NETIB CONSULT.

DEVELOPMENT OF TECHNICAL CONTENT FOR ENTREPRENEURSHIP SERVICES FOR YOUTH TRANSITIONING OUT OF PASTORALISM

INCEPTION REPORT

MERCY CORPS

'Resilience in Pastoral Areas

(RIPA)' program

MARCH I 2023

CONTENT

Project Summary

The project aims to explore and identify challenges faced by youth in Ethiopia on their path to self-entrepreneurship and to provide constructive recommendations for addressing those challenges. The project is divided into four phases. The first phase involves scoping and developing an inception report, which will include conducting a reflective meeting with Mercy Corps, assessing and understanding the project scope, delivering an inception report, and validation. The second phase involves conducting focus group discussions and key informant interviews in Afar, Somali, and Oromia regions to gain insights into the challenges faced by youth in those areas. This phase will require preparing a questionnaire, contacting relevant individuals in each regional state, locating focus discussion teams, renting group discussion spaces, implementing the discussions and key informant interviews, and conducting discussion analysis and conclusions.

In the third phase, the project team will write up the analysis and constructive recommendations, including guidelines and manuals. This phase will involve identifying relevant methodologies, consulting expertise for guidance in the analysis, drawing conclusions, and developing constructive recommendations. The recommendations will include suggesting key topics that are reflective of the sequential experience of youth on their self-entrepreneurial pathway, identifying and elaborating on the common challenges youth face on their pathway for self-employment, and identifying the gaps that can be filled. The fourth and final phase will involve consulting with IVR technology developers, preparing a presentation for the IVR team on the analysis findings, concluded points, and recommendations, and settling any comments, and suggestions that might be raised by the IVR team. Overall, the project aims to empower youth in Ethiopia and promote their self-employment prospects.

Background

Mercy Corps is implementing the 'Resilience in Pastoral Areas (RIPA)' program in Ethiopia to support youth transitioning out of pastoralism and successfully transitioning to alternative livelihoods. The program will develop an innovative training approach using an interactive voice recognition (IVR) modality to provide engaging and cost-effective training to youth who lack the information, skills, and confidence to make a successful transition. The purpose of this consultancy project is to develop the technical content for the entrepreneurship training, which will be delivered through the IVR modality, and provide guidance, training, and counselling on how to navigate the transition and become self-employed, with appropriate characters and scenarios for the local context.

