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*A periodical with knowledge and insights from  
our development initiatives and partnerships*

# Sound enough for business?

Supporting the mental health  
of entrepreneurs facing  
challenging contexts



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# Awaqi:

## The digital way to a youth-friendly future



Since its official launch in July 2022, the dynamic digital platform Awaqi has catered to the entrepreneurial aspirations of hundreds of thousands of youths across Ethiopia. With a vision to empower at least one million young individuals, Awaqi offers an array of resources, training, and financing opportunities. What's interesting is that the platform's membership has doubled since it launched, to over 564, 701 people! This shows just how much young people in Ethiopia value the resources and support that AWAQI provides.

Besides the surge in its membership, Awaqi also caters for information dissemination including job, scholarship and internship opportunities, job-matching services, and shares inspirational and motivational contents. The physical spaces of Awaqi centers deliver in-person trainings, free internet, coaching and mentoring services, important topics are discussed at Awaqi Podcast and the AWAQI SACCO aims to provide financial services for the youth. The platform has developed a total of 12 courses uploaded online.



Evolving into more than a platform, Awaqi's presence on seven social media outlets with over 450,000 subscribers has birthed the establishment of saving and credit cooperatives (SACCOs) in Dire Dawa and Hawassa because of the friendly and affordable nature of the financial services they provide to the youth. Awaqi Dire Dawa SACCO became the first one to be formed with over 200 members registered as founding members. Awaqi's podcasts have reached thousands of youth and elicited interactions with the young adults around the country.

Awaqi is an example of what can be achieved when young people are given the resources and support they need to succeed. AWAQI is making a real difference in the lives of young people in Ethiopia, and it is poised for greater success in the years to come.

### Key Data

01

#### Membership Growth:

AWAQI's membership has doubled since its launch, now reaching over **564,701** people.

02

#### Entrepreneurial Impact:

AWAQI has assisted more than **237,000** young entrepreneurs in securing dignified and fulfilling jobs.

03

#### Training :

AWAQI has provided training and mentorship programs to over **19,000** young people, fostering skill development and growth.

04

#### Educational Outreach:

AWAQI has developed a total of **15** courses and shared a total of **599** long and short videos, contributing to educational initiatives.

# Sound enough for business?

Supporting the mental health of entrepreneurs facing challenging contexts



We researched the mental health of 324 micro, small and medium enterprises (MSMEs) in Afar, Amhara, Beninshangul Gumuz, Oromia and Somali in May 2023, asking the business owners about the mental well-being of their members and themselves. We used the findings, shared below, to embark on an intervention to provide psycho-social support services as part of a broader MSME business development programme.



## 01 Mental health disorders are a global issue...

- According to WHO, 1 in 8 people in the world live with different types of mental disorders (2022)
- During times of conflict, the prevalence of mental disorders such as depression and anxiety is 22% in affected population
- People with mental health issues are less likely to be motivated to start or continue to operate businesses

## 02 MSMEs in disaster-affected areas of Ethiopia are at risk of poor mental health

- Non-combatant civilians or "collaterally injured populations" and businesses suffered from exposure to violence, closures, damage, loss of assets, team member losses & supply chain disruptions
- 54% of respondents reported feeling depressed, distressed and being unable to perform duties well
- 57% of respondents said their communities were unaware of the psychological difficulties they're going through
- 54% reported their MSME leadership is unaware of employees' distress
- Limited formal and organized psychosocial services

## 03 Women are more affected

- Higher prevalence of gender-based violence (GBV), unwanted pregnancy, fistula
- No formal psychosocial support tailored to GBV survivors

## 04 What we are doing

- We built on existing resources and capacities to provide need level-based services
- So far, 6,000 MSMEs received psychoeducation and 384 received group counselling. Group counselling resulted in 24 percentage points reduction in stress symptoms
- Target is to reach 18,000 MSMEs

## 05 What stakeholders can do

- Resources, expertise and institutional coordination needed to improve limited services given at health care centers, government offices, NGOs, and schools



# Enset:

## Ethiopia's staple food gets a tech revolution



Addressing food insecurity, a challenge exacerbated by climate change, conflicts, and high food price inflation, is a strategic priority for Ethiopia, a nation of 123 million people. Enset, a staple food for over 20 million people in the south, southwest, and central highlands, has recently emerged as a key pillar in addressing the nation's food security challenges. According to reports from the Food and Agriculture Organization of the United Nations, enset provides a greater yield per unit area compared to most cereals. An estimated 40 to 60 enset plants occupying 250—375 square meters can provide enough food for a family of 5 to 6.

