

**Startups** Ease of doing business **Sustainable** Access to finance  
 Development **SMEs** **Enterprise dev** Livelihood **Business**  
 Entrepreneurship **Innovation** **Jobs**  
**Finance** People Government Enabling environment  
 Economic recovery **Economy** **Inclusive** Small business  
**Digital** Livelihoods recovery **Insurance and risk finance**



## Inclusive Economic Transformation

UNDP Ethiopia's work around inclusive economy transformation focuses on helping Ethiopia create a supportive ecosystem for innovative and growth-oriented decent jobs.

UNDP supports interventions focused on building capacity (skills and knowledge); development of relevant policies and regulations; exploring innovative and inclusive access to finance (through the Innovative Finance Lab); and harnessing university-industry linkage.

### Major challenges in the sector



A young and rapidly population growth 3.5% per annum with >70% below 30 years.



Large-scale nationwide unemployment; 19.4% urban unemployment as of 2022



2.1 million MSMEs  
71% micro enterprises

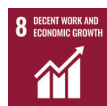


6.1 billion financing gap for MSEM in 2021



Only 11.3 % of enterprises in Ethiopia have access to finance from banks

### Contribution to SDGs



### Funding Source



### Key figures

Across various UNDP-supported projects implemented from 2021 – 2023



\$7.5 million in financial support was accessed by 24,496 businesses (68% female-owned).



8,708 Entrepreneurs (69.4% female) have accessed non-financial support



104 Institutions have accessed capacity-strengthening support.



6 Policies and regulations have been developed.



Over 24,000 businesses (68% women owned) have received financial and non-financial support during the time COVID to recover from crisis.

## Portfolio



6 active projects for FY24



Total budget 2024 USD 4 million.

## Implementing Partners (IP)



10 IPs

## HIGHLIGHTS



### Building Institutions

UNDP has helped to set up key institutions, such as the what do Ethiopian Commodities Exchange (ECX), the Agricultural Transformation Agency (ATA) and the Entrepreneurship Development Institute (EDI).



### Creating An Enabling Environment

UNDP is supporting Ethiopia to build an enabling environment for ICT-based SMEs, startups, and digital entrepreneurship across all sectors of the economy. Support areas include the development of a national startup act, the creation of Enkopa platforms for entrepreneurs and, the set-up of a digital startup marketplace.



### Expanding Jobs And Livelihood Opportunities

Since 2013, UNDP has supported the creation of 150,000 jobs, the establishment of 12,790 enterprises, expansion of 13,000 businesses. Over 170,000 budding entrepreneurs have received training, while 18,000 businesses have also accessed business development services. UNDP also targets the most vulnerable groups to expand their livelihood opportunities, especially in crisis-affected areas where people need to rebuild.



### Managing Risks

Only 0.3% of Ethiopians are reported to have insurance coverage. UNDP is helping Ethiopia to develop an innovative and sustainable approach to prepare for disasters and create a climate-resilient economy through working on regulatory environment, capacity building, and developing, and integrating risk financing and insurance products into the national development plans.



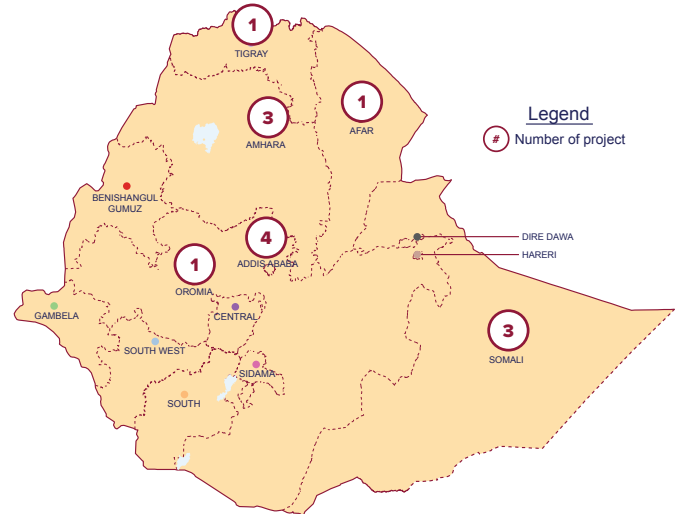
### Access to Innovative and Inclusive Finance

UNDP supports MSMEs accessing finance using small grants, challenge funds, credit risk guarantee funds, crowdfunding and other instruments.

One of the ways that UNDP is promoting access to finance is through partnering with the National Bank of Ethiopia (NBE) to set up an Innovative Finance Lab to test, innovate and grow a new set of services, products and inclusive instruments that will unlock new avenues of financing for the rapidly growing MSMEs sector in Ethiopia. A regulatory sandbox has been introduced to promote improvement in the regulatory framework.

## Where UNDP Intervenes\*

Addis Ababa, Somali, Amhara, Oromia, Tigray and Afar regions.



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