Target group

The target audience for this project is the youth in Ethiopia who are interested in self-entrepreneurship. It aims to identify the challenges they face and provides recommendations for addressing those challenges, with the goal of empowering them and promoting their self-employment prospects.
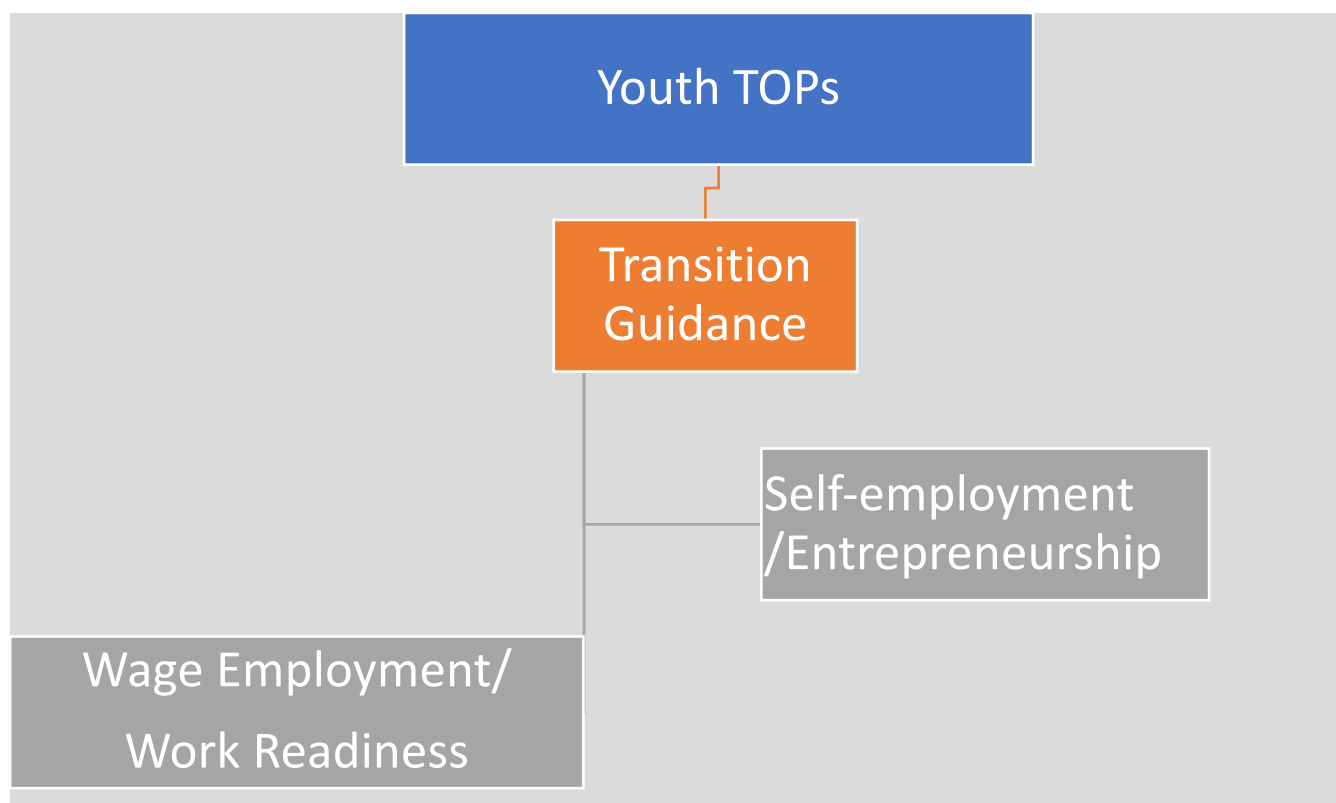
Location

- **Afar** (Semera/Logia and Awash)
- **Somali** (Erer/Diredawa/Degahbour/Jigjiga)
- **Oromia** (Babile/Chiro/Harar)
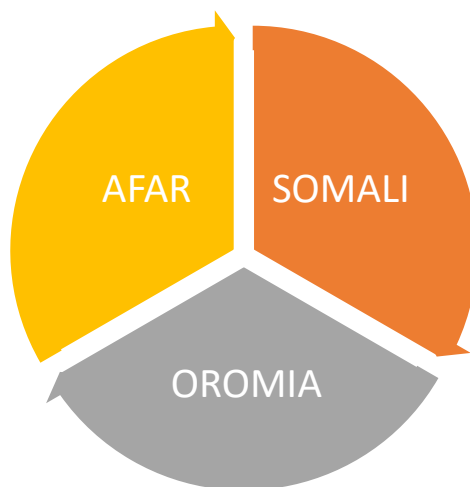
Scope

- The scope of this project is to develop technical content for entrepreneurship services to support youth transitioning out of pastoralism in Ethiopia. With almost 80% of the Ethiopian population residing in rural areas and relying on pastoralism and cultivation for income, an increasing number of youths are transitioning to urban areas due to severe drought, conflict, and global food crises. This transition poses three major problems, including inadequate awareness of the urban entrepreneurial process, lack of understanding of common business and gender-related challenges, and poor implementation of business and operational practices. The project will focus on providing entrepreneurship training as a pathway to self-employment, which includes focus group discussions with female and male pastoralist youth and youth TOPs, key informant interviews with stakeholders, and recommendations for key topics, scenarios, and characters for an interactive voice response (IVR) training report. The project will work closely with the IVR technology developer to ensure that the content is tailored to the needs of youth transitioning out of pastoralism and effectively addresses the identified challenges. The project is part of the five-year 'Resilience in Pastoral Areas (RIPA) program funded by USAID and aims to support the economic resilience of Ethiopian youth in rural communities.

Problem

1. **The transition from pastoralist to urban lifestyle -** For pastoralist communities, the shift to urban life can result in loss of traditional knowledge and skills, dislocation from ancestral lands, and decreased access to natural resources.