In addition to its high yield, enset exhibits exceptional resilience to droughts and climate change, making it particularly valuable during these challenging times. However, traditional enset processing methods are labor-intensive, inefficient, time-consuming, and unhygienic. Unfortunately, this burden falls heavily on women and girls who manually perform the work using basic tools. The traditional process also contributes to food waste and safety risks, with losses reaching 25-45% during processing and fermentation.

Fortunately, extensive research by Arba Minch University has led to the development of revolutionary enset processing technologies for scraping, processing, and fermentation. These new technologies can save up to 75% of labor time and reduce processing duration by over 80% compared to traditional methods.

While the traditional method takes two to three months, the new machinery and fermentation techniques can shorten this period to 10-15 days. This significant reduction in processing time enables increased productivity, potentially higher yields, and consequently contributes to enhanced food security and economic opportunities in enset-growing regions. It does so through the efficient production and sale of enset-based products. Furthermore, the new technologies elevate the quality and safety standards of enset products like kocho, bulla, and amicho, paving the way for their entry into premium markets.



Enset corn miller machine, one of the new enset processing technologies





Enset processing machines

Recognizing the potential of these technologies and their benefits to communities, Feed the Future Ethiopia Transforming Agriculture Activity has collaborated with Arba Minch University and private engineering and manufacturing firms. This collaboration aims to scale up the production and distribution of the enset processing machines, making this innovation accessible to communities in need.

During the initial phase of the collaboration, the partnership successfully distributed enset processing technologies to 20 micro, small, and medium enterprises (MSMEs) engaged in enset processing.

Members of the MSMEs received training on operating the machines and utilizing the new technologies for enset processing and fermentation. This training ensured that they were equipped with the necessary skills to maximize the benefits of this innovation.

The manufacturing and distribution of the new enset technologies will expand to other enset-producing regions, allowing a broader range of communities to have access and benefit from this advancement. These innovations not only boost the quality of enset products, leading to premium market value and increased incomes for MSMEs, but also enhance the potential for enriching enset products through fortification, and ultimately contributing to healthier diets.

Environmental sustainability is also a critical aspect in this endeavor. Employing eco-friendly processing methods and utilizing sustainable packaging materials will be instrumental in reducing waste and minimizing environmental impact. By utilizing electricity and eco-friendly power sources like solar energy to operate the enset processing machines, carbon emissions and waste generated during processing can be minimized, aligning with overall sustainability objectives of the innovation.

Collaboration and partnerships with diverse stakeholders are crucial to the success of this initiative, which aims to improve the lives of millions of people and safeguard the country's food security. The collaboration between Feed the Future and public-private partnerships, specifically in scaling up this innovative approach to all regions at the local level, sets the standard for the initiative's success and impact.

The Feed the Future Ethiopia Transforming Agriculture initiative, a five-year, 77-million-USD activity, seeks to inspire and influence agricultural and food system actors in Ethiopia to sustainably enhance the diets of 7 million individuals, particularly women and children living in 132 target woredas across the country.



# The short-lived predecessor of the next “Addis Ababa Stock Exchange”

FC Intervention Manager Dawit Alem reminisces about the history of stock markets in Ethiopia

No bell rings were heard when the “Share Dealing Group” of Ethiopia, arguably the first formalized stock exchange, started trading shares for public subscription, nor were there trading floors where brokers could be seen in commotion trying to sell and buy shares in the primary and secondary markets 60 years ago.

