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**SOCIAL ASSESSMENT FOR THE WOMEN ENTREPRENEURSHIP DEVELOPMENT PROJECT  
ADDITIONAL FINANCING (WEDP AF)**

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## Acronyms

ACSI	Amhara Credit and Saving Institution
BSC	Balanced Score Card
DBE	Development Bank of Ethiopia
EPLF	Eritrean People Liberation Front
ESMF	Environmental and Social Management Framework
FDRE	Federal Democratic Republic of Ethiopia
FGD	Focus Group Discussion
FUJCFSA	Federal Urban Job Creation and Food Security Agency
GBV	Gender Based Violence
GoE	Government of Ethiopia
HMFI	Harar Micro Finance Institution
IMSC	Inter-Ministerial Steering Committee
LARAP	Land Acquisition and Resettlement Action Plans (LARAP)
LARPF	Land Acquisition & Resettlement Policy Framework
MFI	Micro Finance Institutions
MOE	Ministry of Education
MOFED	Ministry of Finance and Economic Development
MOH	Ministry of Health
MOI	Ministry of Industry
MoLSA	Ministry of Labour and Social Affairs
MOT	Ministry of Trade
MoUDC	Ministry of Urban Development and Construction
MOWCYA	Ministry of Women, Child and Youth Affairs
MSEs	Micro and Small Enterprises
NBE	National Bank of Ethiopia
NSPP	National Social Protection Policy
NSPS	National Social Protection Strategy
NTA	National TVET Agency
OCSSCO	Oromia Credit and Saving Share Company
OHS	Occupational Health and Safety
OP	Operational Policy

OSS	One Stop Shops
PAR	Portfolio AT Risk
PIU	Project Implementation Unit
PMFIs	Participating Micro Finance Institutions
PMT	Project Management Team
REMSEDA	Regional Micro and Small Enterprise Development Agency
REUJCFSA	Regional Urban Job Creation and Food Security Agency
SA	Social Assessment
SEA	Sexual Exploitation and Abuse
SH	Sexual Harassment
SNNPR	South Nations, Nationalities and Peoples Region
TGE	Transitional Government of Ethiopia
TPLF	Tigray People Liberation Front
TVET	Technical and Vocational Educational Training
UPSNP	Urban Productive Safety Net Program
WEDP	Women Entrepreneurship Development Project
WEDP AF	Women Entrepreneurship Development Project Additional Financing
WHO	World Health Organization
WOLSA	Woreda Office Social and Labour Affairs

## **Executive Summary**

The Women Entrepreneurship Development Project (WEDP) was launched in 2012 to provide loans and business training to increase earnings and employment of growth-oriented women entrepreneurs in Ethiopia. With this intention, more than 16,000 business owners have been able to access loans as of September 2020 (Component 1 – Access to Finance) and more than 22,000 have completed business training (Component 2 - Entrepreneurial Skills and Technology Development).

The WEDP project is entering a new phase with an additional USD \$100 million recently approved as WEDP Additional Financing Project to implement activities through December 2024. WEDP AF is initiated to leverage the WEDP's proven project infrastructure to scale up the provision of finance and business services to viable women-owned micro and small enterprises (MSEs) that have now been adversely affected by the coronavirus (COVID-19) pandemic. As a key part of the World Bank's crisis response strategy for Ethiopia and its commitment to women's economic empowerment, the AF seeks to both secure the impressive gains made by the WEDP firms before the pandemic and to realize the potential for renewed employment growth once the crisis abates.

The WEDP AF will include three additional activities to respond to the impacts of COVID-19. First, the project will introduce a COVID-19 'rescue facility' as well as a window for uncollateralized growth capital under Component 1 (Access to Finance). Second, the project will introduce new e-learning options under Component 2 (Entrepreneurial Skills and Technology Development). Third, the project will scale up service delivery to additional cities. An expansion of the WEDP to additional cities has been requested by the GoE and by Ethiopia's House of People's Representatives.

## **Objective of the assessment**

The purpose of the social assessment is to identify, mitigate and monitor the potential social risks and impacts of the WEDP and enhance opportunities to strengthen social sustainability. Further, it identifies different socioeconomic groups in Ethiopia, their vulnerabilities, and their ability to benefit from the project, taking into consideration historical and political structures and sensitivities. Consequently, it is important that the assessment is as specific as possible and provides clear guidance to the project on how to improve the social outcome of WEDP-AF and avoid any intentional or unintentional harm to communities, households, and individuals in the process of achieving the objectives of the project.

## **Social Assessment Methods and Tools**

Both primary and secondary data were collected at the project city level for the purpose WEDP AF social assessment. However, in rare cases where CSA data is not applicable for the project cities, zonal level data were taken for the sake of analysis. Accordingly, first-hand data were collected from the field through different data collection methods such as, key informant interview, observation, and community consultation (FGD). Besides, pertinent secondary data were collected through desk review using reliable academic literatures which deal on different social issues of the community in or around the target cities.

## **WEDP AF Implementing Agencies**

The project implementation at the federal level is coordinated by the Project Implementation Unit and the Project Management Team which are housed in FUJCFSA and DBE respectively. At the regional level, the outreach services are done by OSS, which is the grassroots structure of FUJCFSA.

## **Socioeconomic and demographic Features of the Existing and Upcoming Project Cities**



WEDP AF will be implemented in the 10 existing WEDP project cities and 89 satellite towns in the four Regional States of Tigray, Amhara, SNNPR and Oromia and the two chartered cities, Addis Ababa and Dire Dawa. Furthermore will expand to additional 8 new cities and 52 satellite towns in these four regions.

### **Key Findings of WEDP AF Social Assessment**

**Institutional Arrangements for WEDP AF:** By the structure of WEDP, the routines of WEDP activities would be monitored by the PIUs under DBE and the FUJCFSA and its structures down to the project cities. However, the MSEs agents found in the cities are not considering the WEDP activities as their own duties. WEDP is not within the structure of MSEs agents. Thus, one of the commonly referred problem in all project cities about WEDP is lack of its own structure. Coordinators and other offices commented time and again about the need for WEDP to have its own structure from the federal level down to the Woreda level. Currently, WEDP is working using the federal government structure and this makes it to perform below its potentials. Through the existing government structure, the outreach service is very poor. The government line of structure does not consider WEDP as its duty. Hence, there is lack of sense of ownership from the government structure particularly MSEs agents.

**Vulnerable Groups and the Extent of Vulnerability:** Vulnerable groups are those who experience a higher risk of poverty and social exclusion than the general population. Ethnic minorities, migrants, disabled people, the homeless, those struggling with substance abuse, isolated elderly people, and children often face difficulties that can lead to further social exclusion, such as low levels of education and unemployment or underemployment. Accordingly, all the existing and upcoming project cities are characterized by a high unemployment rate. The unemployed youth often resorted to substance abuse and accordingly chewing *khat* has been widely expanded in all major cities and towns of the country. Being a sex worker is the other outcome of poverty and unemployment in all WEDP project cities. Domestic and international migration is the other outcome of vulnerability.

**Community Consultation on WEDP AF:** Community consultations were made in five existing and five upcoming WEDP project cities. These include Addis Ababa, Adama, Hawassa, Dire Dawa, Bahir Dar, Shemene, Woliyta Sodo, Deberemarkos, Harar, and Jijiga. Fear of high interest rate, the need for high valued asset as collateral, political unrest, COVID-19, ethnic tension, long loan procedures, conflict between spouses, unreachable loan scheme for the poor, lack of Islamic loan, poor outreach service, demotivated WEDP coordinators, lack of commitment from the government officials for WEDP, and corruption and nepotism are identified as potential challenges of WEDP AF by the participants of the community consultation. On the other hand, fear of failure in business, child labour, sexual harassment, social conflict, environmental pollution, occupational health and safety (OHS), and over competition on the same kind of business activity are mentioned as potential risks of WEDP AF by participants of the community consultation.

**Occupational Health and Safety Issues:** In this social assessment, different WEDP clients' businesses were assessed for their occupational health and safety measures. It was found that most of the WEDP clients are very keen to address occupational health and safety issues in their businesses. However, in some businesses, despite the availability of safety equipment, workers are not interested to wear or to use the materials for various reasons, including the weather condition in some cities.

**COVID-19 impact:** The impact of COVID was so high particularly for those who took WEDP loan and started business just before the outbreak of the pandemic in the country. According to the WEDP coordinators, almost all WEDP clients who started business at this time have closed their businesses. Therefore, these clients face a serious problem to make repayment of their loan for the MFIs. During

the lockdown, some MFIs like Oromia Saving and Credit Share Company, gave grace period for WEDP clients up to sixth months by making them pay only the interest rate not the principal. Also, most MFIs gave relief or grace period to their clients to overcome the impact of COVID-19. However, after the lockdown is over, the MFIs requested their clients to repay their principal loan with interests. This is a huge challenge for some businesses particularly for those which were closed. If the closed businesses are unable to repay the loan, the MFIs can claim the collateral to get their money back. The seriousness of the situation is explained by one of the WEDP coordinators in Addis Ababa as follows “a man told me bitterly that he will sell his house to pay his wife’s debt from WEDP.” Generally, with the exception of few businesses, all WEDP financed businesses faced the problem of repayment due to the impact of the COVID-19 pandemic.

**WEDP Contribution to the Community of the Project Cities:** Women are disadvantaged in the Ethiopian society and WEDP is believed to address some of the financial problem related with their business operation or start up. . Several model businesswomen are created with the loan from WEDP. The project is different from other loan schemes in the banks and MFIs in that it arranges training for its clients for free. Besides entrepreneurship skill training, the training also includes issues such as, environmental protection, social protection, and occupational health and safety. Although there are WEDP clients who give little attention to occupational health and safety, and environmental and social protection, the majority of WEDP clients are working in accordance with the environmental and social laws of the country and World Bank guidelines. By doing these, WEDP clients’ enterprises contribute to improved environmental and social management.

**Sexual Exploitation and Abuses/Sexual Harassments:** WEDP coordinators, clients, OSS staffs, and MSEs officials confirmed that the occurrence of sexual harassment, sexual exploitation, and gender-based violence is less likely or in the WEDP-supported MSEs.. They assert that most of the WEDP clients are adult, matured and self-confident who know their rights and obligations. However, they have not ruled out the possibility of harassment, exploitation and violence since these kinds of activities are considered as taboos and are not often disclosed to the public. There is no officially reported SEA/SH or GBV incidences in WEDP-financed subprojects. . Furthermore, it is alleged that the loan process is not free from nepotism and corruption.

**Customary Dispute Resolution Institutions:** The customary dispute resolution mechanisms in Ethiopia are playing an important role in resolving crimes of any kind to maintain peace and stability in the community though they are not recognized by law and not properly organized. The emphasis of the customary institutions is the restitution of victims and reintegration of offenders. In so doing, customary institutions are working to restore the previous peaceful relationship within the community through avoiding any form of revenge and counter revenge. Some of the customary dispute resolution mechanisms in the existing and upcoming project cities are: Woma, Gaanna, Karichcha, and Garo for the Sidama; *Chako, Chucha Chitcha*, and *Chimeteta* for Wolayta; *jaarsumma, gumaa*, and *siinqee* for Oromo; *Shimgelina* for Amhara; *Xeerbeegti* for Somali; and *Afocha* for Harari.

**Grievance Redress Mechanisms:** The WEDP AF GRM will be strengthened and expanded to better serve communities by leveraging the existing public grievance management system. The GRM will be more accessible to local communities, subproject workers and other stakeholders to allow for a clear communication channel for any individual or group of people who believe that they have been adversely impacted by the activities of WEDP AF-supported businesses. The PMT and PIU in collaboration with concerned Regional Urban Food Security Agency (ReUJCFSA), city MSEs agencies, MFIs and TVET agents will make the public aware of the GRM through different awareness creation forums and outreach services. Contact details in support of the mechanism will be publicly disclosed and posted in the enterprises and participating financial institutions. These will also be incorporated in the WEDP AF information materials (e.g. reports, magazines, brochures, flyers and posters). All grievances will be monitored and reported on a quarterly basis. (The details of GRM are found in the WEDP AF ESMF document)

## **1. Introduction**

Social Assessment (SA) is the instrument used most frequently to analyse social issues and solicit stakeholder views for the design of World Bank supported projects. SA helps to make the project responsive to social development concerns, seeking to enhance benefits for poor and vulnerable peoples including historically underserved people while minimizing or mitigating risk and adverse impacts. It analyses distributional impacts of intended project benefits on different stakeholder groups and identifies differences in assets and capabilities to access the project benefits. SA consists of the analysis of context and social issues with a participatory process of stakeholder consultations and involvement, to provide operational guidance on project design, implementation, and a monitoring and evaluation (M&E) framework.

Since there are many social variables which potentially affect the project impacts and success, SA must be selective and strategic, and focus on issues of operational relevance. Prioritizing critical issues, and determining how to address them, requires consultation with stakeholders, and other forms of data collection and analysis. SAs are carried out in a project context in order to:

- ✓ identify key stakeholders and establish an appropriate framework for their participation in project selection, design, implementation, and monitoring and evaluation.
- ✓ ensure that project objectives and incentives for change are acceptable to the range of people intended to benefit, and that gender, ethnicity and other social differences are taken into account in project design.
- ✓ assess the social impact of investment projects, and where adverse impacts are identified, determine how they can be avoided, minimized, or substantially mitigated; and
- ✓ develop the capacity to enable participation, resolve conflict, permit service delivery, and carry out mitigation measures in ways that are socially sound.

### **1.1. Background and Context to WEDP Additional Financing Project**

The Women Entrepreneurship Development Project (WEDP) was launched in 2012 to provide loans and business training to increase earnings and employment of growth-oriented women entrepreneurs in Ethiopia.

With this intention, more than 18,000 business owners have been able to access loans until May 2021 (Component 1 – Access to Finance) and more than 22,000 have completed business training (Component 2 - Entrepreneurial Skills and Technology Development). The WEDP is implemented in collaboration with the Development Bank of Ethiopia (DBE) and the Federal Urban Job Creation and Food Security Agency (FUJCFSA). The project's line of credit is disbursed through 12 participating MFIs, while business training is offered through a network of public and private service providers. Outreach to beneficiaries is ensured by the WEDP city coordinators and the 'one-stop shop' (OSS) offices in participating locations. The project currently serves a network of more than 38,000 entrepreneurs in ten major cities and 89 satellite towns across the country. The WEDP project is entering a new phase with an additional USD \$100 million recently approved as WEDP Additional Financing Project to implement activities through December 2024.

Activities supported by the AF will build on the WEDP's current project objective and activities while introducing a new emphasis on COVID-19 response. The project description, PDOs, project components, and implementation arrangements will remain materially the same. The WEDP will continue to support women owned MSEs in the 10 major cities where project infrastructure currently exists. The AF activities will expand the reach of the existing WEDP services to include 8 new project cities and 52 satellite towns. WEDP AF is also expected to enable the participating firms to generate more than 20,000 additional jobs, in addition to protecting the close to 90,000 jobs previously created

by the WEDP firms. Women-owned firms that accessed a WEDP loan added 73 percent more employees during a five-year period compared to firms with no WEDP loans. In addition, the technical assistant provided to the project MFIs will have an immediate impact on the institutions' capacity to serve their clients more efficiently.

