

Opening Remarks at the MSME Project National Launching Event in Ethiopia

Mr. Amson Sibanda, Chief, National Strategies and Capacity Building Branch, Division for Sustainable Development Goals, UN Department of Economic and Social Affairs

21 June 2023

Addis Ababa, Ethiopia

Mr. Hassan Mohammed, State Minister, Ministry of Industry, Ethiopia,

Mr. Admassu Ifru, Chief Executive Officer for Infrastructure Development and Capacity Building, Ministry of Industry,

Ms. Abibatou Wane, Acting Resident Coordinator, IOM Mission Chief Representatives of the MSME sector in Ethiopia,

Distinguished guests, ladies and gentlemen,

I am pleased to join you today at this event to launch two projects, namely, “Strengthening National Capacities for Enhancing Micro-, Small and Medium-sized Enterprise (MSME) Resilience and Building Forward Better to Accelerate the Implementation of the 2030 Agenda in Ethiopia” and the project “Strengthened Resilience of MSMEs in Africa and Asia”.

First of all, please allow me to start by thanking the presence of senior officials from the Ministry of Industry and the United Nations system in Ethiopia. Your presence demonstrates the high-level commitment to the critical issue of elevating micro-, small and medium-sized enterprises (MSMEs) contributions to accelerating actions on implementing the 2030 Agenda for Sustainable Development in Ethiopia at all levels. To rebuild better and stronger from the economic contraction caused by the COVID-19 pandemic, it is imperative that countries focus on pursuing coherent and targeted policy measures that enhance inclusive, resilient and sustainable economy. These policy choices have to equally focus on MSMEs.

MSMEs play critical roles in the economic growth and structural transformations of Africa, including that of Ethiopia. Representing the majority of business entities, they are engines of job growth, are critical to empowering women and youth, and to sustaining livelihoods, particularly for the poor and groups in vulnerable situations. Despite their important roles, MSMEs are vulnerable to various shocks. Even before the Covid-19 pandemic, MSMEs, especially those owned by women, youth and groups in vulnerable situations, are often left with few avenues to access to credit, business development services and market opportunities. The impact of the COVID-19 pandemic has exacerbated such pre-existing challenges and further threatened to overwhelm MSMEs' coping capacities, through mounting cashflow pressures, interrupted supply chains and rising inflations. Compared to large and formalized enterprises, MSMEs are less able to forge business plans in preparation for uncertainties. Likewise, they suffer from constraint access to economic stimulus and emergency credits launched to support business viability.

It is therefore critical to strengthen MSME capacities to handle economic shocks and uncertainties, at the same time of delivering sustained policy support tailor-made to diverse demands of the MSME sector. Such support will enhance MSME resilience, contributing to their pursuance for innovations and structural transformations. With MSMEs still reeling from uncertainties in the gradual recovery from the COVID-19 pandemic, the workshop today gives us a timely opportunity to impart demand-driven knowledge that is vital to enhance capacities of both policymakers and MSME entrepreneurs, which are critical for building a dynamic MSME sector and maximizing its contributions to building forward better in Ethiopia.

At this moment, I would like to sincerely thank the support of the Ministry of Industry during the conceptualization of both MSME projects. We are therefore pleased to inform the State Minister and the MSME stakeholders gathered here that the project on “Strengthening national capacities for enhancing MSME resilience and building forward better to accelerate the implementation of the 2030 Agenda in developing countries” has been approved by the United Nations Peace and Development Fund. The project will be implemented in Ethiopia together with eight other developing countries in Africa and Asia, from 2022 to 2024.

I would also like to announce that a second UNDESA project on “Strengthened resilience of MSMEs in Africa and Asia” was also approved by the United Nations Development Account. The project will be implemented from 2022 to 2025 in four developing countries in Africa and Asia. Ethiopia is a pilot country of this project as well. Both projects will complement each other and jointly contribute to building capacities of MSMEs and policymakers in Ethiopia that is needed to strengthen MSME resilience and ensure that Ethiopian MSMEs both survive from the pandemic and thrive by better positioning themselves to capture high-value market opportunities. More importantly, these two projects will be implemented as integral parts of Ethiopia UN Sustainable Development Cooperation Framework (2020-2025), supporting the progress towards an inclusive, resilient and sustainable economy in Ethiopia.

Taking into account global and regional sustainable development visions, and Ethiopia’s national development aspirations as encapsulated in the “Ethiopia 2030: The Pathway to Prosperity Ten Years Perspective Development Plan (2021 – 2030)”, both MSME projects are conceptualized through close consultations with the Ministry of Industry. In the meantime, we are committed to expanding synergies with existing MSME supporting efforts led by the United Nations Country Team members for sustaining impact.

To this end, I would like to underline the importance of this workshop, which is not only to launch both MSME projects. Moreover, it also aims to improve capacities of both policymakers and MSME entrepreneurs to jointly support the resilience and growth of a dynamic MSME sector in Ethiopia, unlocking the full potential of MSMEs in rescuing SDGs through strengthened entrepreneurship for sustainable development and expedited progress towards digitization.

Ladies and gentlemen, although this capacity building workshop takes place in only five days, I believe the learning journey of you all will go far. We expect each one of you to share the knowledge and skills you have gained in this week with you community members. You all constitute crucial building blocks for enhancing MSME resilience and elevating their contributions to the full implementation of the 2030 Agenda for Sustainable Development at all levels.

I thank you for your attention and wish the workshop the best success.