The Share Dealing Group of Ethiopia was formed in 1965 as a result of the rapid pace of the country's economic development and the formation of new companies. But even before the formation of the Group, the State Bank, through its share exchange department, posted its acquired share prices on notice boards at the State Bank's main office in Piassa, Addis Ababa, a testament to the nation's burgeoning economic development and rising entrepreneurial spirit. The formation of the department is considered the first step in institutional arrangements for share trading, which encouraged trading and holding shares by:

- Purchasing shares themselves, the department directly injected capital into the market and increased its overall value.
- Serving as underwriters, the department offered a safety net for potential investors, boosting confidence and encouraging participation.

The first company to go public was Ethiopian Abattoirs, which offered its shares for public subscription in 1956. In the following years, share trading increased considerably, and many others followed suit, including the Bottling Company of Ethiopia, Indo-Ethiopian Textiles, HVA Ethiopia, Tendaho Plantation, and Addis Ababa Bank. Between 1956 and 1963, share trading grew steadily, reaching a total investment of ETB 61 million. Of this, 67% was by foreign companies, with the most significant buyer being the HVA of the Netherlands.

However, the bank's failure to underwrite the large volumes of shares issued by a growing number of companies paved the way for the formation of the Share Dealing Group in 1965.



The Group was a six-member group in which each member was represented by their respective managing directors. The members included:

- National Bank of Ethiopia
- Addis Ababa Bank
- Commercial Bank of Ethiopia
- Development Bank of Ethiopia
- Investment Bank of Ethiopia
- Sabeen Utility Corporation
- Alfred Abel (an individual)

Then came the communist regime which rejected private ownership of capital and laissez-faire economics. Companies were nationalized expeditiously while foreign investors were able to recoup their investments. Ethiopian investors left the market empty-handed. The capital exchange ceased to exist and nothing changed in the government that followed.

After the market went up and down through the hills of regime and ideological changes, forms and natures, sticks and stones, its resurrection has become imminent. With the Ethiopian Capital Markets Authority working to launch the Ethiopian stock market or what might well be “Addis Ababa Stock Exchange” in 2024-25, Addis Ababa awaits to hear a bell ring once again, heard from a trading floor.





# From Seed to Success

## How a youth-led cooperative is changing lives in Waliso



*Access to finance is a pressing issue for youth-owned businesses in the country, limiting their ability to initiate or expand operations. Recognizing this critical gap, the BRIDGES Programme has stepped in to actively address the challenge.*

### Empowering SACCOs for Success

Leveraging the learning from the successful Maraki Saving and Credit Cooperative (SACCO) in Bahir Dar, the BRIDGES Programme extended its impact by facilitating the establishment of two new Saving and Credit Cooperatives (SACCOs): Numan Dargagoota and Burqa Gudina Bridges. These SACCOs, launched a year ago with 15 members, cater to the needs of youth in and around Waliso town.



Sinqee is forward-looking with her new business venture

Recognizing the importance of proper resources, the BRIDGES Programme implemented strategic interventions to empower the SACCOs. The Programme supported the SACCOs from their inception, including:

- **Financial Literacy and Business Development Training:** Equipping the members with essential skills and knowledge to effectively manage their finances and operate successful businesses.
- **Licensing facilitation:** Assisting the SACCOs throughout the licensing process, ensuring compliance with the legal and regulatory standards set by the Federal Cooperative Commission (FCC).
- **Equipped for Success:** Supplying essential equipment such as computer systems for efficient transaction processing, office furniture, and printers to establish a functional and productive work environment.
- **Credit and Finance Manuals Creation:** Supported in the development of crucial guides in the form of credit and finance manuals to support the cooperatives.

Demonstrating their newfound understanding and commitment to building a sustainable cooperative, the members collectively raised a share capital of ETB 540,000. Leveraging their financial resources, Numan Dargagoota SACCO secured a well-equipped rental office, enhancing their workplace environment and projecting a more professional image. This upgrade exemplifies their dedication to growth and mission to serving the community.