### **1.2. The Rationale of WEDP AF**

WEDP AF is initiated to leverage the WEDP's proven project infrastructure to scale up the provision of financing and business services to viable women-owned micro and small enterprises (MSEs) that have now been adversely affected by the coronavirus disease (COVID-19) pandemic. As a key part of the World Bank's crisis response strategy for Ethiopia and its commitment to women's economic empowerment, the AF seeks to both secure the impressive gains made by the WEDP firms before the pandemic and to realize the potential for renewed employment growth once the crisis abates.

The objective of the WEDP AF is to increase the earnings and employment of micro and small enterprises (MSEs), owned by female entrepreneurs in targeted cities. This will be achieved by: i) tailoring financial instruments to the needs of the participants and ensuring availability of finance; and ii) developing the entrepreneurial and technical skills of the target group.

### **1.3. Objective of WEDP AF Social Assessment**

The purpose of the social assessment is to identify, mitigate and monitor the potential social risks and impacts of the WEDP and enhance opportunities to strengthen social sustainability. Further, it identifies different socioeconomic groups in Ethiopia, their vulnerabilities, and their ability to benefit from the project, taking into consideration historical and political structures and sensitivities. Consequently, it is important that the assessment is as specific as possible and provides clear guidance to the project on how to improve the social outcome of WEDP and avoid any intentional or unintentional harm to communities, households, and individuals in the process of achieving the positive objectives of the project. The social assessment is done based on a review of pertinent and trustworthy sources, as well as interviews with experts. The specific objectives of WEDP AF include:

- To examine the nature of social inclusion and discrimination in the existing WEDP and in the upcoming WEDP AF project cities
- To explore the vulnerable social groups, the nature of their vulnerabilities, and their ability to benefit from the project (ethnic and religious minorities, historically underserved peoples, and disabled women)
- To investigate the impact of COVID-19 on the vulnerable social groups
- To understand the social impacts of the existing WEDP in relation sexual exploitation or sexual harassment (SEA/SH) or GBV, occupational health and safety (OHS), forced child labour, social inclusion/exclusion, local conflicts, and stakeholder engagement.
- To Scrutinize the social risks of the implementation approaches of the new WEDP AF tailored to COVID-19 response in relation to SEA/SH or GBV, occupational health and safety, forced child labour, social inclusion, local conflicts, and stakeholder engagement

### **1.4. Scope of the Social Assessment**

As per the terms of TOR, the scope of WEDP AF Social Assessment includes:

- i. Review the project background information: (a) understanding of the project and its various components including its location, schedule of implementation arrangements, and life span; (b) review the socio-cultural, institutional, historical and political context of the WEDP project cities based on available sources of information; and (c) present

- baseline data on beneficiaries, poverty rates, vulnerabilities, etc. as identified by the project areas of concern.
- ii. **Potential impacts on social conflicts:** Identify potential impacts of WEPD on social conflicts, including the process of conflict-sensitive targeting. This shall include risks of (a) exacerbating existing tensions and inequality within society (both within the communities affected by the project and between these communities and others); (b) have a negative effect on stability and human security; and (c) be negatively affected by social tensions, conflict and instability, particularly in circumstances of civil unrest and violence.
  - iii. **Identify key social issues:** The social assessment determines what the key social and institutional issues are in relation to project objectives; identifies the key stakeholder groups in this context and determine how relationships between stakeholder groups will affect or be affected by the project. It also identifies expected social development outcomes and actions proposed to achieve those outcomes. Social development outcomes are the socially relevant results the project is expected to achieve such as poverty reduction, equity and inclusion, strengthening of social capital and social cohesion, and promotion of accountable and transparent governance, as well as the mitigation of adverse impacts arising out of the project. The Social Assessment report will describe the social and economic characteristics of the possible project affected persons/population; their opinions, perceptions and recommendations on the project; will discuss implications for project design and implementation; and provide practical recommendations for dealing with the challenges and risks identified, including a communications and consultation strategy that can serve to address the risks and manage expectations and dissent, if any.
  - iv. **ESMF risks and approach:** evaluate risks and approaches in the existing project ESMF tailored to operating in the COVID-19 context, including risks and mitigation measures applicable to SEA/SH or GBV, occupational health and safety, child and forced labor, social inclusion, local conflicts, and stakeholder engagement and make recommendations for additions and improvements.
  - v. **Existing access to finance:** identify existing access to finance programs and their experience in the project target areas in terms of their accessibility to different community groups.
  - vi. **Technical Support:** Assess the technical training programs proposed to be offered under the projects in terms of their likely ability to respond to the specific needs of different community groups.
  - vii. **Legislative and regulatory frameworks:** Review national legislations and regulations relevant to WEDP implementation. This includes an assessment of gaps and potential requirements on capacity development.
  - viii. **ESMF Monitoring and reporting:** Development of a monitoring and reporting system allowing regular as well as ad-hoc monitoring and reporting; the latter in case of social incidents.
  - ix. **Conduct consultation:** As much as possible consult throughout the process of this assessment with respective stakeholders and provide respective documentation in the annex.
  - x. **Institutional arrangements:** a) Describe the institutional environment; consider both the presence and function of public, private and civil society institutions relevant to the project activities; (b) find out possible constraints within existing institutions and opportunities to utilize the potential of these institutions; (c) Assessment of necessary institutional arrangements as well as resources requirements (including budget, staffing,

and equipment) to implement respective risk management measures and; (d) Suggest eventual implementation modifications to address critical risks of social discrimination (if any).

- xi. **Finding:** Summarizes key measures and actions to improve social inclusion and the timeframe required for the project to update the Environment and Social Management Framework (ESMF)

### 1.5. Project Description

The Women Entrepreneurship Development Project Additional Finance (WEDP AF) aims to enhance the earnings and employment of female owned businesses in urban areas relative to a comparison group. This will be achieved by: i) tailoring financial instruments to the needs of female owned MSEs; ii) developing the entrepreneurial skills of the target group; and iii) supporting project management, advocacy and outreach and monitoring and evaluation. WEDP AF is a National Urban Project that include 10 existing WEDP project cities and 89 satellite towns in the four Regional States of Tigray, Amhara, SNNPR and Oromia and the two chartered cities, Addis Ababa and Dire Dawa. The AF also envisages to include additional 8 new cities and 59 satellite in the four highland regions mentioned above.

Scaled-up activities will expand the reach but not the nature of existing project activities and will not raise the safeguards category of the project. The additional financing will build on the effective project structures and implementing partners of the parent project to mitigate risks and achieve project targets; and continuously strengthen partner systems. The PDO, project components and activities and implementation arrangements will remain materially the same. Currently, WEDP will continue to support women owned MSEs in the 10 major cities where project infrastructures have already existed. WEDP AF will also expand into new cities using the same implementation model and counterpart agencies that have been used for WEDP.

An expansion of WEDP to additional cities has been requested by the Government of Ethiopia and by Ethiopia's House of People's Representatives. The project team has explored and monitored options for expansion over the past year and found conditions conducive in additional cities. Additional locations may be added later, based on local demand and the presence of a reliable project infrastructure. The geographic expansion may also entail adding new MFIs to the line of credit managed by DBE. Access to the line of credit is open to MFIs that meet the criteria outlined in the DBE's Women Entrepreneurship Credit Facility Operation Manual, and several new MFIs were added to the credit facility during the project's lifetime.

### 1.6. Components of the Project

The project will retain the same component structure under the AF. Components 1 and 2 will continue to provide eligible firms with access to finance and business development services, respectively. Component 3 will cover project management, including the long-standing research collaboration with the World Bank's Africa Gender Innovation Lab (GIL). The details of each component are outlined in the following paragraphs

**Component 1 (Access to Finance):** The aim of this component is to strengthen the existing structures to facilitate access to finance for female growth-oriented entrepreneurs with experience in operating a Micro and Small-Scale Enterprise (MSE). The component is based on a two-tier structure where a wholesaler under the Development Bank of Ethiopia (DBE) has engaged in lending to, and arranging technical support for Participating Microfinance Institutions (PFIs) that have engaged in retail operations by on-lending funds to female-led MSEs and providing them with tailored financial

products. The on-lending triggers the World Bank operation policy, Financial Intermediate Lending (OP 8.30), subsequently triggering the operational policy on Environmental Assessment (OP 4.01).

Component 1 is built on the existing WEDP line of credit model to extend a credit line to the Development Bank of Ethiopia, which serve as a wholesaler to participating financial institutions (PFIs). Part of the credit line will be channelled towards restructuring loans for existing borrowers and providing them with access to bridge financing. The component will also expand on the previous introduction of innovative financial instruments to surmount collateral constraints which disproportionately affect female borrowers. The subcomponents are:

- ✓ Subcomponent 1a – established credit facility
- ✓ Subcomponent 1b – technical assistance to participating financial institutions (PFIs)
- ✓ Subcomponent 1c – rescue facility
- ✓ Subcomponent 1d – innovative finance facility

**Component 2 (Business Development Services):** Component 2 will support the delivery of ancillary business development services, including training, to women entrepreneurs. Business training will leverage the current network of public as well as private providers and combine technical as well as mind-set-oriented skills. In the context of COVID-19, a new focus will be on skills and services that strengthen resilience in a time of crisis, and on the delivery of business training via digital channels (mobile applications, interactive voice recordings, etc.).

**Component 3 (Project Management):** Component 3 will support project management and coordination. This includes outreach to potential women entrepreneurs, registration of participating entrepreneurs in an online Management Information System (MIS), monitoring service delivery, and client follow-up. Building on existing structures, outreach to women entrepreneurs will be conducted through a network of One Stop Shops (OSS) located in project cities. These activities will be overseen by the Project Implementation Unit (PIU), housed in the Federal Urban Job Creation and Food Security Agency. A Project Management Team (PMT) housed in the Development Bank of Ethiopia will manage the line of credit component of the project.

A Project Implementation Unit (PIU) has been operational within FUJCFSA under the Ministry of Urban Development and Construction (MoUDC). Operational responsibility for the project implementation in the regions will rest with the City Agencies, MFIs and TVET agents responsible under the MSE strategy to implement the strategy using One-Stop-Shops (OSS) as the entry point. An Inter-Ministerial Steering Committee (IMSC) is established, chaired by MoUDC and with representatives from Ministry of Education, Ministry of Industry, Ministry of Trade, and Ministry of Women, Child and Youth Affairs, Associations of Micro Finance and MSEs, and the National Bank of Ethiopia (NBE). The IMSC ensures coordination and support from the multiple sectors involved in the project.

Component three also includes the development of an exit strategy as part of the program design phase and measures to ensure sustainability.

### **1.7. The Scope of WEDP AF**

Activities supported by the additional financing will build upon the WEDP's current project objective, increasing women owned businesses earnings and employment, while introducing a new emphasis on COVID-19 response. Within the scope of the existing project components, the additional financing includes three adaptations of the WEDP activities to respond to the impacts of COVID-19.

First, the project will introduce a COVID-19 'rescue facility' as well as a window for uncollateralized growth capital under Component 1 (Access to Finance). Leveraging the WEDP line of credit, the rescue



facility will compensate the PFIs to restructure qualifying loans in their existing WEDP portfolio and extend new credit on concessional terms to the WEDP borrowers. In addition, the PFIs will be able to access a dedicated on-lending window, 'innovative finance facility,' if they use financial innovations—such as data-driven credit scoring, revenue-based financing and the new movable collateral registry—to provide growth capital to firms unable to surmount traditional collateral constraints. Moreover, the project will expand its PFIs to include private commercial banks. This will allow growth-oriented women entrepreneurs who have larger financing needs to be served by banks.

Second, the project will introduce new e-learning options under Component 2 (Entrepreneurial Skills and Technology Development). Demand for business training tends to increase during economic downturns, yet the COVID-19 pandemic has made classroom-based learning unviable for the foreseeable future. The project has been developing or adapting several new e-learning initiatives for the Ethiopian market. These innovations include an app-based 'mini-MBA' program built around a mobile-first pedagogy, a phone-based training for retail entrepreneurs, a mobile mentoring, training on digital finance and digital literacy, support for MSEs to access e-commerce platforms and digital sales channels, and the delivery of a traditional entrepreneurship curriculum through broadcast media (TV and radio) and online.

Third, the project will scale up service delivery to additional cities. An expansion of the WEDP to additional cities has been requested by the GoE and by Ethiopia's House of People's Representatives. While a full national scale-up of the project is not feasible at present, the project has explored and monitored options for expansion over the past year and found conditions promising in several cities. Additional locations may be added based on local demand and the presence of a reliable project infrastructure. The project will provide support to training providers and PFIs in the new cities, and WEDP services will be introduced gradually as local conditions allow. The existing project cities include Addis Ababa, Adama, Asella, Axum, Bahir Dar, Dilla, Dire Dawa, Gondar, Hawassa, and Mekelle. The new project cities to be considered by WEDP AF includes Shashemene, Jima, Nekemite, Wolaita Sodo, Arbaminch, Debremarkos, Dessie and Shire. The project also provides services in the satellite towns within 50 km radius of the major selected cities (Annex V).

## **2. Social Assessment Methods and Tools**

Both primary and secondary data were collected for the purpose WEDP AF social assessment mainly at the project city/town level. However, in some instances, when statistical data is found substantial and are not found at particular city/town level, zonal data is taken for comparison purpose. Intensive fieldwork was conducted with the existing and upcoming WEDP project cities as well as their satellite towns. Accordingly, first-hand data were collected from the field through different data collection methods such as, key informant interview, observation, and community consultation. Besides, pertinent secondary data were collected through desk review using reliable academic literatures which deals on different social issues of the community in or around the target cities. The details of the data collection methods will be discussed below. The field data collection activities were conducted in accordance with the health guidance issued by WHO, and Ethiopian Ministry of Health (MOH) and World Bank technical guidance

### **2.1. Desk Review**

Prior document on WEPD development, implementation, outcomes and challenges were thoroughly reviewed. Project manual, project implementation document, and different reports on the already implemented WEPD project were assessed. Besides, the WB documents, other scholarly written literature were examined to understand the nature of social phenomena in and around the project

target areas. These include socio-cultural, institutional, historical and political contexts of the existing and the upcoming WEDP project target cities.

## 2.2. Key Informant Interviews

Key informant interview (KII) was one of the basic data collection methods used to collect first-hand information from different stakeholders. KIIs were made with resourceful informants who are supposed to have in-depth knowledge and understandings about the existing WEDP and the intended WEDP Additional Financing Project. Accordingly, key-informant interviews were conducted at the federal and regional level with different stakeholders who are part and parcel of the project from inception, implementation to monitoring and evaluation of the WEDP. As indicated in Table 1, at the federal level, KIIs were made with DBE, FUJCFSA, TVET Agency, and MSEs Development Agency. From each institution, two key informants who are knowledgeable enough about the WEDP and WEDP AF were thoroughly interviewed. KIIs were first conducted at the federal level before the project cities to have full pictures of the WEDP and the new AF projects. This was found very helpful to identify the focus areas during data collection in the project cities which in turn contributed to collect as much data as possible on the Social Assessment of AF.

