Growing Entrepreneurs

Ethiopian Stories of Change
About MEDA

Since 1953, MEDA has been designing and implementing market-driven economic development programs that improve the welfare of millions of people around the world. As a leader in financial services and market development, MEDA collaboratively creates business solutions to poverty by working in partnership with the poor and the institutions that serve them.
About EDGET

Ethiopians Driving Growth, Entrepreneurship and Trade (EDGET) is a five-year value chain development project funded by Global Affairs Canada (GAC). The project aimed to increase incomes for 10,000 men and women farmers and textile producers by facilitating access to growing markets, enhancing production techniques and appropriate technologies, and improving input supplies and affordable support services, including finance.

EDGET, which means ‘progress’ in the Amharic language, has been concentrated on integrating smallholder rice farmers and small-scale artisans into higher value markets through increased market linkages and enhanced productivity. As a result of the project, Ethiopian rice and textile entrepreneurs are producing high-quality products and reaching new and growing markets to drive growth and improve livelihoods.

Growing Entrepreneurs: Ethiopian Stories of Change

Each farmer, weaver and value chain actor that EDGET worked with and supported throughout the life of the project has a unique story of change and transformation. Throughout the project, a total of 75 stories were collected, of which 17 were tracked as long-term stories. This collection features both long-term and single stories, telling the story of EDGET through the lens of 12 individuals across the textile and rice value chains and different geographic locations. They shared what their lives were like before participating in EDGET, the kinds of changes they experienced during the project, and their plans to expand their businesses.

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When MEDA launched EDGET in 2011, Asrese was one of the first female clients to participate in improved rice production. She received three days of training on improved rice agronomy practices and learned about the importance of weeding for a good harvest. After the training she decided to manage her farmland by herself and was convinced to invest her limited resources in renting oxen and hiring labourers. The new skills she acquired from the training helped her to plant rice seedlings in rows, a new agronomic practice promoted in the area. The project, through the Adet Agriculture Research Center, also provided technical support. Through a cost share arrangement (40% subsidized by the project), Asrese purchased 25 kg of improved rice seed (Nerica-4) from a private sector seed supplier and planted it on 0.25 hectares of land. She also received fertilizer from the government through a cooperative on credit.
As a result of the project’s training and support, Asrese manages her own resources and cultivates her farmland. She also fully benefits from the crops produced on her land. While the impact from an income perspective has yet to be seen, an observable change was Asrese’s decision to cultivate her own land. She was pleased with the performance of her crop so far and is proud that she has tried row planting, whereas other male farmers have not tried it before. Asrese expects to improve her yield and income after she learned about improved agronomic practices and gained access to inputs.

**Update: Jul 2015**

Asrese purchased parboiling equipment through a cost share arrangement with MEDA and is very happy with her ability to parboil her rice. The price of parboiled rice is much better than normal rice. Usually, one kg of parboiled rice is sold for ETB 16 (CAD 0.99)\(^1\) while one kg of normal rice sells for ETB 7 (CAD 0.43). As a result, Asrese sold 1,500 kg of parboiled rice for ETB 24,000 (CAD 1,481). With this income, she bought a bed and other pieces of household furniture for her house. Some of Asrese’s friends asked her to lend them her parboiling equipment due to the value addition potential. She decided to lend it to them once, but after the first use, she asked them to pay a rental fee.

Asrese is one of EDGET’s exemplary clients. She has transitioned from being a rice farmer and single mother that faced many challenges, to a businesswoman with a growing small enterprise. Asrese rents out her assets, engages in a variety of income-generating activities, and is recognized in her community as a role model and leader.

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**Update: Jan 2015**

Many things in Asrese’s life have changed as a result of her involvement with EDGET. She continues to use improved seed varieties, row planting, and has seen yield increases in the last four years. Asrese planted both Nerica-4 and X-Jigna on two separate pieces of farmland. Compared to last year, her yield per hectare decreased because of the poor rains. Last year, her yield was around 2,400 kg of rice per hectare, but this year it was 1,900 kg per hectare. As a result of row planting, she yields more than what would be produced from the broadcasting method. To further expand her rice farming activities, she is interested in parboiling her rice as it sells for a higher price in the market.

