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ETHIOPIAN INVESTMENT COMMISSION
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ADVANCING GENDER EQUALITY THROUGH FOREIGN DIRECT INVESTMENT IN ETHIOPIA

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Gender Mainstreaming in National Policy Frameworks

Ethiopian national development plans demonstrate a strong commitment to addressing gender gaps and ensuring gender equality. The ten-year development plan (2020/21-2029/30) prominently includes "Gender and Social Inclusion" as one of its core pillars. Within this, the plan outlines tangible objectives to safeguard women's rights, boost their security, encourage participation, and promote economic empowerment.

"The gender and social inclusion plan mainly focus on empowering various sections of the society and enabling them to benefit from economic development through skills development, capacity building and equitable participation."

10 Year Development Plan (2021-2030)



Source:
"Gender equality" Sticker CHERRY__SHOP
UN Women | Explainer: How COVID-19 impacts women and girls

The 10 YDP set measurable targets which includes producing capable women leaders to make Ethiopia the center of African female leadership, increasing the percentage of women engaged in microenterprises and raising the number of women involved in income-generating activities through microfinance loans. These initiatives aim to empower women economically and foster their active participation in Ethiopia's development. [1]

However, it is important to highlight that, sector-specific plans did not explicitly address gender issues, and national growth and sectoral development strategies lacked specific policies relating to gender inclusion.

Ethiopia's Home-Grown Economic Reform (HGER) 2.0 initiative further cements the commitment to gender equality set forth in the 10YDP, as it prominently features an integrated cross-cutting section on mainstreaming gender perspectives in both the reform's design and manner of implementation.

"In a conscious effort to champion gender equality, the reform will integrate gender considerations into all aspects of its design and execution. This entails the formulation of policies that specifically address gender-related risks and opportunities. Gender-responsive budgeting, policies, and practices will be enacted, creating a framework where both men and women's needs and potentials are recognized and supported."

Home-Grown Economic Reform (HGER) 2.0

"The reform will aim to increase women's financial inclusion and promote female entrepreneurship, providing women with the tools and opportunities needed to contribute fully to the economy. Institutional capabilities will be enhanced to promote women's roles in decision-making processes, ensuring their voices are heard and their perspectives considered."

Home-Grown Economic Reform (HGER) 2.0

The reform initiatives seek to establish an inclusive economy by utilizing gender-disaggregated data in policy development and implementation. This approach ensures that policies are responsive to the diverse realities on the ground, aiming to reduce inequalities and promote inclusiveness. The reforms emphasize equal participation, implementing anti-discrimination measures to provide everyone with a fair opportunity to contribute to and benefit from economic growth.

Aligned with these goals, the Medium-Term Development and Investment Plan (2023/24-2026/27) prioritizes women's rights, safety, participation, and welfare.

> "With a total investment target of Birr 69.4 billion, the program aims to empower women and women-led organizations by promoting their active engagement, representation, and influence in various areas of society. The program focuses on increasing women's leadership roles, providing capacity building support, advocating for gender-responsive policies, supporting women-led organizations, promoting gender mainstreaming, conducting awareness campaigns, and monitoring progress towards gender equality. The program seeks to create an inclusive environment where women can actively participate, advocate for their rights, and contribute to decision making processes."
>
> *Medium-Term Development and Investment Plan EFY 2023/24 to 2025/26*

The Medium-Term Development and Investment Plan incorporates specific, measurable indicators and targets related to advancing women's participation, including the share of women in the leadership pipeline, proportion of women in executive, legislative, and judicial positions, proportion of women benefiting from credit services, and the share of women's ownership in small and medium enterprises, and so on, all of which are defined with targets set within the 3-year timeframe of the plan.

However, the plan appears to lack a sufficiently gender-responsive approach when it comes to investment promotion activities and targets. While the plan emphasizes broader gender equality objectives, the specific interventions and indicators related to investment promotion do not appear to be adequately gender-based or gender-disaggregated.