Table 1: Stakeholders for KIIs at the Federal Level

Stakeholders at the Federal Level for KIIs	Number of KIIs
✓ Federal Urban Job Creation and Food Security Agency (FUJCFSA)	2
✓ Development Bank of Ethiopia (DBE)	2
✓ TVET Agency	2
✓ MSEs Development Agency	2
<b>Total</b>	<b>8</b>

Following the completion of the data collection at federal level, data were collected through KIIs and other data collection methods from different stakeholders at the project cities/regional level. As shown in Table 2, at the regional/project cities level, key informants were selected from TVET training institutions, REUJCFSA, cities MSEs, PMFIs, OSS, women from WEDP, and community elders.

Table 2: List of Stakeholders for KIIs at Regional/ Project Cities Level

Stakeholders at project cities	Number of KIIs
✓ Regional Urban Job Creation and Food Security Agency (REFUJCFSA)	1
✓ City Micro and Small Enterprises (MSEs) Development Agencies	1
✓ Technical and Vocational Educational Training (TVET) Agencies	1
✓ TVET Training Institutions	1
✓ Micro Finance Institutions (MFIs)	1
✓ One Stop Shops (OSS)	1
✓ Woreda Office Social and Labour Affairs (WOLSA)**	1
✓ Community elders	2
✓ WEDP beneficiaries*	1
<b>Total</b>	<b>10</b>

\*WEDP beneficiaries were interviewed only the existing WEDP target cities

\*\* WOLSA can be an important source of information with issues regarding the vulnerable groups

The socioeconomic activities of the of the community, vulnerable groups and the extent of vulnerability, ethnic relationships, social institutions, etc., are explored using KIIs as data collection method. A thorough examination was also made about the disadvantaged groups, the social inclusion and exclusion criteria, the extent of social conflicts, and the impact of COVID 19 at the target project

cities. Moreover, the nature of sexual exploitation and abuse/sexual harassment (SEA/SH), occupation health and safety, and social conflicts were examined through KIIs.

### **2.3. Observation**

Observation can also be one of the data collection methods used to have the general pictures of the social environments of the project cities. Besides key informant interview, focus group discussion, and document analysis/desk review, observation was an important method to understand the living environment of the vulnerable groups and the existence of forced child labour in the project cities. It also helps to understand OHS and the health aspects of the WEDP projects. Accordingly, observations were made on environmental pollution, and occupation health and safety issues. For instance, the waste management practices of WEDP clients were observed during the fieldwork.

### **2.4. Community Consultation**

The World Bank operational policy OP 4.01 requires that for all Category A and B projects, the borrower consults and engages all key stakeholders including project-affected groups and local non-governmental organizations (NGOs) about the project's environmental and social aspects and takes their views into account. Similarly, the FDRE constitution recognize peoples' right "to full consultation and expression of their views in the planning and implementation of environmental policies and projects that affect them directly."

Community consultation is an important data collection method for WEDP social assessment. Through consultation, the community in the project area raised their concerns about the implementation of the new project. Borrowers are expected to address or at least to mitigate the concerns of the community on the upcoming WEDP AF Project. The community consultation method disclosed the anticipated environmental and social impacts of the upcoming project. Consequently, borrowers were required to implement risk mitigation strategies. In each sample project city, one community consultation session was organized to explore the concerns of the community on the project. The checklist for community consultation is annexed under annex IV.

Participants for community consultation were adult male, adult female, and youth (male and female). The list of community consultation participants alongside their gender is listed under annex I. With the exception some male officials from MSEs agents, MFIs, and OSS staff, all other participants in the community consultation were women. The fieldwork for the social assessment was conducted from March 18 to 31, 2021 and it include cities such as, Addis Ababa, Adama, Bahir Dar, and Dire Dawa from existing WEDP target areas, Shashenene, Wolayta Soda, and Debremarkos from the new project cities, and Harar and Jijiga from emerging region (see annex IV).

Participants of the community consultation including the vulnerable groups were selected in consultation with WEDP coordinators and OSS staffs. Usually, people living around WEDP clients' enterprises were selected for the consultation purpose. However, the vulnerable groups were brought by OSS staff from different corners of the project cities to participate on community consultation session. The participants are informed and get prepared by the WEDP coordinator and OSS staff in advance before the arrival of the consultant in each project target city. In this regard, the consultation session was made smooth and productive. Besides community consultation sessions, one-on-one interviews were also made with some members of the vulnerable groups particularly with people living with disability and the youth.

Finally, by its nature community consultation requires the coming together of a group of people. However, this is a dangerous move in the face COVID-19 pandemic threat. Therefore, data were

collected through community consultation in accordance with the directives of WHO and MOE in consultation with WEDP coordinators at the project cities.

In this regard, the following measures were taken in accordance with WHO and MOH protocols, and World Bank technical guideline to prevent COVID-19. First, a small group not more than ten individuals were attending the community participation at a time. Second, all participants were informed to come for discussion covering their mouths and noses with masks. If participants did not have access to preventive masks, the consultant provided them masks before they entered the discussion room. Third, the hands of each participant were sprayed with disinfectant while they were entering to the discussion room. Disinfectant were made available by the consultant. Fourth, the participants were made to sit far apart, a minimum of two meters' space between individuals. In this aspect, often the community consultations were made in open air space.

### **2.5. Sampling Procedure**

There are 10 exiting WEDP cities; and WEDP AF envisaged to include additional 8 major cities and 59 satellite towns within the range of 50 km from the main cities. Since it is difficult to cover the entire WEDP existing project cities and the upcoming project areas, the consultant used purposive sampling for the purpose of this Social Assessment assignment. Accordingly, excluding Tigray regional state for the current crises in the region, one sample city is selected from each participating region for both the existing WEDP and the upcoming WEDP AF. This is intentionally done to get diverse views on the social assessments from different regions. From the existing cities, Addis Ababa, Dire Dawa, Hawasa, Bahir Dar, and Adama are selected for the social assessment. From the new WEDP AF target area Shashemene, Wolaita Sodo, Dessie, Harar, and Jijiga were included in the social assessment.

In consultation with the WEDP contact persons, in each project cities, ten knowledgeable informants were selected from the list of stakeholders mentioned above. At the federal level, the number of informants for KIIs were eight from four major stakeholders to the project. Concerning community consultation, there was one session in each project city. In general, adequate data were collected from each project cities to maximize the quality of the social assessment findings for WEDP AF. Data through the above methods were collected until data saturation is maintained.

### **2.6. Data Analysis**

Primary data from KIIs, community consultation, and observation were transcribed, coded, and categorized in theme. Consequently, data were analysed and interpreted section by section in accordance with their themes. Similarly, data obtained from secondary sources were reviewed and analysed in themes side by side with the primary data acquired from the field.

## **3. Ethical Consideration**

Ethical consideration is one of the protocols during data collections. It is imperative that ethical issues are considered during field data collection process. The ethical considerations include informed consent, voluntary participation, do no harm, confidentiality, and anonymity.

**Free, prior and informed consultation (FPIC):** The principles of consultation and consent together constitute a special standard that safeguards and functions as a means for the exercise of the underserved peoples' substantive rights. It is a standard that supplements and helps effectuate substantive right including the right to property and other rights that may be implicated in natural resource development. FPIC can have the effect of reversing the historical pattern of exclusion from decision making in order to avoid the future imposition of important decisions on underserved peoples, allowing them to continue to live as distinct communities on lands to which their cultures remain attached.

Free refers to a consent given voluntarily and absent of “coercion, intimidation or manipulation. Free refers to a process that is self-directed by the community from whom consent is being sought, unencumbered by coercion, expectations or timelines that are externally imposed. Prior means consent is sought sufficiently in advance of any authorization or commencement of activities. Prior refers to a period of time in advance of an activity or process when consent should be sought, as well as the period between when consent is sought and when consent is given or withheld. Prior means at the “early stages of a development or investment plan, not only when the need arises to obtain approval from the community.” Informed refers mainly to the nature of the engagement and type of information that should be provided prior to seeking consent and also as part of the ongoing consent process. Consent refers to the collective decision made by the rights-holders and reached through the customary decision-making processes of the affected peoples or communities. Consent must be sought and granted or withheld according to the unique formal or informal political-administrative dynamic of each community.

Participants were also informed how data will be managed and used. They were also asked to use audio recorder but most of them uneasy for this request. Hence, data were mainly taken through field notes. Similarly, they were also uncomfortable to capture their photographs during discussions.

**Voluntary participation:** Voluntary participation means that people participate in the research free from coercion and reimbursement. Informants and community consultation participants were never made to give response either through the use of force or through the power of money. Participants are free to withdraw their participation at any time in the process of data collection. It is the right of participants to leave their participation any time. Therefore, no pressure should be made on those who choose not to continue.

**Do no harm:** Informants and community consultation participants assured that there will be no physical/psychological harms because of their participations in this research. Participants were made to relax in order to avoid their stress, pain, anxiety, and diminishing self-esteem. Participants were informed to decline any time if they discomfort for giving the information.

**Confidentiality:** confidentiality means the information provided by the research participants will be made confidential and accessible only to authorised personnel. The information from the informant will not be published in the way that expose the information providers, informants. Accordingly, the consultant assured them not to disclose the names of the research participants.

**Anonymity:** if mentioning the names of the information providers is mandatory, anonymous or pseudo names will be used. Anonymity is a stricter form of privacy than confidentiality since the information providers are named with pseudo names. Therefore, in writing the report of SA, the consultant might use pseudo names of the informants if necessary.

## **4. Overview of Policy, Legal and Institutional Framework**

### **4.1. WEDP AF Implementing Agencies**

The project implementation and project management activities are mainly run by FUJCFSA and DBE respectively. At the regional level, the outreach services are done by OSS, which is the grassroots structure of FUJCFSA. The role played by the two implementing agencies are discussed as follows.

#### **4.1.1. The Federal Urban Job Creation and Food Security Agency (FUJCFSA)**

FUJCFSA is responsible for the overall implementation of WEDP and coordination of participating agencies at all levels - at federal, regional, woreda and kebele levels. A project implementation unit (PIU) under will monitor the day to day activities of the WEDP project. FUJCFSA works in close

cooperation with the DBE, which is responsible for the day-to-day implementation of Component 1, and with the National TVET Agency (NTA) and TVET colleges for the implementation of Component 2. WEDP will use the current M&E system and will fine-tune it to ensure data integration, collection and reporting. The WEDP AF will make use of existing structures, institutions and processes, in particular relying on the government institutions for MSEs support (REUJCFSA, TVET colleges, city MSE development offices, and One Stop Shops) and the existing MFIs.

#### **4.1.2. Development Bank of Ethiopia (DBE)**

The Development Bank of Ethiopia has been selected as the wholesale institution based on its track record of managing lines of credit and on its management commitment to the project. To carry out the component, DBE has established a dedicated Project Management Team (PMT). The PMT will be regularly reporting to the manager of the Export Credit Guarantee and Special Fund Administration Bureau of the DBE, which in turn will report once a year to the Federal MSE Development Council and MoFED. Participating Financial Institutions (PFIs), when seeking advances, would submit to the Development Bank of Ethiopia information on the total number of sub-borrowers and total amounts of sub-credits expected over the next 3 months. Based on the submission, DBE would assess the PFI request before submitting to IDA. DBE would compile this information and present a summary to IDA, inciting the amounts forecast for each PFI. The PMT will be staffed with qualified personnel capable of satisfactorily implementing all aspects of the component. Its responsibilities will include: (i) on-lending to PFIs; (ii) ensuring effective functioning of the on-lending facility to final borrowers through PFIs; (iii) on-going monitoring of the PFIs to ensure compliance with project criteria; (iv) adherence to all fiduciary and safeguard requirements of the World Bank; (v) monitoring and evaluation based on key project development indicators; and (vi) keeping MoFEC and FUJCFSA informed about project implementation progress through periodic reports.

#### **4.2. FDRE Constitution**

Article 25 of the FDRE Constitution guarantees all persons' equality before the law, and prohibits any discrimination on grounds of gender, language, religion, race, and political opinion. Similarly, Article 35 of the Constitution provides that women are entitled to equal rights with men. Article 35 (3) states that in recognition of the history of inequality and discrimination suffered by women in Ethiopia, women are entitled to remodel and take affirmative measures. The purpose of such measures shall be to enable women to compete and participate on the basis of equality with men in political, economic and social life, and to gain access to opportunities and positions in public and private institutions

The national constitution has enshrined several articles to protect the fundamental rights of women and their interest of access and control over resource, and about equality among women and men in marriage. It recognizes the history of inequality and discrimination suffered by women in Ethiopia. Ethiopian women are entitled to remedial and affirmative measures to enable them to compete and participate on the basis of equality with men in political, economic and social life. Women have the right to protection by the state from harmful customs and practices that press them or causes bodily or mental harm. With regard to property and land rights, the constitution states that women shall acquire, administer, control, use and transfer of their property. With respect to use, transfer, administration and control of land, women have as equal access as men to benefit this.

On the other hand, article 39 recognizes the rights of groups identified as 'Nations, Nationalities, and Peoples' and defined them as "a group of people who have or share a large measure of common culture or similar customs, mutual intelligibility of language, belief in a common or related identity, a common psychological make-up, and who inhabit an identifiable, predominantly contiguous territory." It also portrays their rights up to self-determination-the right to secession; speak, write,

and develop their own languages; express, develop, and promote their cultures; preserve their history; and, self-government, which includes the right to establish institutions of the Government in the territory that they inhabit and equitable representation in state and Federal Governments.

Article 54 (1) further states that “Members of the House [of Peoples Representatives], on the basis of population and special representation of minority Nationalities and Peoples, shall not exceed 550; of these, minority Nationalities and Peoples shall have at least 20 seats.” These groups are supposed to have less than 100,000 population size. Due to limited access to socioeconomic development and underserved status over the years, the Ethiopian government has designated Afar, Benishangul-Gumuz, Gambella and Ethiopian Somali as ‘Developing Regional States’ (DRS). Regarding this, the Ethiopian Constitution, Article 89(2) specifies, ‘The Government has the obligation to ensure that all Ethiopians get equal opportunity to improve their economic situations and to promote equitable distribution of wealth among them’.

The Ethiopian constitution clearly stipulates in Article 89(3, 4) that, “Nations, Nationalities and Peoples least advantaged in economic and social development shall receive special assistance. Government shall take measures to avert any natural and manmade disasters, and, in the event of disasters, to provide timely assistance to the victims.” The constitution further states specifically the rights of Ethiopian pastoralists under article 40 (4), that, “Ethiopian pastoralists have the right to free land for grazing and cultivation as well as the right not to be displaced from their own land”. Moreover, the constitution under Article 41(8) states that “Ethiopian pastoralists have the right to receive fair prices for their products, that would lead to improvement in their conditions of life and to enable them to obtain an equitable share of the national wealth commensurate with their contribution. This objective shall guide the State in the formulation of economic, social and development policies.” The 1995 Ethiopian Constitution particularly provided for pastoralists the right to free land grazing and not to be displaced from their own lands without their wish. Besides, article 44 in the constitution stated that all persons who have been displaced or whose livelihoods have been adversely affected as a result of State programs have the right to get appropriate monetary compensation or alternative means of reimbursement including relocation with adequate State assistance.

