

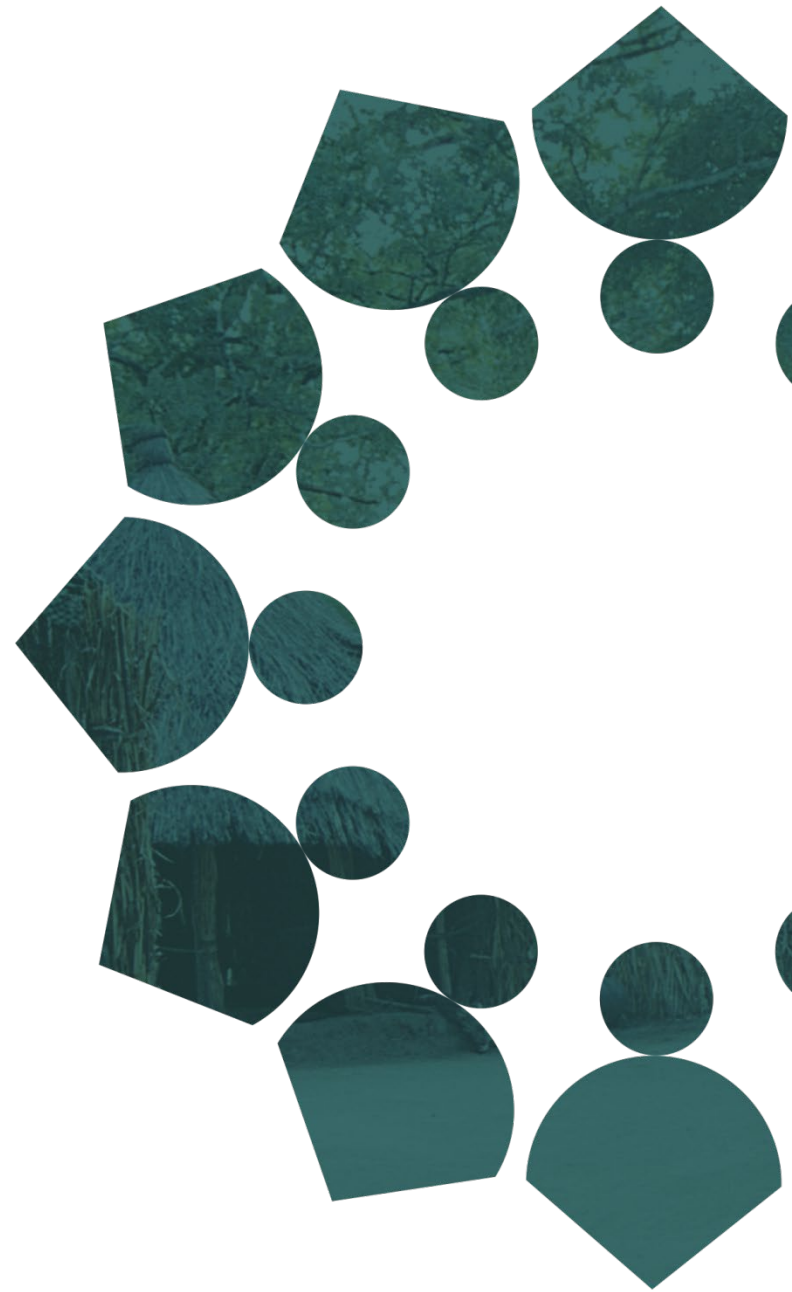


**Sharpe**  
Strengthening Host and Refugee  
Populations in Ethiopia

# Adapting & Connecting MSMEs Driving Growth in Refugee Markets

7<sup>th</sup> November 2024

A UK-Aid Funded Project



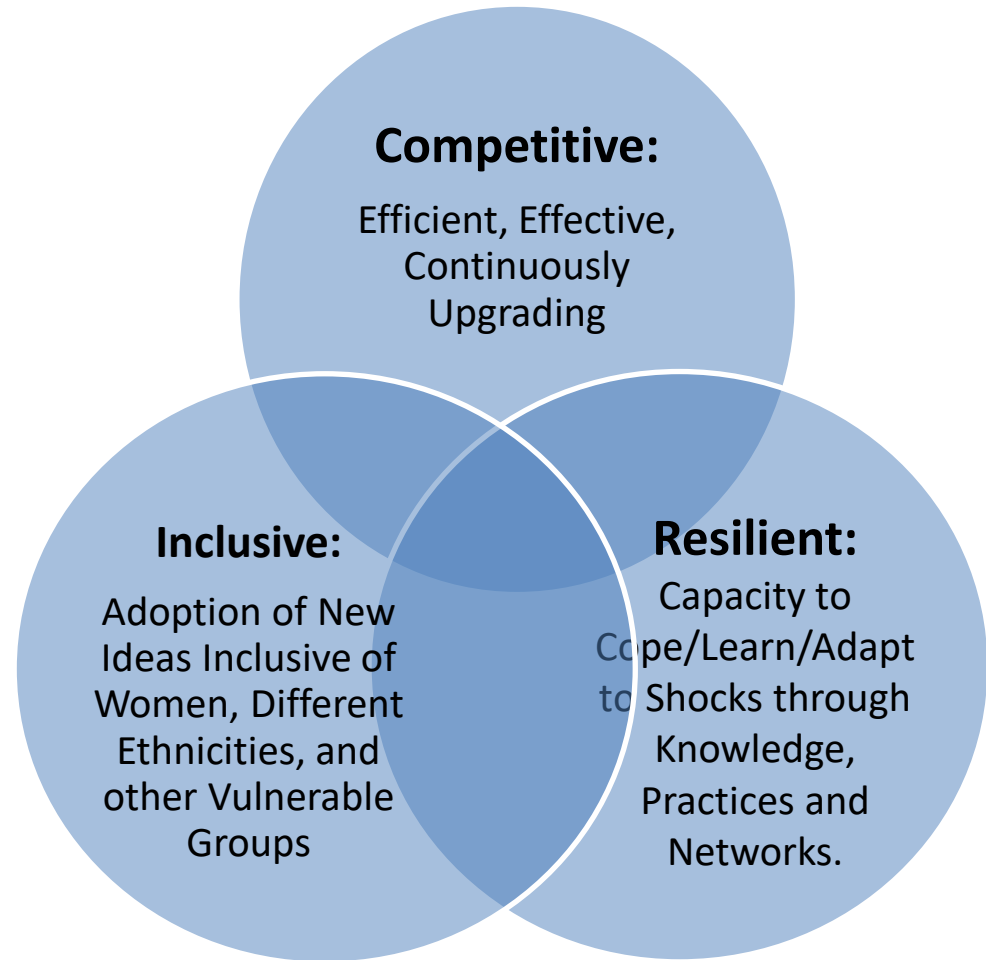
# Market Systems Development



A market system refers to the range of actors, situations and institutions that impact the delivery of a given commodity or service in a market. To be functional, market systems must be **competitive, inclusive, and resilient**.

MSD helps system actors to improve the overall functioning of the market system

Market actor refers more specifically to associations, businesses, governments and/or government entities, researchers, consumers, and others, who participate or interact within a particular market system.



# Market Actors

- Context drives everything - what is the business environment:
  - What businesses do we see in/close to refugee camps?
  - How do they interact with host communities?
  - Specific characteristics of refugee, as opposed to host, business & markets
  - Refugees engage in what kinds of businesses and livelihoods?



# Overall Goal



## Markets need to be:

- **Competitive** - how do we establish the business case for companies to work with / supply / buy from refugee markets? Companies need a financial incentive to change a behaviour or practice that sustains over time.
