

Refugee Businesses in Ethiopia: Gambella Region

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List of Abbreviations

ARRA	Administration for Refugee & Returnee Affairs
BDS	Business Development Services
CRRF	Comprehensive Refugee Response Framework
DRC	Danish Refugee Council
GDP	Gross Domestic Product
GoE	Government of Ethiopia
GRC	Global Compact on Refugees
GTP	Growth and Transformation Plan
IES	Industrialisation Extension Services
MFI	Micro Finance Institution
MoALR	Ministry of Agriculture and Livestock Resources
MoTI	Ministry of Trade and Investment
MSD	Market Systems Development
MSE	Micro and small enterprises
MSMEs	Micro, small and medium enterprises
NCRRS	National Comprehensive Refugee Response Strategy
NRC	Norwegian Refugee Council
OCP	Out of Camp Policy
OoC	Out of Camp
PS	Private Sector
SDGs	Sustainable Development Goals
TVET	Technical Vocational Education and Training
UN	United Nations

1. Introduction and Approach

1.1. Introduction

This document is part of a broader piece of research that was done on refugee businesses in both the Gambella and Somali regions. This document focuses specifically on refugee businesses surveyed in the Gambella Region to understand how the private sector is engaged in refugee camps in these areas so that SHARPE and others can best support the growth and development of businesses with the ultimate goal of increasing economic opportunities for refugees.

1.2. Approach

The Gambella research focused on understanding the make-up of businesses in refugee camps in the region, profiling entrepreneurs and the types of businesses that refugees start up. The research also looked at the impact these businesses have on their local economies, both host and camps, as well as the barriers to growth, with the view to finding effective ways to support these businesses.

Qualitative and quantitative research was undertaken, with four inter-related themes of questioning:

-  1 Profiled **refugee entrepreneurs**, looking at ethnicity, age, education levels, gender and time in Ethiopia.
-  2 Outlined a **typology of businesses** in the camps, looking at sector, how long the business had been in operation, where businesses source from and whom they sell to.
-  3 Determined the **impact of refugee businesses** on the local economies, looking at formal and informal jobs, as well as size and turnover.
-  4 Outlined the **challenges refugee businesses** face in developing and growing their businesses, how they worked around these challenges, as well as opportunities to grow and develop further.

The research was intended to understand better the nature of refugee self-employment in different economic and social environments with a view to developing strategies to support the growth and development of small refugee businesses and micro-entrepreneurship within refugee camps. It is intended that the research contributes to ongoing efforts among CRRF stakeholders to build an ecosystem that can better support economically active refugees to develop and grow their businesses.

Research Methodology

The research methodology included a mixed methods approach which is detailed below.

Quantitative Research

SHARPE designed a survey that included questions on the characteristics of entrepreneurs, the type of businesses, their operations, as well as key obstacles to growth. For Gambella,

SHARPE engaged a local research firm to sample 100 businesses from two different camps in the region. Refugee businesses were sampled using a cluster sampling approach. The camps in Gambella were grouped into two clusters: camps where there was conflict between host and refugees, and camps where refugees and hosts resided peacefully together. Once the camps were grouped into these two clusters, one camp was selected from each cluster, which led to Pugnido 1 and 2, as well as Tierkidi being the selected camps to sample.

Table 1: Gambella Sample

Region	Camps	Sample Size
Gambella	Pugnido 1 and 2	50
	Tierkidi	50
Total		100

The researchers then selected a random sample of 50 businesses from each camp to survey and profile. The interviewed businesses were selected based on different criteria including female representation, location, size, sector and start-up stage.

Qualitative Research

The purpose of the qualitative research was to complement insights from the quantitative research. Qualitative research was gathered through field visits, key informant interviews and business profiling of refugees.

Out of the 100 businesses surveyed in Gambella, 8 businesses were profiled in detail to obtain a deeper understanding of specific issues relating to refugee entrepreneurs there. These interviews were done in person by SHARPE staff.

The profiles included the following:

- Entrepreneur: Women or men, age, area they are from, how long in Ethiopia
- Business operations: Types of enterprise, size, by turnover, and number of hired staff. How does their enterprise work: where do they source from? Who do they sell to?
- What are the main challenges and how do they work around challenges?
- What aspirations do they have for their business?

The SHARPE team also conducted visits to the selected refugee camps in Gambella to better understand the context, engaging both implementers and government services currently working in these districts.

Methodology in Gambella Region

The analysis used a mixed methods approach.

Qualitative:

A refugee survey was conducted in two camps (Pugnido and Tierkidi) targeting a total of 100 refugee business owners.

Qualitative:

Primary data conducted through interviews with 8 business owners, and KIIS with staff from NGOs, government agencies and other organisations. This also included a desk review of documents.

Data collection and analysis

Data was gathered and inputted by enumerators into the Kobo app. Data gathering was quality controlled by the SHARPE Team, and data was cleaned throughout the gathering process and then analysed using SPSS by the SHARPE team.

Limitations of the data

The data collection methods used in this research do not aim to be statistically representative, but rather aim to give detailed insights into refugee businesses in Gambella.

- The quantitative data will not represent the beneficiary host community members – the research was focused exclusively on refugee business.
- This is not a statistically representative sample of businesses in these areas, as businesses were selected randomly upon a walk around the camps. If the business owner was not around, the business was left out and another was selected. However, care was taken to select a wide variety of different sizes of businesses to ensure the sample was as representative as possible, as well as a sample of female businesses.
- At the time of data gathering, Ethiopia was still battling the impact of Covid-19, which also had an impact on the camps. However, most operations continued as per normal at the time of data gathering, and our observation was that business occurred as usual, including cross-border trade.

2. Context

2.1. Refugees in Gambella

The South Sudanese are the largest group of refugees in the country with a total of 348,699 people sheltered in seven camps in the Gambella Region¹. The refugee camps and host communities in Gambella are ethnically diverse, with Nuer, Anuak and the Majangir, the Opo, and the Komo ethnic groups, including a large population of Ethiopians not from the region (referred to as highlanders).

In the mid-1980s, refugees from southern Sudan fled conflict and moved into camps in Gambella and Benishangul-Gumuz. Another wave of fighting broke out in 2013 after South Sudanese independence and a famine, largely caused by conflict, was declared in parts of South Sudan in 2017². These events led to widespread displacement, and in Ethiopia resulting in South Sudanese refugees for the most part residing in Gambella and Benishangul-Gumuz. Their presence has profoundly altered the region's social, economic, and demographic context. The map below highlights locations of the various camps and major towns in the region.

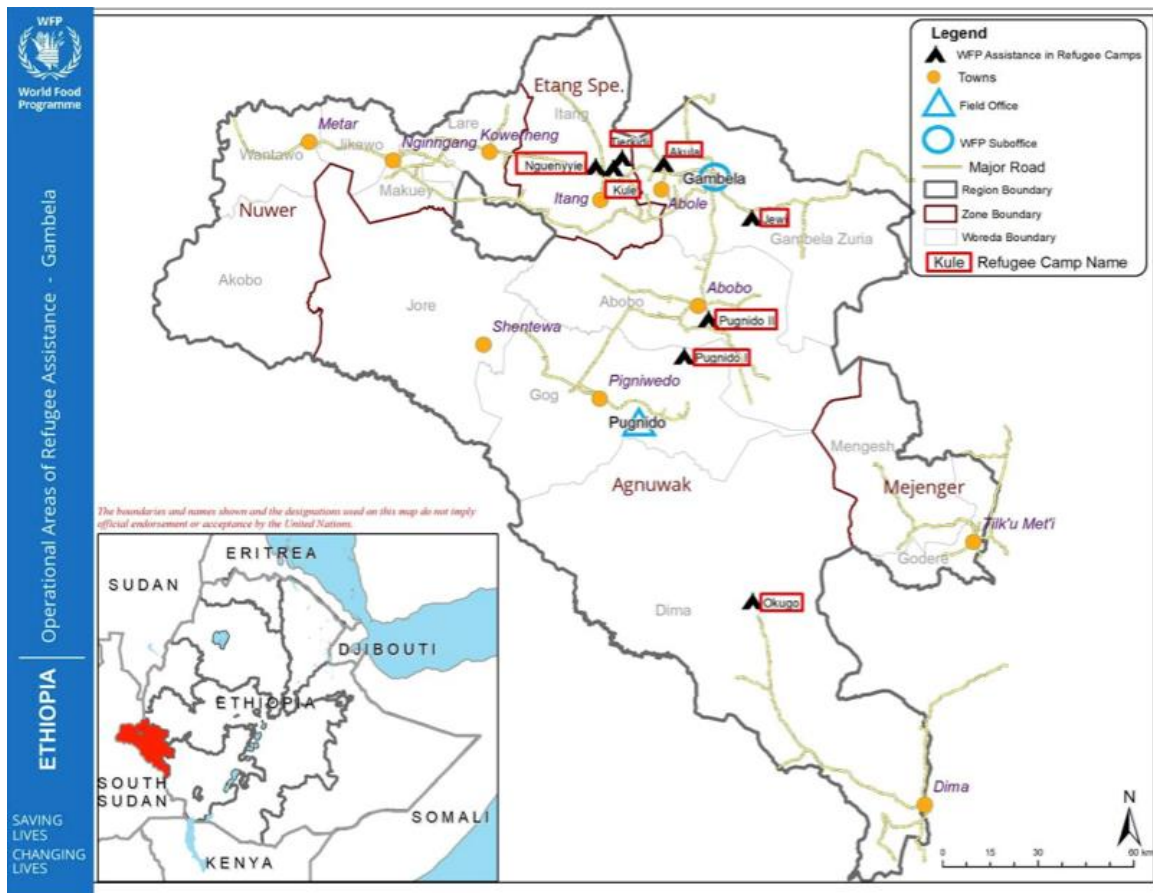
The number of refugees from South Sudan is almost equal in number to the host population, and this threatens to disturb the demographic balance as the overwhelming majority of refugees are ethnic Nuer³, while most Ethiopians are drawn from both Nuer and Anuak populations.

¹ As of September, 2021. UNHCR Gambella Situational Update September 2021

² See Boswell, Alan, Nanaho Yamanaka, Aditya Sarkar, and Alex de Waal. 2019. *The Security Arena in South Sudan: A Political Marketplace Study*. December. London: London School of Economics and Political Science and Medford, MA: World Peace Foundation. <http://eprints.lse.ac.uk/id/eprint/102894>.

³ 91% based on current registration profiling. UNHCR Gambella Situational Update June 2020

Figure 1 Map of Gambella Region and refugee camps



The relationship between the groups has continued to deteriorate ever since, but particularly since 2016, affecting the economic opportunities available to refugees. In recent years, incidences of violence in pockets of the region between refugees and the host community have escalated due to tensions over scarce resources and the uneven distribution of services to refugees versus the host community.

2.2. Selected camps for the research

The following provides additional contextual detail on the selected camps for this research.

Pugnido Camp

Pugnido 1 was re-established in 1993⁴, and is the oldest refugee camp in Gambella. Its two sections host South Sudanese Nuer and Anuak refugees. Anuak refugees are located in the section closest to Pugnido town, a ten to fifteen-minute drive. The second section hosts Nuer refugees. This section is about a 30 to 40-minute drive from Pugnido town and is separated from the town by a forest. Beyond the Nuer section of Pugnido 1 begins Pugnido 2. Anuak refugees in Pugnido 1 are from two regions in South Sudan: Pochalla and Akobo. The two groups have a good relationship with each other. The Nuer refugees in Pugnido come from a variety of regions in South Sudan: Akobo, Upper Nile State, Jongeli State with a capital of Boar town. Most of the refugees are from rural areas, except for some refugees from Upper Nile State, where there is a larger town, called Malakal.

⁴ Pugnido camp was closed in 1991, after the fall of the Derg regime.

Figure 2: Overview of Pugnido Camp

Gambella Region Pugnido 1 and 2 Camp	Pugnido 1 is the oldest refugee camp in Gambella. This camp and Pugnido 2 host South Sudanese Nuer and Anuak refugees surrounded by host Anuak communities. The population is 39,214* (P1) and 8,011* (P2). The refugee camp is located at about 100km from Gambella Town. The road is being constructed. Conflict between the two communities is common. Nuer refugees are not able to move freely due to insecurity.
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**population totals as of 28 May 2021

When refugees first arrived in Pugnido, both groups could access Pugnido town and travel to Gambella. However, movement to both locations is now restricted depending on the security situation. Violent attacks between the Anuak and the Nuer have escalated since 2016, and the host community members are also prone to attacks from the Murle—an ethnic group from South Sudan.

Insecurity has eroded trust between both ethnic groups and has created a deep sense of fear at night due to the unpredictability of the attacks. In times of insecurity, Nuer refugees are barred from accessing Pugnido town and the surrounding forest. The lack of mobility impacts on refugees' ability to successfully run and grow their businesses.