2. **Difficult to adapt to a new environment -** Adapting to a new environment can be a challenging and overwhelming experience for many individuals. Whether it's moving to a new city, starting a new job, or entering a new social group, unfamiliar surroundings, and people can leave people feeling disoriented, anxious, and uncomfortable. It's common to feel a sense of loss, homesickness, and loneliness when adjusting to a new environment. Moreover, different cultural practices, social norms, and ways of communication can also contribute to the difficulty of adapting to a new environment. As a result, individuals may struggle to find their footing, form new relationships, and establish a sense of belonging. Overcoming these challenges may take time, patience, and support from others, but with perseverance and an open mind, individuals can eventually acclimate to their new surroundings and thrive.

3. **Lack of Entrepreneurial mindset -** The lack of an entrepreneurial mindset is a common problem that can be seen in individuals. This mindset refers to the ability to think creatively, take calculated risks, identify and pursue opportunities, and be resilient in the face of challenges. Without this mindset, individuals and organizations may struggle to adapt to changing circumstances, miss out on potential opportunities, and fail to innovate. Additionally, those who lack an entrepreneurial mindset may be less likely to take risks and pursue their goals, leading to a lack of ambition and motivation. To address this problem, it is important to encourage and support the development of an entrepreneurial mindset, through education, mentorship, and creating an environment that fosters innovation and creativity.

- **Identifying business opportunities or ideas -** Identifying a potential business opportunity or idea can be a challenging task, as it requires a deep understanding of the market, customer needs, and emerging trends. A successful business idea should not only fulfil a need but also have a

competitive advantage over existing solutions. In addition, it should be financially viable, scalable, and align with the entrepreneur's skills and interests. Moreover, the current economic environment, consumer behavior, and technological advancements can greatly impact the viability and success of a business idea.

- **Access to finance -** Access to finance is a significant problem that entrepreneurs face on their journey to starting and growing their businesses. In many cases, entrepreneurs struggle to secure the capital they need to start their businesses or to scale up their operations. This lack of access to finance can stem from a variety of factors, including a lack of credit history, insufficient collateral, and limited financial literacy. Without access to finance, entrepreneurs may be unable to invest in the resources and infrastructure they need to grow their businesses, leading to reduced innovation, limited job creation, and slower economic growth.

- **Business management -** Starting a business requires more than just having a great idea; it requires a set of skills and knowledge to manage and grow the business effectively. Business management encompasses a range of activities, from developing a business plan and securing funding to marketing, sales, and customer service. Entrepreneurs must also be skilled in financial management, including budgeting, accounting, and cash flow management. Failing to manage these aspects of the business effectively can lead to poor performance, financial difficulties, and ultimately, the failure of the business.

- **Poor business infrastructure -** This can be a significant challenge in the entrepreneurship journey. Infrastructure refers to the basic physical and organizational structures and facilities needed for the operation of a business, such as a reliable supply chain, access to utilities, and IT systems. Without proper infrastructure, entrepreneurs may struggle to deliver products or services, communicate with customers and suppliers, or manage their operations efficiently. This can result in delays, increased costs, and reduced quality, which can ultimately impact the success of the business.

Deliverables

1. Focus group discussions with female and male pastoralist youth and youth TOPs on understanding the real-world wage-employment or self-employment challenges and ways of overcoming them

2. Providing key informant interviews with an orbit of stakeholders to gain an expert opinion on the critical steps in the entrepreneurship pathway and effective practices

3. Provide recommendations for key topics, scenarios, and characters that will become part of the IVR training report

4. Captivate in a follow-up discussion with the IVR technology developer who is also responsible for the IVR training curriculum, to rectify the topics, scenarios, and characters

Methodology | Tool

A.   **Focus group discussions**

Is a method for collecting qualitative data that gathers community members together to discuss a specific topic. Questions are open-ended, with the aim of stimulating an informal discussion and investigating people's views in more detail than is possible through a survey.

An FGD can be used:

. During assessments

. During planning

. During implementation

. During an evaluation

Netib Consult will prepare a Focus group discussion with female and male pastoralist youth and youth TOPs on understanding the real-world wage-employment or self-employment challenges and ways of overcoming them

B. **Providing key informant interviews**

They are qualitative in-depth interviews with people who know what is going on in the community. The purpose of key informant interviews is to collect information from a wide range of people—including community leaders, professionals, or residents—who have first-hand knowledge about the community.