Overall, while Ethiopia's national development plans exhibit a robust commitment to addressing gender disparities and advancing equality, the level of explicit focus on gender issues appears lacking across different sectors. The plans outline ambitious goals to reduce gender barriers, increase women's access to resources like finance and capacity building, promote income generation, and enhance women's participation in decision-making. However, the emphasis on gender appears more prominent at the overarching, high-level strategic planning stage, with potential gaps in how these gender-responsive objectives are consistently translated and cascaded down into the more granular, sector-specific implementation frameworks.

Furthermore, despite the efforts at the national level to address gender inequalities, recent shocks have had a major impact on the country, impacting many but disproportionately burdening women.

Gender-specific Impacts of Internal and External Shocks

Climate Shocks

Women play a crucial role in the Ethiopian economy, contributing approximately 80% of agricultural productivity.[2] However, the impacts of climate change are expected to disproportionately affect the rural poor, particularly women, who heavily rely on climate-sensitive resources for their livelihoods. Women's traditional roles as primary caregivers, natural resource managers, and participants in unpaid labor made them highly vulnerable to the risks posed by recent droughts and floods.

Women-headed households face additional hardships, as they are more susceptible to the impacts of climate change compared to male-headed households. The burden of climate change on women is further intensified by increased unpaid labor which prevents them from engaging in income-generating activities to achieve economic stability.[3]

Furthermore, despite their significant contributions and vulnerabilities, women are often excluded from discussions and planning regarding environmental issues, even though they possess valuable knowledge and perspectives that can help overcome these challenges.[4] Their limited involvement in decision-making processes and mitigation activities further exacerbates their vulnerability.



Source:
UN Women | Explainer: How COVID-19 impacts women and girls

COVID-19

The COVID-19 pandemic has worsened the pre-existing gender disparity in business earnings, particularly impacting women-owned businesses. These businesses have faced a substantial decline in sales revenue compared to their male-owned counterparts. In fact, in 2020, women-owned businesses generated less than 20% of the sales revenue they had earned in the same month the previous year.[5] This discrepancy can be attributed to the fact that a significant portion of women-owned firms operate in trade, tourism, and hospitality sectors, which are classified as high-risk industries for business disruptions caused by the pandemic. [7]



Source:
UN Women | Explainer: How COVID-19 impacts women and girls

Additionally, when the pandemic hit in April 2020, 64% of laid-off workers were women, and 54% were on temporary contracts, even though women made up only 42% of the workforce. This trend continued in June 2020, with 57% of workers who were laid off being women.[7]

The economic consequences of the pandemic have also hit female-headed households harder. In May 2020, 44% of female-headed households reported a diminished or complete loss of income, compared to 25% of male-headed households.[6] Additionally women (52%) reported a higher increased burden in tasks associated with unpaid domestic work than men (39%) with during COVID-19.[7]

Furthermore, the pandemic has disrupted farmers' access to agricultural inputs due to lockdowns and transportation restrictions. This has had major implications for food production and livelihoods on women in rural areas.[8]

International and Domestic Conflict

During times of conflict, as income generation becomes more challenging, as businesses were destroyed and women are more likely to resort to negative coping strategies compared to men. The responsibilities of childcare tend to increase for women, while access to informal livelihoods and food becomes more difficult. This heightened vulnerability increases the risk of engaging in coping strategies like sexual exploitation, primarily for purchasing food. For instance, evidence from Tigray indicates that a higher proportion of women-headed households experience food insecurity compared to men-headed households.[9]

Sexual violence is employed strategically and opportunistically in conflict situations, disproportionately affecting women. Conflict parties employ sexual violence as a deliberate tactic to target the reproductive capacities of individuals and communities.[8]

Furthermore, despite efforts by organizations working at the local level in peacebuilding, mediation, and diplomacy, women's inclusion in the peacebuilding process and conflict mitigation strategies remains limited. For example, in the November 2022 Cessation of Hostilities Agreement between the Tigray People's Liberation Front and the Government of Ethiopia, there were no women signatories. This underrepresentation of women's perspectives in peace talks and transitional frameworks is concerning, considering the significant impact of conflict on women.[8]