Tierkidi Camp

Figure 3 Overview of Tierkidi Camp

Gambella Region Tierkidi Camp	Tierkidi Camp hosts 67,089* Nuer refugees surrounded by Nuer host communities. The camp is also close to the border and cross border trade does occur. There is a peaceful coexistence between the host and refugee communities, and both do business with each other. There is some infrastructure: asphalt roads and access to banks. Tierkidi is also close to Gambella Town and refugees are able to *population totals as of 30 Jun 2021
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In the three refugee camps in Itang, refugees primarily come from Nasir, Akobo, and Maiwut, and are predominantly Nuer. These refugees originate mostly from the rural areas, with some coming from a semi-urban setting if they are from Maiwut town. Cross-border movement among the Nuer at the Ethiopian–Sudan border has created transnational kinships, as Ethiopian Nuer and South Sudanese Nuer are related to each other. Nuer refugees therefore have deep and positive connections with the Nuer host community in Itang and are more easily able to integrate and assimilate into Ethiopian society. For instance, during clashes among refugees in Kule camp last year, some went to live with the host community⁵.

In Itang, both refugee and the Nuer host communities claim that the Anuak host community is a security threat. Conversely, Anuak host communities largely view Nuer refugees as a threat to their land and livelihood security. Diverging conceptions of land and conflict over natural resources, particularly firewood, are the main catalysts for the attacks committed by the Anuak.

⁵ Ibid.

2.3. Economic Opportunities in Gambella

The Gambella Region is rich in resources and arable land. The host population in Gambella mostly depends on subsistence farming, pasture, fishing, beekeeping and hunting⁶. The main livelihood activities are pastoralism and agro-pastoralism, although this differs based on ethnic groups⁷. The context has been further complicated by the acquisition of land for commercial agriculture in the region and projects aimed at “villagisation”⁸.

According to the World Bank, Gambella refugees primarily engage in three livelihood activities: cutting down wood or collecting grass for sale⁹; brewing local alcohol¹⁰; and selling/trading, such as selling grains, other retail goods and foods, sometimes items they receive in their rations¹¹. Some refugees sell informally, others have more permanent businesses inside the camps, including small shops that sell goods or provide cell phone or other power-charging facilities, although this is dependent on the camp and the ethnicity, as movement will impact on business operations.

The presence of refugees has catalysed economic activity in the areas closest to the refugee camps, such as Puklot kebele or Gambella town, leading to opportunities for petty trading, such as selling grains, other retail goods and foods, have expanded with the influx of refugees¹². However, ‘highlanders’ dominate the more lucrative livelihoods opportunities; they are the major traders in the region, own the majority of shops, restaurants, banks, and commercial buildings, and occupy most positions in UN agencies, NGOs, and federal institutions¹³. Some refugees have become shrewd business people, buying vegetables from highland wholesalers and reselling them in the camps, undercutting the highlander traders¹⁴.

Refugees have both complementary and competing economic interactions with the host community. Unequal job opportunities and livelihood capabilities can be a cause of tension between hosts and refugees, however, there are also key opportunities for trade between the groups: host community members supply refugees with perishable and nonperishable

⁶ An estimated 90 per cent of the land is flat and suitable for farming. UNHCR Gambella Situational Update June 2020

⁷ Five indigenous ethnic groups live in Gambella: the Anywaa, Nuer, Mejenger, Opo and Komo. These groups are distinct in terms of the different livelihood activities they pursue. The Nuer practise agro-pastoralism; the Anywaa and the Opo are predominantly sedentary agriculturalists; and the Mejenger combine hunting and gathering with shifting cultivation. UNHCR Gambella Situational Update June 2020

⁸ See Meckelburg, Alexander. 2014. “Large Scale Land Investments in Gambella, Western Ethiopia: The Politics and Policies of Land.” In *A Delicate Balance: Land Use, Minority Rights and Social Stability in the Horn of Africa*. Addis Ababa: Institute of Peace and Security Studies, Addis Ababa University; and Hammond, Laura. 2008.

“Strategies of Invisibilisation: How Ethiopia’s Resettlement Programme Hides the Poorest of the Poor.” *Journal of Refugee Studies* 21 (4): 517–36.

⁹ Deforestation is a major source of tension with the host community, however refugees are compelled by their difficult situation: firewood is both a form of fuel and a source of income that enables refugees to cook and buy goods not found in their rations. Vemuru, V, Sarkar, A, and Fitri Woodhouse, A (2020). *Impact of Refugees on Hosting Communities in Ethiopia: A Social Analysis*. World Bank

¹⁰ Brewing alcohol to sell in local towns is another popular livelihood source for female refugees at some camps in Gambella. Even though the activity is taxed in the camps, it allows women to acquire essentials and lets them avoid confrontation with the host community over allegations of deforestation. Vemuru, V, Sarkar, A, and Fitri Woodhouse, A (2020). *Impact of Refugees on Hosting Communities in Ethiopia: A Social Analysis*. World Bank

¹¹ Trading of rations has become more challenging after UNHCR decreased the quantity of rations provided to refugees, although some trade of rations does still take place with the host communities. Vemuru, V, Sarkar, A, and Fitri Woodhouse, A (2020). *Impact of Refugees on Hosting Communities in Ethiopia: A Social Analysis*. World Bank

¹² Ibid.

¹³ Highlanders have continued to migrate to Gambella, recognising the economic opportunities resulting from refugees’ presence in the area. Ibid.

¹⁴ Ibid.

goods, and refugees sell to the host community items from their rations that are usually very expensive, such as oil and wheat, or that are not easily found¹⁵.

3. Analysis of Refugee Businesses in Tierkidi and Pugnido

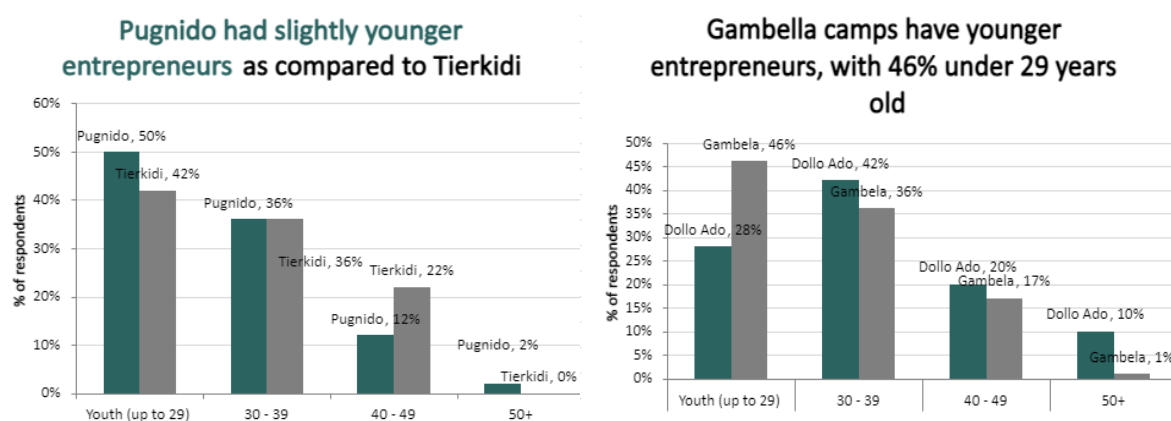
The following section analyses the primary research that was done on refugee businesses in Tierkidi and Pugnido. This is broken up into four sections: an overview of the entrepreneurs; understanding the types of businesses in the camps; the impact on the local economies (looking at jobs created and turnover); and the constraints to growth.

3.1. Refugee Entrepreneurs

Business owners: Age and Gender

The average age of refugee entrepreneurs surveyed in Gambella was 31.3 years, from a range of 16 – 60 years. Gambella entrepreneurs surveyed were young: 46% of entrepreneurs surveyed were younger than 29 years; only 18% of entrepreneurs were 40 years and older out of the sample of 100 businesses in Tierkidi and Pugnido.

Figure 4: Age of Refugee Business Owners

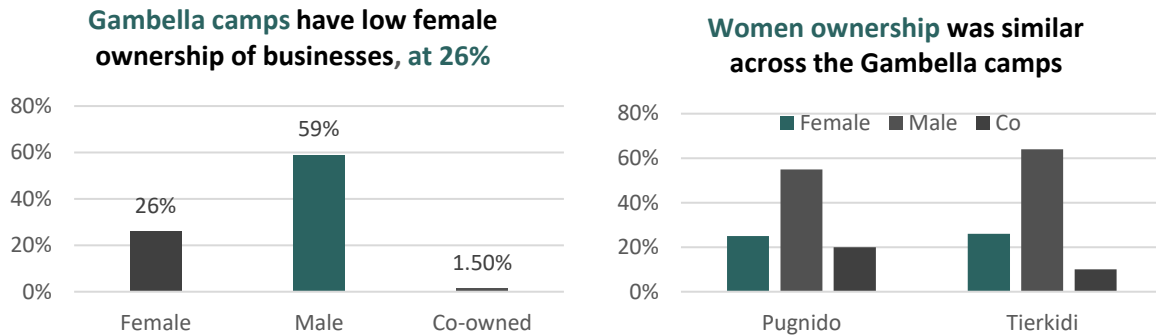


Pugnido had slightly younger entrepreneurs as compared to Tierkidi, for instance, 50% of the refugee entrepreneurs surveyed in Pugnido were younger than 29 as compared to 42% for Tierkidi. Tierkidi had older entrepreneurs, with 22% in the over 40 age bracket, compared to Pugnido, which had only 14% older than 40 years.

Women ownership was low in Gambella (26%). However, 15% of the businesses surveyed were co-owned by both men and women.

¹⁵ Ibid.

Figure 5: Gender of Businesses owner

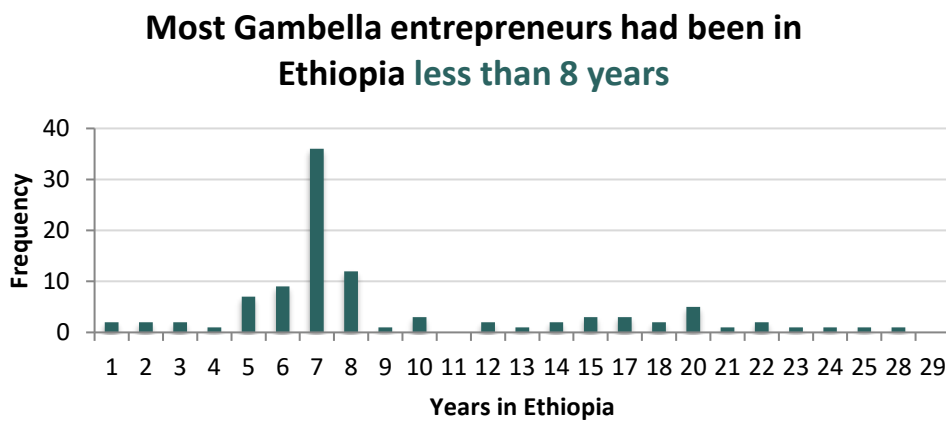


Rates of women owned businesses were similar across the Gambella camps, although there were twice as many co-owned businesses surveyed in Pugnido as compared to Tierkidi.

Business Owners: Time in Ethiopia

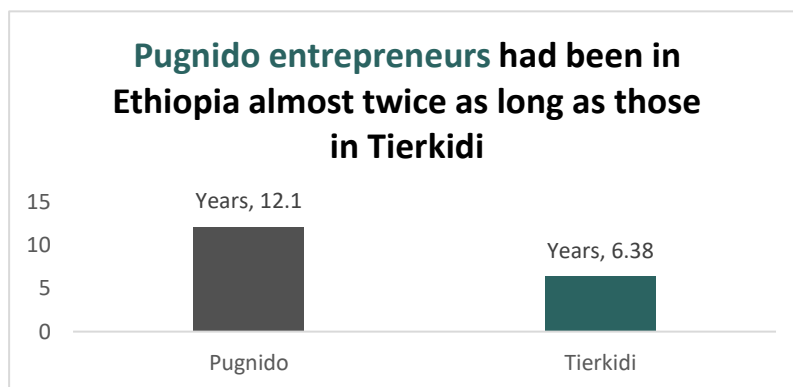
The data indicated that most Gambella refugee owners surveyed had been in Ethiopia between 5 - 8 years.

Figure 6: Number of years in Ethiopia



Pugnido entrepreneurs have been in Ethiopia on average 12.1 years, as compared to Tierkidi entrepreneurs, on average 6.4 years.