#### **4.3. National Policy of Women**

With the announcement of the National Policy of Women in 1993 and the promulgation of the new Constitution in 1995, the Ethiopian Government declared its commitment to the equitable socio-economic development of women. The National Policy on Ethiopian Women aims to institutionalize the political, economic, and social rights of women by creating appropriate structures in government offices and institutions so that public policies and interventions become gender-responsive in order to ensure equitable development for all Ethiopians.

The policy has the following major objectives:

- Laws, regulations, systems, policies, and development plans issued by the Government should ensure the equality of men and women, special emphasis should be given to the participation of rural women.
- Economic, social and political policies and programs, as well as cultural and traditional practices and activities should ensure equal access of men and women to the country’s resources and to the decision-making process.
- The central government and regional administrations should ensure that women participate in and benefit fully from all activities carried out by central and regional institutions; and
- Development institutions, programs and projects should ensure women’s access to and involvement in all interventions and activities.

The proclamation no 377/2003 provided women with a special attention. This proclamation is aware of the fact that women are marginalized historically, and hence genuine equality will not be maintained only by the principle of non-discrimination on the basis of sex rather women should also be given with a special treatment, affirmative action.

In 2005, the Women 's Affairs Ministry was established to coordinate women's activities and translate the policy objectives. In 2006, the Ministry of Women's Affairs issued the National Plan of Action for Gender Equality (NAPGE) for the period 2006 – 2010. Its goal is "to contribute to the attainment of equality between men and women in social, political and economic development".

#### **4.4. Education and Training Policy**

With regard to gender disparities in education, the Ethiopian Government's Education and Training Policy has the following specific objective: "to gear education towards reorienting society's attitude and value pertaining to the role and contribution of women in development" (TGE, 1994:11). The Higher Education Proclamation (No. 650/2009, Article 39.6) also indicates that as an affirmative action the Ethiopian Government set up a new cut- off point for students' enrolment into higher education institutions that gives special consideration of female students among other disadvantaged groups.

#### **4.5. The National Social Protection Policy (NSPP) and Strategy (NSPS)**

Recently, the GoE has put in place a strong policy foundation for the social protection sector, with the approval of the National Social Protection Policy (NSPP) 2014 and National Social Protection Strategy 2016. This policy envisions "to see all Ethiopians enjoy social and economic wellbeing, security and social justice "and recognizes the contribution of social protection to the development goals of the country. It further indicates that the Government will commit human and financial resources to reducing poverty and provide social protection to its poorest and most vulnerable citizens. The Social Protection Policy has a broad objective of providing an overall Social Protection system and creating an enabling environment in which Ethiopian citizens have equitable access to SP services that will enhance inclusive growth and development. Overall, the policy commits the government to move beyond the partial, and fragmented, provision of Social Protection to establish a comprehensive Social Protection system (MoLSA 2014).

The policy has five integrated focus areas, which includes 1) Promote Productive safety nets, 2) Promote employment opportunities and improve livelihood, 3) Promote social Insurance, 4) Enhancing equitable access to and use of basic services, 5) Providing legal protection and support services for those vulnerable to violence and abuse. Across these areas, the both policy and strategy seek to bring together a variety of existing programs into a national social protection system for supporting vulnerable Ethiopians. The fourth area of focus that aimed to enhance access to health, education and other social services introduced specific strategies among others: 'health fee waivers and health insurance subsidies, services for the elderly and labour-constrained, establishing a social work system and school feeding (MoLSA 2014; 2016). The policy serves as a framework for collaboration and coordination system of social protection in order to provide different services by different organization at all level.

#### **4.6. Labour Proclamations**

With the intention of creating conducive working environments for the labourers/workers, in 2019, Ethiopia issued a proclamation. This proclamation is known as the Labour Proclamation No. 1156/2019. The Proclamation bestowed responsibility upon the employer for the creation of good working environment for the employees. By the content of the proclamation, the employer will take all the necessary measures to safeguard the health and safety of the workers. The new Labour



Proclamation also intends to form durable industrial peace, sustainable productivity and competitiveness that will contribute to the overall development of the country.

#### **4.7. Legal Frameworks of Ethiopia for People with Disabilities**

The Government of Ethiopia has adopted and implemented a number of laws, policies and standards pertaining to people with disabilities, including their right to productive and decent work. The main ones are:

- ✓ Constitution of the Federal Democratic Republic of Ethiopia, adopted in 1995. Article 41(5) of the Constitution sets out the State's responsibility for the provision of necessary rehabilitation and support services for people with disabilities.
- ✓ **Proclamation concerning the Rights to Employment for Persons with Disabilities, No. 568/2008**, makes null and void any law, practice, custom, attitude and other discriminatory situations that limit equal opportunities for persons with disabilities. It also requires employers to provide appropriate working and training conditions; take all reasonable accommodation measures and affirm active actions, particularly when employing women with disabilities; and assign an assistant to enable a person with disability to perform their work or follow training.
- ✓ **The Federal Civil Servant Proclamation No. 515/2007**, provides for special preference in the recruitment, promotion, and deployment, among others, of qualified candidates with disabilities. This provision is applicable to government offices only.
- ✓ **Labour Proclamation, No. 377/2003, amended by Labour Proclamation No. 494/2006**, makes it unlawful for an employer to discriminate against workers on the basis of nationality, sex, religion, political outlook or on any other conditions.
- ✓ **Proclamation on Definition of Powers of Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia, No. 691/2010**, provides for conditions of equal opportunities and full participation of persons with disabilities and those living with HIV/AIDS.
- ✓ **Building Proclamation, No. 624/2009**, provides for accessibility in the design and construction of any building to ensure suitability for physically impaired persons.
- ✓ **Proclamation No. 676/2010 on the Ratification of the "UN Convention on the Rights of Persons with Disabilities"** (UN CRPD) by Ethiopia.
- ✓ Framework Document 2009, provides for Special Needs Education (SNE) in Technical and Vocational Education and Training (TVET).
- ✓ **Growth and Transformation Plan (GTP) 2010-2015**, establishes disability as a cross cutting sector of development where focus is given to preventing disability and to providing education and training, rehabilitation and equal access and opportunities to persons with disabilities.
- ✓ **National Plan of Action of Persons with Disabilities (2012-2021)** aims at making Ethiopia an inclusive society. It addresses the needs of persons with disabilities in Ethiopia for comprehensive rehabilitation services, equal opportunities for education, skills training and work, as well as full participation in the life of their families, communities and the nation.

#### **4.8. World Bank Operational Policies**

WEDP AF has triggered the World Bank's OP 8.30 on Financial Intermediary Lending (FIL). The provisions of this operational policy deals with financial sector context and objectives, coordination between the Bank and IFC, policy framework for FILs, eligibility criteria for FILs, appraisal, use of Bank funds, on lending terms, and monitoring. The details of OP 8.30 are discussed as follows:

##### **Financial Sector Context and Objectives**

- 1) The Bank's involvement in a country's financial sector is anchored in the Country Assistance Strategy (CAS) and driven by the Bank's overarching poverty reduction objective. As relevant, the

CAS shows how the financial sector affects country development prospects; it highlights reforms to be supported by Bank financial sector operations, including their sequencing; and it states why the proposed operation is the appropriate vehicle for Bank support for reforms. As appropriate, the Bank consults with IFC, MIGA, the IMF, multilateral development banks, and selected donors on its proposed financial intermediary lending, and it coordinates its financial sector strategies and operations with theirs.

- 2) One of the forms of the Bank's intervention in the financial sector is a financial intermediary loan (FIL). Under a FIL or a FIL component of an investment loan, the Bank provides funds to eligible participating financial intermediaries (FIs) for on-lending, at the FIs' risk, to final borrowers. The objectives of such lending include (a) supporting reform programs in the financial sector or related real sectors; (b) financing real sector investment needs; (c) promoting private sector development; (d) helping to stabilize, broaden, and increase the efficiency of financial markets and their allocation of resources and services; (e) promoting the development of the participating FIs; and (f) supporting the country's poverty reduction objectives. FILs are provided in the context of sound analytical work on sector issues, appropriate technical assistance, and, as relevant, development policy operations to address policy issues.

#### **Coordination between the Bank and IFC**

- 3) In countries and operations in which the World Bank Group's institutional advice and financial support can appropriately be provided without significant governmental involvement or any governmental guarantee of repayment, IFC normally plays the lead Bank Group role in financial intermediary lending. The Bank normally takes the lead in financial intermediary lending operations with important sector and policy reform objectives that are included in the Bank's country dialogue. In countries where both the Bank and IFC are active in the financial sector, they coordinate the nature and design of their respective activities. Both institutions aim at enabling FIs and final borrowers eventually to raise funds from market sources rather than from official lenders.

#### **Policy Framework for FILs**

- 4) The design and timing of FILs take into account the prevailing and expected macroeconomic environment, including the exchange rate regime and international capital mobility, as well as conditions in real sectors. Given the critical importance of the macro-economic and sectoral framework for financial sector sustainability and efficiency, the Bank considers FILs only in the context of a satisfactory macroeconomic and sectoral framework. Within this framework, the Bank uses its lending and non-lending services to focus on improving the incentive environment for intermediaries.
- 5) Bank involvement in the financial sector through FILs (a) supports improvements in the incentives structure for market participants, including elimination of impediments to efficient resource mobilization and allocation; (b) supports development of infrastructure, including creation and strengthening of sound and competitive financial institutions and markets, and improvements in financial and prudential regulations, banking supervision, and accounting and auditing standards; and (c) aims to remove or substantially reduce subsidies, whether provided through interest rates, directed credit, institution-building grants, or otherwise.

#### *Interest Rates*

- 6) The level and structure of interest rates are critical determinants of the economic efficiency with which resources are allocated in an economy, and of financial sector viability. Interest rate distortions may lead to a misallocation of resources, resulting in forgone national income. Removal of interest rate distortions in the country, therefore, is an important objective of financial sector reform programs supported by Bank FILs. When there are major interest rate distortions in

the country (e.g., large interest rate subsidies, pervasive interest rate controls, or policies that cause extremely high interest rates), the Bank does not support a FIL until the country sets up agreed programs to remove or substantially reduce the distortions during the implementation of the FIL. However, under certain circumstances, the Bank may support programs that include directed credit or subsidies (see paras. 7-8)

#### *Directed Credit*

- 7) Bank-supported FILs also aim to remove or substantially reduce the use of directed credits, which are akin to interest rate subsidies, as they lead to resource allocation outside market mechanisms. In many borrowing countries, increasing access to credit by specific sectors (e.g., micro-finance institutions or the rural sector) is a major policy objective of the government, and some use directed credit to pursue this objective. A Bank FIL may support directed credit programs to promote sustained financing for such sectors, provided the programs are accompanied by reforms to address the underlying institutional infrastructure problems and any market imperfections that inhibit the market-based flow of credit to these sectors. Such reforms include measures to (a) address obstacles that impede the flow of funds to the credit recipients, or (b) enhance the creditworthiness of the intended beneficiaries through appropriate approaches such as mutual group guarantees.

#### *Subsidies*

- 8) In some cases, (e.g., poverty reduction programs), subsidies may be an appropriate use of public funds. The Bank supports programs involving subsidies only if they (a) are transparent, targeted, and capped; (b) are funded explicitly through the government budget or other sources subject to effective control and regular review; (c) are fiscally sustainable; (d) do not give an unfair advantage to some FIs vis-vis other qualified and directly competing institutions; and (e) are economically justified, or can be shown to be the least-cost way of achieving poverty reduction objectives. Subsidies that do not meet these tests are phased out, or are substantially reduced, during the course of the FIL.

#### **Eligibility Criteria for FIs**

- 9) The Bank requires an assurance that FIs acting as on-lenders in FILs and other investment operations are viable institutions, having (a) adequate profitability, capital, and portfolio quality, as confirmed by financial statements prepared and audited in accordance with accounting and auditing principles acceptable to the Bank; (b) acceptable levels of loan collections; (c) appropriate capacity, including staffing, for carrying out subproject appraisal (including environmental assessment) and for supervising subproject implementation; (d) capacity to mobilize domestic resources; (e) adequate managerial autonomy and commercially oriented governance (particularly relevant when state-owned or state-controlled FIs are involved); and (f) appropriate prudential policies, administrative structure, and business procedures. Using these criteria, the Bank determines the eligibility of the proposed FIs, or it may require an apex institution or other appropriate entity to do so.
- 10) New and existing FIs that do not meet all the eligibility criteria for being intermediaries may participate in a Bank FIL if they agree to an institutional development plan that includes a set of time-bound monitorable performance indicators and provides for a midterm review of progress. When a FIL includes such FIs, the size and complexity of the FIL are commensurate with the FIs' implementation capacity; and the FIL may include an institution-building component that the borrower may pass on in the form of grants. Such FIs' continued participation in the FIL is subject to their satisfactory implementation of their institutional development plans; when progress is not satisfactory, the Bank considers appropriate remedial actions, including suspension.

- 11) FIs whose performance in relation to eligibility criteria has been unsatisfactory for an extended period of time are required to take substantial corrective measures and demonstrate improvement before they are permitted to participate in a FIL, under an institutional development plan as described in para. 10.

### **Appraisal**

- 12) The Bank's appraisal of a proposed FIL (a) determines if it is the appropriate intervention to achieve the desired objectives with due regard to the sustainability of the financial sector; (b) establishes the economic justification of the operation; (c) confirms, for a FIL justified by its poverty-reduction goals, that it is a practicable, cost-effective way of achieving such goals; (d) confirms the eligibility of FIs proposed for inclusion; and (e) ascertains that implementing the FIL is unlikely to undermine the financial condition of participating FIs.

### **Use of Bank Funds**

- 13) FILs are used to finance investments in subprojects for increased production of goods and services. The subprojects meet eligibility and development criteria agreed with the Bank. The Bank agrees with the borrower on appropriate arrangements to monitor subproject compliance with these criteria. The borrower may pass on Bank funds to an FI either as a loan or as borrower's equity; similarly, FIs may pass on Bank funds to sub-borrowers as sub-loans or equity investments. In all cases, Bank funds are disbursed against eligible expenditures for goods, works, and services.
- 14) 14. FILs are normally amortized by the Bank's borrowers on country terms and not on a back-to-back basis. The borrower may pass the funds on to FIs either on a back-to-back basis or on the basis of another amortization schedule acceptable to the Bank. When FIs' loan repayments to the borrower are not on a back-to-back basis, FIs may, within their overall loan amortization schedules, use repayments for purposes that are consistent with their business strategies or for prepayments to the borrower.