Source:
Women in Politics By Stanzin Dasal LEH, Dec 06, 2016

The Russia-Ukraine war beginning in 2022 further exacerbated the disproportionate effects of crises on women. Escalating global fertilizer prices from $250/ton pre-pandemic to $1000/ton in 2021-22 led to a 78% increase in fertilizer imports into Ethiopia.[10] This heavily impacted the economy of female-headed households in rural areas, where women tend to be more cash-constrained with low access to formal credit.[11]



Source: Transcript of the UN Secretary-General's virtual press encounter on the appeal for global ceasefire,

Ethiopia's national development plans recognize gender equality as a vital priority, aiming to close persistent gender gaps. However, the successive economic and social shocks experienced in recent years had a major impact on women. These crises have disproportionately disrupted women-owned businesses, women's incomes and employment, and increased the burden of unpaid labor, leading to significant economic hardship for women. Nonetheless, the policy responses appear to have fallen short in sufficiently analyzing and addressing these gendered impacts through a targeted, gender-responsive lens. Complementary mitigation strategies were also not devised that could alleviate the enormous effects faced by women.

Gender Integration in Investment Policies and Investment Promotion Strategies

While Ethiopia's investment policies aim to broadly promote investment through attractive incentives, the investment legislations do not explicitly articulate how these initiatives could specifically and intentionally support women investors in a transformative way. The policies treat both male and female investors equally but fail to outline how investment can be leveraged to advance gender equality and women's economic empowerment through targeted provisions.

Ethiopian Investment Commission's current investment promotion strategy prioritizes labor-intensive sectors like textiles/garments and leather products that have a high employment numbers of women. Additionally, agro-processing is also a prioritized sector that offers substantial advantages to women, as agriculture serves as a primary source of income for women in rural Ethiopia. This indirect approach has contributed to generating economic opportunities and support for women. However, designing complementary frameworks that considers in reducing gender gap could potentially maximize these benefits for women.

Furthermore, reducing gender barriers and gaps in access to resources is not clearly stated as an intended outcome of the investment promotion strategy. Further, there is no evidence that the investment policies and strategies collect or monitor sex-disaggregated data or gender indicators to understand changes to women's situations over time. Importantly, no gender analysis seems to have been conducted or integrated into policy implementation to inform an equitable approach.







Gender - Responsive FDI and Investment Promotion

Gender considerations were largely absent from Ethiopia's core investment promotion policies in this period. The investment laws and regulations did not include specific provisions or incentives to encourage gender equality or women's empowerment outcomes. For example, there were no special incentives for investments by under-represented groups such as women entrepreneurs or businesses that significantly empower female employees. Incentive packages (like tax holidays or import duty exemptions) were tied to sectors and export performance, without criteria related to workforce gender balance or female ownership. The Ethiopian Investment Commission's promotional materials highlighted Ethiopia's young and trainable labor force, but did not explicitly market any gender-focused programs to foreign investors. In essence, the investment strategy was "gender-neutral" on paper – assuming benefits would accrue to the population at large. While this neutrality meant there were no overt discriminatory barriers, it also meant missed opportunities to leverage FDI for closing gender gaps.

It's worth noting that during this period there were some positive changes in the institutional landscape – for instance, from 2018 to 2024, the Ethiopian Investment Commission itself was led by a female Commissioner (Lelise Neme and Hannah Arayaselassie). This marked an increase in women's representation in a high-profile economic agency. However, this leadership change did not immediately translate into a formal gender-mainstreamed strategy for the EIC. The Commission's efforts remained focused on overall investment facilitation. Additionally, other government bodies did pursue women's economic empowerment (the Ministry of Women's Affairs, etc.), but those efforts ran somewhat in parallel to investment promotion rather than integrated with it. For example, Ethiopia's National Entrepreneurship Strategy and various MSME programs encouraged women-owned businesses, yet EIC did not have a program to link those women-led SMEs with incoming foreign investors in a systematic way.