With her increased income, Asrese purchased goats and her two children attend the school in the regional town. She covers their monthly house rent. In addition to rice farming, Asrese supplements her income with other income-generating activities such as hairdressing and embroidery, and rents out an additional house that she built and owns.

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\(^1\) The prevailing exchange rate of ETB to CAD was used for the year that the story was written.
Selling Seed, Seeing Change

Gebre Asmare has been a rice farmer since 2000. He, his wife, and their five children live in a village called Doqmit, in Amhara. In Ethiopia, rice has about a two-decade history, as the traditional grain is teff. The Fogera District, in the Amhara region, is a pioneer for rice production in the country.

Gebre has one hectare of land and the harvest from his land was his major source of income to cover household expenses. Although productivity was good, he lacked knowledge on pre- and post-harvest handling management, which often resulted in the loss of production. Moreover, productivity decreased due to the depletion of soil fertility. Also, with his growing family and increasing inflation, rice farming became difficult for Gebre to manage.

In 2011, Gebre became one of the first EDGET rice clients. He was organized into a farmer group and received new rice agronomy information from his leader during weekly meetings. In 2012, he learned about seed selection and produced clean seed on his land. He also used fertilizer and soaked his seed; two techniques promoted by the project. He applied all of the recommended rice farming practices, with special attention to seed selection and roughing out of off-types at planting time. During harvest, he carefully harvested the off-type varieties from the field to have pure local seed. As a result, he received many requests from his neighbours to exchange his seed for other grains in the coming planting season. However, instead of exchanging, he plans to sell the seed for cash.

In the future, since he understands the significance of these practices, Gebre plans to intensively expand row planting and seed soaking to improve his total production. He is also ready to try transplanting on a small plot and if successful, he will expand the method to a larger area in the next season.

Previously, rice farmers were considered poor farmers, but time changes everything. Now rice farmers are considered rich farmers.
Mesfin Dagne grew up in a family of traditional weavers in Dorze, a community in southern Ethiopia. He worked as a weft winder until child traffickers took him to work in Addis Ababa. He worked for experienced weavers in Shiro Meda, a major hub for textiles. Working as a child, he lived in difficult conditions—but also developed an appreciation for the traditional weaving. He eventually began to use the weavers’ looms while they were away from their work. He also began to experiment with weaving and creating his own tibeb designs for netelas and gabis. Mesfin was eventually promoted to work as a weaver, as his ability became evident to the weavers he worked for.

Mesfin eventually returned to Dorze to better support his family through his weaving. His wife supports him by spinning cotton for his use, a common profession for women in traditional weaving. Mesfin mostly weaves netelas, a cloth made of two layers that is worn over the head and shoulders, especially for religious events and holidays. He sells the netela to local traders for ETB 60 to ETB 80 (CAD 3.53-4.71), producing a small profit. Like most weavers, Mesfin did not have the necessary business skills and capacity to approach his work with professionalism and discipline.

When Mesfin became involved with the EDGET project in 2011, he had the opportunity to attend trainings led by designers, which covered topics such as quality control, consistency in designs and garments, and completing orders in a timely manner. After the training, Mesfin began to experiment with the potential of using natural dyes for his hand-woven products. The interest grew from his understanding of the industry’s growing demand for natural and organic fabrics. He has already successfully produced green, yellow, and black/grey natural fiber dyes. His exposure to new trends and opportunities within the high-end market allowed him to develop this natural dying process—one that was already present in Chencha, but had been disregarded with the availability of synthetically coloured threads and dyes. Mesfin said the EDGET training inspired him to explore new opportunities.

As Mesfin expands his natural dying ability and knowledge, he wants to use it to successfully meet the high-end demand for natural and organic fabrics. He also collects seasonal plant materials used to dye the fibers for out of season use. This collection and anticipation shows a willingness to further this venture and develop opportunities for Chencha weavers to adapt to the evolving textile market. This is a significant change, as it shows that weavers in Chencha are willing to mix traditional knowledge with modern demands.

I am very interested to learn more about designing and dyeing.

2. Tibeb is the border of the gabi and netela, which are two variations of traditional Ethiopian shawls.
Bosena Abitewu is a widowed and illiterate rice farmer with four children in the Fogera district of the Amhara region. Bosena owns one hectare of farmland and is solely responsible for raising her children, farming activities and domestic duties. Prior to becoming an EDGET client in 2012, Bosena had no knowledge of weeding technologies.

