Entrepreneurship Development Programme

Unleashing the Potential of MSEs through Entrepreneurial Skills Training, Business Development Services and Access to Finance

Opportunities:
Under Ethiopia’s Growth Transformation Plan (GTP), development of growth-oriented micro and small enterprises (MSEs) was identified as an effective private sector development strategy which can contribute to the country’s bottom-up economic growth and bring about a transformational change in the economy.

The GTP emphasizes the need to provide comprehensive supports to MSEs and existing medium sized enterprises to unleash their full potential to create wealth and jobs, and thereby help to substantially reduce poverty.

However, many MSEs currently operate in the informal sector which is disproportionately represented by women and the poor. Those people are paid substantially less than those in formal businesses and their contribution to the economic growth is limited.

Lack of employment opportunities in the places where people live is another bottleneck which hinders private sector-led growth. Young people graduating from colleges and women often cannot find jobs appropriate to their skills and ambitions.

Development of entrepreneurship and support to business start-ups enable those people to develop their own potential and find ways to generate income and employment by themselves.

Strategies:
The project goal is to bring about a transformational change and unleash the growth potential of micro and small enterprises (MSEs) through entrepreneurial and business management skills training and provision of comprehensive business advisory services. The project also focuses on strengthening of business capacity of existing medium and small enterprises and facilitating their business linkages with MSEs.

The project aims to directly support the building of entrepreneurial skills and mindsets with MSEs, particularly women and youth, and support the Government’s efforts in establishing training/service institutions and financial support for sustainable provision of entrepreneurship development support.

“This project is very important for a host of reasons that have significant bearing on the national development endeavors. One of the challenges we have in this country that stands in the way of ensuring rapid industrial growth is the acute lack of social capital and particularly that of entrepreneurship skills.”

H.E. Prime Minister Hailemariam Desalegn

Beneficiaries:
Through the customized entrepreneurship development workshops (ETWs), growth-oriented MSEs and medium enterprises will be identified and provided with the opportunity to benefit from a wide range of business development services (BDS) facilitated by the project.

The project also targets potential entrepreneurs particularly women and youth, the unemployed and young graduates who are interested in self-employment to provide them with more job and income-generating opportunities.

The project service will be also extended to rural small farmers to promote agro-based small businesses.
Actions:

Project activities include:

(1) Enhancing the institutional capacity of the Government to deliver comprehensive support services to MSEs and medium-sized enterprises

- Establishment and capacity building of an Entrepreneurship Development Center (EDC) in Addis Ababa and 4 regional centers in Amhara, Oromia, Tigray, and Southern Nations

(2) Developing entrepreneurial knowledge and skills with MSEs and potential entrepreneurs

- Providing MSEs, national trainers and potential entrepreneurs with training on entrepreneurship development and business management skills improvement

"Recently I’m working on designing leather products. One interesting lesson I’ve gained, which I had not learnt from previous courses, is the knowledge of how we need to calculate our business risks in advance."

Ms. Aynalem Ayele, Owner of Ayni’s Design

“(The training) was beyond my expectation. It changed my mind. I’ve gotten confidence to start my own business.”

Ms. Addis Zelekaw, Entrepreneur

(3) Assisting establishment of new MSEs and development of existing small and medium businesses

- Providing quality business advisory and business development services (BDS) support

(4) Increasing awareness on entrepreneurship development and promoting partnerships among the Government, private sector and other stakeholders

- Documentation of experiences in the programme and organization of policy dialogues

(5) Innovative Financial Facility (IIF) established and operational to provide MSEs with access to finance for working capitals and loans

(6) Legal and regulatory environment concerning the establishment of private equity and venture capital in Ethiopia assessed

(7) Private Equity and Venture Capital Unit established to foster and lead private equity and venture capital initiatives

Impact:

By 2015, private sector-led manufacturing and service industries, especially MSEs and medium enterprises, will sustainably improve their competitiveness and potential to create employments.

MSEs and entrepreneurs across the country will improve their entrepreneurial and business management skills.

Through the entrepreneurship training and BDS support, establishment of 100,000 new businesses and expansion of 100,000 existing businesses will be assisted.

Greater awareness will be given to entrepreneurship and MSE development among the Government, private sector and other stakeholders.

In addition, financial facility and private equity to help MSEs and start-ups will be enhanced, while legal and regulatory environment will also be enhanced.