Identified gaps: By 2024, observers and development partners had identified clear gaps in Ethiopia's investment promotion approach regarding gender. These gaps include:

No gender-disaggregated targets or data:

EIC did not set any targets for women's employment in FDI projects, nor did it systematically collect data on how many jobs created by FDI went to women. This lack of monitoring makes it difficult to assess or incentivize gender outcomes. UNCTAD has noted that many IPAs (Investment Promotion Agencies) globally are starting to track such metrics, but Ethiopia has not yet institutionalized this.[12]

Limited inter-agency coordination on gender:

The investment commission did not explicitly coordinate with gender-focused agencies when negotiating or approving major investments. For instance, when licensing a large manufacturing investor, there was no requirement to consult on potential social/gender impact mitigation (beyond general environmental and social impact assessments). Gender was often an afterthought, handled by the Minsitry of Labor & Skills (MoLS) or NGOs once the investment was already operational.



No tailored support for women investors or entrepreneurs:

Unlike some countries' IPAs, Ethiopia did not offer special assistance to female investors or facilitate foreign partnerships for women-owned local firms. There were no programs like supplier diversity initiatives that could help women-led businesses benefit from FDI supply chains.[13]





Promotion materials and incentives not gender-inclusive:

Ethiopia's investment promotion highlighted sectors (textiles, agro-processing) attractive to investors partly because of the abundant cheap labor (implicitly, female labor). However, there was no messaging to encourage investors to adopt gender-inclusive practices. The absence of incentives for gender-inclusive projects is a gap – for example, Ethiopia did not offer an extra tax break for companies that provide childcare or that train women in management, whereas such incentives might have steered some investors to focus more on empowerment.[14]

Despite lack of concerted effort to target gender in FDI promotion, there has been success stories. In the textile and apparel sector, particularly within industrial parks, such as Hawassa IP, women constitute over 90% of the workforce. However, wages remain low, ranging from $20 to $50 per month, and high turnover persists due to poor working conditions.[15] In contrast, the ICT and telecom sector, bolstered by Safaricom's $8.5 billion investment, has created new digital jobs, yet women remain underrepresented due to gaps in STEM education. The pharmaceutical sector, driven by FDI in Kilinto Industrial Park, offers opportunities for women in high-skilled roles, yet female participation in clinical research and leadership positions remains low.[16] In agro-industry, FDI has expanded market access for women but has also led to land displacement, as observed in the Gambela Saudi Star project.[17]

Despite FDI-driven job creation, gender disparities persist in leadership and wage equality. In the textile sector, women account for 85–90% of the workforce but hold few supervisory roles. In ICT, relatively few women apply for technical positions despite increased demand. Female-led businesses represent only 16–20% of formal enterprises, limiting their integration into FDI supply chains. Case studies reflect these mixed outcomes: while Hawassa Industrial Park has created jobs, it has also faced challenges such as wage suppression, housing shortages, and workplace harassment. In response to gender gaps in tech employment, Safaricom Ethiopia has launched STEM training programs. Similarly, FDI in floriculture has provided jobs for many women but has also exposed them to chemical hazards and seasonal employment instability.[18]

Ethiopia's investment promotion strategy has prioritized sectoral growth but lacks gender-responsive policies. The Ethiopian Investment Commission (EIC) has focused on attracting FDI in manufacturing, agro-processing, and telecom but does not track gender-disaggregated employment data or set specific targets for women's economic inclusion. Existing incentives emphasize export performance, tax exemptions, and business facilitation, with no explicit provisions for gender equity in employment, leadership, or entrepreneurship.