“Apart from ploughing, due to social norms, [women] work with men in all other farming activities such as land preparation, sowing, weeding, harvesting, threshing and transporting. Out of all these activities, women are mostly engaged in weeding, which is a back-breaking and laborious activity, especially for pregnant women. Extensive hours of back bending makes rice farming very difficult for women, especially because weeding occurs three times during a single rice season,” Bosena said.

As part of EDGET’s rice value chain activities, Bosena was selected to be a member of a rotary weeder piloting group, based on the criteria which included: accessibility to conduct demonstrations, motivation, soil conditions and gender. During the orientation session on the rotary weeder that was to be tested by them, she was curious and wondered, “Weeding with technology! How would it work?” After the orientation, she undertook theoretical and practical training that focused on the introduction of weeding technology.

MEDA recommended the rotary weeder as a gender sensitive piece of technology, particularly for female farmers. The rotary weeder effectively removes the growth of weeds and reduces the number of hours and intensive labour required for weeding.
and improved agronomic practices training, including pre- and post-harvest techniques, a prerequisite to use the technology.

“The rotary weeder is helpful for women,” said Bosena, “especially for female-headed households who do not have male support. Women can easily operate the technology. It reduces labour costs, saves time and money, and is more effective than hand weeding. Once the weeds are removed, it takes a longer period of time for regrowth.”

As a lead farmer, Bosena shared with her fellow farmers about this new knowledge and technology, and how it helped her. When she informed them about the rotary weeder, they were eager to see it. After a demonstration, all of Bosena’s fellow farmers were impressed. They expressed interest and decided to apply the technology to their land on a cost-share arrangement, as it makes wedding faster by reducing the time needed to weed a plot of land. One farmer stated, “Seeing is believing.”

“For this piloting purpose, I allocated a small plot of land. But now, since I have seen the advantages, next year I plan to prepare my entire field to be suitable to use the rotary weeder,” Bosena concluded. As Bosena is a member of the local council, this gives her a greater platform to pass on information, knowledge and learnings to other rice farmers.

Gender Sensitive Technology
Bosena’s story shows how EDGET’s key interventions impact women through the introduction of weeding technology using practical demonstrations and training. Such impact is evident through the time and money that Bosena saves, the decreased workload and the expectation of a successful product. MEDA’s approach of practical demonstrations makes farmers more responsive towards a shift away from the traditional method of weeding to a method that creates tangible changes.

Update: July 2015
As a result of using the rotary weeder and improving her overall rice production practices, Bosena’s income and situation improved. Bosena bought 70 iron sheets to build a house for her son and another 40 iron sheets to build a house for herself. Bosena bought different household items that she could not afford before. Three months earlier she bought an ox for ETB 6,000 (CAD 370) and she is expecting to sell it for ETB 10,000 (CAD 617) after fattening.

Bosena also sends her grandchildren to a private school and covers their expenses. She wants to see her grandchildren receive an education—something she never had. She now attends some adult literacy classes that are offered by the government. Bosena said she awards prizes to her grandchildren when they pass their classes. She is a role model in the community by encouraging children to go to school, and she won an honour from the school for inspiring other parents.

Similar to other female rice clients, Bosena bought a parboiling machine on a cost share arrangement with MEDA. She is able to earn more from parboiling the rice. She said, “MEDA changed my grandchildren’s lives, and they are going to school because I am earning more money from rice.”

Empowered Women Reinvest
Supporting women farmers and textile producers through access to finance and improved inputs, practical and hands-on training, and linkages to different market players, results in increased education, health, and opportunities for their children and family members. In development practice and literature, evidence shows that when women are empowered to have greater control over household income, children benefit as a result of greater spending on food and education (World Bank, 2012; IMF, 2012). The EDGET project not only reached targeted female smallholder farmers and weavers, but also their children, neighbours, and communities. MEDA’s approach upholds the importance of these sustainable changes that go beyond the life of the project.

Weeding technology being piloted
A Big Vision for Ethiopian Rice

Abdulkadir Hassen is a rice processor who lives with his wife and two children in the rural village of Woreta, in northern Ethiopia. He owns and operates a small enterprise, Abdulkadir Hassen Rice Processing Business. With limited capital, technological capacity and access to finance, Abdulkadir was only able to produce low-quality rice, which meant that his earnings were very low.

