Workshop Report

Strengthening Entrepreneurship for Sustainable Development Goals (SDGs) among Micro-, Small and Medium-sized Enterprises (MSMEs) in Ethiopia

19-23 June 2023
Africa Conference Center
United Nations Economic Council for Africa
Addis Ababa, Ethiopia
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Background

Micro-, small and medium-sized enterprises (MSMEs) contribute to implementing the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) at all levels by driving inclusive and sustainable economic growth. In Ethiopia, MSMEs play crucial roles in realizing major development objectives in line with national needs and circumstances as spelled out in the Industrial Development Road Map (2013 -2025) and the “Ethiopia 2030: The Pathway to Prosperity Ten Years Perspective Development Plan (2021 – 2030)”, particularly its strategic pillars on ensuring quality growth and improving productivity and competitiveness. Despite their noted contributions to SDGs, MSMEs, especially women and youth-owned enterprises, have been hit the hardest by the negative socioeconomic impact of the COVID-19 pandemic. In Ethiopia, GDP growth for the 2019/20 fiscal year was projected to be lower than its target of 9.0% by between 2.81 and 3.80 percentage points due to the COVID-19 pandemic. Returning the economy to its high growth trajectory requires focusing on sectors with high productivity and job creation potentials, including strengthening the resilience of MSMEs to external shocks and leveraging market opportunities associated with local, regional and global value chains.

The urgent need to enhance MSME resilience has been prioritized in the General Assembly resolution A/RES/74/270 ‘Global Solidarity to fight the Coronavirus Disease (COVID-19)’ and the Secretary-General’s report ‘Shared responsibility, global solidarity: Responding to the socio-economic impacts of the COVID-19 pandemic’. The 2023 Economic and Social Council Forum on Financing for Development follow-up (E/FFDF/2023/L.1) also recognizes that inclusive and sustainable industrial and business development, including micro-, small and medium-sized enterprises, sustainable infrastructure development and digital development, can play a crucial role in the realization of major development objectives in line with national needs and circumstances, including those in Ethiopia.

Ethiopia has a population of over 110 million. The country possesses a vast domestic market, a youth dominated demographic profile and a large and youthful workforce. However, unemployment remains a serious challenge, constraining the full potential of Ethiopia in accelerating progress towards Sustainable Development Goals (SDGs), the AU Agenda 2063 and its national aspiration of becoming a middle-income country by 2025. The challenge is associated with the rapid labor force growth and limited employment generation capacity of the Ethiopian economy. Appreciating the challenge, the Government of Ethiopia launched the Industrial Development Strategic Plan (IDSP) as a strategic framework to accelerate sustainable industrialization in the country. The IDSP is a strong pillar of the Ethiopian Industrial Development Road Map (2013 – 2025) that upholds Ethiopia’s vision to become a middle-income country by 2025. It encompasses several strategic areas, including strengthening capacities of MSMEs, promoting MSME growth, resilience and revitalizing the critical roles of MSMEs as engines for job creation in Ethiopia.

The Ministry of Industry (MOI) is the leading government department in Ethiopia on MSME development. Over the past years, MOI has delivered business development services and capacity building programmes that expand MSME resilience towards uncertainties and elevate their contributions to SDGs, especially in the area of decent job creation. MOI is the government counterpart of DESA’s MSME projects that focus
on strengthening capacities and enhancing MSME resilience for accelerating the implementation of the 2030 Agenda in developing countries. This capacity workshop is one of the first activities requested by MOI to the projects’ assistance in Ethiopia.