### **On-lending Terms**

- 15) FIL on lending terms are set in the context of a borrowing country's interest rate structure and any agreed program for interest rate reforms (see para. 6). Bank funds are priced to be competitive with what the participating FIs and their sub-borrowers would pay in the market for similar money, taking into account, as relevant, maturities, risks, and scarcity of capital. When interest rates are not market-determined and there is an agreed program of interest rate reforms, FIL funds are on lend to participating FIs at interest rates agreed with the Bank that (a) are not negative in real terms; (b) provide adequate margin to FIs to cover all costs, including credit and other risks, and an adequate profit margin; and (c) do not discourage resource mobilization from the market by providing a price advantage in using FIL funds.
- 16) Bank funds may be on lent to participating FIs and their sub borrowers in either foreign exchange or domestic currency on the basis of prudent credit decisions, including prospective sub borrowers' ability to bear the foreign exchange risk to avoid later credit risk.
- (a) Where interest rates are market-determined and there is relatively easy capital movement, local currency interest rates include an implicit premium that reflects market expectations in regard to exchange rate changes. In such situations, (i) Bank FIL funds are on lent to FIs in either local or foreign currency, provided the on lending interest rates are consistent with prevailing interest rates in the borrowing country for comparable credit; and (ii) FIs normally on lend to sub borrowers in the same currency or currencies the FIs borrowed.
- (b) If interest rates are not market-determined but set administratively, it is not possible to determine market expectations of exchange rate changes, as foreign exchange risks may be under

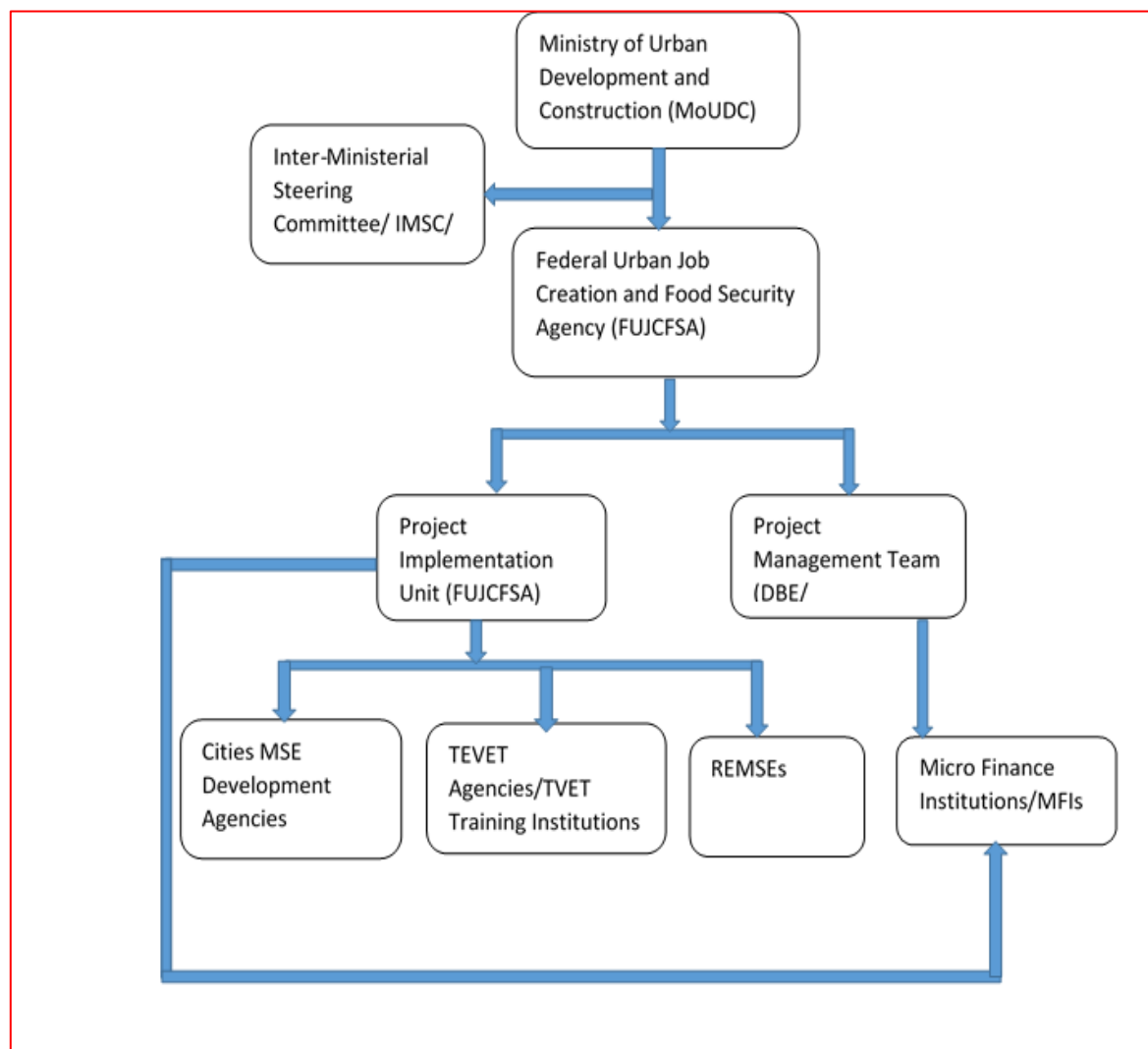
priced in local currency interest rates. Therefore, the foreign exchange risk of FIL funds is borne either by (i) sub borrowers through borrowing and repayment in foreign currency, or (ii) the government, if on lending and repayment are in domestic currency at prevailing administered interest rates. In the latter case, the government charges a fee that is passed on to FIs and sub borrowers to offset the anticipated foreign exchange risk.

### **Monitoring**

- 17) During project appraisal and negotiations, provision is made for effective monitoring and evaluation of the FIL's progress toward its objectives and development impact throughout the life of the project. The performance indicators agreed on at negotiations cover sectoral, financial, and institutional variables. The variables for the FIs include, inter alia, adequacy of capital, quantity and quality of earnings, quality of assets, sufficiency of liquidity, extent of subsidy dependence, effectiveness of FI loan administration (appraisal, supervision, and collection performance), and adequacy and timeliness of preparation of audited financial statements. During implementation, the Bank, the borrower, and the FIs use the agreed performance indicators, implementation progress reports, and a review of a sample of subprojects to monitor the FIL's progress. At least once each year during implementation, the Bank conducts a formal review of the condition and performance of participating FIs, including a review of their audited financial statements, to determine their continued compliance with eligibility criteria. The findings of this review are recorded in Bank supervision reports.

#### 4.9. Organizational Structure of the existing WEDP and the New WEDP AF Projects

Based on critical review of different project documents, the organogram structure of WEDP and WEDP AF depicted as indicted in the diagram below.



Source: consultant's own depiction

#### **4.10. List of Stakeholders**

There are different stakeholders for the existing WEDP and the upcoming WEDP AF although the role played by each stakeholder is not uniform. Thus, the social assessment for AF were done based on the data acquired from pertinent stakeholders which play pivotal roles in the implementation and management of the project. The following are some the basic stakeholders of WEDP and WEDP AF:

- ✓ Association MSEs
- ✓ Associations of Micro Finances
- ✓ Communities within the project cities
- ✓ Development Bank of Ethiopia (DBE)
- ✓ Federal Urban Job Creation and Food Security Agency (FUJCFSA)
- ✓ Micro and Small Enterprises (MSEs) Development Agencies
- ✓ Micro Finance Institutions (MFIs)
- ✓ Ministry of Education (MOE)
- ✓ Ministry of Finance and Economic Cooperation (MOFEC)
- ✓ Ministry of Industry (MOI)
- ✓ Ministry of Trade (MOT)
- ✓ Ministry of Urban Development and Construction (MoUDC)
- ✓ Ministry of Women, Child and Youth Affairs (MOWCYA)
- ✓ National Bank of Ethiopia (NBE).
- ✓ One Stop Shops (OSS)
- ✓ Technical and Vocational Educational Training (TVET) Agencies
- ✓ TVET Training Institutions
- ✓ Women benefited from WEDP
- ✓ Woreda Office Labour and Social Affairs (WOLSA)
- ✓ World Bank (WB)

## **5. Socioeconomic Baseline and Demographic Features of the Existing and Upcoming Project Cities**

Socioeconomic and demographics features are nothing more than the characteristics of a population alongside with their livelihood strategies. Characteristics such as age, gender, ethnicity, education level, income, location, etc. are being considered as socioeconomic and demographics features. In this section, the socioeconomic and demographic features of each of the existing and the upcoming WEDP project cities are discussed as follows.

### **5.1. Addis Ababa**

Addis Ababa is a chartered city and the capital of Ethiopia. It is where the African Union headquarter is based. It also hosts the headquarters of the United Nations Economic Commission for Africa (ECA), as well as various other continental and international organizations. Addis Ababa is therefore often referred to as "the political capital of Africa" for its historical, diplomatic, and political significance for the continent. It is the largest city in Ethiopia and according to the 2007 census<sup>1</sup>, its population size is 2,739,551. However, by the 2015 CSA projection, the population of Addis Ababa was estimated to be 3,273,000.

Although all Ethiopian ethnic groups are represented in Addis Ababa, according to the 2007 census, the largest groups include the Amhara (47.0%), Oromo (19.5%), Gurage (16.3%), Tigrayan (6.18%), Silt'e (2.94%), and Gamo (1.68%). Languages spoken as mother tongues include Amharic (71.0%), Afaan Oromo (10.7%), Gurage (8.37%), Tigrinya (3.60%), Silt'e (1.82%), and Gamo (1.03%). The religion with the most believers in Addis Ababa is Ethiopian Orthodox with 74.7% of the population, while 16.2% are Muslim, 7.77% Protestant, and 0.48% Catholic (CSA, 2007). In the previous census, conducted in 1994, the city's population was reported to be 2,112,737, of whom 1,023,452 were men and 1,089,285 were women.

Addis Ababa is the economic hub of the country and there are diverse economic activities that include trade and commerce, manufacturing and industry, transport and communication, education, health, and social services, hotel and catering services, urban agriculture, etc. Thus, inhabitants of the city are engaged in one of the economic activities mentioned above to make their living. However, the unemployment rate in the city is very high. BY the 2020 projection of CSA, the unemployment rate<sup>2</sup> of Addis Ababa has been 19.3% and in terms of gender it is 15.1% and 23.8% for male and female, respectively.

### **5.2. Adama**

Adama is also known as Nazaret is one of the major cities in the Oromia region. It is located 99 km southeast of Addis Ababa. The city sits between the base of an escarpment to the west and the Great Rift Valley to the east. Adama is a busy transportation center and the city is situated along the road that connects Addis Ababa with Dire Dawa, Harar, and Djibouti. A large number of trucks use this same route to travel to and from the seaports of Djibouti. Also, the new Addis Ababa-Djibouti Railway runs through Adama.

According to the 2015 CSA projection, the population size of Adam was projected to be 324,000. However, by the result of the 2007 Census conducted by the Central Statistical Agency of Ethiopia

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<sup>1</sup> The third nationwide census in Ethiopia was conducted in 2007, and it is a base for every population projection after a while. There are different population projections made by different organization for different purposes; but for the sake of this document, the 2015 CSA projection is used for comparison person.

<sup>2</sup> Data from CSA (2020) indicate that the unemployment rate of major Ethiopian cities and towns are presented in terms of gender. The economic activities are also presented in a crude form. Hence it is difficult to get the proportion and the economic activities of other vulnerable groups.



(CSA), Adama had a total population of 220,212, an increase of 72.25% over the population recorded in the 1994 census, of whom 108,872 are men and 111,340 women. A total of 60,174 households were counted in this city, which results in an average of 3.66 persons per household. The four largest ethnic groups reported in Adama were the Oromo (39.02%), the Amhara (34.53%), the Gurage (11.98%), and the Silte (5.02%); all other ethnic groups made up 9.45% of the population. Amharic was spoken as a first language by 59.25%, 26.25% spoke Oromiffa and 6.28% spoke Guragiegna; the remaining 8.22% spoke all other primary languages reported. In terms of religion, 63.62% of the inhabitants were followers of Ethiopian Orthodox Christianity, while 24.7% of the population were Muslim, and 10.57% were Protestant.

Adama is one of the commercial entrepôts located on the main highway to Dire Dawa and Harar. There are several manufacturing industries in and around the city which create job opportunities for hundreds of men and women. Besides, it is one of the conference cities next to Bishoftu. Therefore, trading activities and employment opportunities are the main socioeconomic activities for the inhabitants of the city. There are also households whose livelihood is based on agriculture. Like other cities, the unemployment rate in Adama is so high. The unemployment rate of the city is 24.9%. With regard to gender, the rate for male and female is 15.1% and 34.8%, respectively (CSA, 2020).

### **5.3. Hawassa**

Recently, Hawassa is serving as a capital of the newly emerged Sidama regional state which has been detached itself from SNNPR. The city is also serving as the capital of SNNPR until it shifted its capital to another city. Currently, Hawassa is the capital of two regional states. The population size of the city was estimated to be 300,100 by the 2015 CSA projection. By the 1994 census, the city had a total population of 69,169 of whom 35,029 were men and 34,140 were women (CSA, 1994). Based on the 2007 Census conducted by the Central Statistical Agency of Ethiopia, Hawassa has a total population of 258,808, of whom 133,123 are men and 125,685 women. While 157,879 or 61% are living in the city of Hawassa, the rest of the population is living in surrounding rural kebeles. A total of 61,279 households were counted in Hawassa and the surrounding rural kebeles, which results in an average of 4.22 persons to a household. In terms of religion, 59.71% of the population were Protestants, 26.99% practiced Ethiopian Orthodox Christianity, 8.14% were Muslim and 3.78% embraced Catholicism.

The five largest ethnic groups reported in Hawassa were the Sidama (48.67%), the Amhara (17.43%), the Wolayta (13.9%), the Oromo (5.21%), and the Gurage (2.33%); and all other ethnic groups made up 12.46% of the population. Amharic is spoken as a first language by 47.97% of the inhabitants, 21.01% speak Sidamo, 9.58% speak Wolayta, and 2.07% Oromiffa; the remaining 9.37% spoke all other primary languages reported (CSA, 2007).

Hawassa is the capital of Sidama Regional State. The Sidama is the leading coffee-producing region in Ethiopia, which significantly contributes to the foreign exchange of the federal government. The Central Statistical Agency (CSA) reported that 63,562 tons of coffee were produced in Sidama and Gedeo by the end of 2015. This represents 28% of Ethiopia's total output. Since earlier times, Hawassa is one of the leading industrial cities in the country. The construction of the huge industrial park in the city creates job opportunities for hundreds of men and women. Besides, Hawassa is one of the tourist destination sites in the southern part of Ethiopia where a significant section of a community makes a living out of it. Similar to other project cities, a large number of the inhabitants are making their livelihood out of government/non-government employment and from different business activities. Others owned land in the rural areas and earn their livings from agricultural activities. The unemployment rate of Hawassa city is 20.3%. The high unemployment rate is one of the challenges of the city. From the total population of the 15% of male and 26.9% female are unemployed (CSA, 2020).

#### **5.4. Shahemene**

Shashamane is a town in the West Arsi Zone of the Oromia Region. The town lies about 150 miles (240 km) from the capital of Addis Ababa. By the 2007 national census, the total population of the town was 100,454, of whom 50,654 were men and 49,800 were women. Of the total inhabitants, 43.44% were followers of Ethiopian Orthodox Christianity, 31.15% of the population were Muslim, 23.53% of the population were Protestant, and 1.3% were Catholic. The 1994 national census reported the town had a total population of 52,080, 25,426 of whom were males and 26,654 were females. However, the population of the town was projected to be 147,800 by the 2015 CSA projection.