- Netib will conduct Key informant interviews with an orbit of stakeholders to gain an expert opinion on the critical steps in the entrepreneurship pathway and effective practices

PROCESS

ASSESSMENT/ ALIGNMENT

VALIDATION

FOCUS GROUP DISCUSSIONS AND INTERVIEW

ANALYSIS/ REPORTING/ RECOMMENDATIONS

CONSULTSATION

FOLLOW-UP

Entry-level business activities and effective topics

Entry-level business activities and Effective topics will be identified and recommended through baseline assessment, focus group discussion, and key informant interviews to enable effective self-employment transition for youth TOPs.

Example,

- Entrepreneurial mind set
- Identifying service or product related gaps to develop a feasible business opportunity
- Raising funds to start a business
- The logistics of registering a business
- Going alone, or finding a business partner
- Developing a business plan and operation
- What to expect in the first year of your business
- Customer relationships and marketing
- Financial management
- Goal setting on an on-going basis

Ecosystem

1. **Financial Organizations:** Financial organizations refer to institutions that provide funding and other financial services to entrepreneurs. They can be banks, MFI, NGOs, Incubation centers, or any other entity that invests in early-stage companies.

Examples of financial organizations include:

- **Banks & MFI:** These institutions offer loans, credit lines, and other financial products to entrepreneurs.

- **NGOs**: These institutions offer financial support (via seed fund) and technical support.

2. **Incubation Centers:** Incubation centers are organizations that provide support services to entrepreneurs in the early stages of their ventures. These services can include mentoring, training, access to office space and equipment, networking opportunities, and other resources that can help entrepreneurs grow their businesses.

Examples of incubation centers include:

- **Start-up accelerators:** These programs provide mentoring, training, and other resources to help start-ups grow quickly.

- **Co-working spaces:** These facilities offer entrepreneurs affordable office space and access to shared resources, such as meeting rooms and office equipment.

- **Maker spaces:** These facilities provide entrepreneurs with access to specialized equipment and resources for prototyping and product development.

3. **Government**: Governments can play an important role in supporting entrepreneurship by providing policies, regulations, and other initiatives that promote economic growth and innovation. These can include tax incentives, grants, and other financial support for entrepreneurs, as well as policies that promote a favourable business environment. example, OSS, EDI, TVET, and Associations etc.

Examples of government support include:

- **Small business grants:** These are government-funded grants that provide financial support to entrepreneurs to help them start or grow their businesses.

- **Tax incentives:** These are tax breaks or credits that can reduce the cost of doing business for entrepreneurs.

