



A Rapid Assessment Report

Exploring Barriers and Opportunities for Women MSME Owners' Access to Information and Registration in the MESMER Programme

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Executive Summary

Background: The MESMER program in Ethiopia aims to support Micro, Small, and Medium Enterprises (MSMEs), with a focus on women entrepreneurs, by providing access to finance, business development, and psychosocial services to help them recover from shocks, build resilience, and grow to create dignified and fulfilling work for the youth. The program has now started implementation of the biggest component of the program, credit services to MSMEs and to date over 46000 enterprises from all parts of the country has registered to access the services, thanks to the combined promotion activities performed by MESMER partner banks. Yet, out of the total registrations to date, women only account to 35% which is by far below the program's target of 80%. Despite the promotional efforts in place by partner banks, there is a noticeable disparity in registration rates between men and women, prompting the need for a rapid assessment to understand causes of the imbalance and seek joint solutions in partnership with partner banks.

Objective: The rapid assessment was aimed at identifying factors affecting women entrepreneurs' registration in the MESMER program, uncovering challenges and opportunities, and providing actionable recommendations to enhance women's participation.

Methodology: this rapid assessment focused on women entrepreneurs' access to information & registration in the MESMER program across seven diverse regions in Ethiopia: Oromia, Amhara, Somali, Sidama, Southwest, Gambela and Benishangul-Gumuz. Employing a descriptive cross-sectional study design, both quantitative and qualitative data were collected.

The quantitative aspect involved 60 women participants from these regions. Additionally, 51 Key Informant Interviews (KIIs) were conducted with representatives from partner banks, the office of labor and skills, and the women and social affairs office. Data collection utilized structured survey questionnaires for quantitative data and Key Informant Interviews for qualitative insights. Quantitative analysis relied on descriptive statistics, while qualitative data were transcribed into narratives. Findings were effectively presented using tables, graphs, and charts.

Results and conclusion: The main findings of the rapid assessment on women MSME owners' access to information and registration in the MESMER program include:

- **Limited Awareness:** the assessment revealed a substantial lack of awareness, with 68.3% of surveyed women unaware of the MESMER credit opportunity. This highlights a critical need for more effective dissemination of information about the program, particularly in regions where partner banks lack physical presence.
- **Barriers to Registration:** Barriers to registration within the MESMER credit program pose significant challenges, including limited physical access to financial institutions, digital literacy gaps, and lack of sufficient program information. Despite a relatively high registration rate of 68.4% among aware women, primarily through bank-assisted methods (92.3%), the lack of sufficient program information remains a key deterrent for non-registrants. These barriers, compounded by digital literacy issues, underscore the need for targeted communication strategies.

- Importance of Local Outreach:** The importance of local outreach is paramount, as evidenced by the strong preference for word-of-mouth communication among women regarding the MESMER Credit Opportunity. Despite a significant lack of awareness 68.3% of surveyed women were unaware word of mouth remains the primary source of information for those aware, with 52.6% citing it as their main source. Moreover, even among those unaware, word of mouth remains influential, with 34.1% relying on it for business-related information. This underscores the effectiveness of grassroots communication channels in disseminating information.
- Inclusive Promotion Strategies:** The assessment underscored the pressing need for inclusive promotion strategies to effectively engage diverse audiences, including women of varying age groups, education levels, socioeconomic statuses, business sectors, and disability status. It emphasized the effectiveness of tailored approaches, such as involving women's self-help associations and seamlessly integrating promotion into the regular marketing activities of banks, particularly in areas lacking physical bank branches. These strategies were pivotal in reaching women entrepreneurs, notably in semi-urban and rural areas. Moreover, leveraging existing community structures and routine activities emerged as potent tools for disseminating information about financial opportunities like the MESMER Credit Program. In addition to these strategies, it's crucial to consider other facets of inclusivity, such as language, cultural representation, and imagery. Ensuring accessible and culturally relevant language in promotional materials ensures significance with diverse audiences, while incorporating culturally representative imagery enhances relatability and engagement across different communities.
- Previous Credit Experiences and Service Preferences:** the assessment delved into the previous credit experiences of women MSME owners, revealing that only a small fraction, 13.3%, had received credit from microfinance institutions (MFIs), with an even smaller percentage from other service providers. This starkly contrasts with the 81.7% of respondents who have never accessed formal financial services, underlining significant exclusion within the surveyed population. Recognizing the challenges in accessing formal financial services, particularly through MFIs, underscores the importance of strategic collaborations with these institutions to bolster financial inclusion efforts. Additionally, the perceived value of the 30,000-birr credit varied, with a majority considering it not valuable at all. Preferences for credit services also varied, with a near equal split between those opting for regular credit services and those preferring Sharia-compliant options. These findings offer insights into the diverse needs and preferences of women entrepreneurs, suggesting avenues for enhancing the perceived value of credit services and aligning them with the principles of the MESMER credit program.
- Improvement Prospects:** the assessment has highlighted various avenues for improving information access and registration among women MSME owners. Collaborating with women's and social affairs offices has emerged as a promising opportunity, offering a platform for information dissemination and registration support. Additionally, leveraging local events and market days provides an effective means to reach a diverse audience of potential participants. Moreover, engaging with district job creation and enterprise development offices offers another avenue to connect with women entrepreneurs and facilitate their registration in the MESMER Credit Program.