**Workshop Objectives**

The main objective of this workshop is to improve technical capacities of policymakers to support the resilience, growth and formalization of MSMEs and to improve the capacities of MSME entrepreneurs to capture high-value market opportunities, especially those emerged from the digital transformation, while tackle economic shocks and uncertainties at the same time. Capacity building topics covered by the workshop include strengthening entrepreneurship skills for realizing sustainable development and elevating business digitization skills among MSMEs, especially MSMEs owned by women, youth and persons with disabilities. Targeted participants in the workshop include national and sub-national government officials, MSME entrepreneurs from both Addis Ababa and eleven regions of the country. Most of the targeted MSME entrepreneurs can hardly keep their businesses resilient against economic shocks and market uncertainties. In many cases, they are confined to the margins of markets with limited access to high-value market opportunities. Nonetheless, they are the group that needs the most support, considering their substantial contributions to employment creation especially for people in vulnerable situations.

Based on the above, the capacity building workshop will address following objectives:

a. Build and strengthen technical capacities of Federal and state level policy makers and implementers tasked with supporting the resilience, growth and formalization of MSMEs

b. Build and strengthen business management skills among MSME entrepreneurs, especially women, youth and persons with disabilities led enterprises

c. Improve the resilience and capacities of MSME entrepreneurs to make them better competitors in local, regional and global markets and value chains.

d. Provide business advisory support, including enhancing e-commerce and digital marketing skills that facilitate MSME digital transformation

**Workshop Overview: modules and training topics**

A rapid demand assessment was conducted before the workshop to understand demands and expectations of participants for the workshop. Guided by findings from the assessment, the capacity building workshop has been designed to cover two main areas. The first area comprises modules relating to strengthening entrepreneurship and business management skills for accelerating progress towards SDGs in Ethiopia. It aims at strengthening entrepreneurial and business management skills among MSME entrepreneurs. The first part lasts three days from 19 to 21 June, which covers six modules. It is followed by the second part, which focuses on strengthening business digitization and digital marketing skills among MSME entrepreneurs. Business digitization is the critical means to enhance MSME resilience in the context of digital transformations and facilitate MSME participation in the digital economy. The second part of the
workshop lasts for two days from 22 to 23 June, which covers four modules. Narratives below provide details accounts on modules included under each part of the workshop.

**Part one: strengthening entrepreneurial and business management skills (19 – 21 June)**

**Module one: Introduction on the essence of entrepreneurship**

The first module is designed to introduce participants with basic concepts on entrepreneurship. It introduces the essence of entrepreneurship, strengthen entrepreneurial attitude towards business success and the formulation of internal locus of control that is linked with problem solving skills and taking personal responsibilities for business success or failures.

Training Topics:

- Developing entrepreneurial attitude
- Internal locus of control
- Experimental Learning methodology (ELM)

**Module two: Successful entrepreneurial behaviors**

The second module presents the behaviors of successful entrepreneurs, including goal setting, and systematic planning and monitoring, information seeking and record keeping, taking calculated risk, persistence, commitment and networking.

Training Topics:

- Entrepreneurial readiness self-assessment
- The essence of entrepreneurship: entrepreneurial competences and problem-solving skills
- Goal setting and systematic planning and monitoring
- Information seeking and record keeping
- Taking calculated risk
- Persistence and commitment
- Networking

**Module three: Formulating business model for MSMEs**

This module aims at enabling participants to develop business models that can be applied in their businesses. Participants will develop their business models on 9 major areas, including value proposition, customer segment, customer relationships, channel management, revenue streaming, partnership engagement, resource mobilization and costing. Participants will be tasked to review their existing business models. On this basis, they will be invited to develop more innovative business models through interactive discussions with trainers and peer MSME entrepreneurs.
Training Topics:
- Developing a business model
- Business model canvassing

**Module four: Team building for establishing successful enterprises**

Under module four, participants have been familiarized with individual and group factors necessary to establish successful enterprises, including team building, effective communications and resource mobilization.

Training Topics:
- Team building skills
- Communication skills for maintaining customer relations
- Resource mobilization

**Module five: Business management skills for MSMEs**

Technical business management skills have been shared under this module. These skills include financial management, costing, inventory and marketing management in the context of MSMEs.