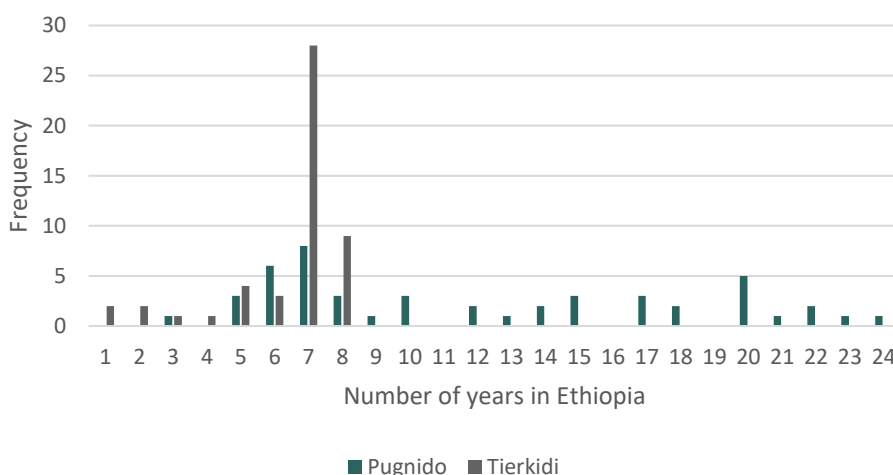
Figure 7: Number of years in Ethiopia compared across camps



This makes sense since Tierkidi opened in February 2014 (7.5 years ago) and Pugnido 1 was opened in 1993, receiving 3 waves of refugees in 1993, 2012 and 2013, and Pugnido 2 was opened in 2015. The chart below indicates the range of years in Ethiopia, with Pugnido entrepreneurs ranging between 3 and 24 years in Ethiopia, while Tierkidi entrepreneurs ranged between 1 and 8 years.

Figure 8 Years in Ethiopia frequency compared across camps

Pugnido entrepreneurs had been in Ethiopia between 3 and 24 years; Tierkidi entrepreneurs between 1 and 8 years

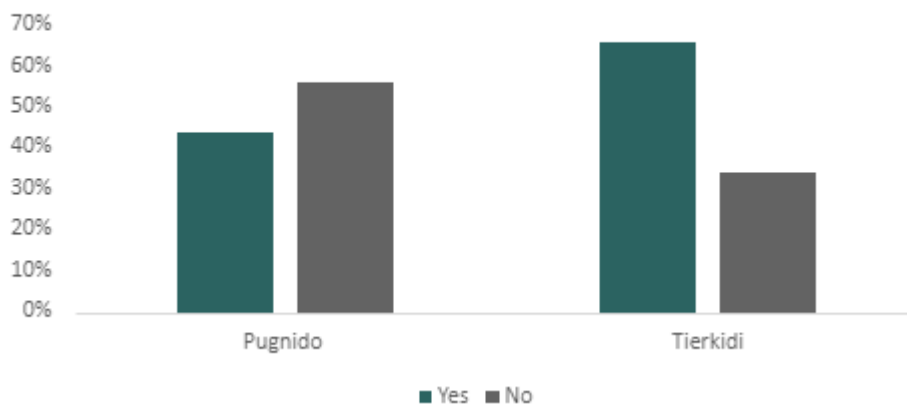


Business owners: Previous Employment Status

In Gambella, 55% of refugee entrepreneurs had been self-employed before coming to Ethiopia. This shows that self-employment is a natural approach to livelihoods for refugees.

Figure 9 Refugees indicating previous self-employment

Tierkidi entrepreneurs were 22% more likely to have been self-employed back home



This was higher in Tierkidi, 22% more business owners indicated they had been self-employed in South Sudan as compared to refugees in Pugnido. This may be explained by how long the refugees have been in Ethiopia and by the age of entrepreneurs: Tierkidi refugees are newer to Ethiopia, and have started businesses post South Sudan independence, while Pugnido refugees came much earlier on average, and may have struggled to start up businesses in the pre independence time. Also, Pugnido refugees have been in Ethiopia on average for 12 years, with 50% of them younger than 29 years, making them too young to be in business before arriving in Ethiopia.

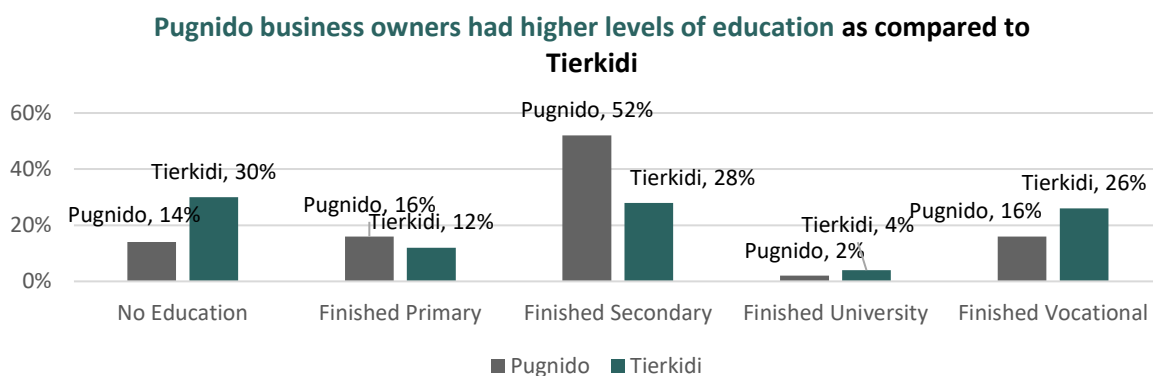
Business owners: Education Levels

Many of the South Sudanese refugee entrepreneurs had completed formal education, with 65% of South Sudanese refugees surveyed by SHARPE having completed either high school, vocational school or university. The surveyed business owners appear to have significantly more education than the general South Sudanese refugee population: only 14% of South Sudanese refugees surveyed by the World Bank had completed higher levels of education according to the World Bank skills report. This would lead us to conclude that refugees with higher levels of education were more likely to start up their own business.

Table 2 South Sudanese education compared with World Bank Data

	Business owners (SHARPE research)	General Gambella refugee population (World Bank Research)
No education	22%	38%
Finished primary	14%	47%
Finished secondary	41%	12%
Finished university	3%	2%
Finished vocational	21%	n/a
Completed secondary or post secondary	65%	14%

Figure 10 Levels of completed Education



Pugnido business owners had higher levels of education as compared to Tierkidi. 70% of respondents had either completed secondary, vocational or university in Pugnido compared to 58% in Tierkidi, and only 14% of business owners surveyed in Pugnido had no completed education¹⁶ compared to over twice as many in Tierkidi at 30%. As Pugnido camp has been opened longer than Tierkidi, and refugees in Ethiopia longer than in Tierkidi, it could be that Pugnido refugees had access to better education through the camps.

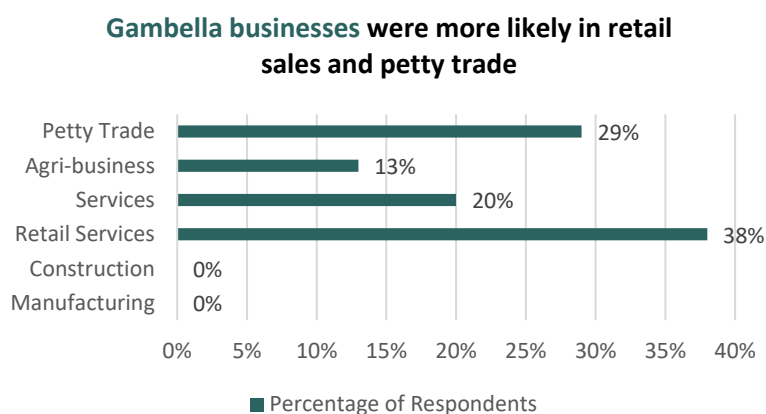
3.2. Typology of Refugee Businesses

This next section outlines the profiles of businesses surveyed in the Gambella Region in order to better understand the makeup of refugee enterprises.

Sector of Refugee Businesses

Refugee businesses surveyed were more likely to be engaged in retail sales (38%) and petty trade (29%), with less involvement in services and much less in agribusiness. There were no refugee entrepreneurs working in manufacturing or construction in Gambella.

Figure 11 Sectors of Business Surveyed

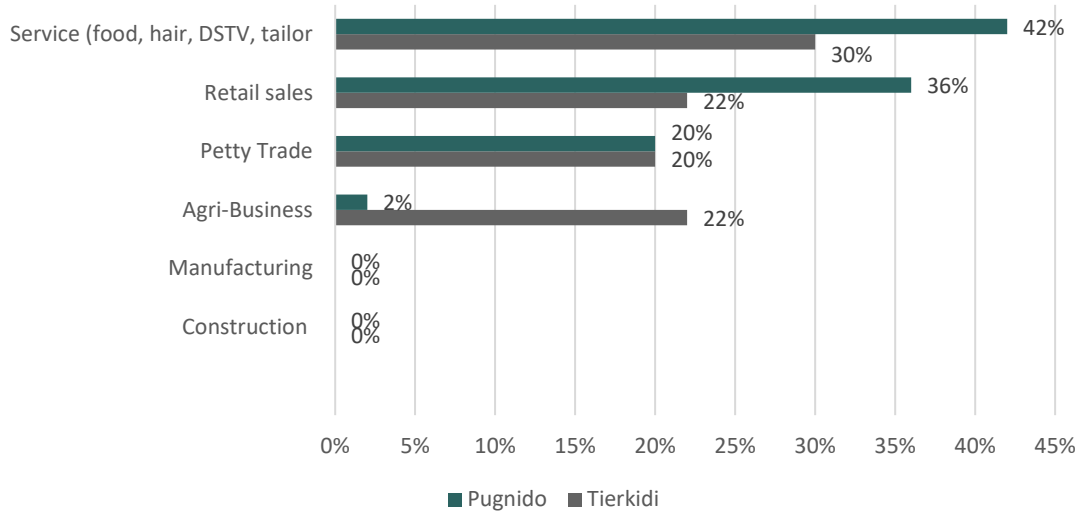


The majority of refugee businesses in Pugnido were in the services and retail sectors, as well as in petty trade. The main difference is that Tierkidi had more entrepreneurs operating in the agricultural sector.

¹⁶ World Bank Skills Report, 2019.

Figure 12 Sectors disaggregated by camp

Most Tierkidi and Pugnido entrepreneurs operated in the service, retail or petty trade sector

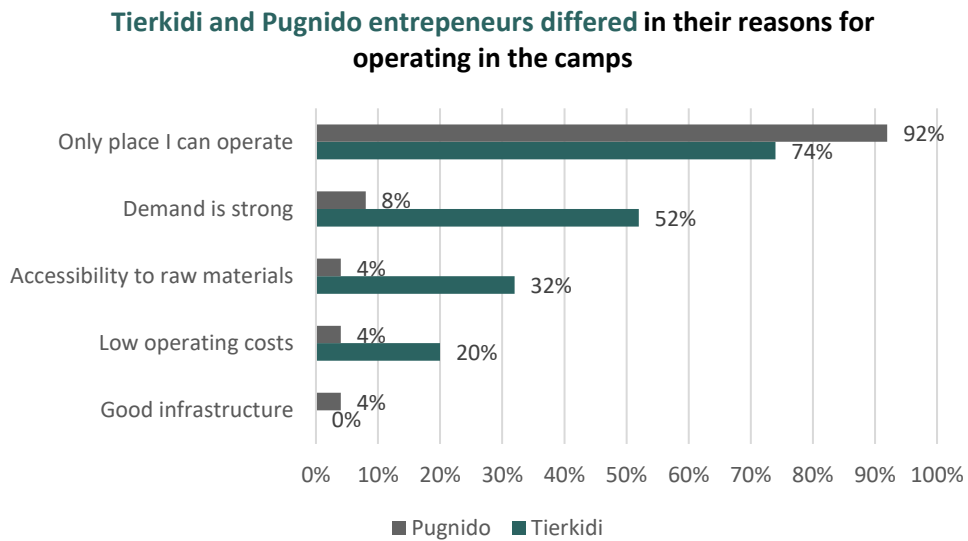


This was because Tierkidi refugees are more able to move freely to purchase agricultural products, such as maize, beans, mangoes or vegetables. For instance, women in Tierkidi purchase vegetables from Gambella town¹⁷ and retail in Tierkidi or Tarfam market. The one Pugnido agribusiness was in the fisheries trade only, selling dry fish. Pugnido refugees were not able to as easily travel to Gambella town and they are also further away from Gambella on a rough road¹⁸.

¹⁷ Tierkidi camp is only 46 kms from Gambella town, on a good road.

¹⁸ Pugnido camp is 111 kms away from Gambella town on a rough road. Distance, insecurity, and access to Gambella town are all reasons why sourcing raw materials is challenging for entrepreneurs.