- These identified opportunities underscore the potential for partnerships and channels through which financial institutions can strengthen their outreach efforts and ensure greater inclusivity in accessing financial services.

Recommendation: Based on the rapid assessment findings, partner banks can enhance information access and registration of women MSMEs in the MESMER credit program, by adopting combination of the below listed recommendations:

- 1. Integrate MESMER into routine marketing activities:** ensure that the MESMER credit program is integrated into regular marketing efforts, providing comprehensive guidance on program targets, selection criteria, and required documentation.
- 2. Expand promotion in remote areas:** extend promotion and registration initiatives into semi-urban and rural areas lacking physical bank branches and conducting in-person promotions in small woredas.
- 3. Utilize local media channels:** leverage local radio stations, enhancing program visibility and accessibility in semi-urban areas to increase awareness and participation among women MSME owners.
- 4. Engage women associations:** collaborate with women's associations such as VSLAs, SACCOs, and Women self-help associations like idirs to promote the MESMER credit program.
- 5. Collaborate with government offices:** partner closely with government offices, including labor and skill offices, and women and social inclusion offices, to access lists of targeted women owned MSMEs, effectively reaching and supporting potential beneficiaries of the MESMER credit program.
- 6. Enhance collaboration with Micro finance institutions (MFIs):** strengthen partnerships with MFIs to overcome barriers to accessing credit for underserved populations, focusing on designing tailored financial products and services that meet the specific needs of women entrepreneurs.

- 7. Diversify credit service offerings:** offer a range of credit service options to cater to different needs and preferences, including Sharia-compliant credit options, to enhance accessibility and inclusivity within the MESMER credit program.

1. Introduction

1.1. Background

The MESMER program, a five-year nationwide initiative in Ethiopia, aims to support 72,200 Micro, Small, and Medium Enterprises (MSMEs), with 80% being women-owned or led, by providing access to finance and comprehensive business development support. Additionally, the program seeks to create and support 410,800 jobs, with a focus on youth and women.

The active engagement of women entrepreneurs is pivotal to the success of the MESMER program. Acknowledging gender-specific challenges such as limited access to finance, employment opportunities, economic productivity, and empowerment, MESMER places a distinct focus on empowering and facilitating women's full participation in the entrepreneurial sphere. Their involvement is not only crucial for driving economic growth but also for fostering diversity and advancing gender equality within the broader business landscape.

Despite the program's efforts to engage women entrepreneurs, there has been a noticeable disparity in registration rates, with fewer women than men signing up for MESMER. This imbalance raises concerns about the inclusivity and effectiveness of the program in reaching its target demographic.

To address this issue and ensure that the MESMER program is truly accessible and beneficial to all aspiring entrepreneurs, it is imperative to conduct a rapid assessment to understand the underlying reasons for the low registration rates among women.

Understanding barriers to registration is crucial as it enables us to tailor support to women entrepreneurs' specific needs.