Source:
Women and investing in the UK: Statistics and overview

Compared to global best practices, Ethiopia's investment promotion strategy lacked key gender-inclusive mechanisms:

Costa Rica - Gender-Sensitive Investment Promotion:

Costa Rica's investment promotion agency, CINDE, is often cited as a leader in linking FDI with gender inclusion. CINDE works with private sector partners to offer capacity-building programs for women in sectors targeted for investment. For instance, if a multinational in advanced manufacturing is considering investing, CINDE might facilitate a training initiative to prepare local women for those skilled jobs. The agency also actively collaborates with Costa Rica's national statistics office to collect data on women in the economy and in FDI-related jobs, using that data to tailor its strategies.[19]



Source:
Costa Rica ranked 13th globally out of 153 countries in the World Economic Forum's 2020 annual Gender Gap Report. (Photo courtesy of CINDE)

Furthermore, Costa Rica participates in a government-wide initiative to analyze and remove barriers to gender parity in the workforce. This comprehensive approach means that when foreign investors come to Costa Rica, they find a labor pool with increasing female participation and an IPA ready to help them fulfill any gender inclusion commitments. Ethiopia could emulate practices like showcasing women talent at investor forums or providing information to investors about programs to recruit women (similar to how CINDE connects investors with women's workforce development programs).

South Africa - Linking FDI to Broad-Based Empowerment:

South Africa's policies provide another model. South Africa enforces a Broad-Based Black Economic Empowerment (B-BBEE) framework, which, while primarily about racial equity, also includes gender equality as a component. Companies (domestic or foreign) operating in South Africa are scored on various empowerment metrics, including ownership or management by black South Africans and by women. A foreign investor that partners with women-owned local firms or that appoints women to its board can improve its B-BBEE score, gaining access to certain government benefits or contracts. This indirectly pushes FDI firms to be mindful of gender. Additionally, the investment promotion agency in South Africa has run initiatives specifically highlighting opportunities for women – for example, encouraging FDI into sectors like textiles or agribusiness where women entrepreneurs are active, or promoting impact investment funds with a gender focus. The key takeaway from South Africa is the use of incentive structures: tying investment success to meeting gender and diversity criteria. Ethiopia currently lacks such mechanisms, but it could consider adapted versions (e.g., offering faster regulatory approvals or public recognition to investors that meet certain female employment benchmarks).[20]



Source: AI Generated

Canada– Gender in Investment Agreements:

At the policy level, Canada has pioneered the integration of gender equality principles into its international investment agreements. Canada's 2021 model Foreign Investment Promotion and Protection Agreement (FIPA) explicitly recognizes the right of host states to regulate in order to protect and promote gender equality. In other words, Canada built into its template treaty language that ensures foreign investors cannot claim foul if a country enacts laws or policies to advance women's economic empowerment. The model also affirms commitments to corporate social responsibility and inclusive trade. Additionally, Canada (along with the Netherlands) has championed incorporating gender equality into the preambles and provisions of bilateral investment treaties. For example, the Netherlands' 2019 model BIT recognizes the importance of gender equality in sustainable development

These moves at the international policy level create an enabling environment for more gender-responsive FDI – they give countries policy space to, say, mandate certain hiring or equity practices without violating investment agreements. Ethiopia, in looking to update its investment treaties or negotiate new ones (perhaps as it joins the African Continental Free Trade Area investment protocol), could push for similar language that safeguards its ability to impose gender-based requirements or incentives on foreign investors.[21]



Source: (File Photo: @cafreeland/Twitter)

Rwanda - Mainstreaming Gender in Economic Policy:

Rwanda is well-known for its commitment to gender equality in governance and economic life. While not an FDI policy per se, Rwanda's practice of mainstreaming gender in all national strategies has spillover effects on FDI. The Rwanda Development Board (its IPA) works in an environment where there are clear national targets for women in leadership and women in STEM. As a result, foreign investors in Rwanda often find themselves engaging with a relatively gender-equal talent pool (Rwanda has one of the highest rates of female labor force participation in Africa) and facing expectations to uphold the country's equity standards. For example, Rwanda's government often encourages investors to support programs for women (like sponsoring coding bootcamps for girls or supporting women farmer cooperatives, depending on the sector). While Ethiopia's context is different, adopting a similar whole-of-government approach – where investment promotion aligns with gender equality objectives set at the national level – can be very effective. It ensures consistency: investors hear the same message on gender from the IPA as they do from other officials.[22]