Figure 13 Reasons for operating in the camps disaggregated

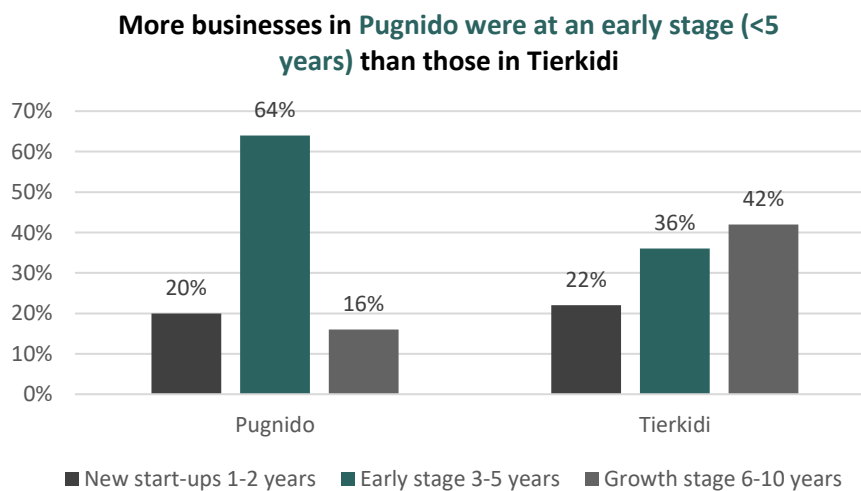


Refugees in Pugnido overwhelmingly cited the reason for operating in the camps was due to the “only place I can operate” (92%), with few citing other reasons. However in Tierkidi entrepreneurs identified other reasons, such as strong demand (52% of entrepreneurs), accessibility to raw materials (32%) and low operating costs (20%).

Lifecycle of Businesses

In the camps businesses were at an early stage, with half of the Gambella businesses having begun in the past 3 – 5 years, and there were no businesses older than 10 years in the Gambella camps. However more businesses in Pugnido were at an early stage (in operation less than 5 years) as compared to Tierkidi. 84% of businesses in Pugnido had started within the past 5 years; in Tierkidi only 58% of businesses had been in operation 5 years or less.

Figure 14 Age of Business compared across camps



This is an interesting finding, as Pugnido entrepreneurs had been in the camps on average 12 years, compared to Tierkidi (6 years). This is due to a number of factors:

- Due to the insecurity and the isolation of the camp to Pugnido town, refugees did not have as many opportunities to start businesses in Pugnido as compared to Tierkidi. The nearest market in Pugnido town is not within walking distance for the Nuer refugees, and movement is often restricted due to insecurity. In contrast, Tierkidi camp is close (within walking distance) to Tarfam market in the host community, making it easier for them to engage in trading activities. There are also significantly fewer security concerns for Tierkidi refugees compared to those in Pugnido.
- Before 2013, Pugnido town did not have a large population. We believe that due to this, demand for goods was lower from the refugees themselves. However now the camp population is higher, it has increased the demand for goods leading to more opportunities for businesses.
- Furthermore, as has already been indicated, Tierkidi refugees came from South Sudan post independence, with many of them previously operating businesses in South Sudan.
- Now that the food basket is lower from WFP, it is pushing refugees to engage in additional livelihoods activities. This could be another reason why refugees in Pugnido have so many businesses starting-up in the past 3 – 5 years.

In Gambella 99% of the businesses surveyed were considered “micro” as per the definition in the MSME Policy, defined as 5 employees or less. There was only one company in Tierkidi that was considered “small”. This is not a surprising finding and is reflective of the informal small nature of businesses in the camps.



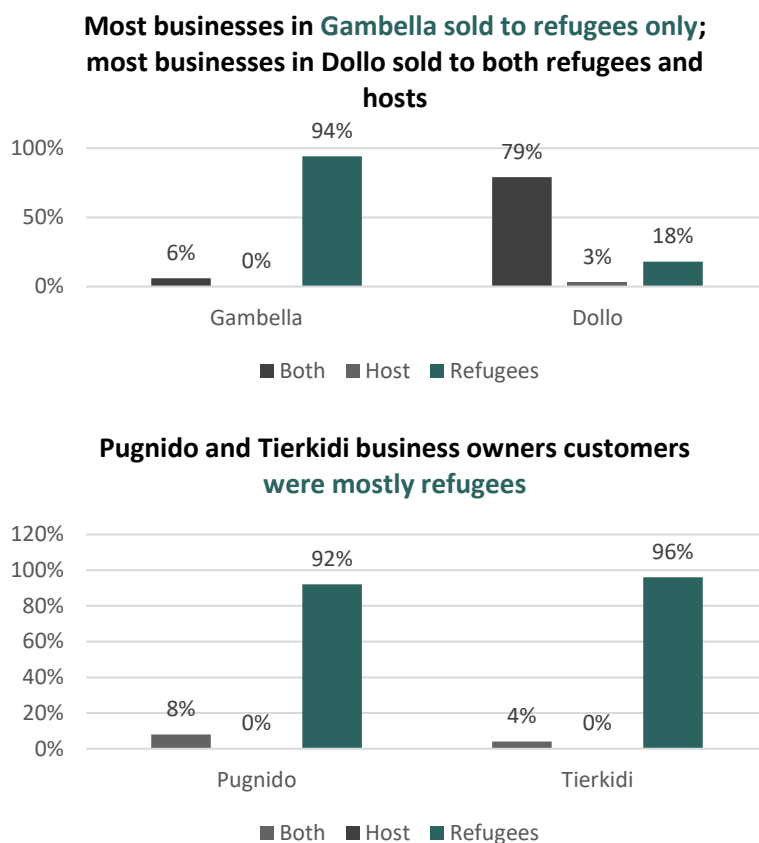
3.3. Economic Impact of Refugee Businesses

This next section explores the impact refugee businesses have on their local economies, including where they buy from, whom they sell to, the estimated annual sales of the companies and the numbers of people employed both formally and casually.

Sourcing from and selling to

In Gambella, most of the businesses (94%) sold only to refugees, while in Dollo Ado this was reversed, with only 18% of businesses selling to refugees only, and 79% of businesses selling to both. This is reflective of the tenuous relationships with hosts in Gambella.

Figure 15 Customers

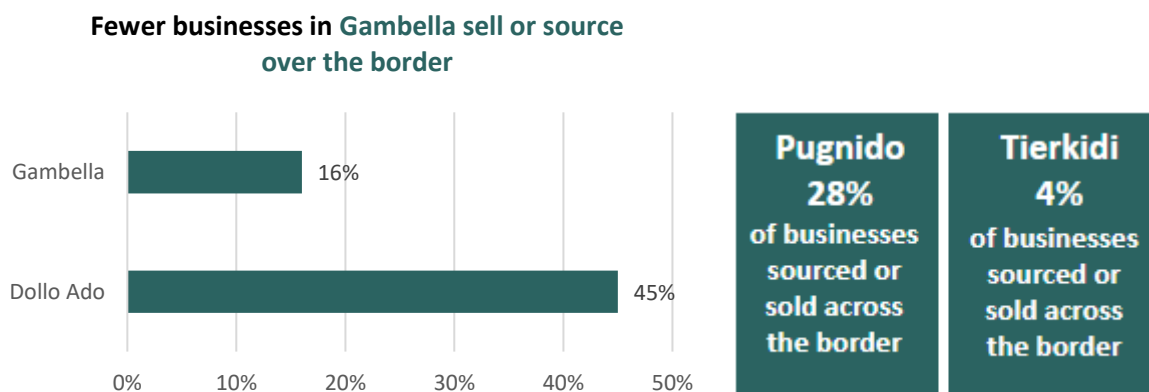


However surprisingly, between the Gambella camps there was no difference, with businesses in Pugnido camp selling slightly more to both hosts and refugees (8%) compared to businesses in Tierkidi (4%). In Tierkidi the two businesses selling to both were restaurants serving both refugees and hosts. Fewer Tierkidi businesses were selling to hosts, not because of conflict, but because in Itang there are three refugee camps and a large refugee population who can travel relatively freely to Tarfam market – there is therefore a large refugee market.

In Pugnido the businesses selling to both hosts and refugees were three retail shops selling to both, and one hair salon servicing both hosts and refugees. These businesses were all owned by Anuak refugees and all based in Pugnido town.

Cross-border trade typically is important for border livelihoods, and our data shows that 28% of Pugnido entrepreneurs sourced from or sold across the border. This was at a much higher rate than those in Tierkidi, where only 4% of business owners sold or sourced from South Sudan. Most Tierkidi businesses sourced from the local host markets (Tarfam) or from Gambella town.

Figure 16 Business operations across borders



This was a surprising finding since Pugnido camps are further from the border as compared to Tierkidi.

Upon further investigation we found that all of the entrepreneurs in Pugnido¹⁹ who indicated they sourced or sold across the border were Anuak refugees so security was not an issue. Many of the Anuak in Pugnido originate from Pushala town, a border town, so they may have relatives or other social connections in South Sudan they are able to sell to or source from, which facilitates trading. These refugees, especially during the dry season, cycle to the border from Pugnido. Since the kebeles from Pugnido to the border are Anuak they do not experience any security challenges²⁰.

While Tierkidi is closer to South Sudan than Pugnido, and the road is better, the origin of the Nuer refugees is not in the area bordering Ethiopia²¹. This means the social connections are not established as compared to Anuak refugees in Pugnido²² and only 2/50 entrepreneurs sourced or sold across the border²³.

Cross border trade is clearly based on ethnic connections and security and is not a function of distance to the border.

Impact on the local economy

The average sales per business surveyed in Gambella were 640,35 ETB per annum (1,383 USD), 17% less than refugee businesses in Dollo Ado.

¹⁹ The Pugnido CBT businesses n = 14:

- 10 retail stores
- 1 petty trader
- 3 hair salons

²⁰ It takes approximately 2 days on a bicycle to cycle from Pugnido Camp to the South Sudanese boarder.

²¹ This means the clan and subclan differences across the border are not similar to the Nuer in Tierkidi, and refugees are selective on who they approach in doing business. This means the social connections are not as conducive for Nuer for cross border trade.

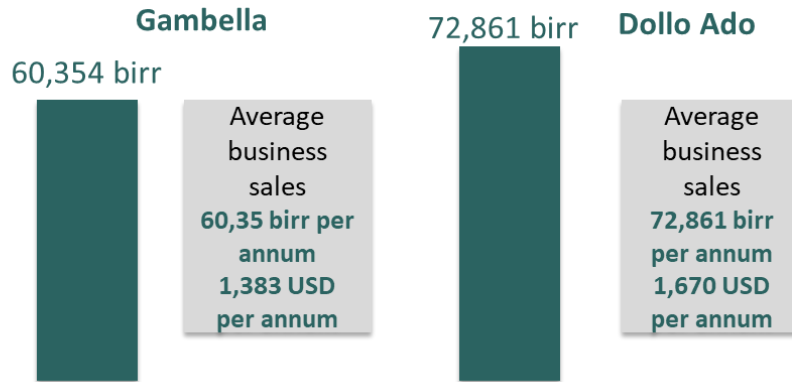
²² Furthermore, the nearest town on the South Sudanese side is Pagak town, however this is a small town and may not have the same type of opportunities as compared to Pushala town. Mayut is a larger town on the South Sudan side of the border, which may have more economic opportunities, however this town is further away from the border, so not so accessible.

²³ Tierkidi CBT businesses n= 2

- 1 dstv shop

Figure 17: Average sales of businesses per region

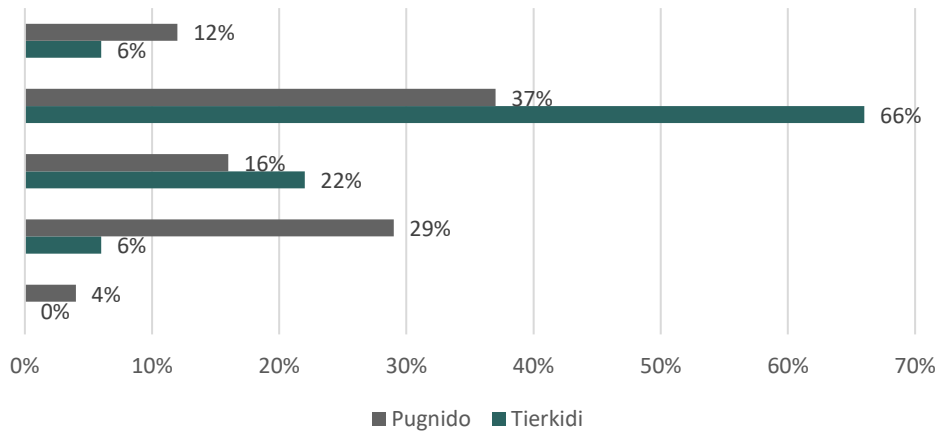
Dollo Ado businesses make on average 17% more per annum as compared to Gambella



More (66%) of Tierkidi businesses stated their sales were between 50,000 and 100,000 birr per annum, while only 37% of Pugnido businesses surveyed indicated the same). Pugnido businesses had more sales at the lower end and higher end: 49% of Pugnido businesses earned less than 50,000 birr per annum, as compared to Tierkidi at 28%, and Pugnido had more companies earning above 100,000 birr pa (14%) versus Tierkidi at 6%.