1.2. Objectives of the rapid assessment

1.2.1. General objective

The overall objective of the rapid assessment is to identify the factors affecting women entrepreneurs' registration, challenges, and opportunities in the MESMER program. The specific objectives of the assessment are:

1.2.2. Specific objectives

The specific objectives of the assessment are:

1. To uncover the specific factors contributing to the low registration rates of women entrepreneurs in the MESMER program.
2. Determine opportunities and best practices that may favorably impact women entrepreneurs' engagement in the program.
3. Provide actionable recommendations to increase the participation of women entrepreneurs in MESMER.

1.2.3. Key assessment questions

1. What are the specific factors underlying the low registration rates of women entrepreneurs in the MESMER program?
2. What opportunities and best practices exist that could positively influence the engagement of women entrepreneurs in the MESMER program?
3. What actionable recommendations can be formulated to enhance the participation of women entrepreneurs in MESMER based on the identified factors and opportunities?

1.3. Scope of the Rapid Assessment

This assessment is dedicated to a quick investigation into the underlying causes of the low registration rates among women entrepreneurs in the MESMER program. Additionally, it will seek to identify avenues for improvement and implement best practices aimed at fostering greater engagement from this demographic.

2. Rapid assessment methodology

2.1. Study area and period.

The study area encompasses six regions across Ethiopia, including Oromia, Amhara, Somali, Sidama, Southwest and Benishangul-Gumuz. These regions were selected to ensure representation from various geographical, cultural, and socio-economic contexts within the country. The data collection period spanned two weeks (March 9-23, 2024), during which extensive fieldwork was undertaken by MESMER regional coordinators.

2.2. Study design

A descriptive cross-sectional study design was utilized, combining mixed quantitative and qualitative data collection and analysis techniques.

2.3. Study participants

The rapid assessment engaged women operating small businesses across six regions of Ethiopia. A total of 60 women participated in the quantitative assessment. Additionally, key informants from partner banks, as well as labor and skill, and women and social affairs offices were involved in the study.

2.4. Sample size and procedure

A quantitative survey of 60 women was conducted using the Central Limit Theorem, doubling the sample size to minimize deviation from the population mean. The sample size of at least 30 ensures the mean and standard deviation align with the population mean, allowing accurate population predictions. Participants for the key informant interview (KII) were selected using purposive sampling, and data collection ceased when study participants began to provide minimal additional information.

2.5. Data collection tools and procedures

A mixed data collection approach was employed, incorporating both quantitative and qualitative methods.

2.6. Data analysis and presentation

Quantitative data was analysed using SPSS V.26. Descriptive statistics were used for analysis, including frequency and percentage. The findings were presented using tables, graphs, and charts. Qualitative data were analysed by transcribing data from field notes into word-by-word narratives, ensuring a comprehensive understanding of the factors affecting women entrepreneurs' registration in the MESMER Programme.

2.7. Ethical considerations

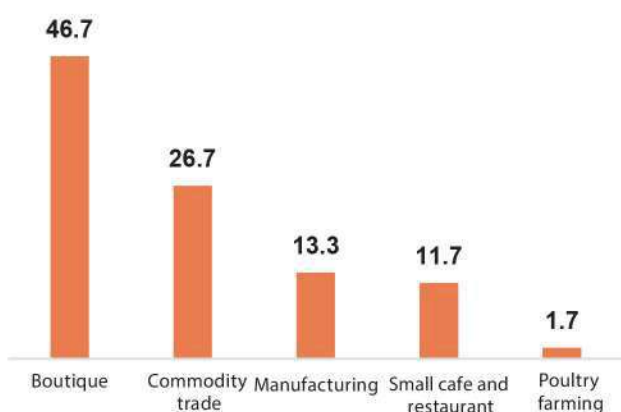
Informed consent was obtained from all participants, ensuring they understood the assessment's purpose and their role. Confidentiality was maintained, with identities anonymized in the report. Cultural sensitivity was prioritized, and efforts were made to minimize risks or discomfort.

3. Results and Discussion

3.1. Basic information

- A total of 60 women participated in the assessment from six regions. Of these, 13.3% of the participants were in the 15–24 age group, 63.3% fall within the 25–35 range, and 23.3% are over 35 years old.
- Participants were engaged in various business sectors: 46.7% own clothing boutiques, 26.7%, 13.3% and 11.7% of women were involved in trade, manufacturing, and small café/restaurant respectively.