Abdulkadir first became involved with EDGET in 2011, when he became eligible for an ETB 300,000 (CAD 17,657) loan from Bunna International Bank through the Guarantee Fund. With this loan and the business training provided by MEDA, Abdulkadir’s success has been phenomenal. He has fully paid back the loan and took out a second loan of ETB 300,000 to further improve his rice processing business.

With these loans, Abdulkadir initially purchased two processing machines, a de-hulling machine and a cleaning machine. He also recently designed and produced two grading machines. All of these machines improve the quality and quantity of the rice he produces, which in turn generates a higher income. Abdulkadir’s capacity to process rice has increased by over 45% since his recent expansion. Before receiving the loans, he produced 7,000 kg and sold the rice for ETB 8.5-10 (CAD 0.48-0.57) per kg. He has now produced 10,000 kg of high-quality rice, which he sells for ETB 9-14 (CAD 0.51-0.79) per kg depending on the season.

As a result of his technology upgrades and improved production, he has earned an additional ETB 70,000 (CAD 3,968). This increase in income has allowed him to purchase more equipment, increase his savings, and safely store his product until the high peak season, when he can demand a higher price for his rice.

Two years ago, Abdulkadir had up to seven employees working for him. Now, he has 14 employees. He also provides loans to farmers. Last year, he loaned ETB 24,000 (CAD 1,360) to 16 farmers for harvesting and other production purposes.
With his additional income, Abdulkadir purchased a plot of land with the intention of building and managing a hotel in the future. It is evident that he has a vision for growth and is keen to engage in more business opportunities. In the meantime, Abdulkadir is focused on continuing to expand and engage with his rice processing business. He wants to increase the supply of Ethiopian rice for local and international markets.

At his current rate of expansion, Abdulkadir’s business will continue to grow and succeed, creating better livelihoods and opportunities for him and his family.

**Update: Nov 2015**

The support Abdulkadir received through EDGET enabled him to improve his business and gain recognition in his community and from the government. As a result of his expanding operations, Abdulkadir was selected as a representative for Ethiopian rice processors and traveled to China to select modern processing machines with the assistance of the AgroBIG project. He was also selected by the Ethiopian government to graduate from a small-scale to medium-scale business enterprise and was awarded a medal at a trade day event. As his business continues to grow, he will receive land from the government in an anticipated industry zone (area) in Woreta town.

The second loan that he received from Bunna Bank is being repaid. Abdulkadir expects to pay back the loan fully in a few months. Finally, he has expanded his rice retail shop to sell packed oats and coffee drinks and has opened a business that makes household furniture and a pool hall to diversify his income.

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I have a big vision for exporting rice from Ethiopia and selling it in markets all over the world.

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5. An Ethiopia-Finland bilateral organization that works on rice value chains in the region.
Gezahegn Shine is a rice farmer and father of three children. All his children are in school. While he is literate, his wife did not attend any formal education, and cannot read or write. Gezahegn moved to the Gura Ferda district in southern Ethiopia 14 years ago. Like most area residents, he came from the north searching for farmland. A large portion of his land is covered by rice due to its high productivity and marketability compared to other crops.

Before Gezahegn became a client of EDGET in 2012, his main problem was the market. “Even though I started to harvest high yield with good quality rice compared to the past years, the market was a headache to all the farmers living in the area.” The grain market was highly manipulated and led by illegal middle men who do not follow basic marketing principles.

The project provided training and organized rice farmers into marketing groups to address problems they had been facing for years. Gezahegn, along with other rice farmers formed a marketing group. Marketing groups allow members to cross check and compare prices, imbed services, and share other benefits that would have been given by the traders. After the group checks all these things, traders are invited to come and buy the produce.

Since joining the project, Gezahegn has been using different technologies and improved agricultural techniques that improve his productivity and reduce costs of production. He started using Nerica-4, an improved rice seed, and has had good yield compared to the local variety he used to grow. This season, he planted this improved seed and decided not to grow the local variety anymore.
“In 2013, through my marketing group, I sold 2,200 kg of Nerica-4 rice for ETB 800 (CAD 45) per 100 kg, which is 100 ETB (CAD 5.67) more than non-members. From this, I earned a total of ETB 17,600 (CAD 998) that otherwise would have gone to middle men. Thanks to the project and my marketing group, I have retained this money and am able to run my business sustainably. Being part of a marketing group has also helped reduce transporting the produce over long distances to different towns. I used to spend most of my time in town searching for a trader who pays better prices. Now I can spend additional time on my farm and other social affairs.”