In the absence of gender-responsive measures, Ethiopia's FDI-driven sectors have reinforced existing disparities, particularly in low-wage industries such as textiles. Additionally, the lack of supplier diversity programs has limited the participation of women-owned businesses in FDI supply chains. Incorporating gender-focused policies into investment strategies will enhance women's economic participation and generate long-term benefits for Ethiopia's labor market.

Recommendations for a Gender-Responsive Investment Promotion Strategy

To ensure that foreign direct investment in Ethiopia more effectively promotes women's economic empowerment, **a more gender-responsive investment promotion strategy** is needed going forward. Below are key recommendations, each addressing different aspects (policy, education, corporate practices) that together can create an inclusive environment for women in FDI-linked sectors:

1. Integrate Gender Criteria into Investment Incentives and Policies:

To align FDI with gender equity goals, Ethiopia's recently introduced investment incentive framework—currently tied to job creation—should incorporate a gender dimension. Tax incentives should be introduced for firms that actively promote female employment, while gender-disaggregated reporting should be mandated for major FDI projects. For example, offer additional tax breaks or faster licensing to foreign investors that achieve certain benchmarks – such as women holding at least 30% of skilled jobs or management positions in the project, or a certain percentage of procurement spend going to women-owned businesses. This aligns investor interests with gender goals. Such measures are in line with global good practices; the World Bank notes that investment incentives can be tuned toward objectives like employment generation and gender empowerment.

By explicitly making gender a part of the investment dialogue, Ethiopia signals its commitment to equitable growth.[23] Additionally, introducing a national minimum wage (as unions have advocated) would particularly benefit women in low-paid FDI jobs and improve wage equity. Inclusive labor laws should also strengthen protections against gender discrimination and harassment in the workplace – for instance, enforcing zero tolerance for sexual harassment in all companies (with clear complaint mechanisms) and requiring equal pay for work of equal value. Ensuring these laws are effectively implemented in FDI-heavy industries will create a fairer playing field for women workers.



Source: Source: Staff Incentives and Rewards / By Jarvis Woodhouse

2. Strengthen Women's Skills through STEM Education and Vocational Training:

A fundamental step to empower women in new FDI sectors (like ICT, pharmaceuticals, engineering) includes building a pipeline of qualified women. Ethiopia should invest in girls' education, especially in STEM fields, and in vocational training programs geared towards skills needed by foreign investors. This should include expanding technical and vocational education and training (TVET) courses for garment machine operation, electrical engineering, coding, etc., with a target to enroll young women.

Partnerships with investors can be highly effective: for example, encourage companies like Safaricom to continue and broaden their Women in Technology internships and mentorship programs, and invite manufacturing investors to support technical apprenticeships for women. Investors could help set up training academies near industrial parks specifically for women, this should be supported by corporate CSR funds or government & donor funding. For instance, in Kenya, telecom companies partnered with universities for female coding bootcamps, and in Bangladesh, garment firms have supported training centers for sewing operators. Ethiopia can adopt similar models. Additionally, working with organizations like UNESCO or UNICEF on initiatives that inspire girls to pursue science and math (as Safaricom-UNESCO did for digital skills) will help enlarge the future pool of women talent. By boosting women's education and skills, Ethiopia ensures that as FDI creates higher-paying jobs, women will be qualified to obtain them – breaking the pattern of women being stuck in only low-wage roles.

3. Promote Women's Leadership and Career Advancement Programs:

To tackle the gap in women's leadership within FDI enterprises, a concerted effort is needed both at company level and via public-private partnerships. The EIC and relevant ministries could launch a "Women in Leadership Initiative" for FDI industries. This might involve leadership training workshops for promising female employees from various foreign companies, peer networking forums for women managers, and mentorship pairings with experienced female executives (including from abroad). For example, if a foreign pharmaceutical firm has a few female supervisors, they could be connected with mentors from other countries or sectors who have navigated the path to upper management.