Figure 1: Type of Business Participants Engaged In

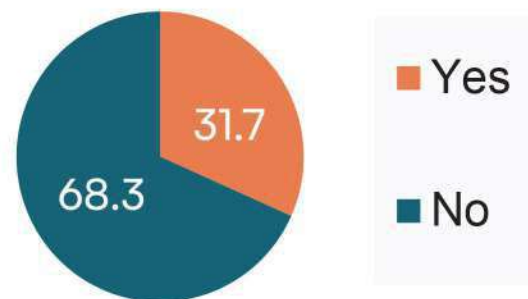


- 88.3% of the participants have been in business for less than 5 years, 10% have a tenure of 5–10 years, and only 1.7% have been in business for over 10 years.
- Regarding the number of employees, 38.3% of participants have no employees, 41.7% have 1–5 employees, and 20% have more than 5 employees.
- Additionally, 51 key informant interviews (KIIs) were conducted with stakeholders from partner banks, the offices of labor and skills, and the women and social affairs offices. Out of these, only 5 were women.

3.2. Awareness of MESMER Credit Opportunity

- In the survey, majority of the surveyed women (68.3%) have not heard about the MESMER Credit Opportunity.

Figure 2: Heard About MESMER Credit Programme

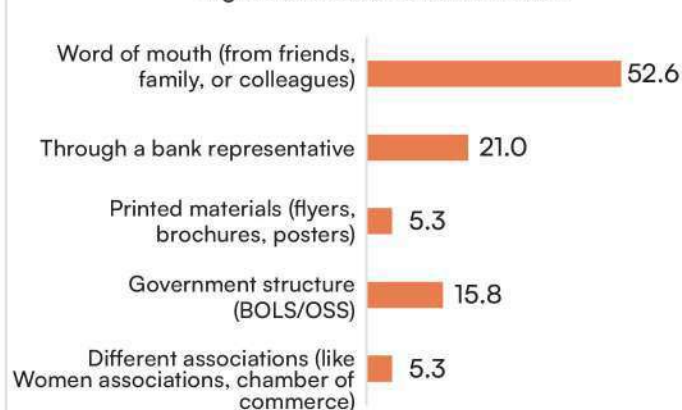


- Key informants from the Somali region have confirmed that partner banks such as Awash, Dashen, Abyssinia, and Hibret are not physically present (lack branches) in the locality. Participants specifically mentioned SAHAY Microfinance Institution as the most recognized financial entity in the targeted district.
- The absence of physical branches of partner banks in certain sub-urban districts, as highlighted by key informants in the Somali region, poses significant challenges for promoting and registering MESMER credit products.

This raises questions about the role of MFIs in bridging the gap in access and the importance of collaborating with such institutions in underserved areas. This finding underscores the need for alternative financial service providers, such as MFIs, to address the accessibility challenges faced by remote communities. By leveraging the existing infrastructure and outreach networks of MFIs, efforts to promote MESMER credit products and enhance financial inclusion can be significantly bolstered. Collaborating with MFIs emerges as a vital strategy for partner banks to extend their reach and ensure that financial services are accessible to all, particularly in areas lacking traditional banking infrastructure.

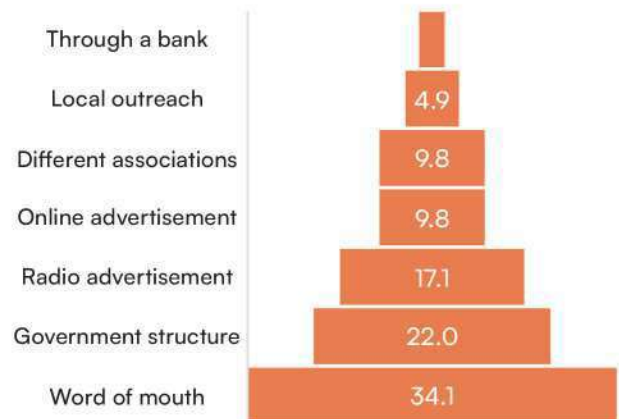
- Among those who were aware (n=19), the primary sources of information were word of mouth (52.6%), followed by bank representatives (21.0%) and government structures (15.8%).