Gezahegn’s improved income has also positively impacted his children, who can now attend better schools in their town. The project has enabled him and other rice farmers to access market boards with weekly price information in Mizan and Gura Ferda towns, ensuring farmers are aware of what the market is like and can price their products accordingly.

“I am encouraging other farmers to join and form marketing groups,” he said. “In the future, I plan to enter the rice assembling business, establish my own store, and improve the existing mini-store I have. I am very happy to be a client of MEDA and am grateful to this organization for introducing me to these farming and marketing practices that have not been tried by anyone in this area. Now I can stand on my own feet and show the people around me to work together and make poverty history,” Gezahegn concluded.

Aggregating Produce for Better Marketing

Gezahegn’s story reveals how MEDA supports farmers and identifies opportunities to improve their businesses with market solutions. Starting with a viable commercial market for their product and then organizing rice farmers into marketing groups, individual farmers and the overall rice value chain benefits. Members of the marketing groups can get better prices for their product and leverage collective bargaining power as they aggregate their product and sell to different buyers in diverse markets. They also reduce transportation and transaction costs. The marketing groups received training on negotiation skills, pricing, and how to engage in collective marketing. As a result, processors can buy larger quantities with uniform quality from a marketing group, and the marketing groups reaps benefits such as transportation and warehouse storage services.
In Ethiopia, especially in rural areas, women often have limited access to financial services and control over assets, because of legal regulations and customary rules. When women do not have access to fair and equitable forms of finance, they are inhibited to expand their farming or income-related activities, while having to meet the needs of their households. Often, the only source of finance to purchase agricultural inputs and meet the basic needs of families is through informal money lenders.

To address this, EDGET introduced the village savings and loan association (VSLA) model, with the aim of enabling value chain actors, including farmers, to develop savings and gain access to credit. The savings groups meet every week for members to contribute their saving amount, and for mature groups to facilitate loans or repayment of loans. Members record their savings in a book to keep track of the total amount of savings mobilized. All transactions are recorded in the group’s communal savings book.

The savings group model allows members to self-govern their respective group by-laws and facilitate savings and loans after receiving training and support from the project. As MEDA plays a facilitator’s role, these savings group can mature and continue saving and facilitating loans to members even after the project ends.

El-Shaday is an all-women’s savings group in southern Ethiopia that was organized in December 2014. All 17 members are engaged in agriculture as their main source of livelihood. Every week, the members save between ETB 10-20 (CAD 0.62-1.23). Apart from their regular savings, members also contribute ETB 2 (CAD 0.12) to a social fund for emergencies or social problems that members face. So far the group has saved ETB 3,510 (CAD 217) and the total social fund is ETB 442 (CAD 27). All members confirmed that before VSLAs were introduced, they suffered from informal money lenders, who charged a 100% interest rate for each loan amount. The Omo Micro-Finance Institution (MFI) was the only nearby financial service provider.

6. FAO, “Rural women’s access to financial services: Credit, savings and insurance.” 2011.
“Fearing high interest rates, long processes, and payment arrangements from both illegal money lenders and the MFI, we could not start new businesses, purchase education materials for our children, or improve our agricultural activities as needed,” said Desta Kebede.

Almaz Abera also contributed, “Although no one has applied for a loan yet, our group is ready to give a loan up to ETB 1,000 (CAD 62) per applicant by evaluating their proposed business plan and profitability of the business, with a fair interest rate.”

“In addition to its monetary advantages, this group is where we can gather and discuss our social issues,” Birtikwan Guja reflected. Finally she said, explaining the importance of the VSLA approach.

The group plans to start a rice parboiling business after conducting a business study in collaboration with MEDA in the coming months. Eight members of the group have taken the parboiling training and paid their contribution.

**Social and Financial Clout**

Accessing financial services is a major barrier and challenge for smallholder producers. To address this issue, MEDA used the village savings and loan association model to create access to finance and improve the financial literacy and saving habits of farmers and weavers. By demonstrating the value of weekly savings, members also gained access to small loans to fund their agricultural or textile-related activities and businesses. These self-managed groups became more than just savings groups; they became a social and support system for the members, and will continue on after the life of the project.

