Sustainable Investment Roadmap

In Ethiopia, inclusive business is needed to avoid unforeseen, long-term costs associated with community conflicts. This roadmap gives practical tips & tricks for developing Sustainable Investment Activities parallel to your regular investment activities.

Understanding the local context, attitudes and perceptions towards (new) investments is needed as Ethiopia's diversity can make or break business. Local communities and governments generally demand that an investor takes up Corporate Social Responsibility (CSR) activities that contribute to socioeconomic development. This often leads to companies not doing enough, performing random CSR activities, or doing too much. As a result, many companies face misunderstandings, delays or shutdowns. However, companies that get it right experience loads of benefits such as an increase in productivity, easier access to capital and protection in volatile times.

The Context Sensitive Investment program supports you to identify and address 1) your investment's needs and impacts, 2) your community needs, and 3) opportunities for creating mutual beneficial relationships. This helps you to develop Sustainable Investment strategies that make doing business in Ethiopia easier and more cost-effective.



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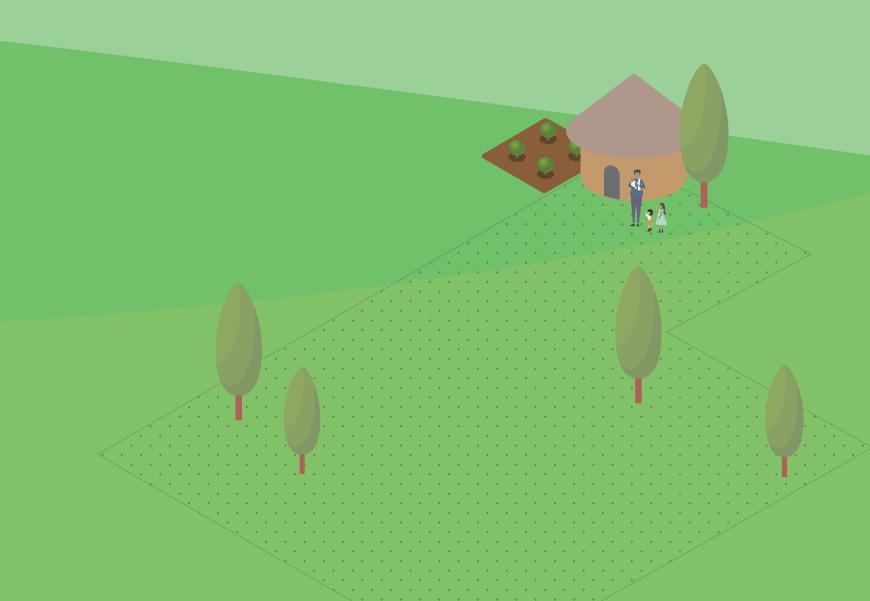
Engage





- they have in your project? How do they feel about your project and why? 2. Find ways to discuss with your stakeholders in a way where they feel safe and respected.
- Address issues that are important to them and listen carefully: what they have to say is important for you and the sustainability of your business. 3. Avoid raising expectations on how your investment might contribute to local development. 4. Listen to everyone affected by your project. Do not forget those people whose voices are
- not always heard! 5. Plan for continued engagement and do not forget to budget.

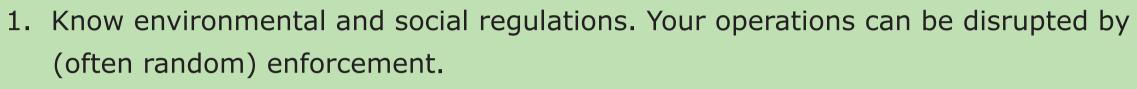






Due Diligence

Tips & Tricks: Investment's Due Diligence



- 2. Do not assume that land compensation has been done correctly. Involve yourself in the procedure, know what has been discussed and promised, and identify potential issues related with land acquisition. Consider projects during the next phases that benefit people who formerly owned your land.
- 3. Perform good Environmental & Social Impact Assessments (ESIAs). ESIAs reduce risks by understanding local dynamics and how your operations might affect these dynamics.
- 4. Focus on managing any environmental and social impacts and risks you have identified.
- 5. Address your (negative) environmental and social impacts (must do) before doing other Sustainable Investment activities (nice to do).

Design

Tips & Tricks: Designing Sustainable Investment Activities

- 1. Sustainable investments can contribute to a stable business climate. Budget accordingly. 2. Use the ESIA as input to understand what sustainable investment activities should be
- prioritized.
- 3. Identify concerns, needs and aspiration of the communities. But be careful not to raise unrealistic expectations!
- 4. Contribute to local development but avoid taking over responsibilities of the government. 5. Work together with other companies if larger development projects are needed. Talk with
- other experienced investors for tips and tricks. Or contact our office for support. 6. Do not assume that the formal government is more recognized or effective to work via than community leaders.
- 7. Consult with trusted representatives.



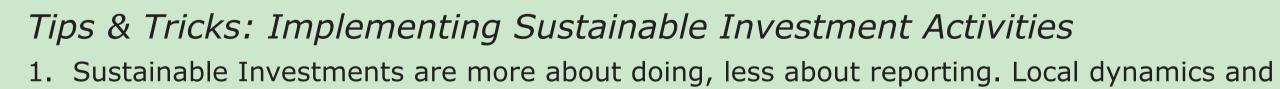


Prioritize

Tips & Tricks: Prioritizing Sustainable Investment Activities

- 1. Select CSR activities strategically Choose Sustainable Investment activities based on 1) your company's impacts, 2) community needs, 3) government priorities, and 4) opportunities for creating mutual beneficial relationships.
- 2. Develop and share a transparent selection process to avoid accusations of corruption. 3. Working top-down can create distrust and dissatisfaction. So, develop Sustainable
- Investment activities from the bottom-up. Involve communities and their leaders when prioritizing activities.
- 4. If needed, choose activities that can be done through a strong local partner such as an existing NGO. But always make sure that your communities recognize your contribution!
- 5. Avoid cash contributions. Although an easy way to spend CSR budget and to create goodwill; its long-term effects might harm your company, making it unsustainable.

Perform



- perceptions change quickly, so continuously keep track to see how your activities are perceived by employees and the communities. 2 Hire someone responsible for Sustainable Investments, provide him/her with the necessary
- support and ensure s/he does a good job. One individual can make or break your reputation within the communities.
- 3. Hire people from the communities and buy locally. This also creates goodwill with influential people that can put in a good word for you during good and bad times. 4. Top management should dedicate time for showing to communities that they matter.
- 5. Review and revise your Sustainable Investment activities regularly, based upon continuous communication with your communities and through measuring results.
- 6. Set clear and measurable goals for your programs hold potential partners accountable for results.







- 1. Engage with your communities and make sure to continuously absorb feedback and respond to grievances. This also includes activities that appear unrelated with your business, such as showing respect by attending ceremonies.
- 2. Regularly meet with community representatives, even if you do not have an agenda. 3. Go beyond writing policies. Invest in communication structures that work in practice.
- 4. Do not make promises or raise expectations that cannot be fulfilled in a short time span. Never overpromise; manage expectations by communicating ASAP when you cannot
- deliver in a short time span. 5. Take rumors & gossip seriously as they can disrupt your operations. Even if it is 'fake news'.
- 6. Be transparent about your environmental and social impacts (positive & negative). Share with communities how your company addresses these impacts.
- 7. Share results of your Sustainable Investment activities with the communities and their leaders often. Make sure that your PR message is professional, consistent and honest. Ask and implement feedback regularly.
- 8. Clean your house. Many employees are also part of your surrounding communities and act as ambassadors for your company when they are happy.





More Information

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