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POST-CONFLICT ECONOMIC RECOVERY | PROJECT FACT SHEET

Support for the Recovery of Micro, Small and Medium Enterprises (MSMEs) in Post-Conflict Areas – Enhancing Finance and Financial Inclusion for MSMEs

Overview

Support for the Recovery of Micro, Small and Medium Enterprises (MSMEs) in Post-Conflict Areas – Enhancing Finance and Financial Inclusion for MSMEs is a multi-year initiative funded by the European Union, with parallel financing from Germany through KfW, and implemented with the Development Bank of Ethiopia (DBE) as Executing Agency. It supports micro, small, and medium enterprises in Afar, Amhara and Tigray regions to rebuild by restoring access to affordable finance, with dedicated support for women- and youth-owned businesses.

Our Delivery Approach

Wholesale Finance to Lenders

DBE channels funding to around 12 partner banks and microfinance institutions in the three regions, which on-lend to MSMEs for working capital and investment.

Inclusive Access to Credit

At least 30% of funding reaches women-owned and 20% youth-owned enterprises at affordable lending rates.

Access to Foreign Currency

Dedicated facility to support import-dependent MSMEs in accessing foreign currency to pay for equipment, machinery, and inputs they cannot source locally.

Development Bank of Ethiopia

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Why MSME Finance Matters for Recovery

MSMEs are the second-largest source of employment in Ethiopia after agriculture, and a main source of jobs and income across Afar, Amhara and Tigray. The country has roughly 2 million MSMEs, with close to 60,000 in the northern regions most affected by conflict. Conflict cut many of these businesses off from credit, eroded collateral, and left them unable to restock or rebuild. Restoring affordable, well-targeted finance helps enterprises reopen, retain staff, and create new jobs, driving wider economic recovery.

Key Expected Results

- Partner financial institutions extend new financing to MSMEs across the three post-conflict regions
- Women- and youth-owned enterprises gain a fair share of the financing
- Partner lenders strengthen their capacity to serve the MSME market
- More jobs and income support recovery in conflict-affected areas

Project Quick Facts

Regions:
Afar, Amhara and Tigray

Eligible Sectors:
Manufacturing, construction, trade, agro-processing and services

Inclusion Target:
30% of financing to women-owned and 20% to youth-owned enterprises

Funding:
European Union (EUR 24 million), with parallel financing from Germany through KfW (EUR 15 million)

Duration:
Approximately 57 months

Executing Agency:
Development Bank of Ethiopia (DBE)

Technical Assistance:
GFA Consulting Group and FC Africa

Delivered Through:
Around 12 partner financial institutions, both commercial banks and microfinance institutions

Learn More

For more information about the project and partnership opportunities, please contact **Girma Leta,** Operations Team Manager, MSME Projects and Programmes Fund Management Division, External Fund and Credit Management Directorate, DBE, at girmal@dbe.com.et

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