The government can encourage investors to develop internal promotion pipelines for women – perhaps by recognizing companies that excel in this area with annual awards or publicity.[24] The ILO's Better Work program in Ethiopia has already helped by ensuring women participate in factory committees and have a voice in workplace governance; building on this, factories should be supported in implementing female leadership quotas in training programs (e.g., require that a certain number of supervisory trainees are women). Moreover, explicit succession planning for key roles should include women. The government might also consider a gentle form of affirmative action: for instance, when facilitating an investor's access to services or permits, ask for their plans on gender diversity in management. Over time, as more Ethiopian women gain the experience and confidence to lead, this will challenge cultural biases and allow FDI benefits (like higher salaries and decision-making power) to be more equally shared.

4. Facilitate Women Entrepreneurship and Linkages to FDI Supply Chains:

Women's economic empowerment thrives not just through jobs but through business ownership. Therefore, Ethiopia's investment promotion strategy should create bridges between foreign investors and local women entrepreneurs. One recommendation is to establish a supplier development program targeting women-owned SMEs. Under such a program, the EIC (or Ministry of Trade and Regional Integration) can maintain a database of women-led businesses in various sectors and share with incoming investors looking for local partners or suppliers. Proactively, when an investor arrives (say an agro-processor needing packaging or a telecom needing distributors), the IPA can recommend vetted women-owned firms for consideration. Capacity-building is crucial here: working with chambers of commerce and development partners, Ethiopia can offer training to women entrepreneurs on how to meet international standards, how to bid for contracts, and how to access finance (perhaps via credit guarantee schemes) to fulfill larger orders from FDI companies. There are successful models globally, such as South Africa's enterprise supplier development funds as part of B-BBEE, or multinational corporations that have global programs to increase sourcing from women-owned businesses. Ethiopia could also look at setting aside a portion of public procurement linked to investment projects for women-led enterprises. Encouraging joint ventures between foreign investors and local women entrepreneurs is another angle – incentives could be given if an investor partners with a female-owned firm. By empowering women as suppliers, contractors, or franchisees, FDI can spawn a ripple effect of female-led economic activity. This not only boosts entrepreneurship but also ensures that more of the value-added from FDI stays in the local economy, building wealth for women.

5. Ensure Gender-Responsive Corporate Social Responsibility (CSR) by Investors:

Many multinational investors have their own CSR policies – Ethiopia should leverage this by encouraging and guiding investors to implement CSR projects that benefit women and communities. For example, foreign factories can be encouraged (or even required as part of industrial park agreements) to provide on-site childcare facilities or support community daycare centers. Access to childcare addresses a major barrier that often keeps women out of the workforce or less productive while at work. Likewise, companies should be urged to invest in women's health and well-being programs: clinics, health insurance, or health education campaigns for their female employees. Some investors have pioneered such efforts elsewhere – for instance, foreign firms in Bangladesh's EPZs have offered women-specific protective equipment and fitness programs to improve well-being.[25] Ethiopia can create guidelines or a best-practice catalog (in collaboration with ILO/UN Women) for investor CSR, highlighting interventions like: literacy and financial management classes for women workers, scholarships for girls in local communities, or housing projects for employees. Recognizing companies that undertake these initiatives with an "Investor Gender Champion" award could motivate others. Additionally, tying some CSR activities to leadership training (e.g., having female staff lead a community project) can double as empowerment. The government might also explore setting up a Gender Equality Seal or Certification for businesses (an idea used in some Latin American countries) – investors that meet certain criteria in terms of workplace gender policies, work–life balance, and community impact get certified, which enhances their reputation. Encouraging CSR that uplifts women will help ensure FDI is not an isolated enclave but rather integrated positively with Ethiopia's social development goals.