Training Topics:
- Financial management for MSMEs
- Cost management
- Revenue management
- Simple financial statement preparation
- Inventory control and management for MSMEs
- Business Strategy development for MSMEs
- Market segmentation, targeting and positioning for MSMEs

**Module six: MSME business formalization in the Ethiopian context**

The sixth module is designed to familiarize participants with the regulatory environment in Ethiopia, where MSMEs grow. It includes presentation of regulatory structure in Ethiopia, including sole proprietorship, partnership and private limited companies. This module also presents business registration and licensing procedures that participants need to follow in order to formally start their businesses in Ethiopia.
Training Topics:

- MSME formalization options and pathways in Ethiopia
- Business registration and licensing procedures in Ethiopia

Part two: strengthening MSME digitization and digital marketing skills (22 – 23 June)

Module one: Introduction on MSME digitization

This module introduced participants on the benefits that digital tools can offer to MSMEs, in terms of growing and succeeding in the modern rapid digital transformation. This module also imparted knowledge on how MSMEs can leverage the digital tools to elevate business efficiency, improve customer engagement, and gain a competitive advantage that enhances their competitiveness and resilience. Digital tools presented under this module included Microsoft Teams, WhatsApp Business, Twitter, Instagram, Telegram and Trello.

Training topics:

- Digital tools available for micro and small business owners (Microsoft Teams, WhatsApp Business, Twitter, Instagram, Telegram and Trello)

Module two: Google suite for micro and small businesses

This module presented participants the Google Suite as a powerful toolkit that can help businesses to improve productivity, streamline their work processes, and collaborate more effectively. It enabled participants to create online marketing campaigns for their enterprises, utilizing various tools offered by Google. Participants were required to work collaboratively in groups of three and present their online marketing campaigns via Google Meet, which will help them get familiarized with Google suite.

Training Topics:

- Using Google Suite to improve business operations.
- Explore the different applications available in Google Suite and their functions.
- Learn how to collaborate with team members using Google Suite for launching online marketing campaigns

Module three: E-commerce for micro and small entrepreneurs

In today's digitized age, e-commerce has become an essential aspect of any business. E-commerce refers to the buying and selling of goods and services over the internet. It has revolutionized the way businesses operate, enabling micro and small entrepreneurs to reach a wider audience beyond geographical boundaries. This module enabled participants to use various e-commerce platforms, payment gateways, online marketing strategies, and customer engagement techniques. E-commerce platforms introduced under this module include Facebook shop, Shopify and WooCommerce.
Training topics:

- Discuss the basics of e-commerce and its benefits for businesses.
- Learn and apply on how to set up an online store using e-commerce platforms (Facebook shop, Shopify, WooCommerce).
- Learn and apply on how to manage online stores and process online orders on Facebook shop

Module four: Digital marketing for micro and small enterprises

Digital marketing refers to the use of electronic media to promote and sell products or services. In today's digital age, e-marketing has become an essential tool for businesses of all sizes to reach their target audience and leverage their business performance. This session helped participants explore various aspects of e-marketing, including search engine optimization (SEO), social media marketing, email marketing, and content marketing.

Training topics:

- Explore the importance of e-marketing to engage customers online
- Learn how to create effective email marketing campaigns
- Learn how to use social media marketing to promote your business

Workshop programme

19 June

8:30 – 9:00 – Arrival and Registration

9:00 - 9:30 – Opening Session

- Dr. Alebachew Nigussie, Director-General for Enterprise Development, Ministry of Industry, Ethiopia
- Mr. Clark Ke Liu, Sustainable Development Officer, National Strategies and Capacity Building Branch, Division for Sustainable Development Goals, United Nations Department of Economic and Social Affairs

9:30 – 10:30 – Introduction to Entrepreneurship

10:30 – 11:30 – What is an Entrepreneur?