Figure 3: Source of Information



- For those not aware (n=41), the most common source for business-related information were word of mouth (34.1%), government structures (22.0%), and radio advertisements (17.1%).
- This finding is in line with almost all informants, in which verbal exchange, announcements by local government leaders, local outreach events, and women's saving and lending associations were stated as the most effective information-sharing mechanisms that align with the survey findings.

Figure 4: Preferred Source of Information

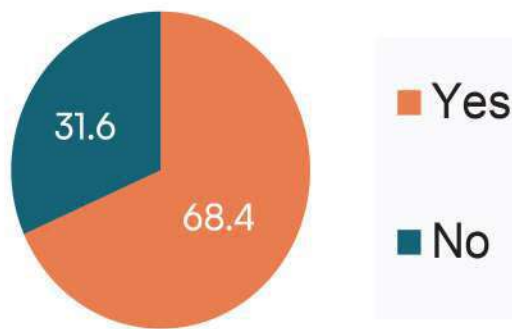


- Insights from key informants in the Amhara region shed light on the diverse promotional methods used by banks, including online platforms such as websites, Telegram channels, and Facebook. Additionally, strategies involve partnering with registered entrepreneurs, broadcasting messages through TV shows and channels, posting information banners at branch gates and inside branches, and sharing information directly during customer visits. This underscores the importance of adopting a multi-channel approach to reach different segments of the population and maximizing outreach effectiveness, especially considering the significant number of registrations in the Amhara region. By utilizing a variety of communication channels, banks can ensure broader coverage and engagement with diverse demographics, thus increasing awareness and participation in the MESMER credit product.
- The alignment between survey findings and key informant insights emphasizes the importance of understanding the local context and utilizing effective communication channels for information-sharing.

3.3. Registration in the MESMER Credit Programme

- Regarding the MESMER credit programme, the assessment showed that 68.4% of women who had heard about the MESMER credit programme have registered for the programme.

Figure 5: Registered for MESMER Credit Programme



- Among those who registered (n=13), the majority, 92.3%, reported bank-assisted registration, with only 7.7% opting for self-registration.
- For the respondents who did not register (n=6), the sole reason cited by all was the lack of sufficient information available about the programme, highlighting the critical role of clear and accessible information dissemination in encouraging participation in financial programmes like MESMER credits.
- The assessment found that the barriers to registration include poor access to financial institutions (absence of nearby partner banks), lack of digital literacy, insufficient information tailored to women enterprises, a lack of strong promotion mechanisms suitable for the local context, and fear of failure to repay loan.
- The high registration rate of 68.4% among women aware of the MESMER credit programme highlights the significant demand for accessible financial services in the community.

However, this success is tempered by notable barriers to broader participation. The absence of nearby partner banks presents a formidable challenge, limiting physical access to financial institutions. Moreover, the prevalence of digital literacy gaps among potential users compounds the issue, further restricting access to online registration channels. Additionally, the lack of tailored information specifically for women entrepreneurs inhibits their understanding and engagement with the programme. While expanding banking infrastructure and enhancing digital literacy among women entrepreneurs are critical components of broader financial inclusion efforts, they may fall outside the immediate scope of the MESMER programme. Nonetheless, developing communication materials that are culturally sensitive and resonate with the needs and preferences of women entrepreneurs can significantly increase awareness and participation rates. By focusing on targeted communication strategies, the MESMER programme can overcome these barriers and better serve the diverse needs of women entrepreneurs in the community.

- The assessment revealed that 68.3% of women prefer local outreach, word of mouth, and nearby saving and lending associations as sources of information about financial/business opportunities, with government structures and bank representatives trailing at 15% and 13%, respectively. Qualitative evidence further highlighted the varied promotional methods employed by banks for the MESMER credit product, primarily utilizing banners. However, there was a noticeable lack of inclusivity in language and imagery within these banner promotions. Few branches engaged women's self-help associations (women idir) in promoting the MESMER credit programme.