- **Inclusive** – markets need to create development impacts. How do connect refugees to markets and value chains as suppliers/producers/consumers? How to get refugee micro-businesses to the scale where they are of (business) interest? Many unique characteristics of refugee markets that differentiate them from host markets.
- **Resilient** – market actors can cope with shocks and stresses and adapt, including to climate change.

## What tactics do we use to achieve the goal?

# Poultry



**Goal: *Grow local markets through local (refugee & women) production of poultry and eggs supplied to local consumers and backyard poultry farmers.***

**Strategy (2020-2022): Support expansion of a multi-national poultry firm with HQ in Addis to refugee hosting regions (Jijiga, Gambella)**

## **Tactics:**

- Establish small-scale poultry farms to rear day old chicks into live chickens – supplied, with technical support and extension services, from EthioChicken
- Co-Invest in start-up costs of poultry farms with the host/refugee owner
- Establish poultry farms inside/close to camps to supply the refugee market

# Initial Outcome (2021/22)

## Competitive

- No market for live chickens. Local preference for eggs.
- Poultry farm size too small for EthioChicken

## Inclusive

- Little engagement of women as poultry farmers
- Refugees excluded – one refugee poultry farm collapsed. Others too far away to do business with refugees

## Resilient

- Not resilient to disease
- EthioChicken commitment waned due to external factors – no long-term commitment / business case in its current form.

