The government gives high priority to the development of the horticulture sector and in 2008 the Horticultural Agency has been established with a specific focus to promote and support the further development of the horticulture sector.

Other fast growing export sectors are oilseeds and dry beans. Of course coffee remains important, with Ethiopia being the motherland of coffee. Furthermore, the meat and leather sectors are developing rapidly.

The demand for dairy and poultry products in the local market is growing and good business opportunities exist in these sectors. Other sectors, like sugar, tea and bio fuel enjoy growing interest from foreign investors.

The objective of this guide is simple and straightforward: to give new investors in Ethiopia a quick and systematic overview of the steps involved in starting an agricultural enterprise and indicates the main issues to take into consideration.



## 2. Introduction to Ethiopian geography

Ethiopia is a country of great geographical diversity. The highest point is Mount Ras Dashen (4620 m). In the Afar region you find the lowest point, the Danakil Depression (125 m below sea level). The topographical differences result in different climatic zones which make Ethiopia an attractive country for different kinds of agricultural production systems.

About 60% of the surface is suitable for agriculture. Also the amount of land which can be irrigated is large, but at the moment only a small part is actually utilized.

The geographical differences result in three climatic zones:

- cool zone, above 2400 meters, temperature range from freezing to 16°C
- temperate zone, 1500 – 2400 meters, temperature from 16 – 30°C
- hot zone, below 1500 meters, temperature ranges above 27°C

Ethiopia usually has two different rainy seasons. The long rainy season, *Kremt*, takes place from mid-June to mid-September. During February to March some regions have a short rainy season, the *Belg*. The remaining months are mostly dry.

You will find the maps on altitude and rainfall in annex 1 and 2.



### **3. Preparation and required documents**

#### **Preparation**

As an investor before going to Addis Ababa, one should be 100% sure of the following points:

1. The type of business organisation you wish to engage in.
2. The market your company wants to focus on.
3. The required agro-climatic conditions for your crops. As written in the previous chapter agro-climatic zones vary widely and so does the suitability for different farming systems. You can therefore be very specific in your application for land. This will make cooperation with the investment agency easier.

#### **Required documents**

Foreign investors need to bring an English translation of the Memorandum of Association. Certified translations of the Articles of Association of their company are also necessary if it concerns a branch office of an overseas company.

In the company's home country, the Memorandum and Articles of Association, and/or the minutes that show the shares of the different parties need to be translated by a certified translator and approved by:

1. The appropriate court. Note that this should be the same court as the one where the certified translator was sworn in.
2. The Ministry of Justice,
3. The Ministry of Foreign Affairs,
4. The Consulate or Embassy of Ethiopia,

In Ethiopia the Memorandum and Articles of Association have to be endorsed by:

1. The Ministry of Foreign Affairs,
2. A public notary.

Also required are photocopies of the relevant pages of your valid passport if you are to apply on your own, or a photocopy of the 'power of attorney' if you are to apply through an agent.

The Ethiopian Investment Agency only needs a translation by a certified translator of the required documents.



#### **4. Finding the appropriate location**

When starting the investment process, you are asked to name the location you're interested in on the application forms. It is advisable to first look around everywhere in the country, and link the conditions needed for the products you expect to produce with the agro-climatic conditions in the prospective areas. It is also possible to ask the experts of the Ethiopian Investment Agency or regional investment offices for the required information.

Annex 1 and 2 show the altitude and annual rainfall map of Ethiopia. Good maps of the country are available at the Ethiopian Mapping Agency (EMA). For meteorological information, the Bole Meteorological Station can provide information.

Utilities are available in and around most bigger cities and towns, in contrast to remote villages where infrastructure is mostly deficient.

- The main roads, which lead to Addis Ababa and to the Bole Airport, are paved and well maintained. Away from the main roads, gravel roads are common; they vary from all weather to seasonal (dry weather only) roads.
- For water supply you may have to depend on a river if there is one, or on your own borehole.
- Access to electricity is not widespread in the Ethiopian countryside. However, electric power is available in the larger villages, from where connections can be provided.
- Access to mobile phone is not everywhere available. Check availability when you visit a possible plot of land.

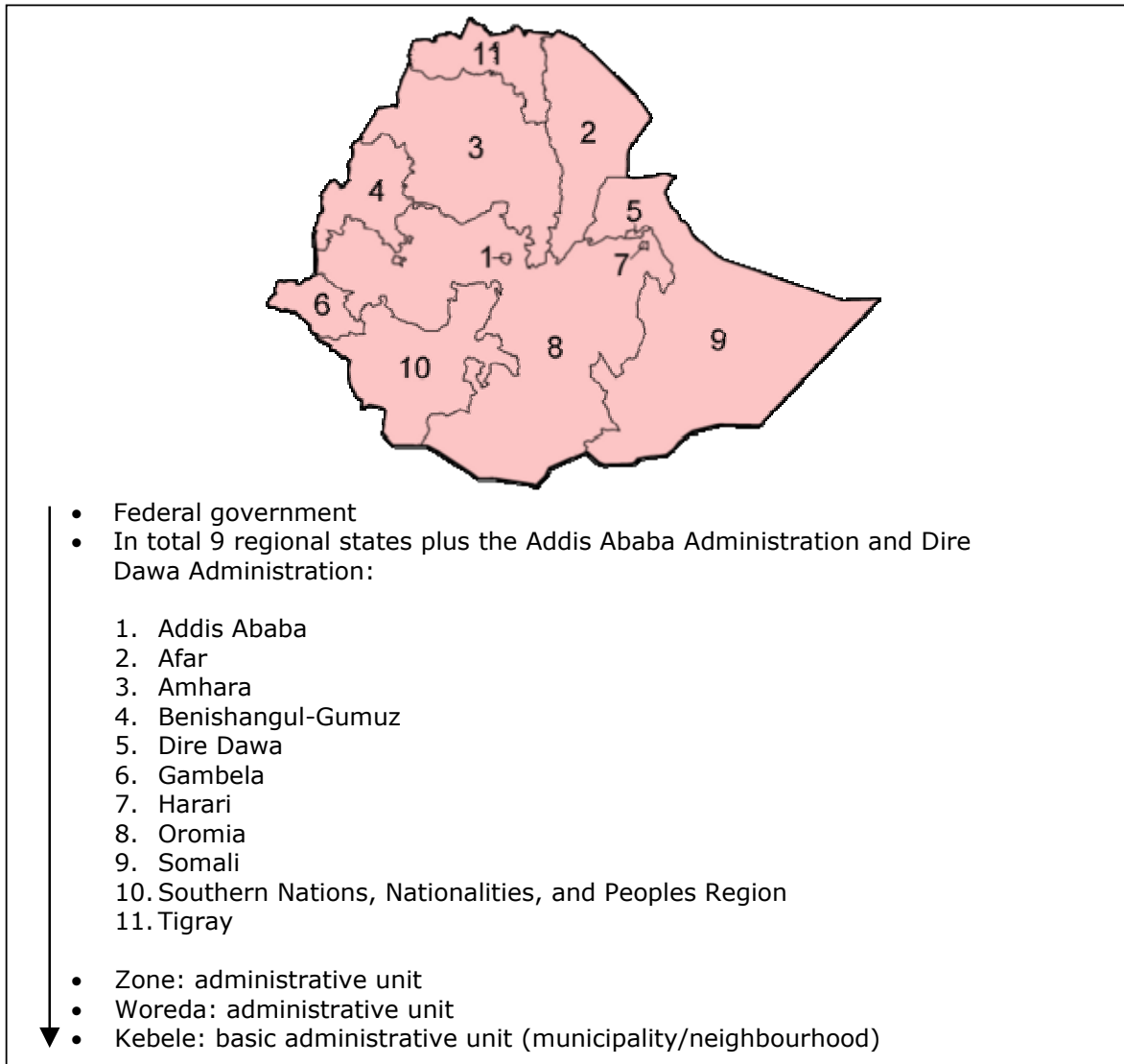




## 5. Acquisition of land

In Ethiopia, all land is public property and belongs to the State. It cannot be bought but it can be leased for a certain number of years. The lease time differs between the different regional states, 30 years or more is common.

Ethiopia's administrative set-up:



There are three ways to acquire land:

1 When you know in which area you wish to acquire land, the regional investment office can assign locations that are already prepared for different types of agriculture.

2 When the specific location you have identified is owned by local farmers and not yet prepared by the Government, the regional investment office can decide to negotiate with the farmers.

3 When the specific location you have identified as suitable is not one of the locations especially assigned for investment by the regional states, the regional investment office can write a letter to the local *kebele* about your land application. You will be the one to conduct all further negotiations and you yourself will sign the contract.

The Facilitation and Aftercare Department of the Ethiopian Investment Agency can facilitate communication if problems occur. The Facilitation and Aftercare Department is found on the ground floor of the Ethiopian Investment Agency room No. 9.

## 6. Steps for establishing a company in Ethiopia

### Preliminaries

Prior to starting your business, you need to fulfil a number of prerequisites:

#### 1) Appointing an agent

It is advisable that the company appoints an agent who will be authorized to deputize on your behalf. This agent should be knowledgeable of the investment procedures in Ethiopia.

#### 2) Power of Attorney

The agent needs a power of attorney to perform his duties on behalf of the investor. The power of attorney authorizes the agent to sign documents and undertake the tasks as mentioned in the letter of power of attorney. This letter can be written by the company itself and must be signed by the manager of the company and the Public Notary. If the letter is signed at the Public Notary of the home country of the investor, it should first be legalised at the Ethiopian Embassy in the home country. In Ethiopia it should be legalised at the Ministry of Foreign Affairs and then signed at a Public Notary.

The documents to take with you to the Public Notary are:

- Passport of the company's manager and photocopies of the relevant pages of the passport.
- Memorandum and Articles of Association.
- Letter of power of attorney of the agent.

#### 3) Clearance of company name

Any new company that is being established in Ethiopia needs to have its name cleared at the Ministry of Trade and Industry.

#### 4) Type of business

You need to decide as what type of business you want to register. A business in Ethiopia can be organized as:

- Investment to be made by an individual person: sole proprietor,
- Investment to be made by a business organisation (to be) incorporated in Ethiopia:
  - share company
  - private limited company (PLC)
- Investment to be made by a branch of a foreign business organisation in Ethiopia,
- A joint investment by domestic and foreign investors: joint venture.

## Difference between share company and PLC

	Share company	Private limited company
<b>partners</b>	≥5	2-50
<b>total minimum share capital</b>	≥50,000 Birr	≥15,000 Birr
<b>general manager</b>	one manager, elected by the board of directors	one or more managers, appointed by the shareholders, but do not need to be shareholders
<b>name of the company</b>	discloses the words "share company"	discloses the nature of activity and the words "private limited company"
<b>shares</b>	are freely transferable and the public may be invited to subscribe.  ¼ of the capital raised by subscription shall be deposited at the bank.	may be transferred among shareholders as provided in the Memorandum of Association, but they can be traded with third parties only after seeking the approval of shareholders owning at least three quarter of the capital.
<b>auditor</b>	one or more auditors, elected by the general assembly. Shareholders representing not less than 20% of the capital may appoint an auditor elected by them.	compulsory if number of shareholders is >20

### **A note from the banks**

The Ethiopian banks advise investors to pay more attention to available utilities before starting a project, for instance e.g.: water and power supply, infrastructure and telecommunications.

### **Official seal/stamp**

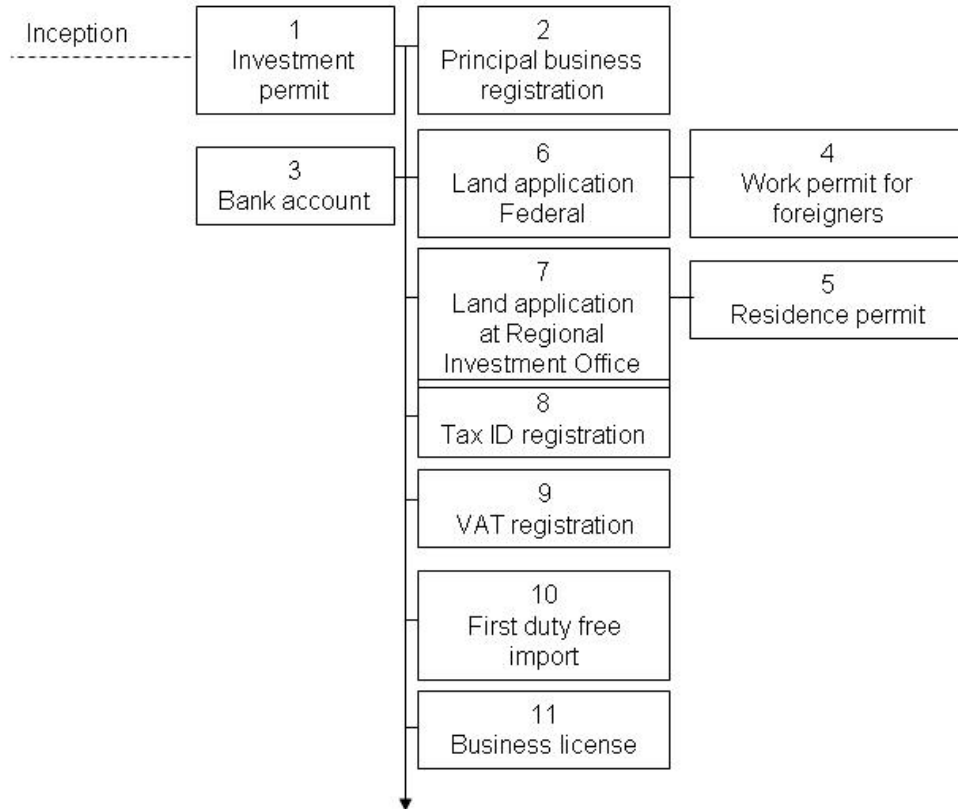
You will need the official seal (stamp) of your company in Ethiopia on your written correspondence with Government offices. Thus, it is wise to obtain such a stamp early.