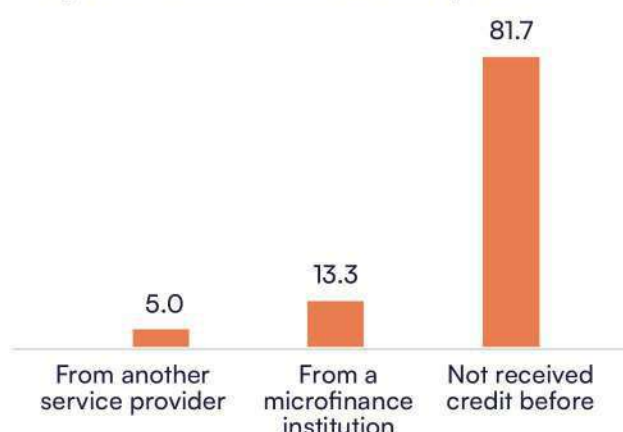
Additionally, integrating promotion into regular activities for deposit mobilization and customer attraction was deemed the most effective method. This underscores the necessity for tailored and inclusive promotional strategies to effectively engage diverse target audiences and local structures in promoting credit programmes like MESMER.

- The preference for local outreach and word of mouth as primary sources of information about MESMER business opportunities emphasizes the significance of community-based approaches in disseminating information. The findings also shed light on the need for more inclusive and culturally sensitive promotional strategies, as highlighted by the gaps in language and imagery on promotional banners. Integrating promotion into routine banking activities emerges as a promising method, suggesting the importance of aligning MESMER credit product with existing promotional efforts of banks. By adopting such tailored and inclusive approaches, partner banks can enhance their outreach efforts and better engage with diverse segments of the population, ultimately contributing to greater awareness and participation in the MESMER credit programme.

3.4. Previous Credit Service Experience

- In terms of previous credit experiences, only 13.3% have received credit from microfinance institutions (MFIs), while 5% are from other service providers.

Figure 6: Previous Credit Service Experience



- The finding that 81.7% of respondents have never accessed credit underscores the extent of exclusion from formal financial services within the surveyed population. While the low percentage of respondents who have received credit from microfinance institutions (MFIs) suggests existing challenges in accessing formal financial services, it also emphasizes the importance of leveraging MFIs as potential partners in expanding financial inclusion efforts. By recognizing and fostering strategic collaborations with MFIs, partner banks can leverage their existing infrastructure and expertise to better serve underserved communities.
- Respondents rated the perceived value of ETB 30,000 credit as extremely valuable (10%), moderately valuable (8%), and a significant 81.7% do not consider it valuable at all.
- Regarding credit service preferences, 51.7% opt for regular credit services, while 48.3% prefer Sharia-compliant credit services.
- The findings regarding the perceived value of the 30,000 credit and preferences for credit services offer valuable insights into the needs and preferences of women entrepreneurs. While a significant portion of respondents do not consider the credit valuable, there is also a preference for Sharia-compliant credit services among nearly half of the respondents. Exploring ways to enhance the perceived value of credit services and cater to diverse preferences, including Sharia-compliant options, could be important areas for further exploration and intervention. Additionally, there is a need to revisit the amount of the credit to ensure it aligns with the financial needs of the MESMER credit programme targets. Moreover, there should be clarity on the implementation of interest-free banking (Sharia-compliant credit) that aligns with the principles of the MESMER credit programme.

3.5. Opportunities

- According to key informants from banks and local government offices, approaches to facilitate information access and encourage women MSME owners' registration in the MESMER credit include leveraging women's and social networks, announcing in local market days, direct approaches to women MSMEs, and engaging the district job creation and enterprise development offices.

4. Conclusion

The assessment uncovered crucial insights into women's participation in the MESMER credit programme across six regions. Key findings include:

- **Limited awareness:** The assessment revealed a significant lack of awareness regarding the MESMER credit opportunity, with 68.3% of surveyed women unaware of its existence. This underscores the critical need for improved dissemination of programme information, particularly in areas where partner banks lack physical presence.
- **Barriers to registration:** Various barriers, such as limited physical access to financial institutions, digital literacy gaps, and insufficient programme information, hinder registration within the MESMER credit programme. Despite a relatively high registration rate among women aware of the programme, the lack of sufficient programme information remains a key deterrent for non-registrants. Targeted communication strategies are essential to address these barriers effectively.
- **Importance of local outreach:** Local outreach, that contributes to information exchange through word-of-mouth communication, emerged as a crucial factor in disseminating information about the MESMER credit opportunity.

Grassroots communication channels proved highly influential, emphasizing the need for community-based approaches in promoting financial programmes.