# Adapted Model (2022-24)



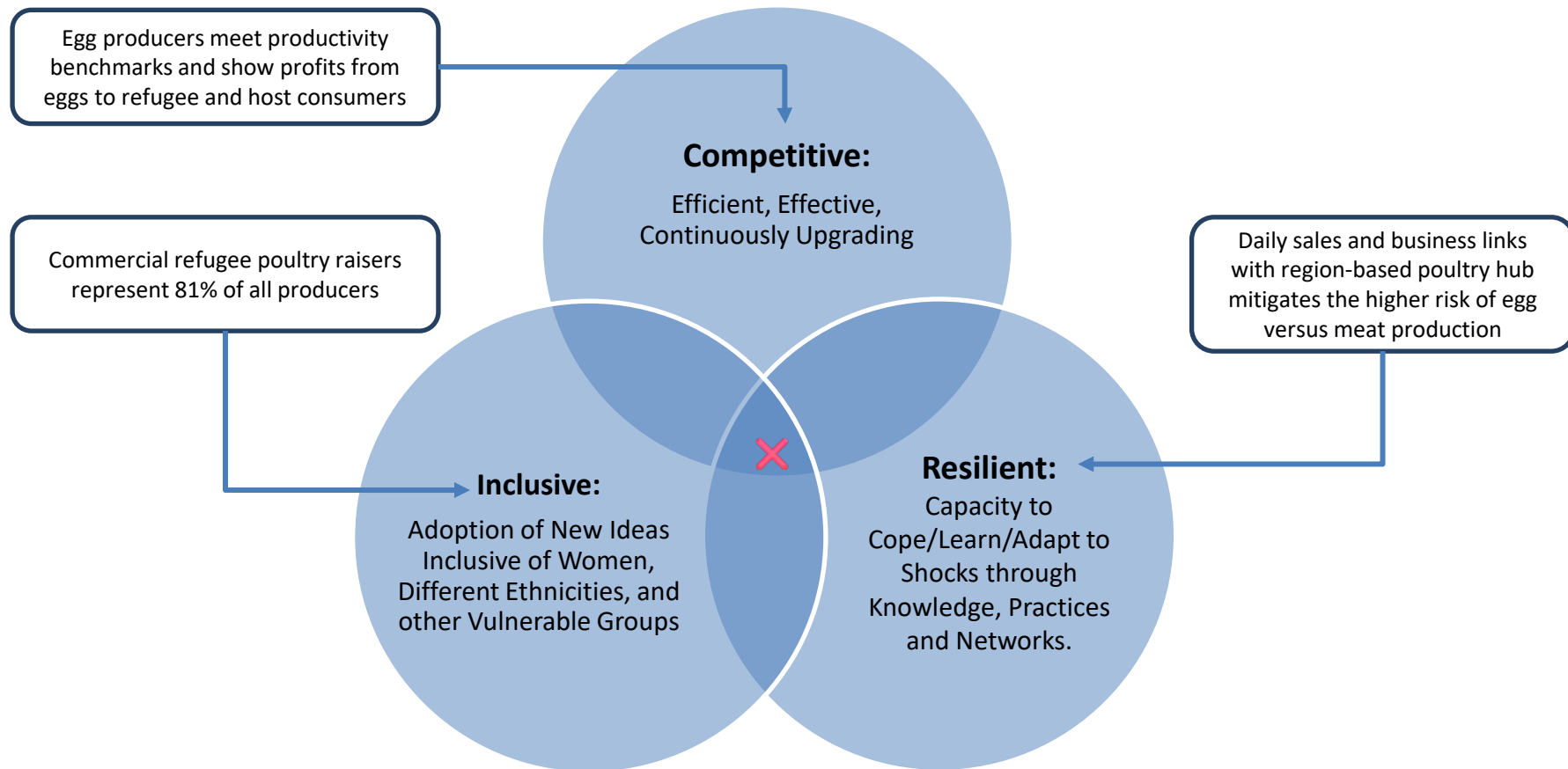
**Strategy (2022-2024):** Support expansion of a local MSME based in Jijiga town – *Horn Afrique* - to refugee camps in Awbare and Sheder

## **Tactics:**

- Find refugees with proven skills and interest in small-scale poultry farming – now more than 30 refugee owned poultry farms in Awbare & Sheder.
- Change from live chickens to eggs
- Co-invest to construct modern poultry sheds & purchase specialized Bovan breed chickens + feed, inputs & equipment
- All poultry, inputs, equipment, training and extension services provided by Horn Afrique – sustainable market linkage
- Community animal health workers trained in poultry
- Payments facilitated through DFS platforms such as Hello Cash
- Working on feed solutions, including hydroponics



# Poultry Sector Outcomes With Regional SMEs (2024)





# Agro-Vets / Agri-Inputs



***Goal: Improve productivity of livestock and small-holder agriculture through private-sector (sustainable) supply of inputs and extension services***