### **Many copies**

Make plenty of copies of all your documents before going to any ministry, and for documents brought from outside Ethiopia, make sure they are certified and have the institutions' official seal.

## Getting the required documents

Overview of official documents required



In addition to this figure, it should be noted that according to the law, requested land should be delivered to the investor within 60 days after handing over the application of land allocation for an approved investment.

## 1) Investment permit

(Annex 3. Application Form for Investment permit / Annex 8. Requirements for investment permit)

Agency: Ethiopian Investment Agency  
Office: Information desk (room No. 8 in the lobby)

Documents required, to be submitted in two copies:

- Application form signed by the investor/agent
- Power of attorney, if application is made through an agent
- Photocopies of Memorandum and Articles of Association, or a similar document of the parent company (where the investment is to be made by a branch of a foreign business organisation in Ethiopia)
- Photocopies of the relevant passport pages of each shareholder, if the company is to be established in Ethiopia
- Clearance letter from the Ministry of Trade and Industry for the company name
- 3 recent passport-size photographs if the investor is an individual person
- In the case of a joint investment with a domestic investor, a photocopy of the identity card or certificate evidencing domestic investor status.

Time needed: 1/2 hour inside the building, ready within 4 hours.  
Service costs: 600 Birr  
Remarks: The investment permit must be renewed annually until operations have started. An updated status report (annex 4.) must be submitted every 6 months to the Agency.

## 2) Business registration

(Annex 5. Application for Principal/Summary Trade Registration)

Agency: Ethiopian Investment Agency  
Office: Information desk (room No. 8 in the lobby)

Documents required for different business organisations, to be submitted in 2 copies:

### **Sole business person:**

- Application form signed by the investor or his agent.
- Power of attorney if the documents are signed by an agent.
- 6 recent passport-size photographs of the investor.
- Photocopies of the relevant pages of a valid passport.

### **Branch office of a foreign business organisation:**

- Application form signed by an agent of the business organisation.
- A photocopy of a document that validates the registration and legal personality of the parent company.
- Photocopies of the Memorandum and Articles of Association or similar documents of the parent company.
- Minutes of the meeting held by the authorized body of the parent company in support of the establishment of a branch in Ethiopia, authenticated by the Public Notary in both the country of origin and Ethiopia.
- A photocopy of the Power of attorney if the documents are signed by an agent.
- Photocopies of the relevant pages of the agent's passport or identity card that shows his name and address.

### **In case the business organisation is a PLC:**

- Application form signed by an agent of the business organisation.

- Photocopy of the Power of attorney if the application is made through an agent other than somebody authorized in the Memorandum and Articles of Association.
- Photocopies of the Memorandum and Articles of Association
- Photocopies of the relevant pages of each individual shareholder's passport or identity card or photocopy of a certificate evidencing domestic investor status.

Where the business organisation is a shareholder of the company to be registered, the following additional documents are needed:

- Minutes showing that the business organisation has a stake in the parent company, authenticated by the Public Notary in both the country of origin and Ethiopia.
- A document that certifies the registration and legal personality of the business organisation (Memorandum and Articles of Association, and registration certificate).

**Share company:**

- Completed application form signed by an agent of the company.
- Bank statement showing that one quarter of the company's capital is deposited in a blocked account.
- Minutes, and related documents, showing the commitments to buy shares.
- A photocopy of the Power of attorney if the application is made by an agent other than a person authorized in the Memorandum and Articles of Association.
- Report on contributions made in kind, if any, prepared and authenticated by an expert or institution designated by the Ministry of Trade and Industry.
- Photocopies of the Memorandum and Articles of Association.

Time needed: 4 hours.

Service costs: 80 Birr (Application for Principal)

Remarks: The Application for Principal/Summary Trade Registration with its required documents can be handed in together with the application for the investment permit. The business registration is the identification of the company.

**3) Opening a bank account**

Agency: Any bank of your preference.

Documents required:

- Memorandum and Articles of Association
- Investment permit
- Business registration
- ID or passport of the person who opens the bank account
- Power of attorney if opened by an agent

Time needed: 1 to 2 hours

Costs: A first deposit (differs)



#### 4) Work permit

Agency: Ethiopian Investment Agency  
Office: Information desk (room No. 8 in the lobby)

Documents required:

- 6 copies of the application form, filled in and signed by the employer.
- A photocopy of the principal registration certificate if the employer does not have an investment permit.
- Photocopies of the relevant pages of the valid passport that shows the identity of the employee.
- A photocopy of the power of attorney in case an agent is in charge of the application.
- 6 passport-size photographs of the employee.

Time needed: 1 hour

Service costs: 600 Birr

Remarks: Once the employee has a work permit, he can apply for a residence permit at the Security, Immigration and Refugee Affairs Authority office.

#### 5) Residence permit

Agency: Security, Immigration and Refugee Affairs Authority  
Office: White building on the left side when entering the compound, ground floor.

Documents required:

- Passport of the applicant.
- Work permit
- Copy of the relevant pages of the passport.
- Copy of the work permit
- Letter of the company, signed by the employer or his authorized agent, requesting the Immigration and Refugee Affairs Authority to grant a residence permit to the applicant, with full information about the company.
- Completed application form

Time needed: 4 hours in the Immigration Office; the permit will then be ready within 24 hours.

Service costs: 400 Birr

#### 6) Application for acquisition of land

(Annex 6. Application Form for Acquisition of Land)

Agency: Ethiopian Investment Agency  
Office: Information desk

Documents required:

- 2 copies of the application form for acquisition of land

Remarks: The Ethiopian Investment Agency does not grant land. You need to fill this form so the Ethiopian Investment Agency can write a letter to the regional investment office (i.e. the Oromia Investment Office in the case of the Oromia Regional State) about your application for land.

## 7) Land-plan and handover of the land

Agency: Regional Investment Offices (see Useful Addresses)  
Office: Variable  
Action: For Oromia there should be a deposit of 100,000 Birr at a bank (any bank) as a subscription fee. Check at the other regional offices for their regulations regarding this action.

Documents required:

- Copy of business plan
- Copy of Memorandum and Articles of Association
- Copy of business registration
- Copy of investment permit
- Copy of the relevant pages of the passport of the investor
- Copy of the power of attorney if documents signed by an agent
- Letter from of a bank confirming receipt of the 100,000 Birr subscription fee. This amount will be refunded once the company has started planting or is building a greenhouse.
- File from the Ethiopian Investment Agency with all documents submitted for the business application and investment permit.

Time needed: Variable

Remarks: Once your application for land is submitted you should call the Regional Investment Office to monitor progress

The land application process comprises four stages:

1. Signature by the commissioner of the land lease agreement
2. Approval of land lease agreement
3. Receiving the land-plan you are entitled to
4. Formal hand-over of the land

- **Within 6 months after the formal hand-over of the land, investment in the allocated site must begin.**
- For investments in Oromia, the Oromia Investment Office writes a letter indicating the amount of land being developed. This will help you obtain tax exemptions for pick-up trucks. The original goes to the Ethiopian Revenues and Customs Authority; you as an investor will get a carbon copy.

## 8) Tax Identification Number (TIN)

Agency: Federal Inland Revenue Authority  
Office: Mexico Square, start at 204 for registration

Documents required:

- Application form for taxpayer identification number
- Identification papers of the investor or his authorized agent
- 2 passport size photos of the investor or his authorized agent
- Memorandum and Articles of Association
- Partnership agreement in case of partnership
- 2 copies of Principal Trade Registration Certificate and Trade License, which is the investment license or investment permit
- Trade licenses
- Trade name registration (if applicable)
- Investment permit
- Residence permit in case of foreign partnership

- Power of attorney if registration is submitted by an agent.

Time needed: 24 hours

## 9) Tax Privileges

**Before starting to ship any (investment) items to Ethiopia, confirm your shipment at the Ethiopian Revenues and Custom Authority.**

An investor in Ethiopia has several privileges, including:

- Duty free import of capital goods and construction materials necessary for the establishment of a new enterprise or for the expansion or upgrading of an existing enterprise as well as spare parts worth up to 15 percent of the value of the imported capital goods;
- Investment capital goods imported without the payment of import customs duties and other taxes levied on imports may be transferred to investors enjoying similar privileges;
- Exemptions from customs duties or other taxes levied on imports are granted for raw materials and packing materials necessary for the production of export goods. Taxes and duties paid on raw materials and packaging materials are drawn back at the time of exports of finished products. The voucher system and bonded manufacturing warehouse facilities are also in place.
- All goods and services destined for export are exempted from any export and other taxes levied on exports.
- Duty free (personal) car for one of the shareholders in case the investment exceeds 5 million birr (of foreign source).
- Duty free import of household furniture for shareholders (only 1 time).
- Income tax holiday for 5 years when 50 % of the agricultural or agro-industrial production is exported or 75% of the production is supplied to an exporter as a production input.
- Duty free pick-up('s), motorbike(s) and truck(s) according to the scheme's **in annex 9**.

**Duty free products are allowed against the following evidence:**

- Evidence about the land holding (legal lease contract if a factory building is leased).
- Information from the investment office where the project is located and information about the land preparation, construction of infrastructure, warehouse, roads, etc.
- Bill of lading, Airway Bill or Truck way Bill and invoice for capital goods purchased from abroad. Also needed is the purchase contract along with necessary documentations if the capital goods are purchased locally.
- If the investor is operating in a leased building, confirmation shall be obtained from the investment office where the project is located, about the commencement of material installation works.

## 10) Value added tax (VAT) number

Agency: Federal Inland Revenue Authority  
Office: Mexico Square, start at 204 for registration

Documents required:

- Application form for VAT number
- Copy of Principal Trade Registration Certificate
- Copy of Investment Permit

Time needed: max. 1 hour

## 11) Custom exemptions on imports

Agencies:

- Federal Inland Revenue Authority
- Ministry of Agriculture and Rural Development (here you check if the goods you want to import are allowed)

Offices:

- Federal Inland Revenue Authority: Agricultural Department, on the ground floor
- Ministry of Agriculture and Rural Development: Food Security Bureau, 2nd floor, end of the hall, for permit to import fertilizers for trade

Documents required:

- Letter of request
- Business license/investment permit
- Import permit for crop protection supplies, fertilizers, plant material and soil (Safety Material Data Sheet).
- Bill of lading/airway bill
- Copy of packing list
- Certificate of origin (supplied by the Chamber of Commerce in your home country)
- A phytosanitary certificate for plant material
- Bank permit if payment goes through bank
- 10 copies of the imports' invoices.

Time needed: 4 hours (at the Federal Inland Revenue Authority)

For importing a duty free car, you need a confirmation from the investment office of the region where you will be investing. Staff of that office has to go to your site and check whether construction work or land preparation has started.

Once custom exemption on imports is granted, you will be given a letter of duty free. This letter, together with the required documents listed above, must be handed over to a customs clearing agency which will then handle and finalize the customs part.

**Steps in duty free import**– Note that this is usually done by a customs clearing agent.

Your first step is to go to the Ethiopian Revenue and Customs Authority (for example in Addis Ababa, Djibouti or Adama) and declare all materials. [0]The Customs authorities will approve the letter of duty free. It will then take them around 10 days to prepare a declaration. Once everything is verified, you will be given a transit approval on the declaration. When importing a container, you or your agent will have to go to Djibouti (for sea freight) or to customs at the Bole Airport in Addis Ababa (for air freight). Submit the original declaration with the transit approval and the copies of the bill of lading, invoice, packing list, certificate of origin and, if necessary, a phytosanitary certificate to the customs authorities in the harbour or airport, collect a delivery order of the container and pay all expenses for the container (storage, rent, insurance). Next, the customs authorities will open the container and check its content as written on the packing list. Provided that everything is according to regulation, customs will give you a removal note. The truck is now ready to drive to the farm. Rented containers should be emptied and returned to the harbour as soon as possible.

### **11) Business license, before exporting**

Agency: Ethiopian Investment Agency  
Office: Information desk

Documents required, to be submitted in 2 copies:

- Three recent passport size photographs if the applicant is an individual person.
- Application form filled in and duly signed by the investor or the agent
- A photocopy of a valid residence permit or identity card showing that if an applicant foreign investor is an Ethiopian by birth
- Photocopies of the Memorandum and Articles of Associations or similar documents
- An undertaking signed by the investor to comply with the rules and regulations of the country
- A photocopy of the power of attorney if the application is made by an agent

Time needed: 4 hours

Service costs: 80 Birr

Remarks: The business license replaces the investment permit

### **12) Flower export permit**

To export roses, summer flowers or cuttings you need an export permit, which is processed by your bank.