- **Business incubation programs:** These are government-funded programs that provide entrepreneurs with resources and support services to help them start and grow their businesses.
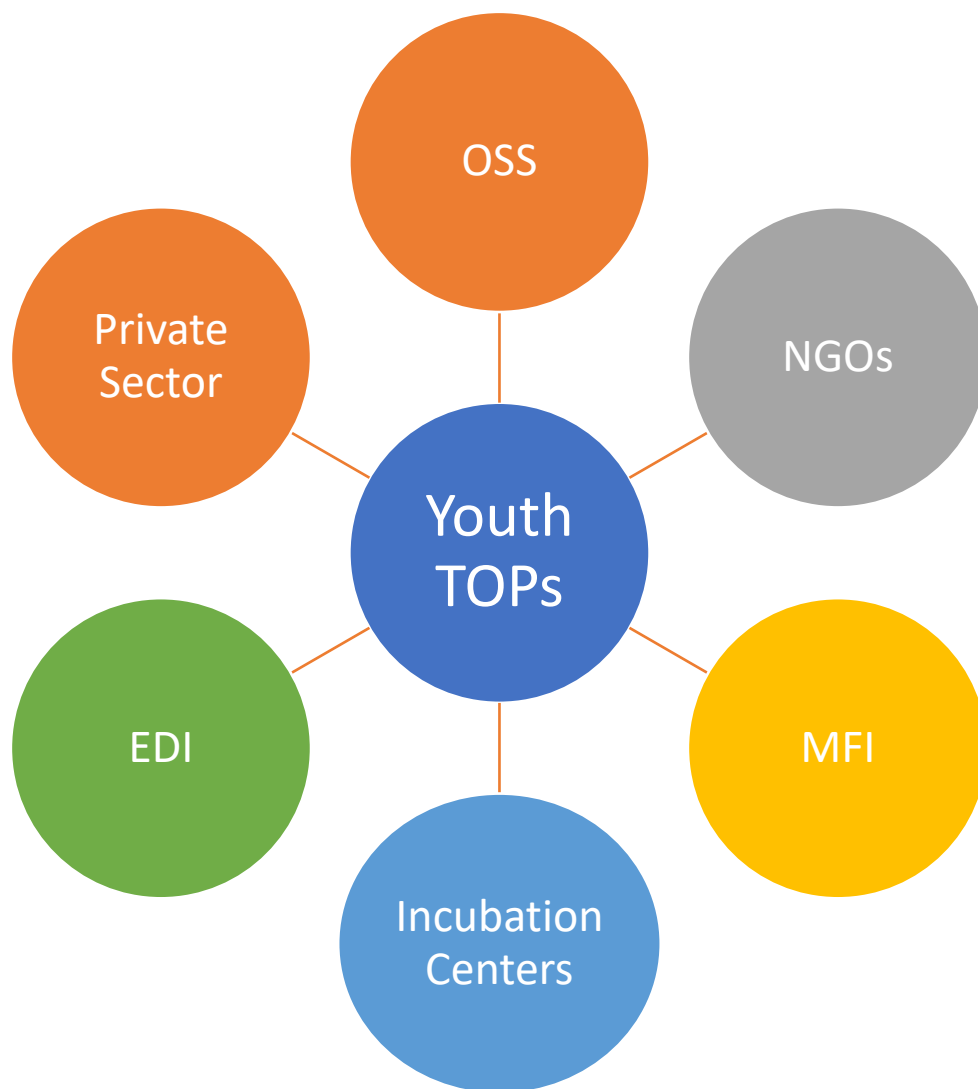
Risk and Assumptions

Risks:

1. **Internal conflict:** There may be political instability or intertribal conflict in the pastoral areas that could potentially lead to safety risks for the travel team.

2. **Travel weather:** The travel team may face unfavourable weather conditions such as heavy rains, floods, or storms which could disrupt the travel plans or make the journey dangerous.

3. **Unwillingness:** The communities in pastoral areas may be unwilling to engage due to cultural differences, mistrust, or lack of understanding of the benefits of the intervention.

4. **Language barrier:** There may be communication difficulties due to language barriers between the travel team and the communities in pastoral areas, making it challenging to deliver training and gather feedback.

Assumptions:

1. **Adequate security arrangements:** The travel team assumes that they will have sufficient security arrangements in place to mitigate any safety risks in the pastoral areas.

2. **Well-planned travel arrangements:** The travel team assumes that they will have well-planned travel arrangements that take into account potential weather disruptions and contingency plans to ensure a safe journey.

3. **Willingness to engage FGD:** The travel team assumes that the communities in pastoral areas will be willing to engage and that there will be no significant cultural barriers that could hinder the training process.

4. **Availability of translators:** The travel team assumes that there will be translators available to assist with communication between the travel team and the communities in pastoral areas.

Conclusion

In conclusion, this project is designed to explore and identify the transition challenges faced by youth TOPs in Ethiopia on their path to self-employment/entrepreneurship or wage employment and to provide constructive recommendations for addressing those challenges. The project is divided into four phases, with the first phase being scoping and developing an inception report. The second phase involves conducting focus group discussions and key informant interviews in Afar, Somali, and Oromia regions to gain insights into the challenges faced by youth in those areas. The third phase will involve developing constructive topics and recommendations, and the fourth and final phase will involve consulting with IVR technology developers. The use of focus group discussions and key informant interviews will be employed as the main methodology tools for data collection. The project aims to empower youth in Ethiopia and promote their self-employment prospects by identifying gaps and suggesting key topics that are reflective of the sequential experience of youth on their self-entrepreneurial pathway. Ultimately, the findings from this project will be used to develop guidelines and manuals that will help address the challenges faced by youth in Ethiopia and promote their self-employment prospects.

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