**Update: Oct 2015**

Recently the group disbursed a total of ETB 6,000 (CAD 370) loans to 10 members to expand and improve their businesses. All members repaid their loans, including interest, according to the group’s by-laws.

Now we work to change our families’ lives, saving habits, and to compensate the lost days and money, with this new way we have found.
Unity, Strength, and Energy

Belete Charga, an experienced weaver, is originally from a village called Hyzo in southern Ethiopia. He went to live in Addis Ababa for school, completing grade 10. He remained in Addis for 28 years and worked as a weaver before joining the army. After completing his service in the army, he returned to the south with his wife and young daughter and resumed weaving, the sole source of income for his family.

A common issue in the traditional textile sector in Ethiopia is mistrust between weavers, something that Belete worked to overcome and improve in his community. He pioneered the establishment of weaving cooperatives in Dorze. In 2011, he established the Dorze Besa Hyzo Weaving Cooperative with the assistance of MEDA’s partner, Mission for Community Development (MCDP).

The members of this cooperative have since come to work with the EDGET project, with Belete as the lead weaver. Belete has the local respect and creativity to motivate the development of good relationships between the weavers in Chencha and the high-end market players in Addis Ababa.

Belete is a great example of an established weaver who helps promote change and growth within the Ethiopian textile industry—and now understands the importance of quality and design. He gained knowledge and confidence after an experience-sharing visit in Hawassa and participation in weaver training led by high-end designers who were working with the EDGET project. This confidence is shown in the creation of new designs for his wife and children, inclusive of Wub Ababa (meaning beautiful flower) and his ability to write Amharic phrases on scarves. It is evident that Belete has always had the skill and creativity. And with the encouragement and exposure from the project’s facilitated trainings, he is now confident he can excel in his profession and improve the financial stability of his family.

Belete believes “unity, strength and energy will help us [weavers] to learn and produce better incomes with this project.”

The exposure he gained to the high-end textile market helped Belete understand product demand and the importance of good business relationships.

The significance of delivering quality and timely orders are evident in Belete’s design initiatives. He also offers encouragement and support to the weavers in his cooperative. He cites the necessity of trust, honesty, and sincerity between those working together within a value chain, “Without these, the relationship and the business will not be successful.” Belete also acknowledges the importance of quality textiles—not just for appearance, but also for the opportunity to improve income through increased payment for recognition of quality. The exposure he gained to the high-end textile market helped Belete understand product demand and the importance of good business relationships.

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Yirgalem Tadesse is a weaver who lives in Addis Ababa with his wife and two daughters. While Yirgalem has been weaving for 30 years, it was difficult to expand and improve his business because his products were poor quality and he had very limited market opportunities. “Because of my lack of knowledge,” he said, “I could hardly provide for my family.”

Things began to change for Yirgalem and his family when his wife became a member of a VSLA group with EDGET. It was through his wife’s involvement and success that he decided to also get involved in the project.

Since joining EDGET in 2011, Yirgalem attended several different trainings on customer handling, quality improvements, and marketing skills. He learned how and where to sell his improved products and established connections with several different designers. He recognized the difference that marketing connections made for his business and wanted to help other weavers have access to similar opportunities.

More recently, Yirgalem became an intermediary to facilitate and manage partnerships between EDGET weavers and designers. To support him in this role, Yirgalem was coached on how to guarantee consistent production, quality, and timely delivery of products. Yirgalem always keeps supplies stocked for weavers and ensures that designers’ demands are met. “If a designer needs an order done quickly, I give it to a weaver who works quickly but with quality, so the order can be done on time,” he shared. Before participating in EDGET, Yirgalem had no market linkages; now he works with 50 weavers and is connected to 25 designers.

With this increase in income, Yirgalem sends his daughters to a private school for quality education, and supports his wife to attend designer school. He also bought land outside of Addis Ababa, where he hopes to build a house for him and his family one day. Yirgalem’s next steps are to further expand his business and to open a shop with different weaving products and designs. Thanks to EDGET, Yirgalem believes that anything is possible.
In May 2012, Nigist Ethiopia, a textile company based in Addis Ababa, started to work with a group of six EDGET female weavers through the local partner, WISE. Before this market connection, the weavers were not motivated in their weaving as a way to earn income. It was hard to sell their textiles as the quality was not impressive, nor meeting market standards. They also found it difficult to save their money.