It is important to orientate yourself well in advance on the requirements. Your bank, the Ethiopian Horticulture Development Agency or the Horticulture Producers Exporters Association can provide you with the necessary information.

### **13) Environmental impact analysis**

An environmental impact assessment is also required before starting a new investment. It is wise to request at the Environmental Impact Department of the Environmental Protection Authority (EPA) ([www.epa.gov.et](http://www.epa.gov.et)) for a pre-screening consultation. Present should be the new investor and the independent consultant who is going to implement the research. This prevents the consultant from writing a large document which is containing far more information than what is necessary. During the pre-screening consultation the EPA will screen your investment plan and advice what the important research points are during the environmental impact assessment.

An environmental impact study report shall contain as minimum, a description of (regarding Proclamation No 299-2002):

- the nature of the project including the technology and the processes to be used
- the content and amount of pollutant that will be released during implementations as well as during operation
- source and amount of energy required for operation
- information on likely trans-regional impacts
- characteristics and duration of all the estimated direct of indirect, positive or negative impacts
- measures proposed to eliminate, minimize, or mitigate negative impacts;
- contingency plan in case of accident
- procedures of self auditing and monitoring during implementation and operation

For each different sector there are specified guidelines. Check at the Environmental Impact Department for more information. The Ethiopian Horticulture Producer-Exporters Association (EHPEA) can also advise you on the most efficient way to proceed.

#### **14) Driving license**

You will need an Ethiopian driving license to drive a car in Ethiopia. An international driving licence is not allowed. To obtain this, you need to go through the following steps:

**1. Translation of foreign driving license:**

Where: Your country's Embassy

Documents required: Foreign driving license; passport

Costs: Embassies charge different costs

**2. Approval of the translation:**

Where: Ministry of Foreign Affairs, room No. 4

Documents needed: Foreign driving license; translation of the Embassy

Costs: 320 Birr

**3. Applying for a driving license:**

Where: Roads Authority (at Megezenya)

Documents needed: Translation with approval stamp; passport-size photograph; photocopy of the foreign driving license; photocopy of passport; foreign driving license

Costs: 100 Birr + 5 Birr stamp (to be bought at Office No.1)

## 7. Indicative costs of land

Land is the property of the Government of Ethiopia. Both urban and rural land is available for investment on leasehold or rental basis.

The different Regional States have their own regulations for investment and the way land can be leased or rented. Ask your regional investment office for detailed and up-to-date information on this issue. The minimum lease or rent price of land varies according to different cities and regions. Some regions make a distinction in grades. The lower the grade, the higher the price. The minimum lease price of urban land depends also on the place and size of the land and the sector of development or the type of service. In some locations land is given free of charge or at very low costs; this is especially the case in the newly developed horticultural areas near Awassa, Bahir Dar and Makelle.

The difference between leasing and renting depends on the holding time and the way of payment.

**Lease:** landholdings up to 99 years, payment within 10–99 years. Most of the time lease is related to urban land.

**Rent:** landholdings with a shorter period than 99 years, payment on annual basis for the whole contract period. Most of the time rent is related to rural land.

For exact details check the factor cost brochure of the Ethiopian Investment Agency or ask the regional investment office.

### Rural Land

Here you find different prices related to the different regional states, as published in the Ethiopian Investment Agency factor cost 2007:

Regional State	Rent price in Birr/hectare/year
Oromia	70.40 - 135.00
Tigray	30.00 - 40.00
Amhara	14.21 - 79.37
SNNPR	30.00 - 117.00
Gambella	20.00 - 30.00

(Ethiopian Investment Agency, Factor Cost 2007)

In case of Oromia there is a compensation calculated for the farmers. Please contact the Oromia Investment Office for more information.

### Urban land

Urban land is permitted to be held by leasehold. The period of lease depends on the level of urban development and the sector or type of development activity on which land is held by lease. Period of payment is based on the sector of development or the type of service.

Regional State	Lease price in Birr/m <sup>2</sup> /year
Addis Ababa City Government	147-1297
Oromia	0.65-4.08
Tigray	0.3-2.00
Amhara	2.27-80

SNNPR	0.1-0.8
Dire Dawa	0.5-52.31
Gambella	0.02-0.07

(Ethiopian Investment Agency, Factor Cost 2007)

In three regions it is also possible to **rent** urban land:

Regional State	Rent price in Birr/m <sup>2</sup> /year
Oromia	0.01-0.36
Amhara (in those towns where lease is not available).	0.01-0.25
Benishangul-Gumuz	0.009-0.11

(Ethiopian Investment Agency, Factor Cost 2007)

For more detailed information please contact the Ethiopian Investment Agency or the Regional Investment Agencies.

The above prices are indicative. The intention is to give an order of magnitude of the expected costs. You will need to check the actual prices.

**At present most of the horticulture export is located in Oromia. SNNPR, Tigray and Amhara Regional States have made special arrangements to attract investors to their regions:**

- In Amhara, an area around Bahir Dar, 700 ha. has been made available in 2007 and 950 ha. in 2008. The land intended for horticulture is free of charge (25 year lease). Also in Bahir Dar the local airport has been upgraded to an international airport which now can cater for direct flights to North-western Europe. However, no flights are operational yet. According to the government all facilities, including cold stores, will be ready at the end of 2008. The Amhara region has made a comprehensive investment guide with all business opportunities (copies available at the Regional State). In addition, 200.000 ha. of arable land is available for other agricultural activities (e.g. cereals, oilseeds). At the end of 2008 five investors obtained land, two have started setting-up the farm.
- In Tigray, around Makelle, at altitudes between 2200-2600 meter, 1.000 ha. have been made available. Already 2 investors have started operations. The regional government has decided that 'first movers' will get financial benefits in the acquisition of land. Also here, the airport will be upgraded to international standards and cold stores will be built. Facilities will be ready in the course of 2009. In addition, 18.000 ha. of arable land is available for other agricultural investments.
- In SNNPR, around Awassa, the Regional Government is assisting in making land available for horticultural purposes. Already 2 horticultural farms have started business here. Transport of goods is by road to Addis Ababa (around 280 km). The SNNPR Government has prepared an investment guide for the different zones in the region with 700 project profiles. The government is keen to attract (foreign) investors with land.

In all three regions also industrial land is available in the cities of Bahir Dar, Makelle and Awassa.



## 8. Loan facilities in Ethiopia

### *Bank requirements*

Different financial institutions in Ethiopia provide short, medium and long-term development credits. Check at the different commercial banks their loans before making a choice. The following information should be used as an indication:

**Short-term loans** are advanced for the purpose of working capital. They are payable within a period of 1 to 3 years, interest rates vary from 7.0-9.5%.

**Medium-term loans** are given for the purpose of building, construction, machinery, equipment, furniture and vehicles, interest rates vary from 8-11.5%. They are paid back within 1 to 7 years.

**Long-term loans** are given for the purpose of construction of factory buildings, acquisition of machinery, irrigation facilities and plantation crops, transport vehicles and communication equipment, and for any other infrastructure relating to the project to be financed. These loans are payable within 3 to 15 years and interest rates vary from 9-11.5%.

Borrowers are required to provide an initial cash equity contribution (collateral) of at least 30% of the total project cost; however this highly depends on the actual qualifications of the manager/investor, the set-up of the project and the risk level. Although in some circumstances banks approve equity contributions of 30%, in most cases they require contribution of up to 40-50%. Most banks want to be sure that the investor is committed to the project, and require an initial investment with the investor's own funds before they make the first payment.

### *Required documents*

Most banks require the following documents from applicants planning to establish a new project:

1. Completed application form (ask for the bank's form)
2. Business plan/feasibility study

The feasibility study or business plan must be prepared by a licensed and known consultancy firm. A copy of the consultant's current license must be included.

The feasibility study shall contain the following:

- Project summary
- Background information: brief history and details of the enterprise/promoter, type of project, scope and objective, legal form of business
- Numbers and certificates: registration number and date, license number and date, TIN, VAT Registration Certificate
- Updated market study and marketing arrangements
- Technical study: location, project design and engineering
- Organisation and management study
- Financial statements (balance sheet, income statement, cash flow)
- Financial analysis
- Social and economic aspects of the project
- Conclusions and recommendations
- Implementation program

### 3. Licenses

- Work permit
- Principal Registration Certificate
- Investment Permit

- Certificate of the commercial register
- Taxpayer Identification Number (TIN)
- Any other license you have obtained.

#### 4. Land lease agreement

- For land leased via the Government, the contractual lease agreement (or Land Holding Certificate – LHC) entered into with the proper Government authority.
- For projects located in rural areas with land leased from farmers, the contractual land use agreement contracted with the local farmers (approved by the appropriate Government authority).

#### 5. Engineering plan

Construction plan (blue print) designed by a licensed consulting firm. The construction plan must be sealed and signed, and include:

- Architectural plan
- Structural plan
- Electrical plan
- Sanitary plan
- Plan of farm roads
- Plan for canals diversion weirs if the project site is to be irrigated
- Land development
- Soil and water analyses for the project area by certified professional personnel and/or a licensed institution
- Construction permit
- Bill of quantity (in both hard and soft copies).

#### 6. Utility availability

Written confirmation by the responsible authorities of the availability of power, water, telephone, internet and fax access at the project site.

#### 7. Marriage certificate/sole proprietorship

For married applicants only: a marriage certificate, authenticated by the Ministry of Foreign Affairs of the country where the marriage took place.

#### 8. Credit information

Credit information will be sought; credit ratings and other background checks will be conducted. You will be required to provide personal and business references and authorize the bank to conduct credit ratings and other checks. Bank guarantees from outside Ethiopia may also be asked for.

#### 9. Power of Attorney

A power of attorney is required for all loan applications submitted through an agent or any other third party.

Business organisations (PLC's and share companies) are required to submit the following documents in addition to those listed here above:

#### 10. Copy of Memorandum and Articles of Association

#### 11. Other

- Copy of the relevant pages of the passport or residence permit of the applicant.
- Investors must write a letter of request for all loan disbursements, indicating the specific purpose of the disbursement.
- Borrowers shall open a letter of credit with the bank for procuring all items to be imported as well as for exporting products.
- A current account must be opened.

- To disburse loans, the bank will assess the value of the building(s) so as to ensure that pre-conditions for disbursement are fulfilled. If the property does not belong to the investor/applicant, the bank will require the mortgagor's consent. Sufficient fixed assets of the project will be used as collateral.

#### *Development banks*

The FMO (Financieel Maatschappij Ontwikkelingslanden) is the development bank of the Netherlands. It provides loans within half a year but requires a security and a guarantor in the Netherlands.

The Development Bank of Ethiopia (DBE) is one of the financial institutions engaged in providing loans. Since the establishment in 1909 the Bank has been playing a significant role in promoting overall economic development of the country.

The DBE provides two types of loans:

- **Loans related to the priority sector** – export oriented sector as well manufacturing. 7.5% interest, circumstances differ between projects but repayment should always be finished within 15 years.
- **Loans related to the non-priority sector** – non exported and non manufacturing – for example services. 8.5% interest, circumstances differ between projects but repayment should always be finished within 15 years.

Initial cash equity contribution is 30% of the estimated needed loan. Land leased and pre-production costs, like costs of a consultant, shall be considered an equity contribution. This is related to a percentage, depending on the investment size. Duties to be paid include a commitment charge of 0.75% of the total loan amount and a service charge of 0.75%.

**During the completion of this guide the DBE policy was in the process of changing. Please check at the DBE for the latest information.**

It may take up to one year for your loan application to be complied with. Pro-actively following up progress does help speeding up the process.

#### *Required documents*

In addition to the documents described in the section here above, the Development Bank of Ethiopia requires the following papers:

- Pro forma invoices: Pro forma invoices, with specifications and catalogue, from three different suppliers are required for: machinery and equipment, raw materials and packing material, vehicles, office equipment, furniture and fixtures, greenhouses, plant material, chemicals and fertilizers, irrigation systems, farm tools.
- Environmental impact assessment (EIA): Written confirmation from the Ethiopian Environmental Protection Authority regarding compliance with provisions of the EIA Proclamation as to the project's impact on the surrounding environment.

#### **Supporting programs from the Dutch Government**

We strongly suggest that you check for the latest information on either the webpage of the Embassy of the Kingdom of the Netherlands ([www.netherlandsembassyethiopia.org](http://www.netherlandsembassyethiopia.org)) or the website of the EVD ([www.evd.nl](http://www.evd.nl)).

The EVD, Agency for International Business and Cooperation, is an agency of the Dutch Ministry of Economic Affairs. It supports international business and cooperation by providing businesses and public organisations with information on foreign markets, promoting the Dutch business sector abroad, and offering companies individual guidance. The EVD supports various programmes in the field of sustainable economic growth in developing countries and emerging markets. These programmes focus on innovative pilot projects, joint-investments and transfer of technology, knowledge and skills in social and economic sectors. This is achieved through business cooperation and through cooperation between business and training- and knowledge institutes. Local and international private companies are encouraged to invest and to play a role in economic growth and poverty reduction.