Shashemene is a town located in south eastern part of the Oromia regional state. The town is connecting different highways and thus it is one of the commercial centres of the country. Most of the inhabitants of the town are engaged in different trading activities. Besides, there are medium size factories in and around the town. Hence, trading activities and employment are the main livelihood strategies of the inhabitants. There are also some who are making their living from agricultural activities. Despite these, like other Ethiopian urban areas the unemployment rate in the town is high. The total unemployment rate of the town is 16.7% and in terms of gender it is 8.6% and 29.6% for male and female, respectively.

#### **5.5. Wolayta Sodo**

Wolayita is an administrative zone in the Southern Nations, Nationalities, and Peoples' Region (SNNPR) of Ethiopia. The administrative center of Wolayta is Sodo. Other major towns are Bedessa, Areka, Dimtu, Gesuba, Tebela, Bitena, and Boditi. According to the zone officials, Wolayita has about 300 kilometers of all-weather roads and 400 kilometers of dry-weather roads.

According to the 1994 national census result, Sodo town had a total population of 36,287 of whom 18,863 were men and 17,424 were women. However, based on the 2007 Census conducted by the CSA, Sodo has a total population of 76,050, of whom 40,140 are men and 35,910 women. The majority of the inhabitants were Protestants, with 54.61% of the population reporting that belief, 38.43% practiced Ethiopian Orthodox Christianity, 4.76% were Muslim, and 1.28% were Catholic. The population of the town has been growing steadily and by the 2015 CSA projection the population size of the town was estimated to be 145,100. Wolayta is one of the most densely populated zones in SNNPR. The landscape of the zone is characterized by rugged mountains that make arable land so scarce. Thus, land is a scarce resource and it is a source of conflicts in the entire zone. There is a high tendency of outward youth migration from Wolayta to different cities and towns of Ethiopia and remittance is one of the economic activities of the zone. Therefore, the basic livelihood strategies of the inhabitants of Sodo town are remittance, employment, and different trading activities. As explained by the zone MSEs agent official, there is a high unemployment rate in Sodo and the nearby towns. The unemployment rate in Sodo town is 22.5% and from the total population 9.4% male and 37.7% female are unemployed (SCA, 2020).

#### **5.6. Bahir Dar**

Bahir Dar is the capital of the Amhara Regional State and administratively it is a Special Zone. It is one of the leading tourist destinations in Ethiopia, with a variety of attractions in the nearby Lake Tana and the Blue Nile River. The city is known for its wide avenues lined with palm trees and a variety of colourful flowers. In 2002 it was awarded the UNESCO Cities for Peace Prize for addressing the challenges of rapid urbanization (UNESCO, 2002).

By the 1994 national census, the total population for Bahir Dar was 96,140 in 20,857 households, of whom 45,436 were men and 50,704 women. However, by the 2007 Census, Bahir Dar Special Zone<sup>3</sup> has a total population of 221,991, of whom 108,456 are men and 113,535 women; 180,174 or 81.16% are urban inhabitants, the rest of the population are living at rural kebeles around Bahir Dar. In Bahir Dar city, there are 155,428 inhabitants; the rest of the urban population is living at Meshenti, Tis Abay, and Zege towns which are part of Bahir Dar Special Zone. Bahir Dar is not only one of the largest cities in Ethiopia, but also one of the fastest-growing. On the other hand, according to the 2015 CSA population projection, Bahir Dar was projected to have 243,300 populations.

In terms of ethnic composition, the three largest ethnic groups reported in Bahir Dar Special Zone were the Amhara (96.23%), the Tigrayan (1.11%), and the Oromo (1.1%); all other ethnic groups made up 1.56% of the population. Amharic was spoken as a first language by 96.78%, and 1.01% spoke Oromiffa; the remaining 2.21% spoke all other primary languages reported. Concerning the composition of a religion, 79.72% of the population said they practiced Ethiopian Orthodox Christianity, 18.47% were Muslim, and 1.62% were Protestants (CSA,2007).Bahir Dar is one of the tourist destinations sites in the country. The Blue Nile Fall and the historic monasteries on Lake Tana make the city one of the tourist attraction sites. Therefore, tourism is one of the major socioeconomic activities in the city from which several people are making their livings. Besides, Bahir Dar is an industrial city where several factories located in and around the city. Recently, the construction of an industrial park is inaugurated which is expected to alleviate significantly the unemployment rate of the city. The major livelihood in the city includes employment, trade, and agricultural activities. Nonetheless, like other Ethiopian cities, there is high unemployment rate in Bahir Dar. The 2020 CSA abstract projected the unemployment rate of the city to be 26.8%. In terms of gender dissociation, the unemployment rate for males and females in the city is 19.1% and 34.1%, respectively (CSA, 2020).

### **5.7. Debere Markos**

Debre Markos is a town in Amhara regional state which is located some 250 km from the capital Bahir Dar on the highway to Addis Ababa and it is the capital of Misrak Gojjam Zone (East Gojjam Zone). Based on the 2007 Census conducted by the Central Statistical Agency of Ethiopia (CSA), the town had a total population of 62,469 of whom 29,901 and 32,568 were male and female, respectively. The largest ethnic group reported in the town was the Amhara (99.82%); all other ethnic groups made up 0.12% of the population. Amharic was spoken as a first language by 99.81%; the remaining 0.19% spoke all other primary languages reported. In terms of religion, 97.42% of the population said they practiced Ethiopian Orthodox Christianity, and 2.49% were Muslim. Like other urban areas in the country, the population of the town is in steady growth. Accordingly, the population size of the town was projected to be 97,800 by the 2015 CSA assumption.

Debre Markos is one of the oldest towns located in the northwest part of Ethiopia. For a long, the economic activities of the town are very poor. But recently different factories are planted within and the outskirts of the town. With this, several men and women have got employment opportunities. The construction of the airport is underway, and this will further motivate the economic activities of the town. The surrounding rural communities are known for their cereal farming such as teff, wheat, barley, bean, etc. The major livelihood strategies of the town include trading activities, employment, and agriculture. However, unemployment is the common features of the town. Thus, like that of Sodo in Woliyta, there is high outward youth migration to major cities of the country including Addis Ababa.

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<sup>3</sup> The data of the 2007 national census is presented as Bahir Dar Special zone. There is no specific data Bahir Dar city in the summary of CSA.

As per the CSA (2020) predication, the unemployment rate in Debere Markos is 21.8%. From the total population, the unemployment rate for male and female is 15.8% and 27.7%, respectively.

### **5.8. Dire Dawa**

Dire Dawa is located on the eastern edge of the East African Rift Valley, 30 miles (48 km) northwest of Harar. It is a city in eastern Ethiopia and one of the two chartered cities in Ethiopia (the other is Addis Ababa, the capital). It is divided administratively into two woredas, the city proper and the non-urban woreda of Gurgura.

Based on the 2007 national census, the population size of Dire Dawa is 341,834, of whom 171,461 were men and 170,461 women. In terms of residential areas, 233,224 or 68.23% of the population were urban inhabitants and the balance is rural. For all of Dire Dawa, 76,815 households were counted living in 72,937 housing units, which resulted in an average of 4.5 persons per household, with urban households having 4.2 people per household on average, and rural households 4.9 people. Ethnic groups in the region include the Oromo (156,958, 46%), Somali (83,069, 24%), Amhara (68,962, 20%), Gurage (15,543, 4.5%), among other groups (5.5%). The religion with the most believers in Dire Dawa is Islam with 70.8% followed by Ethiopian Orthodox (25.71%), Protestant (2.81%), and Catholic (0.43%). Nonetheless, the population size of Dire Dawa was estimated to be 277,000 by the 2015 CSA scientific estimation. Dire Dawa is one of the most important commercial towns in the eastern part of Ethiopia. The city is found on the main highway and railway line that connect the country with the port of Djibouti. Dire Dawa is one of the oldest industrial cities in Ethiopia. Besides the existence of big factories, the construction of the industrial park in the city can play a significant role in minimizing the unemployment rate. Trade is the major livelihood strategy of the inhabitants followed by employment in government and non-government organizations. However, agriculture is the livelihood strategy of the inhabitants in the rural Dire Dawa. The high unemployment rate is one of the challenges of the city. Accordingly, the unemployment rate of the city is 21% and from its total population 11.5% and 32.2% of male and female are unemployed, respectively (CSA, 2020).

### **5.9. Harar**

For centuries, Harar has been a major commercial center, linked by the trade routes with the rest of Ethiopia, the entire Horn of Africa, and the Arabian Peninsula. Harar Jugol, the old walled city, was listed as a World Heritage Site in 2006 by UNESCO in recognition of its cultural heritage. Currently, Harar is both the capital of the East Hararghe Zone Oromia region and the capital of the Harari Region. The city is located on a hilltop about five hundred kilometers from the seat of the federal government, Addis Ababa.

By the 2015 CSA projection, the population size of Harar was assumed to be 129,000. On the other hand, according to the 2007 census, the population of Harar city was 99,368. The population size of the Harari Region<sup>4</sup> was 183,415, of whom 92,316 were men and 91,099 women. This region is the only one in Ethiopia where the majority of its population lives in an urban area: 99,368 or 54.18% of the population are urban inhabitants. By the same census, the population density of the region was estimated to be 589.05 people per square kilometer. For the entire region, 46,169 households were counted, which results in an average household size of the region being 4 persons, while the average household size for the urban and rural population was 3.4 and 4.6 people, respectively. Ethnic groups in the region include the Oromo (56.41%), Amhara (22.77%), Harari (8.65%), Gurage (4.34%), Somali (3.87%), Tigray (1.53%), and Argobba (1.26%). Languages spoken include Oromiffa (56.84%), Amharic

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<sup>4</sup> In terms of geographical size Harari is the smallest of all regions and city administrations in Ethiopia. The region includes Harar city (the capital) and some rural areas in the vicinity with the range of 30 to 40 km radius. Hence, often data about Harar is presented as Harari Region.

(27.53%), Harari (7.33%), Somali (3.70%), and Gurage (2.91%). However, the ethnic makeup of the city of Harar consists of Amhara 40.5%, Oromo 28.1%, Harari 11.8%, Gurage 7.9%, and Somali 6.8%. In terms of religion, 68.99% were followers of Islam, 27.1% are Ethiopian Orthodox, 3.4% Protestant, 0.3% Catholic, and 0.2% followers of other religions.

The historic city of Harar is one of the most useful commercial centres located on the highway that connects the country with Somaliland. Since its foundation in the 14th and 15th centuries, it was an important commercial centre that linked the Arabian Peninsula with the mainland of Ethiopia. Harar is one of the tourist destinations sites in the eastern part of the country. Thus, tourism is one of the major economic activities in the city. There are also some factories in the city. Like that of Dire Dawa, trading activities are the main livelihood strategies of the inhabitants followed by employment. But, khat (catha edulis) cultivation is the main livelihood strategy for the farmers who are living in the rural Harari region. According to the 2020 CSA projection the unemployment rate of Harar city is 15.7%. By the same projection, the unemployment rate of male and female is assumed to be 12.7% and 19.8%, respectively.

#### **5.10. Jijiga**

Jijiga is a city in the Somali Region of Ethiopia. It became the capital of the Somali Regional State in 1995 after it was moved from Godey. The city is located in the Fafan Zone with 60 km (37 miles) west of the border of Somaliland. By the ensue of the 2007 nationwide census, the population size of Jijiga woreda<sup>5</sup> was 277,560, of whom 149,292 were men and 128,268 women. While 125,876 or 45.35% were urban inhabitants, a further 6,956 or 2.51% were pastoralists. In terms of religion, 99.41% of the population said they were Muslim, and 0.59% were Orthodox Christian. According to the explanation of the Urban Planning and Development Bureau of the Somali region, Jijiga is the home of nations and nationalities. In terms of ethnic composition, he explained that most of the inhabitants of the city are Somali followed by Amhara, Oromo, and Gurage. By the 2015 population projection, the population size of Jijiga town was assumed to be 159,300.

For decades, Jijiga is one of the neglected cities by successive Ethiopian governments in terms of infrastructure constructions. Pastoralism was and still is the dominant economic activity for the Somali people. Recently, agriculture is also begun to flourish through the irrigation system. In the city, there are some middle-level factories. The availability of the university and the airport motivates the economic activities of the city. Trade is a major economic sector by which an influential portion of the Somali society makes a living. The majority of commodity exchanges are made with Somaliland. Different food items, drinks, clothes, etc., are informally imported from the self-declared Republic of Somaliland. Cattle, sheep, goats, and animal products are similarly exported to Somaliland. Thus, trade is the major livelihood strategy of the community followed by employment, pastoralism, and agriculture. Like other cities of Ethiopia, unemployment is one of the challenges of Jijiga city. In this regard, the unemployment rate of the city is 12.6%. In terms of gender, the unemployment rate for male and female is 7.7% and 21.3%, respectively (CSA, 2020).

#### **5.11. General Overview about the Upcoming WED Project Cities**

During the fieldwork, an overview of assessment was made in the sampled upcoming project cities and their satellite towns together with the social assessment of the existing project cities. Accordingly, assessments were made in Shashmene, Woliyta Sodo, Debere Markos, Harar and Jijiga. In these upcoming project cities discussions were made with the officials of MSEs agents, OSS centres, Polytechnic institutions, microfinance institutions, and possible WEDP clients (businesswomen).

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<sup>5</sup> The 2007 CSA data is presented as Jijiga wereda which include both rural and urban areas not as Jijiga town

#### **5.11.1. MSEs Officials**

Officials from MSEs are very much interested to see the implementation WEDP AF in their respective cities. They assured to make an all-out support for the success of the project. They promised to coach the performances of WEDP AF. They thought that the coming of the project to their cities is a good opportunity to enhance the economic capacity of the businesswomen and those who plan to initiate business.

#### **5.11.2. OSS Staffs**

In each city, OSS centres are under the office MSEs agents and have ample experiences in the outreach services to the community. The outreach services of the government owned MFIs in city are done by OSS. OSS staffs explained that they will commit themselves for the success of the WEDP in their respective cities. They explained that they have years of experiences in the outreach services that can be used to the services of WEDP AF. They assured that there will be no obstacle from their sides in awareness creation, recruiting WEDP AF clients, data recording, and facilitating training and loan. However, they request capacity building intervention in the form of trainings and material support.

#### **5.11.3. Polytechnic Colleges**

The polytechnic institutions in each city are very organized in terms workshop and professionals. These institutions are well experienced in giving short term and long-term trainings. According to the explanation of the deans or representatives of the institutions, the minimum date for short term training is fifteen days but it could be adjusted to the need of the customers. The institutions have workshop for hair dressing, garment and textile, hotel and tourism, metal work, woodwork, and others. Like that of the OSS centres, the polytechnic institutions are also looking for capacity building interventions in the form of human development and material support. The material support which they are in need of include computers, laptops, printers, LCDs, smart television and others.

#### **5.11.4. Microfinance Institutions**

The microfinance institutions in the upcoming project cities are also part of the social assessments. Accordingly, the potentials of Harar Microfinance institution, Dire Micro Finance Institution, Somali Micro Finance Institution, and Rays Micro Finance Institution are assessed. Harar Microfinance institution is not participating micro finance institution in the WEDP, because the institution did not fulfil the PAR (portfolio at risk) assessment criteria of NBE during that time. But now the MFI is improving its performance and the PAR is 4%. The institution has three branches in Harar city, and its outreach service is conducted using OSS. Harar Micro Finance Institution (HMFI) is offering Islamic loan which is not the case in WEDP loan. In this social assessment, the Harari region is taken as a sample of emerging regions that WEDP look for future intervention. According to the representative, the HMFI is interested to be part of the WEDP if Harar is selected as project city. For years Harar was considered as satellite towns of Dire Dawa.