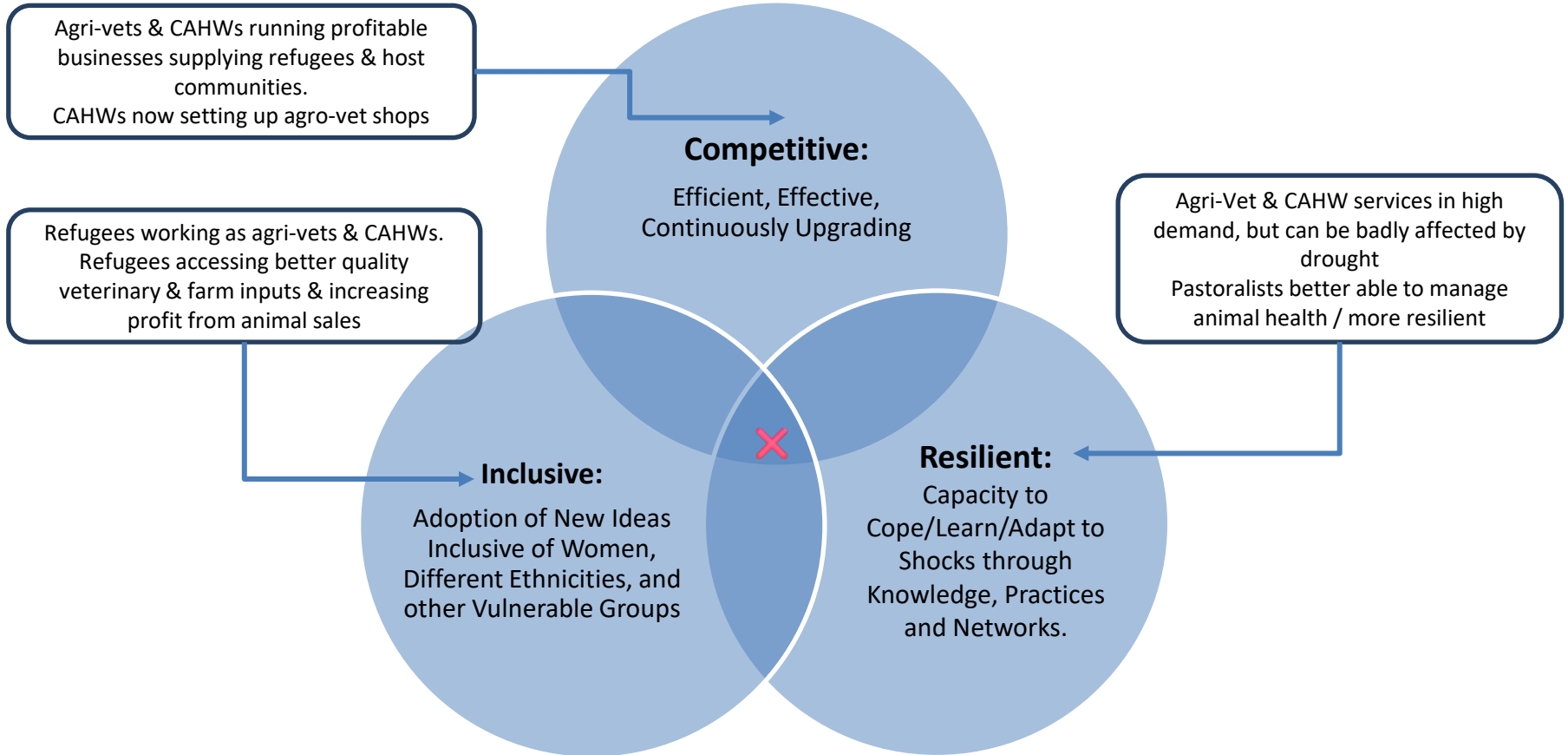
***Strategy (2020-2022): Support expansion of a local agro-vet dealers and veterinary / agri extension services into refugee camps & nearby host communities.***

## **Tactics:**

- Expand local agro-vet dealers – new sales outlets; improved stock; expanded sales networks
- Establish agro-vets / branches as close as possible/inside refugee camps
- Backward linkages with importers, wholesalers & financial service providers
- Train refugees as community animal health workers



# Agri-Vets/Agri-Inputs Outcomes (2024)



# Key Lessons



- The ‘lead firm’ model does not work with refugees, scale is too small for most national ‘lead’ firms
- It is local/regional MSMEs that are the drivers of growth and more willing to create sustainable business linkages with refugees
- Need to ‘build the system’ – many market functions are non-existent. Need partnerships with many regional firms to build supporting functions such as finance, inputs, feed, advisory/extension services, energy etc.
- Stronger local firms supplying refugee and host households on a commercial basis = market resilience
- Build climate change analysis and adaptation needs into the initial analysis and design

Thank you!

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