#### PSI: Private Sector Investment programme

September 2008 Dutch Minister of Development Cooperation Koenders announced the Private Sector Investment programme (PSI). The PSI programme will replace the existing PSOM programme, and will start at the end of 2008. The new programme is aimed at innovative investments in the so-called partner countries of the Netherlands and also in the least developed countries and poor countries where possibilities for the Dutch trade and export are. The allocated budget for the PSI programme will be 70 million Euros. The EVD will be the agency that will deal with the procedures and implement the programme. More information will be available on the websites of the Embassy of the Kingdom of the Netherlands and the EVD.

#### Matchmaking facility

Target groups are small and medium scale enterprises in emerging markets. Serious companies in these emerging markets are often on the lookout for reliable business partners abroad. The Development Cooperation Matchmaking facility puts those companies in touch with Dutch businesses. The goal is to stimulate joint investment in the emerging market.

Small and medium scale enterprises with a solid business plan that are looking for a Dutch business partner should contact the Dutch Embassy in their country. The Embassy can inform these companies about the procedures, criteria and deadlines.

#### PUM: Dutch senior experts

PUM registers retired managers and experts who can assist and coach businesses and institutions that require specialist know-how but do not have access to it in their own country. The consultants are independent and do their work as volunteers; in other words, they do not receive a fee for their services.

Small and medium scale enterprises and non-profit organisations in Africa, Asia, Latin America, Middle East and Central and Eastern Europe that wish to make temporary use of the experience and skills of a retired Dutch manager or expert can contact PUM and apply for assistance.

## 9. Obtaining utility connections and recruiting labour force

### Ethiopian Electric Power Corporation - EEPCo

EEPCo provides electric power and supplies transformers and meters. To get electricity supply you need to contact the local EEPCo office and submit the following documents:

- A copy of the investment license
- A blueprint of the electricity layout of the project prepared by a certified electrician
- A letter addressed to the local EEPCo office indicating the power needed for the business.

The procedure can take a long time. It is advised to apply for power supply at an early stage as it can take up to 6 months before EEPCo installs the equipment. Regularly visiting the EEPCo office does help speed up the process. In case the project is located within a city, where electricity is already available, EEPCo informs that it takes 2 days to supply 1 phase and 4 days for 3 phase.

Note: Check the voltage before connecting your machines to the electric grid. In many cases a 380 voltage is needed, and only 340 is supplied. This low voltage can damage your machines.

The Ethiopian Electric Power Agency (EEPA) situated in Addis Ababa will intervene when you need their support to resolve problems with EEPCo.

### Water-well drilling

There are several water-well drilling companies in and around Addis Ababa. Check at the Ethiopian Ministry of Water Resources for names and addresses.

### Telecommunications

The Ethiopian Telecommunication Corporation (ETC) is the national telecommunication provider, providing fixed as well as mobile lines. Telephone bills need to be paid every month at your local ETC office. If you rent a house, the initial telephone bill will be provided to you by your landlord. Check at your nearest telecom building for the up to date prices of subscription fees and communication costs.

### Recruiting labour force

#### *Unskilled labour*

When land is leased from farmers, the unwritten rule is to employ them. Generally, when rumour has it that there is a need for more employees, many people will show up and apply for a job.

#### *Skilled labour*

According to the Ministry of Education, there are 11 universities which provide agricultural education (see useful addresses for contact details).

1. Jimma University
2. Addis Ababa University
3. Adama University
4. Makelle University
5. Bahir Dar University
6. Gonder University
7. Ambo University College
8. Arba Minch University
9. Hawassa University
10. Dilla University
11. Haramaya University

These Universities give the opportunity to take courses in different fields of agriculture, e.g.: agricultural economics, agricultural extension, animal sciences, animal production, plant sciences, and plant production and protection. Universities are busy enlarging their curriculum by attracting (foreign) teachers who are familiar with modern management of floriculture and horticulture companies. So, it can be useful to visit agricultural universities for recruiting skilled employees.

There are 3 ways to employ people:

- on a daily contract basis;
- on a fixed contract basis;
- on a per diem basis, which is done when you hire people from another company, e.g. for contracting a bulldozer with a driver.

One full-time working week counts 48 hours, with 6 days of 8 hours.

Overtime on working days is paid 150%.

Overtime on Sundays and holidays is paid 200%.

(Source: Labour Law)

## 10. Good business practices

### Corporate Social Responsibility (CSR)

Companies and societies realize more and more that investments and economic activities in developing countries have not only a direct but also an indirect impact on the local society, region or even the whole country. This is one of the driving forces behind the emergence of Corporate Social Responsibility (CSR); with companies recognizing that to secure their long-term success, addressing wider societal and environmental problems is crucial.

In short CSR stands for '*positive value creation*' for people, profit and planet and to provide answers on legitimate questions from the society as a whole. Or to say from another perspective in the concept of CSR: companies cannot run away from the impact of their activities on social, economic and environmental aspects. They have to take responsibility for these aspects in a positive and balanced manner.

If CSR is done in a well thought-out way this will benefit the company and create many new opportunities. For example reducing use of pesticides will not only have a positive effect on the environment it will also improve farm economics. Good and inspiring working conditions will reduce staff turnover and good relations with the local community will prevent the problems of petty theft. Moreover, actively pursuing CSR companies may minimise the risks of reputation damage in the marketplace.

Setting up a new company requires a lot of effort and resources and many investors tend to think "let's first get the business up and running, later we'll do something about CSR". Although this approach is understandable it is not advisable or wise. Much better is to start the farm from the beginning with well thought-out human resource and environmental strategies. At the same time start building a good relationship and possible activities with the local community. This will pay you back in terms of reputation in the local community, marketplace and in the society as a whole and consequently can result in higher profits too.

It is good to know that the Ethiopian Ministry of Trade and Industry (MoTI) stimulates foreign direct investors to integrate CSR concepts while developing their business activities in Ethiopia. To attain this it has stimulated a number of private sector initiatives to improve the understanding of local and international standards regarding good social and environmental behaviour. The main objective of these initiatives is to use private sector capacity to safeguard the sustainable development of new economic activities.

### EHPEA Code of Practice

Standard setting for sustainable horticultural activities is still a domain under development. In several countries, voluntary standards have been adopted that indicate the sustainability requirements to consider a specific fair trade or environmentally friendly certificate. These standards are mostly defined by buyer organisations, situated near the final consumers and are mainly for business-to-business use.

In response to the development of standards defined by the market, export associations of various countries have taken initiatives to develop Codes of Practice that address the market requirements on sustainable standards, taking into account the specific production circumstances in their countries. In Ethiopia the Horticulture Producers-Exporters Association, EHPEA has taken responsibility for the development and management of the Code of Practice on sustainable flower cultivation for EHPEA members. In the development and also now in the implementation process EHPEA works closely together with the relevant governmental bodies and NGO's.

The EHPEA Code of Practice sets out a framework for sustainable practices on flower farms in Ethiopia. It defines essential elements for the development of best practices in the sector that will enable the sector to compete at international market level.

It also defines the minimum requirements acceptable to the leading market segments for the Ethiopian flower sector. Note that the Code seeks to complement the Law of Ethiopia but does not want to substitute it and investors should be aware that where the Code standard falls below the Law or where the Code is silent, the standard set by the Law prevails.

The objective of the EHPEA Code of Practice is to provide a mechanism that enables the Ethiopian floriculture sector to achieve the highest performance standards by continuous improvement and sustainable development and thereby improving the competitive position in the market. This will ensure:

- Long-term economic viability of the sector
- Implementation of sustainable working practices and procedures
- Development of skills at all levels of employment
- Enhancement of the implementation of safe working practices to maintain the well-being of the workforce
- Continuous and responsible management of the environment
- Implementation of at least the minimum labour conditions in accordance with the National Law and promotion of healthy industrial relations
- Active contribution to the local community
- Enhancement of consumer health and safety

The code is of great help for new investors, not only in the flower sector but also in the fruits and vegetable sector as it facilitates setting proper standards from day one. The training team of EHPEA has developed a wide range of support and training materials enabling a smooth implementation of the code. For more information contact EHPEA, see Useful Addresses.

### **Some practical suggestions**

CSR is an integral part of modern business; it requires a clear vision and strategy. At the same time it should be realized that there are some simple basic principles. Here are some of the basic principles mentioned:

- Know what you stand for as a company.
- Have good secondary conditions of employment. For instance a good leave policy for family circumstances, like maternity leave or weddings or deaths in the family.
- Ensure a safe working environment and make sure that dangerous chemicals are properly stored and locked away and that workers wear the necessary protective clothing.
- For people to do good work, the most important is to train them well. Make sure people know what they have to do and know how they should do it. Give them clear job descriptions and be there to teach or train them.
- When you are not satisfied with an employee, give him/her a warning first.



## 11. Orientation map

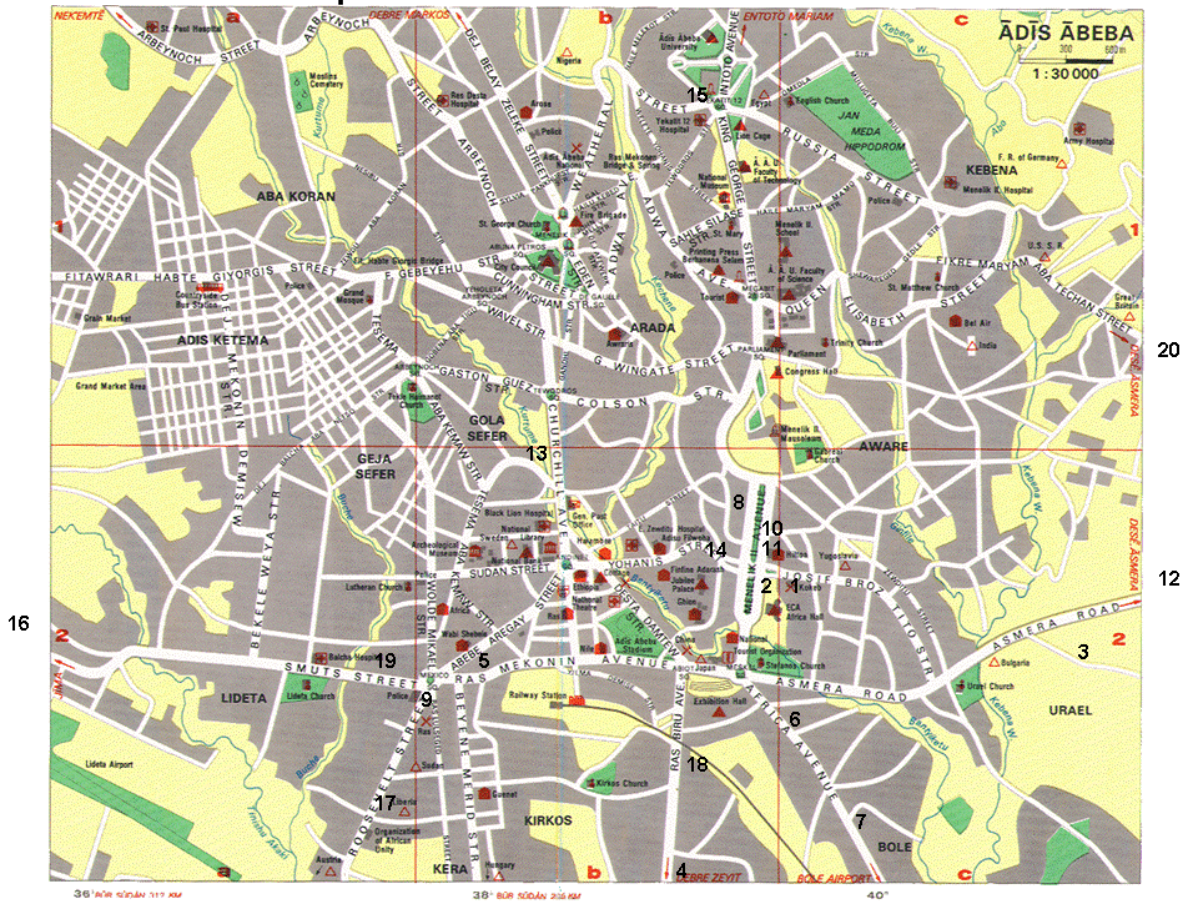


Figure 1. Map of Addis Ababa

### 1 Ministry of Trade and Industry

- Opposite the back entrance of the Hilton Hotel.

### 2 Development Bank of Ethiopia

- Next to the Ministry of Trade and Industry

### 3 Ethiopian Horticulture Producer-Exporters Association EHPEA

- ☎ 0911 213921
- Coming from Meskel Square on Haile Gebre Selassie Avenue, opposite to WARYT building, Gelila building, 2nd floor.

### 4 Ethiopian Revenues and Customs Authority

- ☎ 0114 667326
- Down the Debre Zeit Road, on the left side after Global Hotel

### 5 Ethiopian Horticultural Agency

- In the Coffee and Tea building, on the right sight from Meskel to Mexico, 300m after the Stadium, 7<sup>th</sup> floor.