Similarly, Dire Microfinance Institution (DMFI) failed in the criteria proposed by the NBE to be PMFIs to WEDP. Its portfolio at risk (PAR) was 8% during the tender but the acceptable PAR should be less than or equal to 5%. According to the manager, the PAR of the DMFI is less than 5% and it relies 100% on its saving for loan. Like that of HMFI, Dire Micro Finance Institution has Islamic loan, a scheme which is not in WEDP loan. The manager of DMFI claimed that the quality service is DMFI better than OCSSCO and HMFI. Dire Micro Finance is interested to be part of the PMFIs in WEDP AF.

Some of the microfinance institution in the upcoming project cites have already involved in the WEDP loan in other towns and cities. For instance, Amhara Credit and Saving Institution (ACSI), OCSSCO and Omo MFI are already in the WEDP system. Others are also experienced in providing loan for their own clients. Rays Micro Finance Institution, and Somali Micro Finance Institution are operating in jijiga.

Harar Micro Finance Institution, and Dire Micro Finance Institution are operating in Harar. However, these two institutions were failed the NBE criteria to be part of WEDP. According to the managers of the two institutions, currently, they are performing good and their PAR is in the domain of the NBE criteria. The two microfinance institutions operating in Jijiga are not in the list of PMFIs in WEDP loan. However, these four institutions are better experienced in Islamic loan. Hence it would have been good to include these MFIs into the WEDP loan.

#### **5.11.5. Anticipated WEDP Clients**

In Harar and Jijiga, most of the businesses are run by women. Particularly in Jijiga, most businesses are conducted by women. This is partly by the cultural influence of the pastoral community as females are doing many tasks. Since the Somali are pastoral community, the cultural influence is still vivid despite changes in ways of life. Hence, getting clients is not an issue for WEDP AF on condition that Islamic loan is arranged. Similarly, as explained by the officials of the MSEs agents, there are lots of businesswomen in Wolita Sodo and Debre Marekos cities who are short of capital to enhance their businesses. In this regard, WEDP AF will be a good opportunity for them to expand their businesses. An official from MSEs in Debre Markos remarked that WEDP might face high loan demand from the businesswomen.

### **6. Key Findings of WEDP AF Social Assessment**

This section deals with the basic findings of social assessment for WEDP AF. The points of discussion include institutional arrangements, demographic features, customary dispute resolution institutions, ethnic relationships, the nature of vulnerability, gender-related issues, contribution WEDP to the community members and vulnerable groups, safety measures during implementation of WEDP subprojects, grievance redressing mechanisms, community consultation, and risks and their mitigation strategies.

#### **6.1. Institutional Arrangements for WEDP AF**

By the structure of WEDP, the routines of WEDP activities should be monitored by the FUJCFSA and its structures down to the project cities. However, the MSEs agents found in the cities are not considering the WEDP activities as their own duties. WEDP is not within the structure of MSEs agents. Thus, one of the commonly referred problem in all project cities about WEDP is lack of its own structure. Coordinators and other offices commented time and again about the need for WEDP to have its own structure from the federal level down to the Woreda level. Currently, WEDP is working using the federal government structure and this makes it to perform below its potentials. Through the existing government structure, the outreach service is very poor. The government line of structure does not consider WEDP as its duty. Hence, there is lack of sense of ownership from the government structure particularly MSEs agents.

The city MSEs officials are reluctant to follow up the activities of WEDP. As stated by the project coordinators, this is because government official at different levels gained nothing out of the project in the form of top up or other incentives. For instance, the coordinators in Addis Ababa claimed that the MSEs officials are not cooperative and responsible for WEDP activities. They do not have any intention to know or to evaluate the performance of WEDP. The coordinators further asserted that that they usually send six months' performance report to the MSEs city director but he/she never gives any feedback whether the performance is good or bad. Besides, the director or deputy director is not willing to assign vehicle for the outreach services within the radius of 50 km. A similar complaint is raised in Bahir Dar. The deputy director of MSEs in Bahir Dar confirmed that since he assumed his current position, he hardly remembers any agenda raised and discusses about WEDP in any official meeting. Nonetheless, there is relatively better cooperation from officials in Hawassa and Dire Dawa.

#### **Box 1**

##### **The Complaints of WEDP coordinator in Bahir Dar**

She expressed her complaint as follows: there is no office to which I am accountable for it. There is no section or sub-section in charge of WEDP. Even I do not have office to sit and work WEDP activities. WEDP is not in the structure of the government system particularly of MSEs. I have executed the activities of WEDP by begging the OSS staffs. They are doing the WEDP job through their good will. WEDP does not have its own structure. Officials, OSS staffs and other considered WEDP as a project that allocate more budget for its daily routines. As a result, for every WEDP related activities, the officials demand per diem even to get their signature. Officials starting from the top and then down to the middle and the bottom, they are looking for per diem from WEDP. But, the annual running budget for the city is 48,000 ETB.

On the other hand, there are also frequent complaints from MSEs agents stating that the institutions never benefited from WEDP rather it utilizes their own resources for its activities. Despite the provision of some office materials to OSS for its own activities, WEDP does not have any contribution to the MSEs in terms of capacity building or other fringes of benefits. The MSEs officials remarked that WEDP is using their professional for free without paying them a penny.

Since the government structure is not supporting the WEDP up to expectations, city coordinators are very busy to fulfil the mandates of WEDP. City project coordinators are claiming that they are doing more than the job description prescribed for them. According to them, their roles should be mainly facilitation or coordination of the WEDP activities. However, they are working in the outreach services which is the responsibilities of OSS. One of the coordinators in Addis Ababa bitterly explained that she is involved in the outreach and training activities, and even sometimes she is cleaning the training rooms as a janitor to minimize the dissatisfaction of the WEDP clients to the training.

Staff turnover in OSS centres and relocation of MSEs officials to new offices are also mentioned as challenges that hamper WEDP activities. WEDP coordinators stated that when a MSEs official who better understood WEDP activities is shifted to another sector office, it is a tough job to make the newly assigned director realize the activities of WEDP. The staff turnover at OSS is another serious challenge for WEDP activities. The challenge is so serious when an experienced data base expert left the OSS. By the explanation of WEDP coordinators, sometimes individuals who lacks basic computer skill may be assigned at OSS and this create a serious problem to encode WEDP clients' records to the data base system. Hence, WEDP should conduct regular visit to fix the knowledge gap of the newly assigned OSS staffs in consultation with MSEs officials through in person or online training. The other option to fill the knowledge gap of the new OSS staff is to develop a working manual and to dispatch for all OSS centres where WEDP is active.

The other similar remark from all city coordinators is the need to additional WEDP staffs. In all project cities except Addis Ababa, the activities of WEDP are run by a single coordinator with the help of OSS. However, since the OSS staffs are not within the WEDP structure, they are not committed to the outreach services for two reasons. First the OSS staffs will get insignificant benefit from WEDP and thus, they are not motivated to do the outreach services. Second, the activities of OSS staffs in WEDP are not counted for their performance evaluation criteria. WEDP activities are not in the BSC (balanced score card), a system of performance evaluation for a worker. Because of these two factors most of



the OSS staffs are not interested to do the outreach services of WEDP. This in turn limited the outreach services to include more women to WEDP loan.

There are a lot of model WEDP clients who are successful in their businesses; and WEDP AF should expand its outreach services to include more women in its loan scheme. To include more women in the project, WEDP should consider the following three things. First, WEDP should have its own structure and accordingly, it should have its own office. By doing this, WEDP staffs will work hard to expand the outreach services. Second, the first option needs too many staffs, and this may consume the project fund. Thus, instead of organizing its own structure including offices and new staff recruitment, WEDP should incentivize the OSS staffs for the outreach services. Third, WEDP should discuss with the FUJCFSA to include the activities of WEDP as part of the duties of OSS and other responsible staffs. WEDP should be included in the BSC of the responsible offices usually MSEs agents. The last two modalities are good in terms of reducing costs and enhance efficiency.

Ministry of Trade and Industry is not within the structure of WEDP. However, the structures of this ministerial office are important for the WEDP outreach service activities. For instance, the women are getting their trade license either in the sub-city or woreda trade office. If trade office is part of the WEDP structure, it will be easy to access the list of women who get their trade license before six months. So, this will ease the burden of the outreach services. Now, it is OSS staffs who took the lists of the businesswomen from the Trade Office. Similarly, WEDP clients explained that trade offices in the project cities assist those women who organized under MSEs and get loan from the government scheme. For instance, the office arranges trading venues for these women. Likewise, it would have been good if WEDP works on this issue in consultation with the trade offices of the project cities. Because, WEDP clients are suffering from house rent for their business.

Besides, it is important to include the Ministry of Social and Labour Affairs (MOLSA) and its organs down to the woreda level in WEDP AF structure. The role played by this ministerial office is vital in for the success of WEDP AF efforts to extend its outreach services to benefit women from the poorest of the poor groups. Woreda Office of Social and Labour Affairs (WOLSA) has been working closely with vulnerable groups to recruit and include the most vulnerable household heads in Urban Productive Safety Net (UPSNP).

## **6.2. Cultural Contexts that can Hamper Livelihood Strategy**

The livelihood strategies of the communities are not free from the influence of culture. The cultural influence on livelihood can be positive or negative. If culture has positive impacts on livelihood strategy, it will set fertile ground for resilience whenever shock is observed. However, if culture is negatively influencing the livelihood strategy, it will hamper the resilience capacity of the community and worsen the conditions of livelihood insecurity in times of shock. The following are some of the cultural influences of the communities on livelihood strategies of the existing and upcoming project cities.

### **6.2.1. Gender and property ownership**

Women are deprived of property ownership right by the culture of most ethnic groups in Ethiopia. For instance, women are often culturally discriminated from land inheritance. In most culture, the husband is considered as breadwinner of the household. This makes household's prone to livelihood insecurity for different reasons. For instance, the household will be at the risk of subsistence if a husband lost his job or if he died. Similarly, the household will face the problem of livelihood resilience whenever shock (like inflation) is occurred. On the other hand, if women have equal property ownership right with men over assets, the household will not be at risk of subsistence in time of livelihood shocks. Because, the loss of household income from the husband will be compensated by

the income from wife. Thus, a cultural subordinate position given to women and its subsequent denial of ownership right over important household assets impede the enhancement of households' livelihood security.

Depriving women access to property ownership is a cross cutting cultural issues for all ethnic groups of the country; and it is worse in the rural part of the country. Hence, the denial of women property ownership is a tradition of the communities in the existing and upcoming WEDP project cities. However, conditions might be slightly different in major cities and towns. Although the deprivation is still there, the increasing advocacy on gender equality has significantly improved women ownership right and their involvement in the socioeconomic activities of the country.

#### **6.2.2. Gender Stereotype**

By the notion of most Ethiopian culture, women are believed to be weak who lack knowledge and determination to confer responsibility upon them. In terms of religion, both Christianity, and Islam gave a subordinate position to women. Ethiopians are strict observant to their respective religion and try to act in accordance with the rule of God. In this regard, most women are also acknowledging the subordinate positions that they have within the society. These gender stereotype undermines the involvement of women in social, political, and economic activities of the country. However, even if women's contributions are not valued because the influence of patriarchal ideology, they contribute more to the household economy. Particularly, the role played by women in making a living is immense among the pastoral communities like Somali and Afar. Still, women are actives in dominating the economic activities of the Somali and Afar. Gender stereotype is the common features of all the exiting WEDP and the upcoming WEDP AF project cities.

#### **6.2.3. Disability Issue**

The other crosscutting cultural issue among all Ethiopian ethnic groups is the believe that disability is a curse and misfortune. This cultural believe is also supported by different holy books. People are not believing disable people can be productive enough. As a result, little investment is made on the disable children particularly in the rural parts of the country. However, conditions are better in urban areas although the doubt is still there. That is why many disabled people are engaged in begging activities around churches, and roadsides of urban areas. Hence, considering the disabled people as unproductive and creating little opportunity to make them self-reliant is a common feature of all the existing and the upcoming WEDP and WEDP AF project cities, respectively.

#### **6.2.4. Marginalization**

Despite differences from community to community, craft workers, such as potters, tanners, smiths, weavers, and woodworkers are the marginalized social groups. All these groups are defined by occupation, or notional occupation (i.e. their hereditary occupation, even if they do not practice it anymore) (Freeman, 2003). The main causes of marginalization are socio-cultural constructions retained in negative stereotypes stemmed from the perception of the non-craft groups of communities. For instance, potters are highly associated with evil eye whereas, the tanner's stereotype is associated with 'impurity'. Craft-workers were marginalized in many forms mainly, restriction from social associations, restriction in intermarriage with the non-craft workers, and spatial segregation. Moreover, these craft workers are occupational groups who are socially excluded, and culturally subordinated (Tituye, 2019). Nowadays, these forms of marginalization are declining and hence there is spatial integration and intermarriage. Therefore, marginalizing the above social groups has been a common culture of the communities living in the existing and upcoming project cities although the trend of marginalization is decreasing and some areas it is diluted.

#### **6.2.5. Extravagant habit of culture**

The extravagant nature of people is also a threat for livelihood security. In most Ethiopian culture an extravagant person is socially prized as generous and kind. The nature of extravagancy can be visible by both male and female although it is more practiced by male. Women are engaging in extravagant activities when they spend much in the preparation feasts for different ritual or religious affairs. This tradition is particularly a case for some project cities such as, Addis Ababa, Adama, Bahir Dar, Deberemarkos, Hawassa, and Dire Dawa. On the other hand, men are spending much for alcohol and *khat* consumption. *Khat* consumption is typical for Dire Dawa, Harar, and Jijiga; whereas, alcohol consumption is more practiced in Addis Ababa, Bahir Dar, Deberemarkos, Hawassa, and also Dire Dawa.

#### **6.2.6. The concept of fertility**

Many Ethiopians believed that children are born with fate that can change the entire living conditions of the household. Fertility is much appreciated by the Holy Bible and Holy Quran and using contraceptive method for family planning is considered as sin. As a result, fertility is given pre-eminence in a cultural society like Ethiopia. Besides, fertility is considered as an asset since it is a source of labour to secure the livelihood strategies of the households. However, the special value attached to fertility has increased the household size, which in turn upsurge the population size of the country. The increase in the household size is one of the challenges for livelihood security. Although fertility is appreciated by every culture in the country, it is more valued among the lowland pastoral communities like Somali and Afar. Fertility is also more valued among the Muslim dominated cities such as Dire Dawa, Harar, and Jijiga.

On the other hand, because the special value for fertility women are hampered from engaging in business or other forms employment. Most Ethiopian women are spent their time through child rearing and have no time for employment or to engage in businesses. Thus, women are economically dependent on men. A mother who have more children have no time at all to think to economically empower herself.