Figure 18 Sales disaggregated by camp

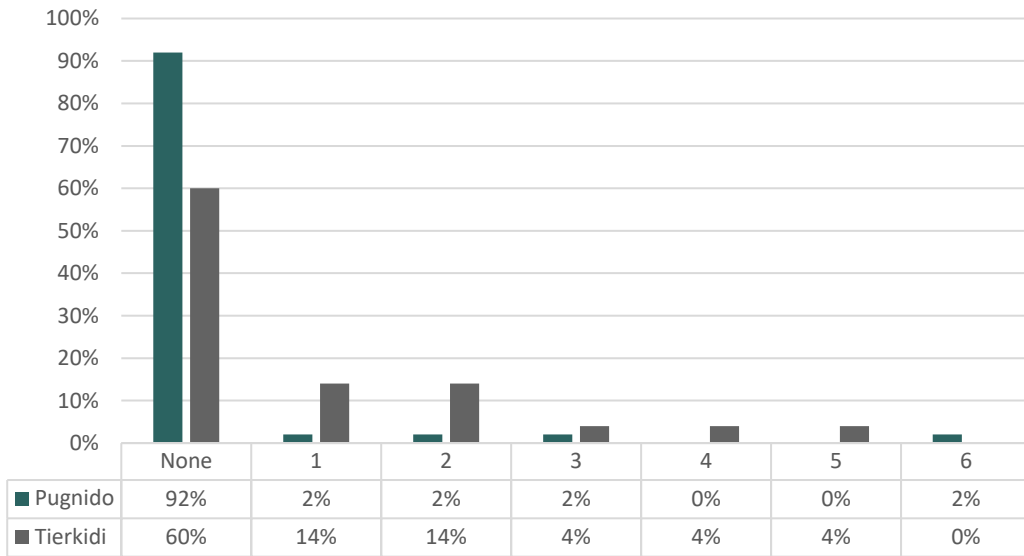
Tierkidi businesses had moderate sales; Pugnido had more instances of lower and higher sales




The SHARPE team also wanted to better understand the contribution towards employment by refugee businesses, and asked a series of questions about numbers of people employed, their salaries and casual labourers.


Figure 19 Employment by refugee businesses per camp

Tierkidi had higher numbers of companies employing others





Tierkidi
0.9
employees
hired per
refugee
business




Tierkidi
6.7 days of
casual labour
per refugee
business per
annum


Most businesses were small and had little impact on employment in the camps, with only 24% of Gambella businesses hiring people beside themselves (as the entrepreneur). However 40% of Tierkidi businesses hired another person besides employing themselves. In Pugnido this was much lower, with only 8% of businesses with employees.

There was a total of 57 people hired from the 100 Gambella businesses surveyed, meaning that from every two business, there is one employee hired. However this was again largely a result of Tierkidi businesses, with 45 people hired out of the 50 businesses, meaning that for every company, 0.9 employees were hired. Pugnido only had 12 people hired from the 50 businesses surveyed, signifying that for every company there was 0.24 employees hired. The average salary for employees was 2,054 ETB per month in the two camps.

33% of Gambella businesses hired casual labourers at some point in the last year. However this was almost entirely skewed towards Tierkidi businesses (34% of Tierkidi businesses hired informal workers), with only one business in Pugnido hiring informal workers. Most casual labourers earned between 50 and 100 ETB per day, and the Gambella businesses hired a total of 351 days of casual labour in the past year, with Pugnido hiring 16 days of casual labour and Tierkidi 335 days in total.

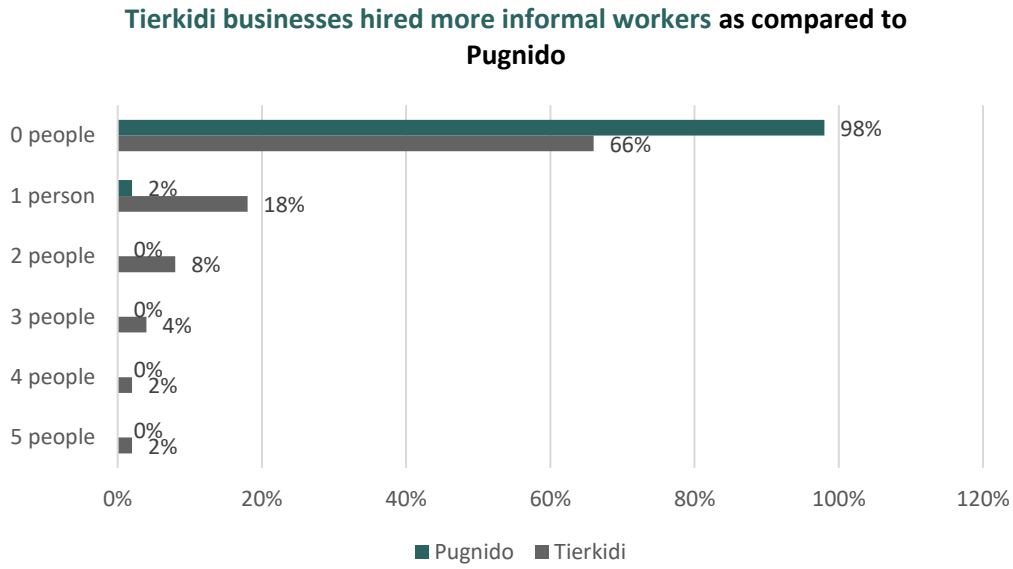


Pugnido
0.24
employees
hired per
refugee
business



Pugnido
0.32 days of
casual labour
per refugee
business per
annum

Figure 20 Businesses hiring casual labourers



This means every business in Tierkidi is creating 6.7 days of informal work per annum, in Pugnido every business creates only 0.32 days of informal labour per annum. Tierkidi businesses have a much stronger impact on employment, both casual and formal as compared to Pugnido businesses in the camps.

Figure 21: Daily rate of casual labourers



3.4. Constraints to Growth for Refugee Businesses

The enabling environment impacts on the growth and development of the private sector in refugee-hosting areas and on the ability of refugees to take advantage of the opportunities for self-employment and entrepreneurship. This next section looks at refugee entrepreneurs and their perceived barriers to growth.

Retail food shop in Pugnido Camp

Abdul is 35 years old and has been living in Ethiopia for 8 years. He owns a small shop selling food items such as biscuits, vegetables, sugar, coffee, and pasta to refugees in Pugnido Camp. He owned a small shop in South Sudan before he came to Ethiopia. He is the only one working in the business. He has a working capital of 10,000 birr, and makes over 180,000 birr annual sales turnover (over \$4,000 pa).

He travels twice a week to the nearby market in Pugnido to purchase supplies from a supplier there. He is not able to purchase from Gambella Town because he is not able to travel without a travel permit. He does not have a residence permit nor is his business registered.

He understands the value of obtaining a residence permit for travel to marketplaces in Gambella or other, but does not see the value of registering his business.

“The price of raw material we buy in Pugnido Town is very high; and it is very expensive to refugees if we add some margin.”

The main challenges are:

Inability to source supplies from other areas due to a lack of a residence permit and insecurity; instead he buys from the local market where the price is high. This results in his business not growing due to low profitability.

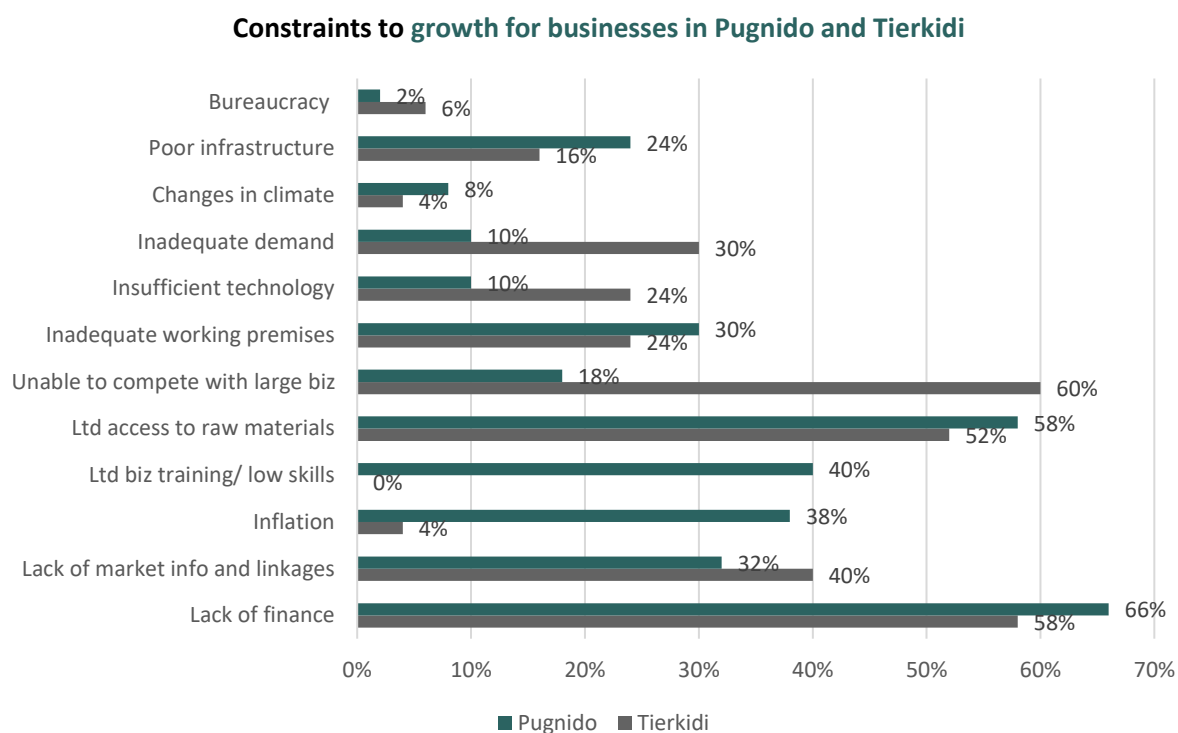
There is no one to support him financially – loan or some fund to expand his business. His supplier in Pugnido won't provide him supplies on credit.

Refugee entrepreneurs were asked their major constraints in operating their businesses.

For entrepreneurs in both Pugnido and Tierkidi, the main constraints were lack of finance, limited access to raw materials (58%, 52%), and lack of market information and linkages (32%, 40%). These are essentially linked to two main constraints: the impact of limited mobility on sales and sourcing of materials, as well as lack of access to capital.

Pugnido entrepreneurs also highlighted poor business skills (40%), inflation (meaning exchange rates) (38%), inadequate working premises (30%), and poor infrastructure (24%). Tierkidi entrepreneurs indicated slightly different constraints: inability to compete with large businesses (60%) and inadequate demand (30%), possibly due to the fact that refugee customers could travel and source goods from other towns outside of the camp, so there was more competition for goods more accessible for Tierkidi refugees. These were not highly cited constraints for Pugnido businesses as Nuer refugees in Pugnido were more restricted in their movement, and therefore more likely to purchase goods from businesses within the camp.

Figure 22 Constraints to growth



In the next sections we explore the major constraints through qualitative and quantitative data, namely limited mobility and a lack of access to finance.

Limited Mobility of Entrepreneurs

The reasons for limited access to raw materials and poor market linkages were attributed to limited movement. In Pugnido and Tierkidi, a lack of residence and business permits, and insecurity mostly for refugees in Pugnido camps, affects business performance. This means that restrictions on movement during times of insecurity have a significant economic cost for refugees.

Nuer refugees were more likely to indicate challenges to their businesses: “security issues”, “inability to move”, “living as a refugee”, and “living under camp administration”.

- *“During insecurity there is no movement, in addition there is no permission”.* Nuer refugee Pugnido camp

Anuak refugees indicated more typical business constraints: bribes or “unfair taxes”, “unfair prices”, “high price of transport”, “difficulty buying from distributors”, “financial limitations”, and similar to Nuer refugees, “legal constraints”.

- *“Financial limitations, inaccessible transport services, distance from the business, high rises in prices.”* Anuak refugee Pugnido camp
- *“Not able to purchase at the distributor shop because of a lack of license.”* Anuak refugee Pugnido camp

Insecurity affecting mobility

Most entrepreneurs in Pugnido camp source from Pugnido town, as they cannot get to Gambella town due to distance and cost, as well as insecurity. However, even sourcing from Pugnido town can be challenging when the security situation is poor. This is except for Anuak Pugnido refugees who are based in the town. The main challenge for Pugnido refugees in sourcing from Pugnido town is that costs are high, resulting in business profit being impacted.

Nuer refugees in Pugnido are especially affected by the movement restrictions placed on them related to insecurity. Nuer can sometimes travel to Pugnido town, although this depends on the security situation²⁴.

- *“Due to the conflict with local community (Anuak), we cannot go outside of the camp during conflict due to insecurity. Last year, we were locked in the camp and we were not permitted to go outside of the camp due to fear of attack from local community.”* Nuer Refugee entrepreneur in Pugnido
- *“I could not go out to the community to buy goods. We fear for our life.”* Nuer Refugee entrepreneur in Pugnido
- *“We cannot go to Gambella [town] to buy things because of a lack of work permits; instead we buy from the local market where the price is high. The price of raw material we buy in Pugnido is very high; and it is very expensive to refugees if we add some margin.”* Nuer refugee entrepreneur in Pugnido
- *“A constraint for my business is the high price of goods in Pugnido town, and we have no option to go to Gambella [town] to buy goods at a fair price to re-sale it in the camp with a good margin.”* Nuer refugee entrepreneur in Pugnido,

Highlanders are transporting goods to the camp from Pugnido town when conflict occurs.