### 6 Ethiopian Investment Agency:

- ☎ 0115-510033/ 0115537286
- On Bole Road/Africa Avenue in front of Dembel City centre

### 7 Export Promotion Department

- ☎ 0115 502844
- On Bole Road/Africa Avenue, 3rd floor of the building at the backside of the Commercial Bank next to Peacock Restaurant

### 8 Ethiopian Mapping Authority (EMA)

- In front of the Hilton Hotel

### 9 Federal Inland Revenue Authority

- At Mexico Square

**10 Ethiopian Airlines**

☎ 0116 656666

- In the Hilton Hotel

**11 KLM**

☎ 0115 5254495, 0115

518400 extension 231

- In the Hilton Hotel

**12 Roads Authority** - driving license  
From Meskel Square to Megananya, on the left side just before Megananya

**13 Ministry of Immigration**

- Opposite the right-hand side entrance of Black Lion Hospital; coming from the Municipality on the Churchill Road, turn right at the lights and then immediately right again.

**14 Ministry of Foreign Affairs**

- In front of the Hilton Hotel, but the entrance is around the right side corner.

**15 Public Notary**

- At Sidist Kilo in front of the Lion Zoo

**16 Embassy of the Kingdom of the Netherlands**

☎ 0113 711100

- Old Airport zone, on the ring road from the Military Hospital towards Wingate school

**17 Ethiopian Electric Power Agency (EEPA)**

- About 300 m down Mexico Square towards African Union (AU)/Makanissa, across the Shell station.

**18 Ministry of Agriculture and Rural Development,**

- From Meskel Square, passing ECA, first street on the right.

**19 Oromia Investment Office**

☎ 0115 531526/ 0115 531979

- On the road from Mexico to Torhailog, 200 m after Mexico on the right sight in the new building on the 4<sup>th</sup> floor.

**20 Ethiopian Protection Authority**

Drive from Aswa Square (ringroad) to CMC. If you see the Ethiopian Airlines building on the right sight, take the dirt road at your left.

## 12. Useful Addresses

### In Ethiopia

#### Governmental addresses

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#### **Ethiopian Horticulture Development Agency**

P.O. Box 43450  
Addis Ababa  
Ethiopia  
Phone: 00251- (0)-11-5502483/5513881  
Fax: 00251-(0)-115537448

#### **Ministry of Trade and Industry**

P.O. Box 704  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5513990  
Fax: 00251-(0)11-5515411

#### **Ministry of Culture and Tourism**

P.O. Box 1907  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5517020  
Fax: 00251-(0)11-5512829  
E-mail: mysc@ethionet.et  
Website: www.mysc.gov.et

#### **Ministry of Immigration Main department for immigration and nationality affairs**

P.O. Box 5741  
Addis Ababa  
Ethiopia  
Phone: 00251 -(0)11-1553209  
Fax: 00251-(0)11-1553209

#### **Ministry of Foreign Affairs**

P.O. Box 393  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5517345  
Fax: 00251-(0)11-5514300

#### **Ethiopian Revenues and Customs Authority**

P.O. Box 3087  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-4669427  
Fax: 00251-(0)11-4669318  
E-mail: fira@ethionet.et  
Website: www.mor.gov.et

#### **Ethiopian Customs Authority**

P.O. Box 3248  
Addis Ababa  
Ethiopia  
Phone: 00251- (0)11-5513100  
Fax: 00251- (0)11-5518355  
E-mail: customs@ethionet.et  
Website: www.mor.gov.et

#### **Ethiopian Privatization & Public Enterprise Supervision Agency**

P.O. Box 11813  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11- 5527322  
Fax: 00251-(0)11-5153850  
E-mail: epa@ethionet.et  
Website: www.ethionet.et/~epa

#### **Ethiopian Intellectual Property Office**

P.O. Box 25322 Code 1000  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5534969/00251-(0)11-5512997  
Fax: 00251-(0)11-5536269  
Email: eipo@ethionet.et  
Website: www.eipo.gov.et

#### **Environmental Protection Authority**

P.O. Box 12760  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-6464878  
Fax: 00251-(0)11-6464882  
Email: eia-epa@ethionet.et  
Website: www.epa.gov.et

#### **National Meteorological Agency**

P.O. Box 1090  
Addis Ababa  
Ethiopia  
Phone: 00 251-(0)11-6615779  
Fax: 00251-(0)11-6625292  
E-mail: nmsa@ethionet.et  
Website: www.ethiomet.gov.et

#### **Ethiopian Mapping Authority**

P.O. Box 597  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5518445  
Fax: 00251-(0)11-1515189  
E-mail: ema@ethionet.et

## **(Regional) Investment Offices**

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### **Ethiopian Investment Agency**

P.O. Box 2313  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5530033  
Fax: 00251-(0)11-5514396  
E-mail: ethiopian.invest@ethionet.et  
Website: www.investethiopia.org

### **Addis Ababa Investment Authority**

P.O. Box 5212/8697  
Addis Ababa  
Ethiopia  
Phone:00251-(0)11-1578209  
Fax: 00251-(0)11-1553688  
Email:aaia@telecom.net.et  
Website: www.investaddis.org.et

### **Oromia Investment Commission**

P.O. Box 8787  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5531526  
Fax: 00251-(0)11-5531520  
Email: oromiainv@ethionet.et  
Website: www.oromiainvestment.org

### **Tigray Region Investment Office**

P.O. Box 947  
Mekele  
Ethiopia  
Phone:00251-(0)34-4408522  
Fax:00251-(0)34-4408043  
Email: invest@ethionet.et

### **Southern N/N/P/R/ State Investment Bureau**

P.O. Box 328  
Awassa  
Ethiopia  
Phone: 00251-(0)46-203300  
Fax:00251-(0)46-203265  
Email: snnpinv@ethionet.et  
Website: www.southinvest.gov.et

### **Behishangul-Gumuz Regional State Investment office**

P.O. Box 120  
Assosa  
Ethiopia  
Phone:00251-(0)57-7750128  
Fax:00251-(0)57-7750271  
Email: bg\_inves@yahoo.com

### **Amhara National Regional State Investment Promotion Agency**

P.O. Box 439  
Bahir Dar  
Ethiopia  
Phone: 00251-(0)58-2200640  
Fax: 00251-(0)22-02033  
Email: amhara.invest@ethionet.et

### **Afar Investment Office**

Phone: 00251-(0)335-550412  
Fax: 00251-(0)33-5550167

### **Dire Dawa Administrative Council Investment Office**

Phone:00251-(0)11-13234  
Fax:00251-(0)11-10544

### **Gambella Investment Office**

Phone: 00251-(0)47-5510279/00251-(0)47-5511404/00251-(0)47-5510686  
Fax: 00251-(0)47-5512582

### **Harari Investment Office**

Phone: 00251-(0)26-6663035  
Fax: 00251-(0)256660666

### **Somali Investment Office**

Phone: 00251-(0)25-7757026  
Fax: 00251-(0)25-7752026

## **Utility connections**

---

### **Ethiopian Electric Power Cooperation (Eepco)**

P.O. Box 1233  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11- 1560042  
Fax: 00251-(0)11- 1550822  
Email: eelpa@telecom.net.et  
Website: www.eepco.gov.et

### **Ethiopian Telecommunication Cooperation (ETC)**

P.O. Box 1047  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5510500  
Fax: 00251-(0)11- 5515777  
Email: etc-hq@telecom.net.et  
Website: www.ethionet.et

## **Addresses of banks in Addis Ababa**

---

### **National Bank of Ethiopia**

P.O. Box 5550  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5517430  
Fax: 00251-(0)11-5514588  
Email: nbe.excd@ethionet.et

### **Commercial Bank of Ethiopia**

P.O. Box 255  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5515004/00251-(0)11-5156350  
Fax: 00251-(0)11-5514522  
Email: cbe.president@ethionet.et

### **Development Bank of Ethiopia**

P.O. Box 1900  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5511188/00251-(0)11-5151526/00251-(0)11-5513120  
Fax: 00251-(0)11-5511606  
Email: db@ethionet.et

### **Construction & Business Bank**

P.O. Box 3480  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5512300  
Fax: 00251-(0)11-5515103  
Email: constructrionandbusinessbank@ethionet.et

### **Awash International Bank S. Co.**

P.O. Box 12638  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-6614482/00251-(0)11-6612919  
Fax: 00251-(0)11-6614477  
Email: aib.businessdev@ethionet.et/  
Awash.bank@telecom.net.et

### **Bank of Abyssinia**

P.O. Box 12947  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5514130/00251-(0)11-5159966  
Fax: 00251-(0)11-5511575  
Email: abyssina@ethionet.et

### **Dashen Bank S. Co.**

P.O. Box 12752  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-4661380  
Fax: 00251-(0)11-4653037  
Email: dashen.bank@ethionet.et

### **Wegagen Bank S. Co.**

P.O. Box 1018  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5523800  
Fax: 00251-(0)11-5523520  
Email: wegagen@ethionet.et

### **Nib International Bank S.Co**

P.O. Box 622694  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5503288  
Fax: 00251-(0)11-5504349  
Email: nibbank@ethionet.et

### **United Bank**

P.O. Box 19963  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-4655222  
Fax: 00251-(0)11-4655243  
Email: hibretbank@ethionet.et

### **Cooperative Bank of Oromia S.C.**

P.O. Box 16936  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5506025  
Fax: 00251-(0)11-5150489  
Email: coopbank@ethionet.et

### **Lion International Bank S.C.**

P.O. Box 27026 code 1000  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-6626900  
Fax: 00251-(0)11-6638233

## **Insurance Companies**

---

### **Ethiopian Insurance Corporation**

P.O. Box 2545  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5512400  
Fax: 00251-(0)11-5517499  
Email: eic.mdxvs@ethionet.et

**National Insurance Company of Ethiopia**

P.O. Box 12645  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-4661129  
Fax: 00251-(0)11-4650660  
Email: nice@ethionet.et

**Awash Insurance Company S.C.**

P.O. Box 12637  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-6614420  
Fax: 00251-(0)11-6614419  
Email: aic@telecom.net.et

**United Insurance Company S.C.**

P.O. Box 1156  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-4675656  
Fax: 00251-(0)11-4673258  
Email: united.insurance@ethionet.et

**Africa Insurance Company S.C.**

P.O. Box 12491  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-6637716  
Fax: 00251-(0)11-6638253

**Nile Insurance Company S.C.**

P.O. Box 12836  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5514999  
Fax: 00251-(0)11-5514592

**Nyala Insurance S.C.**

P.O. Box 12753  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-6626667  
Fax: 00251-(0)11-6626706

**Global Insurance Company S.C.**

P.O. Box 180112  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-1567400  
Fax: 00251-(0)11-1566200  
Email: globalinsu@telecom.net.et

**Nib Insurance Company S.C.**

P.O. Box 285  
Addis Ababa

Ethiopia  
Phone: 00251-(0)11-5528195/96  
Fax: 00251-(0)11-5528193  
Email: nibinsgm@ethionet.et

**Lion Insurance S.C.**

P.O. Box 26281 code 1000  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11- 6787000  
Fax: 00251-(0)11-6632940

**Universities which provide agricultural education**

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**Ambo College**

P.O. Box 19  
Ambo  
Ethiopia

**Jimma University**

P.O. Box: 378  
Jimma  
Ethiopia  
Phone: 00251-(0)47-1112202  
Fax: 00251-(0)47-1111450  
Email: webmaster@ju.edu.et  
Website: www.ju.edu.et/index.php

**Mekele University**

P.O. Box 231  
Mekele  
Ethiopia  
Phone: 00251-(0)44 - 00812  
Fax: 00251-(0)44 -00793  
Email: mekelle.university@telecom.net.et

**Haramaye University**

P.O. Box 138  
Dire Dawa  
Ethiopia  
Phone: 00251-(0)25-5530355 or 00251-(0)25-5530333 (College of Agriculture)  
Email: haramaya@haramaya.edu.et or coa@haramaya.edu.et (College of Agriculture)  
Website: www.haramaya.edu.et

**Addis Ababa University**

P.O. Box 1176  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11 - 1239800  
Fax: 00251 (0)11 - 1239768  
Email: poffice@aau.edu.et  
Website: www.aau.edu.et

**Hawassa University**

P.O. Box 5  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)46-2204626/27  
Fax: 00251-(0)46-2205421  
Email: aca@telecom.net.et

**Adama University**

P.O. Box 1888  
Adama  
Ethiopia  
Phone: 00251-(0)221-110400  
Email: pr@adama-university.net  
Website: www.adama-university.net

**Bahir Dar University**

P.O. Box 79  
Bahir Dar  
Ethiopia  
Phone: 00251-(0)8-200143  
Fax: 00251-(0)8-202025  
Email: bdtc@ethionet.et  
Website: www.telecom.net.et/~bdu/

**Gonder University**

P.O. Box 196  
Gondar  
Ethiopia  
Phone: 00251-(0)581-141230  
Fax: 00251-(0)5811141240/33/35  
Website: www.ugondar.edu.et

**Arba Minch University**

P.O. Box 21  
Arba Minch  
Ethiopia  
Phone: 00251-(0)46-8810425  
Fax: 00251-(0)46-8810279  
Email: AVP@arbaminch-univ.com  
Website: www.arbaminch-univ.com

**Dilla University**

P.O. Box 419  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)46-3312459/463312030/97  
Fax : 00251-(0)46-3312568  
E-mail : dillacc@telecom.net.et