However, through the market linkage to Nigist Ethiopia, the six weavers, Kidist Bizuneh, Bizalem Getachew, Almaz Kassa, Mulunesh Gunche, Senayit Mekonen and Belaynesh Bala, started to produce scarves and fabrics for the company. They also received support and training through the project on the importance of product quality, time management, and maintaining professional business relationships. The weavers...
also received input advances from the company, which would be deducted from the total payment of the orders.

Sammy Muhammad, manager of Nigist Ethiopia expressed, “The women weavers are committed, trustworthy, and produce quality products.” The company provided the weavers with inputs in advance because they trusted them. The company is confident in the weavers’ work and believes they provide quality and do not need reminders to deliver the products on time. The products delivered by these women weavers include scarves, tibeb, and China fabric.

Nigist Ethiopia wants to create a conducive environment for the women weavers, since one of its objectives is to assist disadvantaged women who demonstrate a commitment to weaving and changing the lives of their families. Sammy said project staff should not be worried once the women weavers are linked with the company and also promised to continue working with them.

Bizalem Getachew, one of the six weavers, said Nigist Ethiopia prefers to work with them for three main reasons. First, they return left over inputs from the order to the company. Second, they deliver the ordered products on time. And finally, they do not let the design of the company’s ordered products be exposed to other weavers.

**Update: Oct 2015**

Amazingly, three and a half years later, this group of six women continue to weave together and supply Nigist Ethiopia with quality textiles. “We’ve continued to increase the quality of our product working with Sammy at Nigist,” shared Almaz Kassa.

“We are working together well and have become more organized in our weaving,” said Kidist Bizuneh. “We work with formal designers who provide us with inputs for our textiles. In addition to weaving for Nigist, we also take orders from international designers like Paradise Fashion.” This expansion to work with other designers helps the weavers maintain sustainable incomes.

Sammy still connects with the group regularly to hear about their challenges and has facilitated an experience-sharing visit at the Nigist retail shop, so the weavers could see the end market where their products are sold.

The most significant change for the group continues to be the sustained market with better prices than before. “We are saving more, weaving a better quality product, and managing our time better,” noted Kidist. Working with designers you must work and use time properly, and sometimes work overtime to ensure delivery of a quality product.”

**Designer Connection**

Working with designers in the textile value chain was a significant factor to improve the production practices and confidence of weaver producers. MEDA facilitated designer-led trainings and intentional market linkages for EDGET weavers, which led to increased orders, motivation, practical skills, and knowledge. By attending trainings, workshops, and exposure events, the weavers gained awareness of the types of products and business relationships high-end designers are looking for. These designer connections also opened doors for EDGET weavers to produce and deliver work for designers working in international markets, giving global exposure to Ethiopian textiles.
Werkinesh Wade was born in Chencha, in southern Ethiopia, where she lived for her entire childhood. To improve her living conditions, she moved to Addis Ababa to live with her sister. However, life was not easy for her. As a woman, she faced many troubles and earned her income through activities related to weaving, like winding and spinning cotton. She is married, has one daughter, and lives in Shiro Meda.

In the textile value chain, intermediaries play a significant role as middle men and women, especially through increasing market linkages and market opportunities for different actors in the value chain. Intermediaries collect products from weaver producers to deliver and sell such products to buyers, including traders, wholesalers, retailers and designers. As buyers generally prefer to have their own intermediaries, the project weavers were reluctant to enter and engage in this role. However, after some time, the attitude of project weavers started to change.

Werkinesh transitioned into an intermediary role after winning an A Winning Idea Supports Women Weavers
innovative award from Women in Self Employment (WISE), one of MEDA’s textile partners in Addis Ababa. Her winning idea was to create a sustainable market linkage for 10 unemployed female weavers. The award positioned her to play the role of intermediary as well as working on her own designs. As a result, she has created ongoing market linkages for 12 female weavers with four traders. These 12 weavers have a total of ETB 33,000 ETB (CAD 1,871) in transactions per month. These sales helped improve the female weavers’ living conditions. Werkinesh also provides counsel and advice on product quality and negotiation skills to the weavers with whom she works. What makes her unique from other weavers is that she rents a sewing machine to add value and details to her hand-woven products.