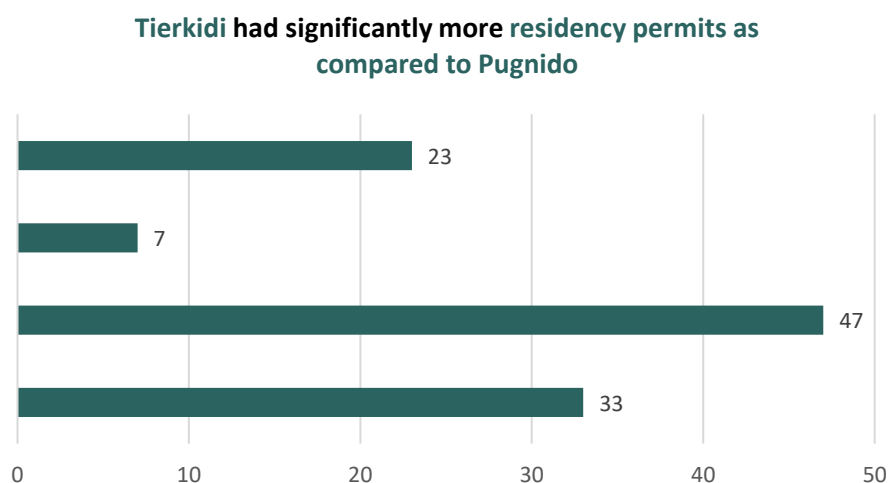
- *“I established a regular supplier in Pugnido town to supply me goods, and he sometimes gives me a discount on the goods I buy.”* Nuer refugee entrepreneur in Pugnido
- *“I buy items from suppliers in Pugnido town, once a week – but this is when the security situation is good.”* Nuer refugee entrepreneur in Pugnido

Lack of residence permits or businesses licenses and mobility

As few refugee entrepreneurs had residence permits and only one had a business permit, this also limited their movement and hence business operations.

²⁴ When SHARPE undertook the research in May 2021, Nuer refugees were able to move, however since September 4th 2021, movement has been restricted again and travel to Pugnido town is halted.

Figure 23 Residence permits



Only 30 entrepreneurs in Gambella out of the 100 surveyed had residence permits, although this varied in the camps with 23 refugee entrepreneurs surveyed having residence permits in Tierkidi compared to only 7 out of 50 entrepreneurs in Pugnido Camp. In Gambella, at the time of the research ARRA had issued 97 residence permits in total, out of the 2,650 that have been given out so far across the country. This has predominantly been through NGOs, through joint ventures, for example, ZOA was able to get 57 permits through their projects in Tierkidi²⁵.

Tierkidi refugees did not have mobility constraints due to insecurity, and were able to source more easily from Gambella town and other host areas.

- *“The source of raw material is from host community town (Terfam), and also from Gambella town.”* Nuer refugee entrepreneur in Tierkidi
- *“There is no conflict with host community, and it is smooth in buying goods from host community.”* Nuer refugee entrepreneur in Tierkidi

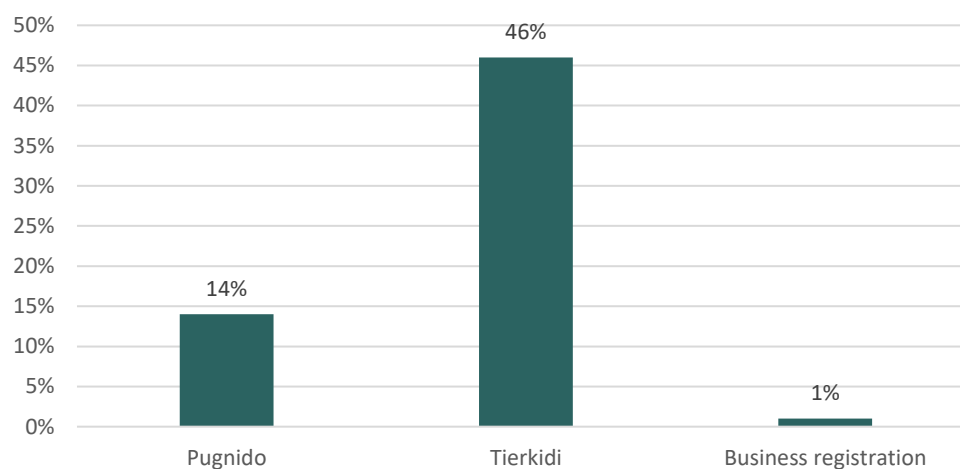
However some Tierkidi entrepreneurs indicated that sourcing goods was affected by restrictions on mobility due to a lack of residency permits.

- *“Challenges are the high market price of goods/commodities, and refugees cannot afford this when a margin is added, as well as the lack of work permits to freely travel and buy goods from Gambella [town].”* Refugee entrepreneur in Tierkidi

²⁵ Implementing NGOs have asked UNHCR and ARRA for work permits, resulting in more economically viable refugees obtaining these. They have the incentive to choose refugees who are in viable businesses. In Pugnido, the livelihoods activity is different. There are fewer livelihoods components there as compared to Tierkidi.

Figure 24 Registration Permits and Business Registration in Gambella

30% of business owners had resident permits in Gambella; 1% had registered their business



Entrepreneurs indicated the lack of formality was impacting on the success of business operations:

- *“It is very difficult to buy and transport materials, business equipment from Gambella to the camp. All check points ask for a business license to permit passing... I am forced to pay a lot of bribes to the officers to get permission [to pass].”* Refugee entrepreneur in Tierkidi

There was only one registered business in Gambella out of 100 businesses surveyed.

- *“[My business] is not registered. I don’t see the importance of registering the business”.* Refugee entrepreneur in Tierkidi
- *“Since I am a refugee I have no Ethiopian identification card to get a [business] license.”* Refugee entrepreneur in Pugnido

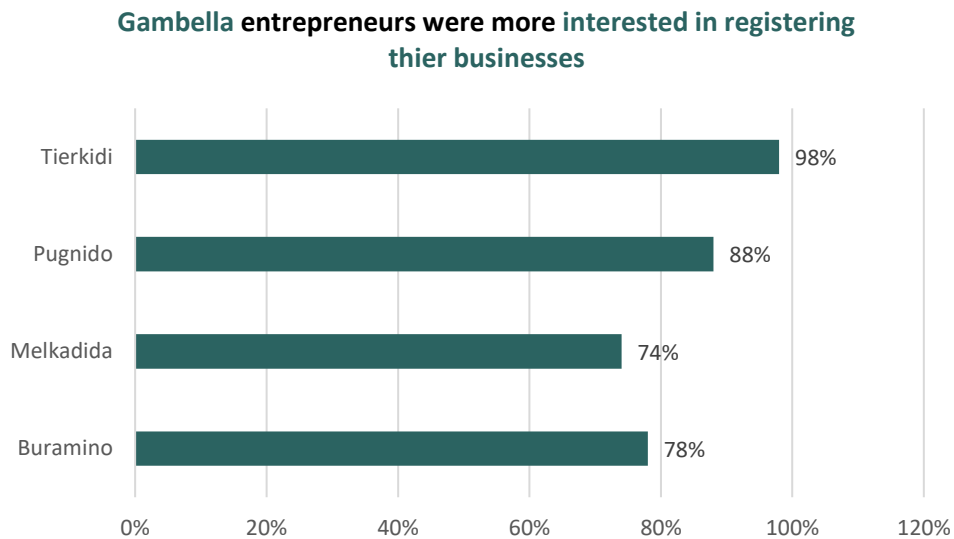
The process to obtain a business license is still not clear to most refugees²⁶ in Gambella.

- *“I don’t know how to register the business, I have no information about this. I also don’t understand the need to register.”* Refugee entrepreneur from Pugnido Camp

However there was significant interest of refugee entrepreneurs to register their businesses, with Tierkidi business owners even more interested than those in Pugnido.

²⁶ The process was still unclear for many people in the camps. Our interviews with government and UNHCR indicated that refugees must have a TIN number and their residence permit, and a letter from ARRA. This needs to be given to the Trade Office who then provides a business license.

Figure 25 Interest in business registration



Refugees indicated a number of benefits to registering their business operations.

Tierkidi Entrepreneurs' perception of benefits from business registration:

- ◆ Easier border crossing to sell goods
- ◆ Be able to sell goods or services out of the camp, to the host community
- ◆ Freedom of movement with goods
- ◆ Buying from suppliers at a low price
- ◆ Easier access to work premises

Pugnido Entrepreneurs' view of benefits from business registration:

- ◆ Ability to buy at the wholesale store or district distributor at a fair price
- ◆ Easier to pass the checkpoints
- ◆ Ease of crossing the border to buy raw materials
- ◆ Easier to buy products with local currency

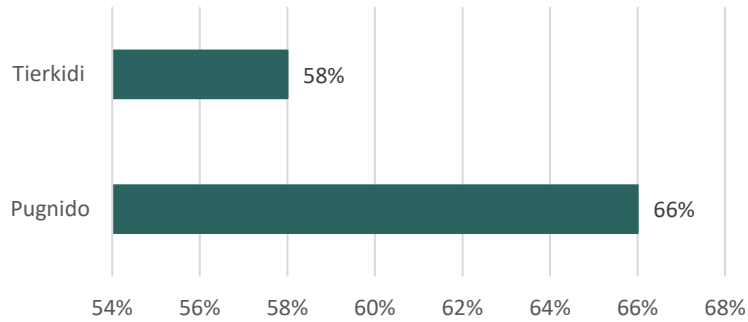
However some also indicated there was no motivation to register their business. For the entrepreneurs in Gambella Region, a significant motivation to register their business was to have greater freedom of movement to allow them to source or buy goods from cheaper sources (e.g. in Gambella town). However, there may have been some confusion about what a residence permit offers to entrepreneurs versus a business license - freedom of movement should be resolved by having a residence permit. Interviews with UNHCR and ARRA confirmed that there should not be any issue moving goods at the checkpoints without a business license – movement is linked to residence rather than business registration. This could be an awareness issue rather than a policy issue.

Access to Finance

Access to finance reported as a key constraint for growth for businesses for both Pugnido (66%) and Tierkidi (58%) entrepreneurs.

Figure 26 Lack of Finance for Gambella Entrepreneurs

Lack of finance was the most identified constraint for both Tierkidi and Pugnido entrepreneurs

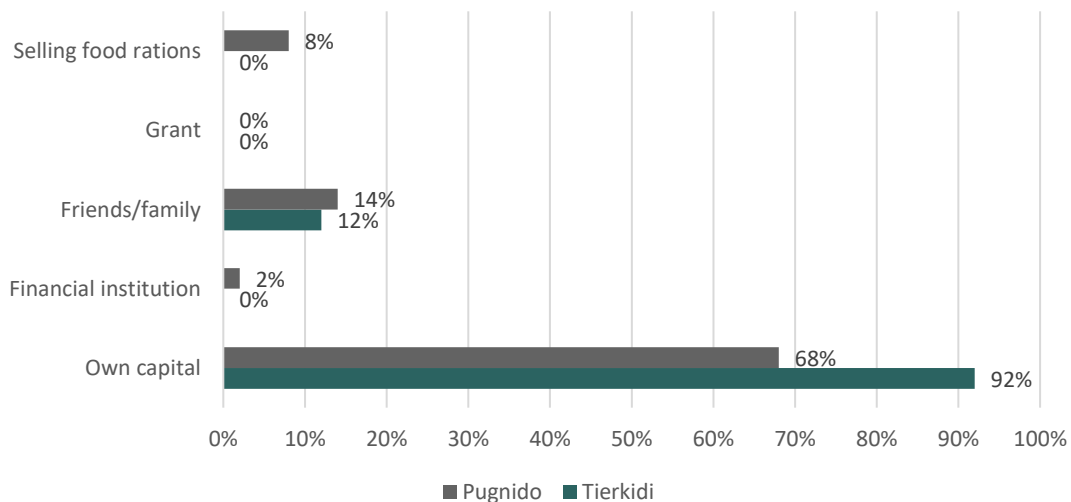


Very few refugee entrepreneurs (1%) accessed formal financial capital, and have looked to other options for credit: most Gambella refugees finance their business from their own capital (80%) or from family or friends (13%). Only four (4%) entrepreneurs indicated they sold their food rations to get the money to start their businesses.

