



Job Creation through Incubation and Acceleration Support in Ethiopia

## Concept Note

For Ethiopia to achieve full and productive employment, decent work, and economic growth as outlined in the SDGs and the government of Ethiopia's strategic plan, new and sustainable jobs need to be created in the economy. One of the job creation strategies is building a vibrant local private sector by revamping the current support to MSMEs with a special focus on high-yield sectors, effectively supporting high-potential and high-growth MSMEs, and improving the quality of business development services. In light of this Mastercard Foundation in partnership with the Ministry of Innovation and Technology and iceaddis, launched Venture Meda to achieve two major objectives;

1. Supporting the creation and growth of new e-commerce ventures;
2. Enabling the growth of existing e-commerce platforms and building the capacity of local actors (such as SMEs) to participate in e-commerce.

Venture Meda which is officially entitled '*Job Creation through Incubation and Acceleration Support in Ethiopia*' to enable 56,160 young women and men experiencing poverty with access to direct jobs including creating 100 e-commerce start-ups (70% of whom women-led) and 3,240 small businesses as third-party marketplace sellers which can be small farmers, SMEs, retailers, processors, associations, etc. The program will also create additional job opportunities for 77,000 young people indirectly. The program plans to achieve this through incubation and acceleration programs that involve recruiting, training and providing seed funding for 100 startups (50 early-stage- and 50 growth-oriented startup businesses) to grow and scale.

This Project aims to design, develop and implement effective activities to support early-stage start-ups and growth-oriented digital entrepreneurs in Ethiopia, build links to wider value chains, enter new markets, secure finance and build a team to reach scale. The major interventions of the incubation and acceleration support program will include:



**Digital entrepreneurship development through incubation support** – this activity involves supporting the creation and growth of new e-commerce ventures. The start-up incubation program identifies and nurtures startups that can scale and transform communities and subsequently create 50 scalable companies. The program combines comprehensive diagnostics, tailored, practical, intensive, and short training, tech audits, industry expert mentorship and one-to-one coaching, and virtual incubation tools together with an online monitoring platform to support startups in their journey to success.

**Acceleration program for growth-oriented digital entrepreneurs** – this activity enables the growth of existing digital entrepreneurs and builds the capacity of local actors (such as MSMEs) to participate in digital entrepreneurship. The acceleration program represents a new way of incubating high-potential start-ups, allowing start-ups, investors, and entrepreneurs to connect with each other. The acceleration program aims to bring 50 startups through the five-year program to scale through a rapid process of exposure to national and international capital and industry connections.

**Catalyze growth and strategic partnerships** – support early-stage and growth-stage businesses to scale through seed funding. There will be at least 100 startups under the two categories supported with seed funding over the next five years. These e-commerce startups will also be supported to grow and create work opportunities for young women and men through third-party marketplace created and online marketplaces. Iceaddis will also create a pipeline of investible businesses and attract more investment into the start-up ecosystem from angel funders, and venture capitalists both from local and international markets. It also facilitates networking through various events with higher education institutions, city administrations, and related governmental and non-governmental organizations to reach grassroots level with the objective of attracting new customers and third-party marketplace sellers to get involved with the e-commerce platforms.

**Marketing and promotion to achieve technology companies' scaling and growth** - in collaboration with partners, iceaddis will work on continuous promotion campaigns to

ensure growth and sustainability, facilitating launching events to promote startups businesses via online and offline channels, preparation of teaser and marketing video, press releases, etc. Both early-stage and growth-stage startups will be supported with branding promotion campaigns, including monthly networking and demo days.

## **The Partners**

### About Ministry of Innovation and Technology (MInT)

A government body established under the Laws of Ethiopia as a Ministry, with its powers and duties defined in November 2018 by Proclamation No. 1097/2018. MInT is established to foster and support the development of innovation and technology within Ethiopia.

### About the Mastercard Foundation

The Mastercard Foundation works with visionary organizations to enable young people in Africa and in Indigenous communities in Canada to access dignified and fulfilling work. It is one of the largest private foundations in the world with a mission to advance learning and promote financial inclusion to create an inclusive and equitable world. The Foundation was created by Mastercard in 2006 as an independent organization with its own Board of Directors and management. For more information on the Foundation, please visit: [www.mastercardfdn.org](http://www.mastercardfdn.org)

### About Iceaddis

Iceaddis, (*ice* stands for Innovation, collaboration, Entrepreneurship) is Ethiopia's first innovation hub and tech startup incubator established in 2011. Iceaddis is a co-creation space that accelerates high-potential startups, facilitates technological innovations, and works with a multi-partnership approach to activate youth to gain economic empowerment. For more information on iceaddis, please visit: [www.iceaddis.com](http://www.iceaddis.com)