**Airlines**

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**Ethiopian Airlines**

P.O Box 1755  
Addis Ababa  
Ethiopia

Phone: 00251-(0)11-6616666  
Fax: 00251-(0)11-6616474  
Email: Reservation@ethiopianairlines.com  
Website: www.ethiopianairlines.com

**KLM**

P.O. Box 3381  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5525541  
Fax: 00251-(0)11-5525584  
Email: Reservations.Ethiopia@klm.com  
Website: www.klm.com

**Emirates**

P.O. Box 3258 code 1250  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)15-181818  
Email: s555881@emirates.com  
Website: www.emirates.com/et

**British Airways**

P.O. Box : 1688  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-550 5913/14  
Fax: 00251-(0)11-5510655  
E-mail: baaddis@ethionet.et  
Website: www.ba.com

**Lufthansa**

P.O. Box 3881  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5515666  
Fax: 00251-(0)11-5512988  
Website: www.ethiopia.lufthansa.com

**Etihad Airways**

P.O. Box 62679  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-6620682/82  
Website: www.etihadairways.com

**Others**

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**Ethiopia Chamber of Commerce**

P.O. Box 517  
Addis Ababa  
Ethiopia  
Phone: 00 251-(0)11-5518240  
Fax: 00 251-(0)11-5517699  
E-mail: ethchamb@ethionet.et  
Website: www.ethiopianchamber.com

**Addis Ababa Chamber of Commerce and Sectoral Associations**

P.O. Box 2458  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5518055  
Fax: 00251-(0)11-5511479  
Email: aachamber1@ethionet.et /  
aachamber2@ethionet.et  
Website: www.addischamber.com

**Ethiopian Horticulture  
Producer-Exporters Association  
(EHPEA)**

P.O. Box 22241 code 1000  
Addis Ababa  
Ethiopia  
Tel. 00251-(0)11-6636750/51  
Fax: 00251-(0)11-6636753  
Email: ehpea@ethionet.et  
Website: www.ehpea.org.et

**EPOSPEA - Ethiopian Pulses Oilseeds  
and Spices Processors Exporters**

P.O. Box 8686  
Addis Ababa  
Ethiopia  
Phone: 00251-(0)11-5156268  
Website: www.eposspea.com

**Horn of Africa Environmental Centre**

Email: info@hoarec.org  
Website: www.hoarec.org

**Embassy of the Kingdom of the  
Netherlands**

Old Airport Zone  
P.O. Box 1241  
Addis Ababa  
Ethiopia  
Tel.: 00251-(0)11-3711100  
Fax: 00251-(0)11-3711577  
Email: add-lnv@minbuza.nl  
Website:  
www.netherlandsembassyethiopia.org

**In The Netherlands**

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**Embassy of the FDR of Ethiopia in  
Belgium**

Tervurenlaan, 231  
Brussels  
Belgium  
Phone: 00322-(0)771-3294  
Fax: 00322-(0)771-4914  
E-mail: etebru@brutele.be

**Ministry of Agriculture, Nature and  
Food Quality**

Department of Trade and Industry  
Bezuidenhoutseweg 73  
P.O. Box 20401  
2500 EK The Hague  
The Netherlands  
Phone: 0031-(0)70-3786868  
Email: via website  
Website: www.minlnv.nl

**Belastingdienst (Dutch tax  
authority)  
Tax Information Line Non-resident  
Tax Issues**

Administration/Limburg/Department of  
International Issues  
PO Box 2865  
6401 DJ Heerlen  
The Netherlands  
Phone: 0031 (0)555385385  
Website: www.belastingdienst.nl

**EVD, International Business and  
Cooperation,**

Ministry of Economic Affairs  
P.O. Box 20105  
2500 EC The Hague  
The Netherlands  
Phone: 0031- (0)70- 778 88 88  
Website: www.evd.nl

**FMO - Financierings Maatschappij  
Ontwikkelingslanden**

P.O. Box 93060  
2509 AB The Hague  
The Netherlands  
Phone:0031-(0)70 - 3149696  
Fax:0031-(0)70 - 3246187  
Mail: info@fmo.nl  
Website: www.fmo.nl

**PUM, Netherlands Senior experts**

Bezuidenhoutseweg 12  
2594 AV The Hague  
P.O. Box 93078  
2509 AB  
The Hague  
The Netherlands  
Phone:0031 (0)70 3490555  
Fax: 0031 (0)70 3490590  
Email: [info@pum.nl](mailto:info@pum.nl)  
Website: [www.pum.nl](http://www.pum.nl)

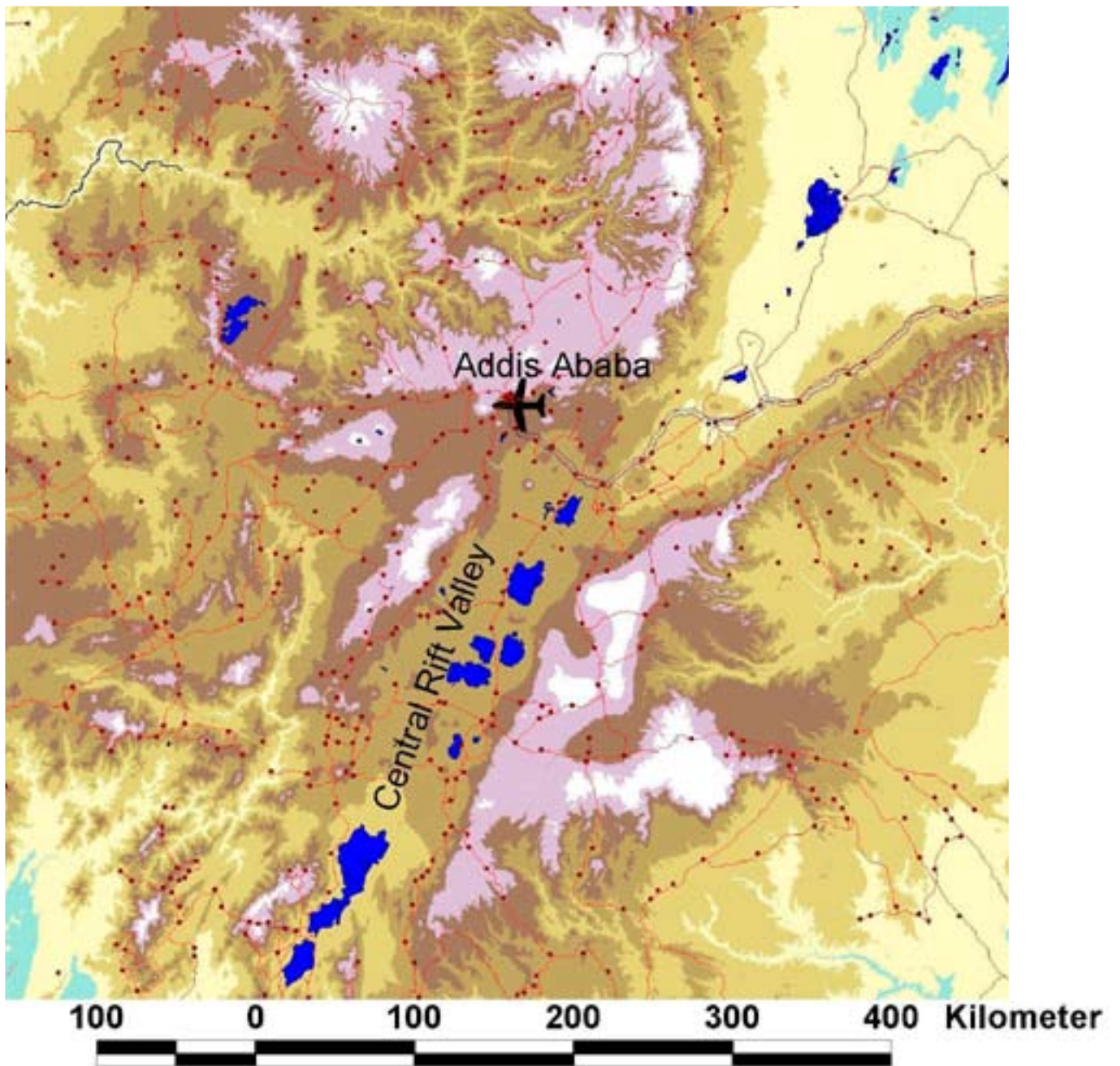
**Mahalet Zawdneh – Ethiopian PUM-  
representative**

Phone: 00251-(0)911-607952  
Email: mahalet\_z@yahoo.com





# Annex 1



## LEGEND:



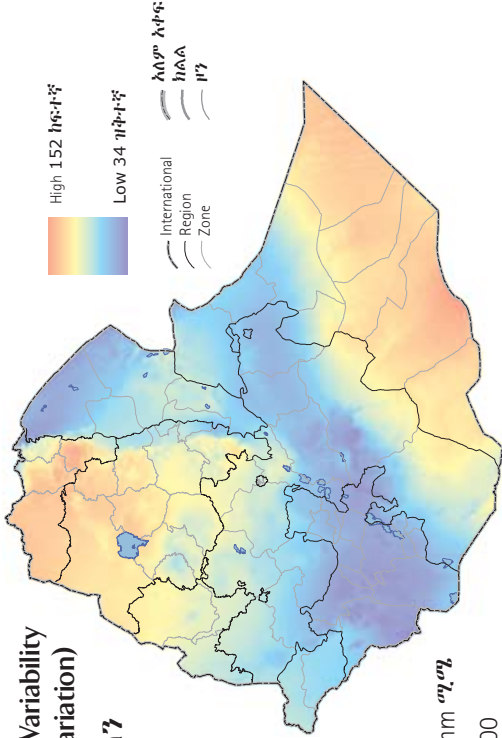
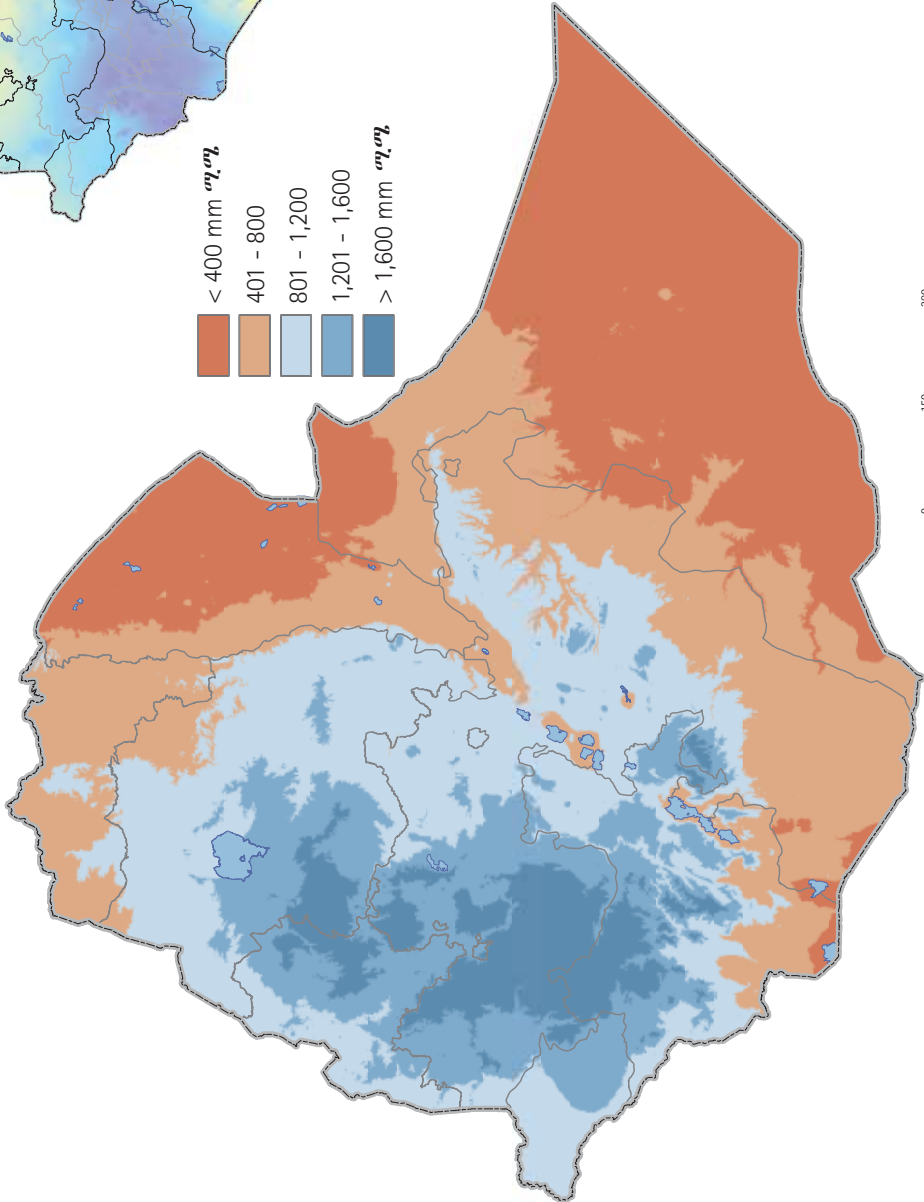


# Annual Rainfall ከአድማቃታዊ የዝናብ ጥቅም ጋር

## Annex 2. - Annual rainfall map of Ethiopia

Annual Precipitation Variability (coefficient of variation)

ዓመታዊ የዝናብ መጠን ተለዋዋጭነት (መጠን ልዩነት)



Rainfall is essential for non-irrigated agriculture, the practiced across most of the country. The western highlands have particularly high rainfall, averaging over 1,200 millimeters annually in many areas. Rainfall is lower with loss of elevation, especially toward the east. Most of the eastern lowland areas of Afar and Somali are unsuitable for crop production because of lack of rainfall.