**Update: Feb 2015**

Over the past year, Werkinesh bought land and built a house in Arba Minch Town, which is near her hometown in the south. She is saving for a condominium house and bought a cell phone. These changes and improvements in her life were the result of her involvement at different bazaars, linkages with buyers and traders, and attending various trainings to improve her production and business skills. Recently, Werkinesh exported her products to India through the support of the International Trade Centre.

With access to EDGET’s innovation funds, Werkinesh now owns a sewing machine and no longer has to rent one. She has prepared and finalized a business plan and is in the process of opening a retail shop around Shiro Meda in Addis Ababa.

Since joining the project, Werkinesh’s skills have developed significantly. Her colour combinations and design skills have improved in a way that attracts new buyers and traders who are interested in her products. Amazingly, her net income has doubled. Finally, her living conditions have improved and she has enrolled her daughter in a better school.

“I never thought that these kind of days would come for me and my daughter. I never thought weaving would change our lives like this!” Werkinesh exclaimed, reflecting on all of the changes in her life.
Enkutatash Kibret Amenu is a high-end designer from Addis Ababa, where she currently lives with her husband and children. She has been a designer for two years. Before her involvement with EDGET, she owned a small shop in Bole, a growing fashion and entertainment district in the city. However, her business faced challenges due to a shortage of capital, which limited her inventory and stock. This made it difficult to meet orders from her national and international clients.

Enkutatash has been working with EDGET since 2011 through the Mission for Community Development Program (MCDP), a partner of the project. Here, she helped link MCDP client weavers with potential designers. Enkutatash trained 80 weavers in southern Ethiopia on different designs and quality techniques. During this time she also had a number of international orders. It was through MCDP that she heard about the guarantee fund. In 2013, Enkutatash applied for and received her first loan of ETB 400,000 (CAD 22,676) through the guarantee fund (see text box below), to get the materials and help needed to complete her international orders.

Since receiving the loan, Enkutatash’s life and business have drastically changed. She used the loan to upgrade from a small shop to a larger, upscale shop called Enku Design, in a Bole shopping centre. Before the loan she employed five weavers, two tailors, and one sales representative. Now, she has been able to hire 20 project weavers and three additional tailors. She purchased two more sewing machines and provides uniforms for the weavers she hires as an added incentive.

Enkutatash has also taken this opportunity to expand the variety of products she creates and sells. Before receiving the loan, she focused on producing traditional...
Enkutatash produces modern fashion pieces with an Ethiopian twist, along with accessories such as throws and pillows. She trains her weavers on embroidery skills, so that they can add this style to her products. Enkutatash travels regularly to Dubai to purchase supplies and keep up with the latest trends.

“This high-end shop has allowed me to become recognized by a wealthier clientele, which has helped my business become more successful and well known. Many artisans have approached me and asked if they could sell their products in my shop. My income and sales have increased by 100% since relocating my shop and expanding my designs and linkages. I was able to do all of this because I received the loan,” she said. Moving her business to an upscale location has been the most significant change for Enkutatash.

In the future, Enkutatash hopes to keep expanding her store and have a warehouse to store her products. She also hopes to launch a website to showcase her designs and merchandise. The loan she received through the guarantee fund enabled Enkutatash’s business to thrive and explore further opportunities as a designer. She has made all her monthly loan repayments on time and is now in the process of applying for another loan through the guarantee fund to make her aspirations a reality.

**Shared Risk for Successful Entrepreneurs**

MEDA’s shared credit risk partnership with Bunna International Bank made additional credit available for rice and textile value chain actors through a guarantee fund. MEDA worked with the bank to offer business loans to rice and textile small and medium enterprises (SMEs) that lacked access to finance. Eligible SMEs were able to apply for small loans that would create value and demand for their rice and textile products, and in turn, benefit EDGET farmers and weavers. From the bank’s perspective, the guarantee fund allowed them to expand their customer base and gain experience of financing small entrepreneurs and changing the perception of these businesses being high risk. Enkutatash’s story of success is one out of the 14 clients who received loans through the fund, almost all of whom have repaid the loans or are in the process of doing so.