

INTERVENTION BRIEF | MSE SYSTEM

DIGITAL FINANCIAL SERVICE FOR BUSINESS OPPORTUNITY FOR MICRO & SMALL ENTERPRISES

THE PROBLEM

Ethiopia's emerging digital transformation is creating new economic opportunities in several sectors including financial services. New legislation now permits banks and microfinance institutions to offer various financial services using mobile devices and agents as delivery channels. This not only increases service reach but also creates income-generating opportunities for agents. However, women and youth-owned micro and small enterprises (MSEs) are unable to exploit the opportunities due to a lack of information, lower levels of education and economic establishment, inadequate technical and business skills, and perceptions of established private businesses towards working with MSEs, especially in the digital space.



OUR INTERVENTION

LIWAY partnered with Elebat Management and Technology Solution PLC (Elebat Solution) to co-create a new business model to target, empower, and engage women and youth-owned MSEs to effectively deliver digital financial services as agents. Due to several factors including lack of skills and experience, the nascency and dynamic nature of the market, and limited awareness and trust of new digital products, coordinated and intensive support was required.

Elebat Solution develops partnerships with banks, microfinance institutions, and other relevant actors to become a master agent. The company mobilises, trains, and mentors target MSEs to become sub-agents that provide digital financial services on a commission basis. In addition to training on the use of digital technology and services, MSEs also receive training and technical support on customer acquisition and management to effectively attract and retain customers. MSEs can access support through a dedicated toll-free number (6061) established by Elebat Solution.

In order to ensure business feasibility for the MSEs, Elebat Solution has engaged other partners and has designed and developed more products to provide the MSEs with additional income-generating opportunities. This includes telecoms products and digital health and e-commerce services. Elebat Solution also implements marketing and promotion activities to increase awareness of the digital products, build trust, and generate demand for the MSEs.

This comprehensive package of support enables existing and potential MSEs to engage in new business opportunities to increase their incomes, as well as improves their capacity to use digital technology, which can benefit them in other ways.

Unemployed women and youth who are potential candidates to engage as MSEs are identified with the support of the Bureau of Labour, Enterprise, and Industry Development.

In addition to co-creating the business model, LIWAY provided technical assistance and co-financed the pilot, which aims to benefit up to 3,000 women and youth-owned MSEs in Addis Ababa.

KEY ACHIEVEMENTS TO DATE

- Strategic partnerships have been established between Elebat Solution and the Commercial Bank of Ethiopia (CBE), Safaricom, and other corporate and developmental partners to provide MSEs with a diversified digital product portfolio to enable higher incomes.
- Approximately 3,800 women and youth were identified and educated about the business model.
- Approximately 2,160 women and youth have received training on the digital products and services and customer acquisition and management.
- 2,000 of the trainees to date have created a business partnership with Elebat Solution to deliver digital products and services.
- Elebat Solution has replicated and expanded the business model beyond Addis Ababa in 7 regional cities, partnering with different institutions.

OF WOMEN AND YOUTH-
ENGAGED AND BENEFITTING
FROM DIGITAL FINANCIAL
SERVICE BUSINESS

2,000

The Livelihoods Improvement for Women and Youth (LIWAY) programme aims to increase incomes of poor women and youth in Addis Ababa through improved wage and self-employment opportunities. We work in four interrelated market systems to create sustainable change: labour, micro and small enterprise (MSE), medium and large enterprise (MLE), and skills. LIWAY is funded by the Swedish International Development Cooperation Agency (Sida) and the Embassy of the Kingdom of the Netherlands (EKN). The programme is implemented by a consortium of partners composed of SNV Netherlands Development Organisation, Mercy Corps, TechnoServe, and Save the Children International.

For more information, visit: www.liway.org