The inset map shows the variability of annual rainfall for each location over the past 35 years. High variability in annual rainfall represents increased risk for farmers who depend on rainfall for crop production.

በአብዛኛዎቹ የሀገሪቱ ክፍሎች ሲደረግ እንደሚታየው ያለመስኖ ለሚከናወን የግብርና እንቅስቃሴ ሁሉ ዝናብ እጅግ አስፈላጊ ነው። ምዕራባዊ ክፍተኛ ቦታዎች ዓመታዊ አማካኛ ከ1200 ማ.ሜ በላይ የሆነ ጥሩ የዝናብ መጠን ያገኛሉ። የዝናብ መጠን በተለይ በምስራቃዊው የሀገሪቱ ክፍሎች የመሬት ከፍታ እየቀነሰ በሄደ ቁጥር ይቀንሳል። አብዛኛዎቹ ምስራቃዊ ዝቅተኛ ቦታዎች ምንም ዓይነት ሰብል ማምረት በማያስችል ደረጃ በጣም ደረቅ አካባቢዎች ናቸው።

የውስጠኛው ክርታ የሚኖረው የዝናብን ስርዓት ተለዋዋጭነት ነው። በዚህ ክርታ የተገለጸውም በተጠቀሱት አካባቢዎች ባለፉት 35 ዓመታት የነበረው ዓመታዊ የዝናብ ስርዓት መጠን ልዩነት ነው። ይህም የስርዓቱን ተለዋዋጭነት ለማመልከት በተፈለገ ቁጥር ስራ ላይ እንዲውል ተደርጓል። እዚህ ጋ ስርዓት ሲባል በተጠቀሱት አካባቢዎች ሁሉ ረዘም ላለ ጊዜ የተገኘው ዓመታዊ የዝናብ መጠን ማለት ነው። በዓመታዊ የዝናብ ስርዓት መጠን ከፍተኛ ተለዋዋጭነት መኖሩ የሚያሳዩው ዝናብ ጠብቀው በሚያዘምሩ ዝብራዎች ዘንድ የተደቀነ አደጋ መኖሩን ነው።

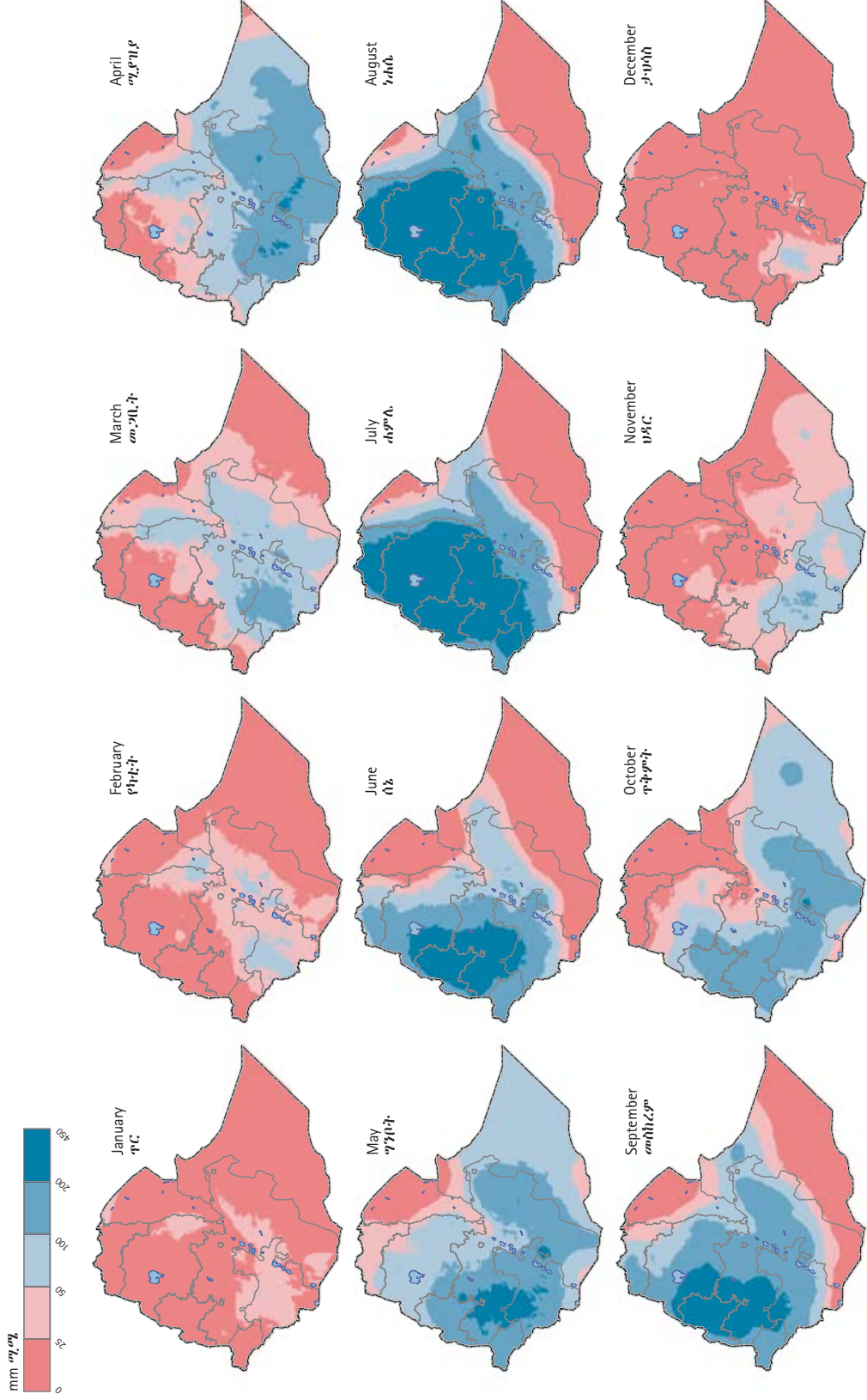
Data source: WorldClim, University of California, Berkeley.  
 መርልድክሊም፣ ካሊፎርኒያ ዩኒቨርሲቲ፣ በርካሎ



## Mean Monthly Rainfall • አማካኝ ወረሃዊ የዝናብ መጠን

Rainfall varies throughout the country, not only spatially but also temporally. Some parts of the western highlands experience rainfall for most of the year (March–October), while most of the rest of the country experiences rainfall within either the main rainy season (Kiremt, roughly July through Sept) and possibly also the short rains (Belg, roughly March through May).

The maps below show average monthly rainfall (by the Gregorian calendar), based on the past 35 years of rainfall data. Because these maps are statistical “slices” of time, they do not capture some observable climate patterns (such as the short period of clear skies between the Belg and Kiremt rains in many areas).



የዝናብ ስርዓት በመላ ሀገሪቷ ልዩነት የሚያሳዩው በቦታ ብቻ ሳይሆን በጊዜ ሽፋንም ጭምር ነው። አንዳንድ ምዕራባዊ ክፍተኛ ቦታዎች በአመት ውስጥ አብዛኛውን ጊዜ (ከመጋቢት እስከ ጥቅምት) ዝናብ የሚያገኙ ሲሆን ቀሪዎቹ የሀገሪቱ ክፍሎች ግን ወይ በዋናው የዝናብ ወቅት (ማለትም ከሰምሌ እስከ መስከረም) በሚዘልቀው የክረምት ወቅት) አለዚያም መጠኖች ዝናብ በሚገኝበት ወቅት (ማለትም ከመጋቢት እስከ ግንቦት) ባለው የበልግ ወቅት የሚዘገብላቸው አካባቢዎች ናቸው።

ዝቅ ብለው የቀረቡት ክርጳዎች ባለፉት 35 ዓመታት የዝናብ ስርዓት መረጃ ላይ በመመስረት እ.ኤ.አ. የየወፍን አማካይ የዝናብ መጠን የሚያሳዩ ናቸው። እነዚህ ክርጳዎች ስታቲስቲካል መረጃ የያዙ የጊዜ ቁርጥራጮች በመሆናቸው አንዳንድ ተጨባጭ የአየር ንብረት ሁኔታዎችን (ለምሳሌ በበልግና በክረምት መካከል ያሉትን ጥርት ያለ ሰማይ የሚታይበቸውን አጭር ጊዜያት) አያሳዩም።

# Annex 3

## ETHIOPIAN INVESTMENT AGENCY

### NOTES ON INVESTMENT PERMIT APPLICATION FORM

1. A completed application form in one of the documents required for an investment permit. It is therefore necessary to complete the form as fully carefully and accurately as possible. If the space provided on the form is not sufficient, use supplementary sheet of paper.
2. Convert foreign currencies to local currency (Birr) at current exchange rates.
3. Any investor is obliged to confirm to laws and regulations of the Country. An investor who submits an application for investment permit will therefore be automatically taken for unconditional commitment to all laws, regulations, directives and specifically those related to that specific investment area.
4. The investment permit should be used only for the purpose of the approved investment.
5. The application form should be submitted together with other required documents.
6. For further information kindly contact the Agency.

*Provision of efficient and fair services at the best satisfaction of  
Our Customers is our Core value.*

#### Contact Address

Ethiopian Investment Agency (EIA) P.O.Box 2313, Tel. 251 – 011 – 551 00 33, Fax 251 – 011 – 552 43 96,  
Addis Ababa, Ethiopia

# APPLICATION FORM FOR INVESTMENT PERMIT

## I. Details of the Applicant

1.1 Name of Applicant \_\_\_\_\_

1.2 Nationality /Country of incorporation, if company \_\_\_\_\_

1.3 Address

- Address in Ethiopia

Region/City ----- Sub-city ----- Kebele ----- House No -----

Telephone ----- Fax ----- P.O. Box ----- E-mail -----

- Home addresses (if different from the above)

-----  
-----  
-----

1.4 Authorized Representative (if any)

Name \_\_\_\_\_

Address

Region/City ----- Sub-city ----- Kebele ----- House No -----

Telephone: ----- Fax ----- P.O. Box ----- E-mail -----

## 2. Profile of Proposed Investment

2.1 Project Title \_\_\_\_\_

2.2 Project Type  New  Expansion/upgrading

2.3 Project Location \_\_\_\_\_

2.4 Form of Ownership

- . Domestic investment
- . Wholly foreign owned investment
- . Joint foreign and local investment

2.5 Brief description of the project, focusing on main project components and production process as appropriate.

-----  
-----  
-----  
-----  
-----  
-----  
-----

2.6 Estimated Total Investment Cost (Birr)

- . Land \_\_\_\_\_
- . Building and Civil works \_\_\_\_\_
- . Machinery /Equipment \_\_\_\_\_
- . Other Fixed Capital cost \_\_\_\_\_
- . Initial Working Capital \_\_\_\_\_
- Total \_\_\_\_\_

2.7 Source of Finance (Birr)

- . Equity \_\_\_\_\_
- . Loan \_\_\_\_\_
- . Total \_\_\_\_\_



**2.8 Estimated Employment Opportunity of the Investment**

- Permanent employees \_\_\_\_\_
  - Temporary employees \_\_\_\_\_
- Total \_\_\_\_\_

**2.9 Estimated Annual production/ service at full capacity (if expansion /upgrading, indicate incremental capacity only)**

No	Type of Product/service	Production/ Service Capacity		
		Unit	Quantity	Value (Birr)

**2.10 For expansion/ upgrading projects, annual value of production/ service of existing enterprise (Birr) -----**

**2.11 Estimated Annual sales program at full capacity (if expansion/upgradation indicate incremental quantity and value only)**

No	Type of Product/service	Sales				
		Unit	Quantity	Value (Birr)	Domestic market share (%)	Export market share (%)

**2.12 Annual raw material requirements at full capacity (if expansion/upgradation, indicate incremental requirements only)\***

No	Type of Raw Material	Unit	Quantity Required	Value	Source of supply	
					Local	Foreign

**2.13 Utility Requirements at full capacity (if expansion/upgrading, indicate incremental requirement only)**

- Electric Power ----- kW
- Water ----- m<sup>3</sup>/year
- Others (if any) -----

2.14 Land requirement ----- sq. meter or ----- Ha

2.15 Expected date of commencement of operation of the project -----

---

\* Applicable to manufacturing and agriculture

**3. Declaration and signature of applicant**

I hereby declare that all the information provided are true and correct.