- *“I use food from the food aid, and buy some vegetables and fish from a local market in the camp to prepare traditional food and sell to refugees.”* Refugee entrepreneur in Pugnido
- *“I requested for a supply on credit – for the goods to be sold and paid to [a supplier] later; but he still did not trust me!”* Refugee entrepreneur in Pugnido

Figure 27 Access to capital for business start-up or operations

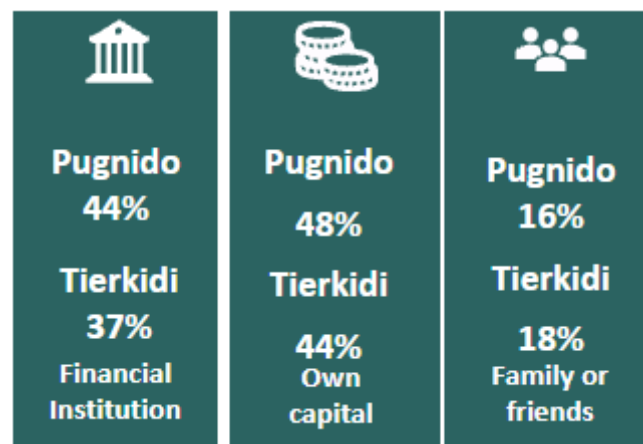
Most Gambella refugee entrepreneurs finance their business with their own capital



The entrepreneurs who sold their rations for capital to start their businesses were all in Pugnido. None of the businesses surveyed in Gambella received any money from grants, and very few accessed money from friends or family (0% and 2%).

There was little difference between the two camps in terms of accessing formal financial services. This was different than the World Bank report²⁷ which indicated that borrowing is not as common in Pugnido among Nuer refugees as it is for their counterparts in Itang, indicating that movement restrictions into Pugnido town is one barrier, another is the weak connection with the host community. We did not find this in our research; access to formal finance was low in both camps for both Anuak and Nuer refugees. Additional research by SHARPE in July 2021²⁸, indicated that refugees and hosts in Gambella mostly save through their animals, or look to informal finance where they find high levels of interest²⁹. The majority of customers of commercial banks in Gambella are highlanders and few hosts nor refugees benefit from the formal financial institutions.

The overall demand for financial services by hosts and refugees is tremendously high, shown by the high demand level for informal loans regardless of the high interest rates this carries, and also from the response from surveyed entrepreneurs: 97 business owners from Gambella (out of 100) indicated they are in need of additional finance to grow their businesses. These businesses indicated their wish to obtain future financing from three different sources:



These were largely similar across the two camps, with slightly more Pugnido entrepreneurs wanting to access money from financial institutions compared to those in Tierkidi. However, entrepreneurs expected to get capital mostly from their own savings or business operations with some from friends and family, as formal credit is just not available to them.

- *“I want to expand my business, to open a big shop with big premises. But that needs a lot of support from government like work permits, travel to Gambella and business loans or funds.”* Refugee entrepreneur in Pugnido
- *“Credit is not available to borrow and invest on business expansion and equipment.”* Refugee entrepreneur in Tierkidi

²⁷ Vemuru, V, Sarkar, A, and Fitri Woodhouse, A (2020). Impact of Refugees on Hosting Communities in Ethiopia: A Social Analysis. World Bank

²⁸ SHARPE 2021. Evaluating Financial Services in Gambella. Draft report.

²⁹ Interest from informal mechanisms can reach up to 50% interest per month

This is reflective of the limited formality of most businesses in Gambella, limited reach of financial institutions into the camps as well as refugees deterred by the concept of paying interest. This also suggests that the growth of these refugees businesses will continue to be constrained by a lack of finance to expand, making access to credit a critical issue.

Additional Constraints for women entrepreneurs

In the SHARPE research, we found that women entrepreneurs in Gambella outlined similar constraints for growth and expansion of their businesses as male entrepreneurs. However, they also identified specific challenges in running their business related to cultural issues, family responsibilities and time challenges. Women spoke about cultural constraints that stop them from running their businesses especially as it takes them away from the responsibilities of family. Some women indicated that running their business is an issue during pregnancy and breastfeeding of children. Many spoke about the balance between family responsibilities, which limits their time in their business.



Constraints identified by female entrepreneurs:

- *“I am not expected to stay a long time at the business centre, I need to nurture the children, home food preparation and wash my husband clothes.”* Female entrepreneur in Pugnido
- *“Balancing between the business and the family, unnecessary questions from men or boys.”* Female entrepreneur in Pugnido
- *“Childcare and responsibility at home.”* Female entrepreneur in Tierkidi
- *“If I stayed in the business for long there is suspect from my husband.”* Female entrepreneur Pugnido
- *“Difficult to work during the pregnancy and feeding time.”* Female entrepreneur in Pugnido

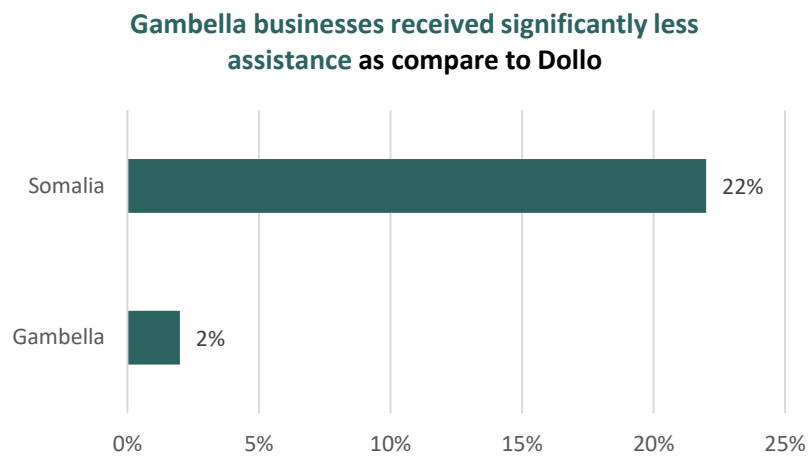
Other research in Gambella camps has also outlined the expanded roles of refugee women due to home and community work that limits their participation in economic and livelihood opportunities³⁰. These additional responsibilities may impact on the success of women businesses for refugees in Gambella.

Additional assistance received and aspiration for their business

Only two entrepreneurs in Gambella received assistance from NGOs for their businesses - these were both based in Tierkidi. None of the businesses surveyed received any help from government services. This is significant and indicates that the focus for livelihoods programming in Gambella is not focused on enterprise development.

³⁰ The triple burden of women in Gambella: reproductive work (domestic work, child-caring and rearing, caring for the sick, water and fuel related work), productive work (work for income) and community work (collective activities). See MEDA (2020). Gender Equality and Social Inclusion Assessment for Gambella Final Report and Draft GESI Action Plan.

Figure 28 Type of assistance received



Refugee entrepreneurs indicated a number of things they wanted to see that would help them to expand and grow their businesses:

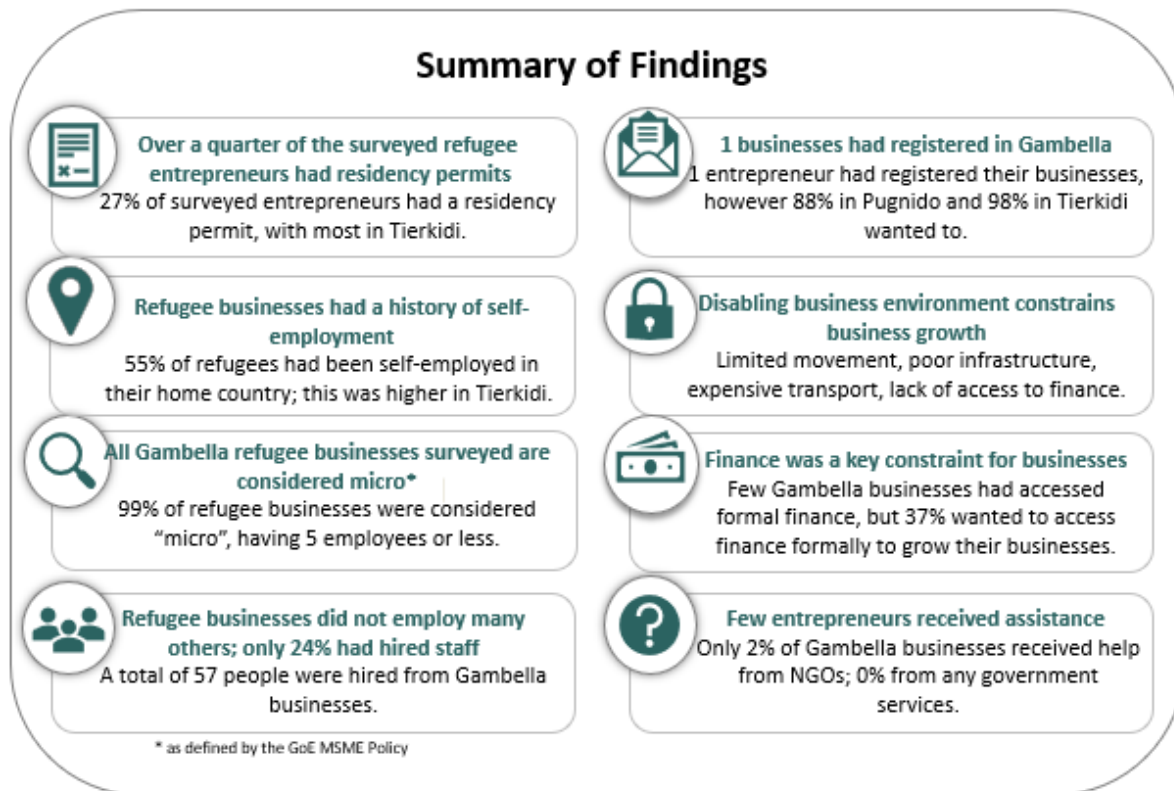
- Expanding businesses across the camps: *“Building unlimited peace in the camp between neighbourhoods in addition to refugee mobility, with an introduction of economic linkages between neighbourhoods.”* Refugee in Pugnido camp
- *“Restriction is the most important problem here. Since the insecurity occurred we could not be able to move to the district to buy material. So the government and NGOs should build strong relationships between host and refugee communities so it will be easy for us to access resources.”* Refugee in Pugnido Camp
- *“Regulation to implement and let the refugees get fast tracking license and permits.”* Refugee in Pugnido Camp

Some quotes from the research indicating refugee aspirations for their businesses and lives:

- *“Being a woman it needs a lot of things: doing my best without any assistance from my husband, being interested to make it better and to help my husband and family.”* Woman refugee entrepreneur from Pugnido camp
- *“I have aspirations to work for a better future for my life.”* Refugee in Tierkidi camp
- *“I want to handle my own life and help other family members.”* Refugee in Tierkidi camp

4. Summary of Findings

To conclude, we found the following through our survey and business profiling in the two refugee camps in Gambella:



In summary,:

- **Over a quarter of the surveyed refugee entrepreneurs had residence permits -** 27% of the surveyed entrepreneurs had a residence permit, with most in Tierkidi. Residence permits can help, and people clearly understand that movement restrictions are a big challenge to running a business – probably more beneficial than business licences.
- **Refugee business owners had a history of self-employment.** 55% of refugees had been self-employed in their home country; this was much higher in Tierkidi, and may have been due to Tierkidi entrepreneurs having more exposure and connection to markets in the host community.
- **99% of Gambella refugee businesses surveyed are considered micro*.** 99% of refugee businesses were considered “micro”, having 5 employees or less. This meant the market for larger, more influential businesses was not there, and also the impact of these businesses on the wider camp economy was small. The main types of refugee businesses in operation in Gambella are largely small, family run businesses with little employment creation, especially in Pugnido. Both Pugnido and Tierkidi businesses are profitable, and have the potential to grow, despite the difficult environment.
- **Refugee businesses did not employ many others; only 24% had hired staff, however this was mostly from Tierkidi businesses.** A total of 57 people were hired from Gambella businesses. Tierkidi has a greater impact on the wider economy in terms of employment and hiring of casual labour.
- **Only 1 refugee had registered their business in Gambella.** This refugee registered his business through another Ethiopia. However 88% in Pugnido and 98% in Tierkidi

wanted to. However there was some confusion among the entrepreneurs about what a residence permit and a business license would provide for them, especially for their critical business needs, which were around access to finance, as well as being able to move freely to source goods within Ethiopia and across the border, as well as find new markets to sell to.

- **Disabling business environment constrains business growth.** While refugees are entrepreneurial, they have a number of limitations that stop them from being able to grow their businesses and contribute to the refugee economies. Limited movement, poor infrastructure, expensive transport, lack of access to finance impacted on the ground of refugee businesses. Lack of movement due to insecurity had a significant impact on Pugnido businesses. This is a constraint that is harder to address, but important to understand as the Pugnido businesses are much smaller and have less of an impact on the wider camp economy due to this environment. There needs to be greater stakeholder engagement to help local authorities (including refugee central committees) and refugees themselves to understand what the new regulations are (e.g. Right to Work Directive) and what this means for people in terms of opportunities (e.g residence permit; SIM card; bank account).
- **Finance was a key constraint for businesses.** Few Gambella businesses had accessed formal finance, but 37% wanted to access finance formally to grow their businesses. Access to business finance for small-scale businesses can potentially be significantly impactful for the growth of these businesses.
- **Few entrepreneurs received business assistance.** There has been very little apparent support for refugee business expansion and entrepreneurship, despite the potential impact this can have – this should be a consideration for future refugee livelihoods interventions. Only 2% of Gambella businesses received help from NGOs (2 businesses out of 100); 0% from any government services. Most entrepreneurs were aspirational and wanted the opportunity to grow their businesses. Most are interested in expanding/growing their business – showing that they believe they have a market (also implying that purchasing power of refugees is less of an issue).