## From Challenges to Growth: SACCO Sets Ambitious Targets

Despite facing numerous challenges, the youth have shown remarkable perseverance in their journey. They have continuously encouraged members to save and contribute to the Association, overcoming constraints that initially hindered the Association's ability to provide loans. The results achieved within just one year by the SACCO are truly promising:

- The SACCO has grown to over 700 members, with a share capital of ETB 2.1 million.
- The SACCO has successfully extended credit to a group consisting of 400 members, as well as 13 individual borrowers.
- Individual borrowers have witnessed an increase in loan sizes, ranging from ETB 30,000 to 50,000. The total amount disbursed to all borrowers exceeding ETB 500,000.
- The SACCO has set ambitious goals, aiming to grow its credit disbursement to ETB 10 million within the current Ethiopian fiscal year.
- Looking ahead, the SACCO aspires to increase its membership to 3,000 and is already in the process of joining the core banking system, a significant step in enhancing operational efficiency.

## Fostering benefits to members and community

Tasisa Nigussie, one of the founding members of the SACCO, seized the opportunity to expand his poultry business by utilizing a credit of ETB 30,000. With this credit, he invested in 100-day-old egg laying chickens, which he nurtured in a rented chicken house. Now, at four months old, the chickens are nearing the stage of laying eggs. Tasisa acknowledges the significant challenge of accessing finance for entrepreneurs like himself but is grateful for the opportunity to realize his dream of owning and operating a business.

Another member of the SACCO, Sinqee Mulugeta, joined when the SACCO was established. Despite holding a bachelor's degree in public administration from Ambo University, Sinqee struggled to find employment. However, after securing a credit of ETB 50,000 from Numan, she embarked on her first entrepreneurial venture- a kiosk- and supplemented her income by selling fruits and vegetables on the side. Although it is still early to evaluate the success of her enterprise, Sinqee finds immense satisfaction in working on her own business, emphasizing the rewarding feeling it brings.

The success stories of Tasisa and Sinqee serve as shining examples of the positive impact that access to finance can have on aspiring entrepreneurs in Ethiopia. These stories highlight how youth owned SACCOs create self-employment opportunities for unemployed youth, providing them with dignity and empowerment.

In addition to reaping personal benefits, the SACCO members are actively engaged in the construction of a cultural restaurant in Waliso town. This restaurant project is expected to generate job opportunities for over 30 individuals soon, further contributing to the economic growth and development of the community.



## Building a Brighter Future

The BRIDGES Programme's efforts, coupled with the establishment of SACCOs like Numan Dargagoota, play a pivotal role in bridging the finance gap and empowering the youth, particularly women, to pursue their entrepreneurial aspirations. As we witness the transformative power of these initiatives, it becomes evident that by investing in the potential of young entrepreneurs, we are building a brighter future for all.



First Consult is the leading development consulting organisation in Ethiopia. Founded in 2006, First Consult (FC) has grown to design and implement economic development projects across the agriculture, manufacturing and service sectors. Our multidisciplinary teams combine a capacity to execute with clarity of the local context. We leverage on our partnerships with public and private organisations as well as a networked on-the-ground presence in most regions of Ethiopia. We have delivered at-scale real impact in terms of jobs & wealth creation, business formation & growth, and investment attraction & mobilization.

Projects featured in this edition of *The Context*:



BRIDGES is a five-year programme (2019-24) aiming to create and support 718,000 youth jobs, mostly for women. It's implemented by First Consult in partnership with the Mastercard Foundation. The Programme focuses on the manufacturing sector, covering all regions and city administrations to address unemployment in Ethiopia.



The Micro, Small and Medium Enterprise Recovery and Resilience (MESMER) Programme, a five-year programme launched in October 2022, works to support 72,200 MSMEs and create 410,800 jobs within enterprises by building the resilience and growth prospects of MSMEs through access to finance. The Programme is supporting MSMEs by providing business development support, psychosocial services and technical assistance to financial institutions.



Funded through USAID, as part of Feed the Future, the U.S. Government's global hunger and food security initiative, Ethiopia Transforming Agriculture is a five-year, \$67 million activity that seeks to influence and inspire the country's agriculture and food system actors to sustainably improve the diets of 7 million people, particularly women and children, living in 132 target woredas (districts) across the country.

Join us on this transformative path as we unlock opportunities and shape a brighter future for Ethiopia.