11:30 – 11:45 – TEA BREAK

11:45 - 13:00 – Behaviors’ of a Successful Entrepreneur

13:00 14:00 – LUNCH BREAK

14:00 – 15:00 – Behaviors’ of a Successful Entrepreneur (Cont’d)

15:00 – 17:00 – Reinforcement through Drama Skits

17:00 – END OF DAY ONE
20 June

8:30 – 9:00 – Recap of Previous day’s Learnings
9:00 – 10:00 - Business Planning

**10:00 – 10:30 – TEA BREAK**

10:30 – 13:00 – Presentation of Business Plans

**13:00 – 14:00 – LUNCH BREAK**

14:00 – 15:30 – Bookkeeping
15:30 – 17:00 – Bookkeeping Practical

**17:00 – END OF DAY TWO**

21 June

**OFFICIAL LAUNCHING EVENT OF THE DA AND PDF MSME PROJECTS IN ETHIOPIA**

**09:00 – 10:00 a.m.**

- Mr. Admassu Yifru, Chief Executive Officer for Capacity Building and Infrastructure Development, Ministry of Industry, on behalf of Mr. Hassen Hussien State Minister, Ministry of Industry, Ethiopia
- Ms. Abibatou Wane, United Nations Resident Coordinator a.i., Ethiopia
- Mr. Amson Sibanda, Chief, National Strategies and Capacity Building Branch, Division for Sustainable Development Goals, United Nations Department of Economic and Social Affairs, *(remarks delivered by Mr. Clark Ke Liu)*

**10:00 – 10:15 TEA BREAK**

**Resume National Capacity Building Workshop**

10:15 – 11:30 – Buying and Inventory Control Practical
11:30 – 13:00 – Costing and Pricing

**13:00 – 14:00 LUNCH BREAK**

14:00 – 15:00 - Costing & Pricing Practical
15:00 – 17:00 MSME Formalization: roadmap, incentives and constraints

**17:00 – END OF DAY THREE**

22 June

8:30 – 9:00 – Recap of Previous day’s Learnings
9:00 – 10:00 – Introduction on E-commerce and Digital Marketing: models, history and good practices
10:00 – 10:30 TEA BREAK

10:30 – 11:30 – Utilizing email for promoting online marketing

11:30 – 13:00 – Practices: utilizing email for promoting online marketing

13:00 – 14:00 LUNCH BREAK

14:00 – 15:30 – Digital marketing on social media platforms

15:30 – 15:45 - TEA BREAK

15:45 – 17:00 Practices: digital marketing on social media platforms (Facebook, Instagram, Tiktok and Youtube)

17:00 – END OF DAY FOUR

23 June

8:30 – 9:00 – Recap of Previous day’s Learnings

9:00 – 10:00 – Introduction on content creation, how to setup and manage your online shops and boost digital marketing

10:00 – 10:30 TEA BREAK

10:30 – 11:30 – How to choose affiliate marketing and partner with online influencers to boost marketing

11:30 – 13:00 – Practices: content creation, management for boosting digital marketing

13:00 – 14:00 LUNCH BREAK

14:00 – 15:00 – Search engine optimization

15:00 – 16:30 Practices: leveraging search engine optimization for promoting digital marketing

16:30 – 17:00 CERTIFICATE AWARDING AND CLOSING SESSION

**DESA MSME Projects Launching Event**

This capacity building workshop also comprises the official launching of two DESA MSME projects, namely, the project “*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 development countries participating in the Belt-and-Road Initiative*” which is funded by the United Nations Peace and Development Fund, and the project “*Strengthened Resilience of MSMEs in Africa and Asia*”, which is funded by the United Nations Development Account. Ethiopia is a pilot country under both projects.

An official launching event was organized in the morning on Wednesday 21 June. Mr. Hassan Mohammed, State Minister of Industry, Ethiopia, sent congratulatory remarks to the official launching event. In his remarks, the State Minister emphasized the Ministry of Industry’s commitment to support the impactful implementation of the MSME projects of DESA in Ethiopia. He informed that the projects are well aligned with the Ministry’s priorities, in terms of enhancing capacities and strengthening MSME resilience to
implement the 2030 Agenda in Ethiopia at all levels. He also expected that the projects will expand access of MSMEs to local, national and global value chains with strengthened forward and backward linkages with global enterprises and consumers at the same time.