- **Inclusive promotion strategies:** The assessment emphasized the need for inclusive promotion strategies tailored to diverse audiences, including women of varying demographics and socioeconomic backgrounds. Leveraging existing community structures and routine activities, alongside culturally relevant messaging, enhances the effectiveness of promotional efforts.
- **Previous credit experiences and service preferences:** The assessment revealed that a significant portion of women MSME owners, 81.7%, had never accessed formal financial services, highlighting substantial exclusion. Only 13.3% had received credit from microfinance institutions (MFIs), emphasizing the challenges in accessing formal financial services. Strategic collaborations with MFIs are crucial to address this barrier and enhance financial inclusion efforts. Moreover, the perceived value of the 30,000-Birr credit varied among respondents, with a majority considering it not valuable. Preferences for credit services also varied, with a near equal split between regular credit services and Sharia-compliant options. These findings underscore the diverse needs and preferences of women entrepreneurs, suggesting the need to enhance the perceived value of credit services and align them with the principles of the MESMER credit programme.
- **Improvement prospects:** Collaborate with women's and social affairs offices: Partnering with these offices offers a promising opportunity to facilitate information dissemination and registration support, ensuring greater inclusivity in accessing financial services.

Utilizing local events and market days provides an effective means to reach a diverse audience of potential participants, enhancing outreach efforts in underserved areas. Moreover, engaging with district job creation and enterprise development offices is identified as another avenue to connect with women entrepreneurs and facilitate their registration in the MESMER credit programme, strengthening outreach efforts and ensuring greater inclusivity.

5. Recommendations

Based on the findings of the assessment and insights gathered from partner bank and key stakeholders, the following recommendations have been formulated to address the challenges and enhance the effectiveness of the MESMER credit programme in supporting women-owned micro, small, and medium enterprises (MSMEs). These recommendations aim to improve information access and registration processes, thereby fostering greater participation of women entrepreneurs in the MESMER credit programme.

- **Engage women associations:** Collaborate with women's associations such as VSLAs, SACCOs, and women self-help associations like Idirs to promote the MESMER credit programme.
- **Collaborate with government offices:** Partner closely with government offices, including labour and skill offices, and women and social inclusion offices, to access lists of targeted women owned MSMEs, effectively reaching and supporting potential beneficiaries of the MESMER credit programme.
- **Enhance collaboration with Micro finance institutions (MFIs):** Strengthen partnerships with MFIs to overcome barriers to accessing credit for underserved populations, focusing on designing tailored financial products and services that meet the specific needs of women entrepreneurs.
- **Address perceived value of credit services:** Conduct further research to understand the perceived value of credit services, refining the MESMER credit programme to better align with the financial needs and preferences of the target demographic.
- **Diversify credit service offerings:** Offer a range of credit service options to cater to different needs and preferences, including Sharia-compliant credit options, to enhance accessibility and inclusivity within the MESMER credit programme.
- **Integrate MESMER into routine marketing activities:** Ensure that the MESMER credit programme is integrated into regular marketing efforts, providing comprehensive guidance on programme targets, selection criteria, and required documentation.
- **Expand promotion in remote areas:** Extend promotion and registration initiatives into semi-urban and rural areas lacking physical bank branches and conducting in-person promotions in small woredas.
- **Utilize local media channels:** Leverage local radio stations, enhancing programme visibility and accessibility in semi-urban areas to increase awareness and participation among women MSME owners.

Acronyms

KII: Key informant interview

SPSS: Statistical package for social science

MSMEs: Micro, small, and medium enterprise

SACCO: Savings and credit cooperative organization

VSLA: Village savings and loan associations

MESMER is a 5-year program launched in October 2022 to support 72,200 enterprises and 410,800 jobs by creating access to finance for micro, small and medium enterprises to realize their growth prospects and resilience. MESMER will also work to provide support to enterprises through business development support, psychosocial services, and technical assistance to financial institutions. MESMER is a countrywide program implemented by First Consult in partnership with the Mastercard Foundation as part of the Foundation's Young Africa Works strategy and will strive to create dignified and fulfilling work for the youth, the majority of them women. The FDRE Ministry of Labour and Skills is the main government counterpart for the program. Other partners include financial institutions (banks, microfinance institutions, and digital financial service providers), BDS, and psychosocial support providers.

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