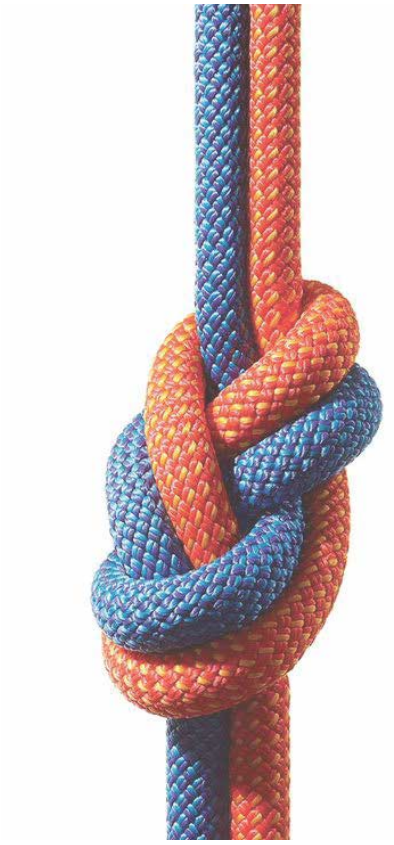
6. Enhance Institutional Capacity and Coordination on Gender:

Lastly, implementing these recommendations will require political will and capacity-building. EIC and regional IPAs should mainstream gender within their organizations. This means training EIC staff on gender analysis, hiring a dedicated gender specialist, and making sure outreach teams include women. EIC should develop an internal Gender Action Plan aligning with national women's empowerment strategies to be owned by its Gender and Youth Team.

Coordination between EIC and key ministries (Labor & Skills, Women & Social Affairs, Education) must be strengthened so that investment deals are viewed through a multi-dimensional lens. For example, before approving a big project, EIC could consult the Ministry of Women & Social Affairs for input on expected gender impacts, ensuring any potential negatives are addressed proactively (such as requiring the investor to adopt an anti-harassment policy from establishment). Similarly, when the government negotiates international agreements or participates in forums like the World Bank's Women Entrepreneurs Finance Initiative (We-Fi), the investment angle should be considered. By breaking silos, Ethiopia can achieve a more cohesive approach where investment promotion is firmly linked to inclusive growth objectives.

These measures form a comprehensive strategy for making FDI work for everyone. Implementing targeted strategys can start to close the gender gaps observed in the past decade. By adopting a gender-responsive investment promotion strategy, Ethiopia can attract quality investments that not only boost GDP but also advance women's economic empowerment, leading to more sustainable and equitable development in the years ahead.





Gender Expertise in Implementation

Question: Will the implementation team include someone with expertise in gender equality programming to ensure effective gender integration? Identify team members with gender expertise and budget allocations or highlight their absence. (can be done as part of the interview later)

1, What mechanisms are in place to ensure gender analysis is integrated into the design and implementation of investment promotion initiatives and programs?

2, How are gender specialists or focal points involved in the investment promotion strategy development and execution processes?

3, What capacity building efforts have been undertaken to equip investment promotion agencies and teams with gender mainstreaming competencies?

4, Are there any gender-responsive budgeting practices applied to investment promotion activities to adequately resource gender equality objectives?

5, How are gender-disaggregated data and gender-sensitive indicators used to monitor the participation and benefits of women entrepreneurs and investors?

6, What outreach and engagement strategies are employed to actively include women-owned businesses, female investors, and gender advocates in investment promotion efforts?

7, Are there any targeted programs, incentives or support mechanisms in place to encourage and facilitate increased women's participation in investment opportunities?

8, How are the unique challenges and constraints faced by women investors and entrepreneurs being identified and addressed through the investment promotion strategy?

9, Can you provide examples of how a gender lens has been applied to reshape specific investment promotion initiatives to be more inclusive and impactful for women?

10, What accountability mechanisms exist to ensure the investment promotion strategy is delivering tangible benefits for women and advancing gender equality goals?

Notes

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