Ms. Abibatou Wane, Acting Resident Representative of the United Nations in Ethiopia joined the launching event. In her remarks, Ms. Wane emphasized the urgency and importance to strengthen MSME capacities and resilience in Ethiopia to accelerate progress towards achieving SDGs. She further pointed out that contributions of MSMEs, especially those owned by women, youth and persons in disabilities, have been unfortunately inhibited by the Covid-19 pandemic, conflicts and rising inflations around the world, including in Ethiopia. She expected that the two projects will provide demand-driven support for MSMEs and unleash their full potentials in realizing sustainable development and implementing the 2030 agenda at all levels in Ethiopia.

Mr. Amson Sibanda, Chief, National Strategies and Capacity Building Branch, Division for Sustainable Development Goals, United Nations Department of Economic and Social Affairs (NSCBB, DSDG/DESA) sent his congratulatory remarks for the official launching of the MSME projects in Ethiopia. He pointed out that MSMEs, especially those owned by women, youth and persons with disabilities, contribute significantly to the 2030 Agenda for Sustainable Development. He informed that, 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, which should equally focus on MSMEs. He further expected that the two projects will be delivered as integral parts of the Ethiopia - United Nations Sustainable Development Framework (2020-2025).

**Participant profiles**

Participants in this capacity building workshop include 59 micro and small entrepreneurs, as well as national and sub-national officials from both Addis Ababa and 11 regions of Ethiopia. 42 per cent of participants are MSME entrepreneurs, 58 per cent are national and sub-national government officials. 25 per cent participants are women, 75 per cent participants are men.

**Results of ex-post workshop survey**

54 participants (91% of total participants) casted their votes in the ex-post workshop survey. Please find below the survey results, including participants’ feedback on the quality of the workshop, the likelihood of participants to adopt knowledge learnt, as well as quotes from participants that reflect their comment on the workshop.
Quotes from participants

- “I am very much delighted to get knowledge from this workshop that can help me grow my business. The training was more than my expectations.”
- “I have obtained important entrepreneurial skills that will help me support MSMEs in a scientific manner.”
- “I have assessed my entrepreneurial and business management skills and learnt a lot. The training was what I needed.”
- “I have obtained new knowledge about business digitalization, the training changed my way of thinking to become an entrepreneur”
- “I really like the experiential learning methodology applied in the training, the training changed my attitude to run business and I am now a new person”
- “The training is a major benchmark to start my own business, I learnt the importance of setting goals in my life and I learned how to develop a business model”
- “It made me reconsider my whole life to start living seriously and make wiser decisions when using my time, when planning for my business, the training is an eye opener for discovering my entrepreneurial potential”
Planned follow-up actions

The Ministry of Industry, Ethiopia, appreciates this capacity building workshop as a milestone that unlocks capacities and entrepreneurship for achieving SDGs among MSMEs in Ethiopia. In line with existing capacity building initiatives led by the Ministry for MSMEs, the workshop is perceived by the Ministry as “building up momentum towards making a positive difference in the resilience and growth of MSMEs in Ethiopia”. Follow-up action points below have been requested by the Ministry to DSDG/DESA:

- Conduct additional MSME capacity building workshops in different regions putting attention on enhancing digital marketing and e-commerce skills among MSME entrepreneurs
- Formulate training materials to consolidate knowledge shared during the capacity building workshop, which will guide and enhance capacities of both business development officers of the Ministry and MSME entrepreneurs in the long run
- Conduct a study for senior policymakers, MSME entrepreneurs, national and sub-national government officials to learn the good practice on enhancing MSME contributions to realizing SDGs in other countries

Annex

1. Participant List
2. Photos from the workshop