APPENDICES

Appendix 1: Stakeholders Consulted

Name	Role	Organisation
Gambella		
Siraye Worku	ARRA – Tierkidi	Camp Manager
Yohannis Basazin	ARRA Zonal	CRRF Officer
Kwadwo Frempong	UNHCR	CRRF Officer
Llija Togorovit	UNHCR	Zonal Coordinator
Yewulsewu Nigussie	ARRA Zonal	Programme Manager
Weldegbriel Tesfa	ZOA	Manager
Shimelis Fantaye	DCA	Programme Manager
Habtamu	Pugnido - ARRA Manager	camp Camp Manager

Appendix 2: Refugee Entrepreneur Profiles

An Entrepreneur with Diverse Businesses in Tierkidi Camp

Chuol is 47 years old South Sudanese refugee residing in Tierkidi camp the last eight years. He is from ethnic Nuer. He is married with 9 children. He also supports 4 other dependents in his family. He has a diploma and he used to be a schoolteacher before coming to Ethiopia.



He runs a very diversified line of businesses including shoe maintenance, selling charcoal, shop, small restaurant, and a barber shop in a well-structured and constructed premise in the camp. He started a very small business eight years ago as a shoeshine/maintenance and selling charcoal to refugees in the camp with his own initial capital of ETB 700 and some equipment borrowed from friends. Currently, the total capital of the business is more than ETB 100,000. He has opened a bank account at Wegagen Bank in Terfam.

After some years of operation, he started diversifying his business by opening a small shop selling food items; and opening a restaurant to sell soft drinks, tea and coffee to refugees. He has big refrigerator to keep the soft drinks cold, using a rented diesel generator for which he pays ETB 200 per day.



He also opened a barber shop, due to the strong demand of the service especially by the children and youth population in the camp

All his business lines operate 7 days a week, and 12 months a year. Refugees are the main customer of the business. The business is the dominant service provider to the refugee community. The service is provided to young refugees, kids and households. The daily sales from all the business lines is estimated at 8000 – 10000 ETB per day. The businesses hire 4 full time staff and 5 casual labourers. He sources the items from the host community town of Terfam and from Gambella town.

The business is not formally registered, and it operates without a trade license. This is mainly because of the absence of clear rules and responsibility for registering refugee business.

The main challenges to operate and expand the business include:

- Lack of sustainable supply of electric power at a fair price. He pays daily rent of 200 ETB for a diesel generator. In addition, sometimes the generator runs out of fuel.
- Lack of means of transportation and sometimes very expensive.
- Lack of business license. It is very difficult to buy and transport materials, business equipment from Gambella to the camp. All check points ask for a business license to permit passing of the check point. He is forced to pay a lot of bribes to the officers to get permission.
- Lack of adequate working capital because credit is not available to borrow and invest on business expansion and



equipment.

He aspires to buy his own generator, barber shop equipment and expand to other lines of business – a DSTV show room. For these he needs working capital, which is currently not available to him.

He has not received any support so far. However, his list of priority supports include business license facilitation, access to working capital which could be either in the form of grant or loan.

A Young Entrepreneur entertains youth in Tierkidi Camp



The front view of the business premise with its gate

understood a business opportunity to open his own show room in zone 1 of the camp where he lives. He sold his own bicycle to open the business six years ago. Now the business is the only DSTV show room in zone 1 of the camp.

Buomkuoth, 25, is a young refugee entrepreneur from Tierkidi camp, Zone 1. He arrived from South Sudan with no business experience as a teenager and he has been in Ethiopia for 6 years during which he is engaging in the service sector operating a DSTV and Film show room alone. The young owner conceived the idea of the business when he has visited zone 2 of the camp to watch games and films on DSTV. He observed that many young refugees like himself goes to this zone of the camp to get the service. So, he



The entrepreneur poses for a photograph inside the 'hall' with the seats arranged in the background

The business premises is located on the road in the camp with a show room of about 60 seats; constructed using a plastic roof provided by UNHCR.

The business operates 5 days per week: 2 days DSTV football show, and 3 days of film streaming. Its customers are young refugees aged from 10 years old and above. The service charge per person is 3 ETB and 5 ETB for a movie and for DSTV football show respectively. The stream of cashflow of the business is highly seasonal, but its weekly sales are estimated at 900 ETB.

The main inputs for the business – the DSTV decoder and other accessories as well as the films are sourced from Gambella town. The business is not formally registered mainly because the owner does not see the importance of registering the business.

The main challenges of the business are:

- Lack of electric power. The business pays 100 birr per day to access power source from a nearby diesel generator.
- Lack of well-constructed DSTV room. The plastic roof is now old and is leaking during rainy season. It needs maintenance either with corrugated iron sheet or new plastic sheet.
- Lack of good sound system.
- The owner does not have a saving. He does not know if the nearby bank can serve him or not.

The entrepreneur aspires to re-furnish the DSTV show room, wants to buy his own generator. He also wants to open a shop as a side business.

He has not received any support from either Government or NGOs. His priority is access to working capital.

A Young Entrepreneur operating mini shop in Tierkidi Camp



Duoth, 25, arrived as a teenage refugee 6 years ago. He came with no business experience. However, now he operates a mini shop selling different type of food items and some other items like clothes in Tierkidi camp.

He runs the business with support from his brother. The business operates 7 days per week. Its daily sales are estimated at 1,500 to 2,000 ETB. He started the business with an initial capital of ETB 50,000, which could now reach up to double that amount.

He sources the items from the host community businesses and sales to refugees at a small margin. His business is not formally registered because he does not know how to register the business.

The main challenges of the business include:

- High market price of goods/commodities, and refugees cannot afford this, especially when the profit margin is added
- Lack of transportation and often very expensive
- Lack of money – limited working capital
- Low capacity of the community to afford
- Theft in the camp – breaking shops and stealing materials
- Lack of work permits to freely travel and buy goods from Gambella town

He aspires to expand his shops and buy Bajaj to overcome transportation challenge.

He has not received any support from the Government or NGOs though he needs support on improving access to working capital.

A Young Entrepreneur from Pugnido Refugee Camp

Mabil, 35 years old South Sudanese refugee lives in Pugnido camp. He is married with 4 children. He has lived 8 years in Ethiopia. He is from the Nuer ethnic group. He runs a small shop selling food items. He used to operate a shop in South Sudan. He operates the shop alone.

The business is not growing because of the high price of goods in local town and there is very little margin that he could add. They family also consumes from the profit of the business. He came with some money that he used to start a small business similar to what he used to run in South Sudan. The total working capital of the business is 10,000 ETB. His daily sales volume is estimated between 500-800 ETB.

He visits a nearby market Pugido 2 days per week to source the inventory items. ARRA does not give him permit to frequently travel to Gambella town to buy the items from there at relatively cheaper price which could have improved his profit margin. His shop is inside the camp and his customers are refugees.

The business is not formally registered because “no one asked him to register it”. Besides, he does not know whom to ask for registering and why he needs the registration? However, he stresses that he needs work/residence permit which allows him to go to marketplaces in Gambella town to source the items.

The main challenges are:

- Restrictions to travel to Gambella town to buy goods due to lack of work/residence permits forcing him to buy from local market at higher price.
- High price of inventories in Pugnido market.
- Refugees’ limited financial capacity to buy the items at higher prices.
- Due to conflict with local Anuak community, he cannot freely go outside of the camp when there are conflict and security issues. For instance, last year, the refugees were locked in the camp and were not permitted to go outside of the camp due to fear of attack from local community.
- Lack of financial support either in the form of loans or grant funding to expand the business
- Transport problem to get to Gambella town which is expensive and takes long time to reach there.

As a remedy, he established a regular supplier in Pungido town to supply him the goods, who sometimes give him discounted prices. However, he did not succeed to get supply on credit.

He aspires to expand his business – opening a big shop with big premises. But that needs a lot of support from government like work/residence permits to be able to travel to Gambella town and access to business loans or some form of funds.

His business has never received any support from both the Government or NGOs. His preferred supports are residence permit and access to financial services.

An Entrepreneur running a mini shop in Pugnido refugee camp

Kuey War has been in Ethiopia for 7 years. He is 33 and has 4 children and 6 family dependents. He has been running a mini shop stocking and selling soft drinks, coffee, onion, cereals, rice, sugar and cigarettes among others. He has some prior business experience back in his home country mainly trading cows and a boutique that he used to operate with his brother. He started his mini shop 6 years ago, with initial capital was only 600 ETB he borrowed from his friend in the camp because he did not have cash up on arrival from South Sudan. Now his working capital reached 20,000 ETB. He has a bank account at Wegagen bank in Pugnido town.

He sources the items from suppliers in Pugnido town, once a week. He has regular supplier to buy from – but this is only when security situation is good. His regular customers are refugees living in the camp. His daily sales turnover is estimated at an average of about 500 ETB but ranges from 300 ETB to 800 ETB. The purchasing power of the refugee people is low. They do not have money to buy as many goods. They buy essential things by selling the food basket they receive from WFP. In essence, he makes only small profit which he uses to finance some additional food items for his household. He is happy that he is just self-employed.

His business is not legally registered because he does not know how to get it registered. In addition, he does not understand the need to register it.

The main challenges of the business are:

- Lack of capital to buy more goods.
- Security problem that hinders the entrepreneur to go out to the community to source goods.
- High price of goods in Pugnido town coupled with the lack of option to go to Gambella town (lack of permits from ARRA) to buy goods at fair prices and retail in the camp with good profit margin.

He wants to expand his business by sourcing and selling more items at fair prices to the refugees. He aspires to open another shop in zone 2 of the camp because there are few shops in there.

So far, he has not received any support from the Government and NGOs. He is interested to get support like grants or long-term loans at fair interest rates. He also needs business management training to be able to know more how to expand his business.

A Traditional Restaurant owner in Pugnido Camp

Niyanguage Guek is a 40 year old South Sudanese refugee. She is married and a mother of 8 children. She is the only lady engaged in mini traditional restaurant selling food mainly to young refugees. The entrepreneur had a similar food and beverage selling restaurant in South Sudan before she came to Ethiopia 5 years ago. She does not have a hired staff. Rather, she runs it with the support of her daughter.

The business works 7 days a week. She uses food from food aid, buys some vegetables and fish from a local market in the camp to prepare traditional food and sell mainly to refugee customers. She sells some of the food she received from WFP as a working capital. When people lack cash to pay for the food, she sells to them on credit. The daily sales turnover of her business is estimated at 500 ETB when business performs good; but sometimes it might be less.

The business has strong demand from the customers. People like the food she prepares, and she is a happy woman who is able to lead her business and support her family.

Her business is not formally registered. She is willing to get it registered if it gives her some benefits such as access to funds or other support. However, she does not know how to formalize the business.

The main challenges faced by her business include:

- Lack of financial support to expand her business and invest on furniture (tables, chairs) and improve her working premises.
- Expensive cost of raw materials to cook food like fish and vegetables
- Refugees sometimes do not have cash

She aspires to improve her business premises – buy some chairs/tables and cooking utensils. Furthermore, she wants to expand her business by selling more foods to refugees.

She has never received any support from the Government or NGOs. However, she needs support to renovate her business premises. Financial support is key to her aspiration of business expansion.

A Refugee Entrepreneur running an informal clinic in Tierkidi camp

Nasir is 35 years old refugee entrepreneur in Tierkidi camp. He has 8 children. He capitalizes on his qualification of Diploma in clinical nursing to run a mini informal clinic – a combination of traditional and modern medical services. Back home, he used to work in the ministry of health at government office as a medical practitioner.

The entrepreneur runs the business alone. His business functions only two days per week. These are on the days when the government operated clinic is closed on weekends and patients do not have option to get treatment. The business serves about 15 customers per week. The clinic business is a part time job because the owner is a schoolteacher in an elementary school of the refugee camp.

The clinic is not formally registered and licensed business. Hence, it is not encouraged by the government and people are advised to get treatment from the government run clinics. However, the clinic gives first-hand treatment to people in need of medical support.

The entrepreneur sources medical supplies from Gambella town once in every fortnight. His one-time purchase is valued between 2000 to 5000 ETB. The current capital of the clinic is about ETB 20,000. The entrepreneur has a bank account at Wegagen bank.

The main challenges of the business are:

- The government discourages informal private clinics – he operates by hiding from refugee officials, paying some bribes; and operates in a hidden place by keeping the medical supplies in a hidden place in his house
- Limited days of operation
- Lack of support like working capital
- Since he does not have a formal license, he pays bribes at check point – about 100 ETB at check point while sourcing items from Gambella town
- Lack of license to operate a formal clinic freely

The entrepreneur's main aspiration is to make his business a formal clinic by getting an appropriate license if possible.

So far, he has not received any technical and financial support from both the Government or NGOs. His preferred supports include facilitation of access to working capital and the formalization of his business through work permit and trade license.