Name of applicant \_\_\_\_\_

Designation \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

---

For official use only

Remark: -----  
-----  
-----

Reviewed by:

Name of Expert: ----- Signature ----- Date -----

Name of Team Leader: ----- Signature ----- Date -----

Remark: -----  
-----  
-----

Approved by:

Name of Department Head ----- Signature ----- Date -----

# Annex 4

## ETHIOPIAN INVESTMENT AGENCY

### Project Status Reporting Form

(To be filled in and forwarded to EIA every six months)

1. Name of investor: \_\_\_\_\_  
Contact Address:  
Region/City: \_\_\_\_\_ Sub-city \_\_\_\_\_  
Kebele: \_\_\_\_\_ House No. \_\_\_\_\_ Postal Address: \_\_\_\_\_  
Tel: \_\_\_\_\_ Fax \_\_\_\_\_ E-mail: \_\_\_\_\_
2. Project Title: \_\_\_\_\_ Location: \_\_\_\_\_
3. Please state the current status of the project: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. Is the project progressing as scheduled:  Yes  No  
If not, what are the major causes of delay? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. Please indicate any support that you would like to have from EIA to expedite  
Implementation of the project: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. Report prepared by: \_\_\_\_\_ Position: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_



# Annex 5

**ETHIOPIAN INVESTMENT AGENCY**  
**APPLICATION FOR PRINCIPAL/SUMMARY TRADE REGISTRATION**  
(To be completed in two copies)

**PARTICULARS OF THE APPLICATION**

**The Applicant's (Company's)**

1.1. Name .....

1.2. Nationality (Country of incorporation, if company) .....

1.3. Address

1.3.1. Local: Region/City ..... Woreda/Sub-city ..... Kebele ..... House No. ....

Tel. .... P.O. Box ..... Fax ..... e-mail .....

1.3.2. Foreign (if any): .....

1.4 Form of ownership Domestic Investor  Foreign Investor  Joint venture

2. Investment permit number issued by the Organization to the applicant .....

3. Type of application Principal Registration  Summary Registration

4. If it is summary registration

4.1. Place of principal registration .....

4.2. Principal registration number .....

4.3. Business license number .....

5. Capital

5.1. For sole proprietorship, amount of capital allocated for business Birr .....

5.2. For business organization or public enterprise, paid-up capital Birr ..... And  
subscribed capital Birr .....

6. Is there a lawful decision prohibiting the applicant to carry on commercial activity?

Yes  No.

**B. DECLARATION**

I hereby declare that all the statements I made herein and in the additional ..... page/s  
attached hereto are complete, true and correct.

*Applicant's name* .....

*Position* .....

*Signature* .....

*Date* .....

Price Birr 2.00

For office use only

1. Comment and decision by head of registry (If the request is not accepted, describe the reasons)

.....  
.....  
.....

Name .....

Position .....

Signature .....

Date .....

2. Declaration by central commercial registry

2.1. The applicant is registered under central commercial registration number .....

2.2. Date of registration .....

Name .....

Position .....

Signature .....

Date .....

# Annex 6

## ETHIOPIAN INVESTMENT AGENCY

### Application form for acquisition of land

1. Name of Investor (Company/Individual)
2. Contact Address
  - Telephone -----
  - Fax -----
  - Postal Code -----
  - E-mail -----
3. Project Title -----
4. Project Location and Site -----
5. Land Requirement (m<sup>2</sup> or Ha) -----
6. Utility Requirement, if known -----
7. Other Requirements, if any -----
  - Climate -----
  - Soil -----
  - Topography -----
  - Other (please specify) -----
8. Documents

Please attach a copy of the site layout of your project. In the case of industrial (manufacturing) projects, please attach also a copy of the preliminary machinery layout.
9. Undertaking

I hereby confirm that the area of land requested has been determined on the basis of technical requirements of the project, and as such is not in excess of what is needed for the project. Moreover, I agree to



start project construction and development work within six months after the date of acquisition of land, and

accept also the condition that failure to meet the requirement would lead to termination of the lease contract.

Name -----

Signature -----

Date -----

(For official use only)

Remark -----

-----

-----

-----

-----

-----

Reviewed by:

Name ----- Signature ----- Date -----

Approved by:

Name ----- Signature ----- Date -----

# Annex 7

**ETHIOPIAN INVESTMENT AGENCY**  
**APPLICATION FOR BUSINESS LICENCE**

(To be completed in two copies)

**A. PARTICULARS OF THE APPLICATION**

**1. Applicant's (Person/Company)**

1.1 Name .....

1.2 Nationality (Country of incorporation, if company) .....

1.3 Address

1.3.1 Local: Region/City ..... Woreda/Sub-city ..... Kebele ..... House No. ....

Tel. .... P.O. Box ..... Fax. .... E-mail .....

1.3.2 Foreign (if any): .....

1.4 Form of

Ownership: Domestic Investor's share ..... % Foreign Investor's share .....

2. Investment permit number issued to the applicant .....

3. Principal registration number issued to the applicant .....

4. Type of business .....

5. Address of the business:

Region/City ..... Woreda/Sub-city ..... Kebele ..... House No. ....

Tel. .... P.O. Box ..... Fax. .... e-mail .....

6. Capital invested in the business

<i>Expenditure</i>	<i>Local Currency (000 Birr)</i>	<i>Foreign Currency (000 Birr)</i>	<i>Total (000 Birr)</i>
Land			
Civil Works			
Machinery & quipment			
Other fixed cost			
Initial working capital			
<b>Total</b>			

Price Birr 2.00

Date of commencement of production or service rendering .....

7. Employment opportunity created by the business:

Ethiopians: Permanent .....  
Temporary .....

Expatriates: Permanent .....  
Temporary .....

8. Type and quantity of annual production/service of the business:

No.	Products/Service type	Unit	Quantity

B. DECLARATION

I hereby declare that

1. The requirements set by the relevant government institution for the business, complies with safety measures, environmental protection, health and sanitary conditions are fulfilled, and
2. All the statements I made herein and in the additional ..... page/s attached hereto are complete, true and correct.

Applicant's name .....

Position .....

Signature .....

Date .....

For office use only

Comment and decision of the official (Specify the reason if the request is not accepted)

.....  
.....  
.....

Name .....

Position .....

Signature .....

Date .....

DATE.....

**ETHIOPIAN INVESTMENT AGENCY**  
**ADDIS ABABA**

**Subject: Undertaking for the Business License**

As per the requirements set by the Investment Proclamation (as amended) I, the undersigned,.....  
who applied to get business licence for .....  
project located at Region..... Woreda/Sub city  
/..... Kebele..... Ho.No....., hereby undertake to  
respect the relevant laws of the land and in particular,

1. The Investment Law,
2. The Commercial Code and, Commercial Registration and Business Licensing Proclamation, and
3. The requirements set by relevant government institutions for the commercial activity for which the license is applied for, pertaining to:
  - Professional qualification/Certificate of competence
  - Health and sanitary conditions
  - Environmental protection
  - Safety measure, and
  - Other requirements.

With regards,

Name of Applicant .....

Designation .....

Signature .....

Date.....



**Annex 8. - Requirements for Investment permit**

	Individual person	Business organisation (to be) incorporated in Ethiopia	Branch of a business organisation	Joint Venture
Application form	Required	Required	Required	Required
Power of attorney (photocopy)	Required	Required, where the application is made by an agent (other than that is authorized in accordance with Memorandum and Articles of Association); and a photocopy of his power of attorney.	Required, where the application is signed by an agent who is an Ethiopian, a photocopy of his power of attorney. If the agent is a foreign national, photocopy of the important pages of a valid passport.	Required, where the application is made by an agent (other than that is authorized in accordance with Memorandum and Articles of Association).
Photocopy of Memorandum and Articles of Association	Not required	Required	Required	Required
2 Recent passport-size photographs	Required	Not required	Not required	Not required
Photocopy of pages of valid passport	Required	Required, if it is newly established.	Not required	Required, if it is newly established.

Photocopy of ID-cards, which evidence the status of the domestic investor.	Not required	Not required	Not required	Required
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## Annex 9. - Tax privileges for agricultural enterprises

### Arable and horticulture enterprise

type of business	land area (hectares)	duty-free pick-up	duty-free motorbike	duty free trucks t1=3-5 ton t2= 5-10 ton
Floriculture	2-10 ha	1	1	
	11-20 ha	2	1	
	21-50 ha	3	1	
	51-100	4	2	
	+100	5	2	
Horticulture	10-50	1	1	
	51-100	2	1	1 truck (t1)
	101-150	3	1	1 truck (t1)
	+150	3	2	2 trucks (t1)
Cane, grain cereals and oils seeds and plant farms	40-150	1	1	
	151-300	1	2	2 truck (t1) or 1 truck (t2)
	301-450	2	2	4 trucks (t1) or 2 trucks (t2)
	+450	3	2	4 trucks (t1) or 2 trucks (t2)
Tea, coffee and other stimulants	20-80	1	1	1 truck (t1)
	81-150	1	1	2 trucks (t1) or 1 truck (t2)
	151-250	2	1	<ul style="list-style-type: none"> <li>• 1 truck (t1) and 1 truck (t2)</li> <li>• or 3 trucks (t1)</li> </ul>
	+250	3	2	<ul style="list-style-type: none"> <li>• 1 truck (t1) and 2 truck (t2)</li> <li>• or 4 trucks (t1)</li> </ul>
Animal feed	80-150	1	1	1 truck (t1)
	151-300	2	1	<ul style="list-style-type: none"> <li>• 1 truck (t1) and 1 truck (t2)</li> <li>• or 3 trucks (t1)</li> </ul>
	+300	2	2	4 trucks (t1) or 2 trucks (t2)
Seed production farms	2-5	1	1	
	6-10	2	1	
	11-20	2	1	1 truck (t1)
	+20	2	2	2 trucks (t1)
Cotton production farms	50-100	1	1	1 truck (t1)
	101-150	1	2	2 truck (t1) or 1 truck (t2)
	151-250	2	2	<ul style="list-style-type: none"> <li>• 1 truck (t1) and 1 truck (t2)</li> <li>• or 3 trucks (t1)</li> </ul>
	+250	3	2	<ul style="list-style-type: none"> <li>• 1 truck (t1) and 2 truck (t2)</li> <li>• or 5 trucks (t1)</li> </ul>
Forest development	100-300	1	1	2 truck (t1) or 1 truck (t2)
	301-500	2	1	4 trucks (t1) or 2 trucks (t1)
	+500	3	2	6 trucks (t1) or 2 trucks (t2)



Plants with medical and protecting properties/ characteristics	10-50	1	1	
	+50	2	1	

### Livestock enterprises

type of business	• number of animals • number of bee-hives	duty-free pick-up	duty-free motorbike	duty free trucks t1=3-5 ton t2= 5-10 ton
Cattle's, camel, sheep and goat	200-500	1	1	
	+500	2	1	
Dairy farms	100-300	1	1	
	+300	2	1	
Poultry farms	5000-10000	1	1	
	10.001-20000	2	1	
	+20000	3	1	
Pork, rabbit and similar farms	+200	1	1	1 truck (t1)
Crocodile	+500	1	1	
Ostrich	+200	1	1	

type of business	○ number of bee-hives	duty-free pick-up	duty-free motorbike	duty free trucks t1=3-5 ton t2= 5-10 ton
Honey production	500-1000			
	+1000	2	1	

type of business	○ artificial pool capacity	duty-free pick-up	duty-free motorbike	duty free trucks t1=3-5 ton t2= 5-10 ton
Fish	1250-2000 m3	1	1	
	+2000 m3	2	1	

### Industries

#### A. Textile and tailoring industries

1. spinning fabrics
2. weaving and knitting threads
3. whitening, colouring, printing, etc of spun, weaved and knitted fabrics
4. production of clothing

#### B. Meat, leather and leather products industries

1. production of meat from domestic and wild animals as well as birds through abattoirs and processing meat and meat products
2. processing the meat of fish, crocodile, etc
3. tanning of hides (including crust)
4. production of leather clothing, leather products (bag, belt, shoes, etc)

### C. Agro-processing industries

1. processing of oilseeds and products (it doesn't include the task of winnowing and packaging alone)
2. processing of cereals and products (it doesn't include the task of winnowing and packaging alone)
3. processing of fruits and vegetables
4. productions of edible or non edible oil from animals and vegetables
5. processing of milk and dairy products
6. production of starch and starch products
7. preparation of livestock fodder
8. production of sugar
9. production of cacao, chocolate, sugar made sweets
10. production of macaroni, noodle and similar foods
11. production of crop products
12. processing of rubber, gum and other tree products
13. processing of plants used to produce pesticides, anti-fungi, herbicides and drugs (it should also be basic preparation).
14. processing of potato and potato like root plants
15. processing of coffee and tea (it doesn't include winnowing and packaging of coffee)
16. processing of spices and spices products

Capital planned for the investment related to A, B, C listed above	duty-free pick-up	duty free trucks t1=3-5 ton t2= 5-10 ton
3-5 million Birr	1	1 (t1)
15-30 million Birr	2	2 (t1) or 1 (t2)
30-45 million Birr	2	2 (t1) or 1 (t2)
45-60 million Birr	3	4 (t1) or 2 (t2)
50-500 million Birr	3	4 (t1) <b>and</b> 2 (t2) or 1 (t1)



## **Annex 10. - Dutch translations of specific words**

Memorandum of Association -Akte van Oprichting

Articles of Association -Statuten

Guarantor -Persoon die garant staat

Security -onderpand

Sworn translator -beëdigd vertaler

Repayment -aflossing