#### **6.2.7. Extended family**

Extended family is a family that extends beyond the nuclear family, consisting of parents like father, mother, and their children, aunts, uncles, grandparents, and cousins, and all living in the same household. The breadwinner of the household is not only supposed to have responsibilities for his/her nuclear family but also expected to secure the livelihoods and other basic needs of other dependents. Ignoring other dependents is considered as taboo and may result in social exclusion. Hence, the cultural practice of extended family is one of the impending factors to assure the livelihood of a nuclear family. Although extended family is practiced in all project cities, its nature is strong among the lowland project cities like Dire Dawa and Jijiga.

#### **6.2.8. Poor work habit**

In most Ethiopian cities, there is high unemployment rate particularly of the youth. As a result, it is common to see many youths sitting idle on the street and spending their time chewing *khat* and drinking alcohol. Urban youth are selective in their preference of job they want to engage; and they are not interested to work as wage labourer. Most of the wage labourer in the construction sectors are coming from rural parts of the country. The youth in the cities and urban area are looking for white and blue collars jobs which are so scarce by their very nature. Poor work habit of the youth is a typical feature of the entire urban areas in Ethiopia including all the existing and the upcoming project cities. These tendency risks household food security because household's labour force is not properly utilized to diversify the livelihood strategies.

#### **6.2.9. Dependency syndrome**

Dependency syndrome is an attitude and belief that one cannot solve its own problems without the help of others. At present, there are several households who are earning their livelihood from the monthly remittances that come from domestic or international migrants. These households are using the remittances for consumption purpose and they are not using the cash from remittances to generate their own income. If in case the remittances are stopped for different reasons, the livelihood security of those households is endangered. Although there are a lot of households in different parts of the country who are making a living from remittances, the case in Jijiga, Harar, and Woliya Sodo are stronger. Dependency syndrome is one of the impending factors to secure livelihood security.

#### **6.3. Ethnic Relationships in the Existing and Upcoming WEDP Project Cities**

The development of ethnic tensions in Ethiopia has a long historical root which is beyond the scope of this social assessment. The underlying causes of the current ethnic conflict traced its root to the 1960s student movement and its famous ideology of the “national operation.” Gradually, the concept of the national operation associated with various myths and unverified historical accounts blaming the Amhara ethnic as oppressor and the Oromo as oppressed. The dichotomy of the oppressor and the oppressed are also adopted by other non-semitic speaking people. Therefore, all other reasons for the outbreak of ethnic based conflict in different regions and cities have proximate or immediate causes. The proximate cause can be the fight between two individuals from different ethnic groups for their own personal matter. To have brief understanding about the roots causes of ethnic tensions, its historical development is presented as follows.

For long, Ethiopia was experienced a de facto type of federalism. However, with the coronation of Teferi Mekonen in the name of Haileselassie I (1931-1974) and the subsequent promulgation of the 1931 constitution, the emperor issued a policy of centralization to dismantle the hereditary rule of the regional lords. This was the end of de facto federalism since the emperor brought all regions except Tigray under his jurisdiction and they were administered by the appointee of the emperor. Regional armies were disintegrated, and high tax system was levied upon the regions. However, this move brought about the discontent of the regions to the central government. The reign of Emperor Haileselassie marked the zenith of Ethiopian feudalism and paradoxically, his period also witnessed the decay and eventual demise of feudalism in 1974 (Bahiru, 2002).

Following the formation of modern Ethiopia, the monarchical government was failed to effectively integrate the newly incorporated peoples from the south and southwest to the politics of central government. On the other hand, due to the centralization policy of the last monarch, regions which had enjoyed their regional autonomy lost their power. As it was explained earlier, this situation gave rise to the discontent of the hereditary rulers and their subjects upon the central government that gradually developed into a center periphery relationship (Assefa, 2009).

The period 1960s was a landmark in changing the political scenario of Ethiopia. It was during this period the absolute feudal regime began to face open and multifaceted oppositions. A failed coup was made in 1960 against emperor Haileselassie by the Neway brothers. In the immediate footsteps of the failed coup, the most implacable opposition to the feudal regime came from the students (Bahiru, 2002).

The movement took its ideological base from Marxism–Leninism to propagate the issue of national question (national oppression thesis) and to demand the right to self-determination of nations and nationalities including secession (Merera, 2003a; Bahiru, 2002; Young, 1996). The students believed that the right to self-determination up to secession can be a solution for the national question.

As the opposition against the imperial regime grew in size and magnitude, an ageing Emperor Haile Selassie I was unable to contain it. The imperial regime had little desire to make reforms to the popular demand. With this, the regime lost its popular support and the 44 years long rule in Ethiopia was overthrown by the popular revolution of the 1974 (Young, 1996; Bahru, 2002).

Following the downfall of imperial regime, the military junta took power and Ethiopia became under the military rule for the next seventeen years. The reign of the Derg was characterized by the transformation of the more peaceful resistance of the student movement during the imperial regime into a more determined armed conflict. Ethnic nationalists formed liberation fronts and intensified their armed combat against the military government. In the end, the Derg was removed from power in 1991 mainly with the armed resistance of the liberation movements from the north, namely, the Eritrean People Liberation Front (EPLF) and the Tigray People Liberation Front (TPLF). With this, a new chapter was inaugurated in the political history of Ethiopia.

In the immediate downfall of the Derg regime, Eritrea claimed its independence under the leadership of EPLF and seceded from Ethiopia in 1991. The remaining parts of Ethiopia were brought under the rule of TPLF/EPRDF. Under the leadership of TPLF, the transitional charter was issued on July 22, 1991 (Negarit Gazeta; 1991) and Ethiopia was declared as a federal state along ethno-linguistic line.

#### **6.4. Socio-Demographic Baseline Data of WEDP + AF Cities**

The socio-demographic baseline is conducted aimed at providing a greater understanding of local communities in and around the project areas, including their social and economic environments so as to properly identify potential project risks and impacts to communities as well as leverage opportunities for contributing to social and economic development. By serving as a base for understanding the local communities, the socio-economic data will allow the project to develop informed mitigation and management plans in a culturally acceptable or socially appropriate manner to addressing the local causes of poverty and inequality. Thus, it provides the grounding data needed for assessments of change after a project has been initiated. With this understanding, the socio-demographic baseline data for the existing WEDP cities as well as the WEDP AF expansion cities is discussed as follows.

##### **6.4.1. Addis Ababa**

Addis Ababa, Ethiopia's political capital as well as the country's most important commercial and cultural center, is situated at 9o2'N latitude and 38o45'E longitude, in the country's heart. It is 2,400 meters above sea level on average, with the maximum altitudes reaching 3,200 meters on Entoto Hill to the north. Addis Ababa is one of Ethiopia's two self-governing chartered cities (with Dire Dawa) with a population of over four million people, or about a quarter of the country's total urban population and more than ten times the population of Adama, Ethiopia's second largest city (MoUDHC 2015). Female residents are slightly more numerous than male people. The significant population growth rate seen in recent years is attributable to a large influx of people seeking jobs and higher education in the city. The working-age population, on the other hand, is quite large; 72 percent of Addis Ababa's population is between the ages of 15 and 65. The average family size is 3.9. At birth, the average life expectancy is 65.7 years, and the infant mortality rate is 50.3 per 1000 live births (CSA 2013).

The service sector, which generated 75% of Addis Ababa's GDP in 2014, is the city's most important economic sector. The industry sector, which accounted for 24.3 percent of GDP, is followed by the service sector. In 2014, the city's per capita GDP was 649.43 USD (AABoFED, 2015), whereas the city's real total consumption expenditure per capita was 538.92 USD in 2015 (IDPR, 2015). The city employed 46.6 percent of the total workforce in 2012 and 21.7 percent of the whole workforce (IDPR,

2015). Addis Ababa, on the other hand, has a high level of unemployment. In 2015, the city had a 14.96 percent unemployment rate. Women were found to be unemployed at a substantially higher rate (19.1%) than men, who were unemployed at 10% in the same year (IDPR, 2015). However, the trend shows that unemployment has decreased from 18.77 percent in 2011 to 14.96 percent in 2015. However, unemployment among the youth remained high.

Micro and Small Scale Enterprises (MSEs) have emerged as one of the city's most important job creators. MSEs contributed to the creation of around 250,000 jobs in 2014 (AABoFED, 2015). Overall, the private sector is responsible for the most job creation. In the city, particularly among the urban poor, informal income creation is common. CSA (2015) estimates that 24% of Addis Ababa citizens are poor. 26.1 percent of inhabitants, on the other hand, were food insecure (AABoFED, 2015). Poverty had a greater impact on women than on men counter parts. According to the Multidimensional Poverty Index (MPI) of the Oxford Poverty and Human Development Initiative, 48.7% of Addis Ababa citizens are poor or at risk of becoming poor (OPHI, 2015). According to IDPR (2015), income inequality as measured by the Gini coefficient of real consumption per capita was 0.32 in 2015, a very low figure from World's average.

Addis Ababa is the home of nations and nationalities. The community is intermingled with each other and it is difficult to distinguish people along ethnic lines unless through their kebele identification card. Although several languages have been spoken, Amharic is the dominant one. People are speaking this language irrespective of their ethnic identity. It seems that the peoples of the city have developed their own identities. That is why ethnic tension is very minimal in Addis Ababa compared to regional states. Hence, there is peaceful coexistence among the different ethnic groups in Addis Ababa.

#### **6.4.2. Adama**

Adama, formerly known as Nazareth, is Ethiopia's second-largest city, located in the Oromia region. According to the 2007 CSA, Adama town had a total population of 431,202 people, including 50,020 people from the newly included rural kebeles. Around 71 percent of the population is under 30. The city's population growth rate is above 4.8 percent on an annual basis. The population of the city is split 50-50 between men and women. Adama has a population density of 7,374.82 people per square kilometer, with all residents being city dwellers. The city is expanded because of the rural-urban migration from different Oromia zones. The Oromo (39.02 percent), Amhara (34.53 percent), Gurage (11.98 percent), and Silte (5.02%) were the four most populous ethnic groups in Adama, with all other ethnic groups accounting for 9.45 percent of the population. The majority of the residents claimed to follow Ethiopian Orthodox Christianity, with 63.62 percent claiming to do so, while 24.7 percent claimed to follow Islam and 10.57 percent claimed to follow Protestantism.

Adama is one of the busiest commercial entrepot in the country. The town is located 90Km away from Addis Ababa to the south-east, and which is situated on the junction of the highway leading to the Port of Djibuti and on the road to extensive crop growing of Arsi and Bale. Adama is a home of the country's most prominent public university, the Adama Science and Technology University and private universities such as the Rift Valley University, and nine TVET colleges. Adama city is currently experiencing the expansion of industrial development and private investments in different sectors. The recently inaugurated Adama Industrial Park is one of the industrial parks of the country which established with a view to contribute to the growth of the manufacturing sector of the country. When the park is fully operational, it is anticipated to carry out technological transformation and create employment opportunity for 80,000 citizens.

## **Hawassa**

According to the CSA (2015), Hawassa has a total population of 417,368 people, with 208,697 women. Menaheria, Tabor, Misrak, Addis Ketema, Mehal Ketema, Haik Dar, Bahil Adarash Hawella Tula eight sub-cities were redistributed for administrative convenience (HCSP, 2020). The city's size was 157.21 kilometers, with a population density of 2,654.8 people per square kilometer. The unemployment rate in Hawassa city is 6.8%, according to the HCSP (2020) report, when compared to the productive population. According to the research, ladies have a higher unemployment rate than men (71% vs. 28%). There are 293 educational institutions and 234 medical facilities in the city (HCSP, 2019).

Hawassa is one of the most beautiful and booming cities in the country. The city is the centre of industry and tourism. The major ethnic groups in the city include Sidama, Amhara, Oromo, and Wolayta. For the last twenty and more years, it serves as the capital of the SNNPR. Sidama was one of the regions during the transition government of Ethiopia (1991 to 1994). However, it lost its status of statehood by the 1995 FDRE constitution and this was the centre of resistance among the Sidama community for over twenty years. Their quest to regain their status of statehood was settled through the gun by the federal government. However, the claim for statehood once again got momentum with the coming of Prime Minister Abiy to power in 2018 as a reformist government. Shortly, after the reformist government assumes power, deadly violence occurred in the entire Sidama zone. Amhara, Wolayta, and Gurage were made victimhood of this unrest. In the end, the Sidama zone regained its status of statehood that was lost by the 1995 FDRE constitution in a referendum made on 20 November 2019 by making Hawassa its capital.

As explained by informants, because of the violence in Hawassa, many businessmen particularly the Gurage left the city. The business activities of the city has been dimmed following the violence occurred in the entire Sidama zone<sup>6</sup> including Hawassa, which targeted mainly the ethnic Wolayta, Gurage and Amhara. During the fieldwork, it easy to observe how the business activities are affected in the city. Thus, the ethnic tension is far from over in the city despite a call from the Sidama regional state for investment and tolerance. The victims of the violence, the Wolayta, the Amhara, and the Gurage are looking at the Sidama with suspicion.

### **6.4.3. Shashmene**

Shashmene is located in East Shewa Zone of the Oromia National Regional State, approximately 250 km south of Addis Ababa. Geographically, the town is located at 7-degree North Latitude and 38-degree East Longitude. The town is economically important and expanding quite rapidly compared to other towns. This is perhaps due to its location as a crossroad and a junction point for most towns located in the southern part of the country. It serves as an international highway route connecting Ethiopia with Kenya. The town also lies within the Ethiopian Rift Valley and is close to the lakes and holiday resorts of Awassa, Langano and the Shala-Abiyata park. The urban land of Shashmene stretches over 1,858 hectares of land.

Shashmene is about 250 kilometers south of Addis Ababa, in the East Shewa Zone of the Oromia Regional State. The settlement is situated in a latitude of 7 degrees north and an east longitude of 38 degrees. The town is economically significant and, in comparison to neighboring towns, is growing at a quick pace. This could be owing to its location as a crossroads and junction point for most southern communities. It connects Ethiopia with Kenya via an international highway route. The settlement is also located in the Ethiopian Rift Valley, near to the lakes and vacation spots of Awassa, Langano, and the Shala-Abiyata National Park. Shashmene has a total area of 1,858 hectares of urban land.

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<sup>6</sup> Sidama was one of the zones of SNNPR before it gains the status of statehood

Shashemene's overall population was projected to be over 73,560 people in 2001, according to the official CSA survey. It now has a population of around 250,000 people, with a 4.5 percent annual growth rate. Small businesses, informal trade, civil service jobs, brokers, and handcrafts are the town's primary sources of income. Coffee, sweet potatoes, vegetables, corn, and animal resources are plentiful in Shashemene, thanks to other districts' contributions. In terms of service demand, jobs, and infrastructure, the city will be put under tremendous strain. Shashemene has a young population, with 65 percent of residents under the age of 25. The town is expanded significantly, and a large section of the surrounding community is settled in the town. Gradually, there developed the dichotomy of native and settlers<sup>7</sup>. According to the manager of Oromia Credit and Saving Share Company, the situation in the town is very volatile and difficult to predict. Therefore, the ethnic tension is still alive in the town of Shashemene between Oromo on the one side and Amhara, Gurage, and Orthodox Christians on the other side.

#### **6.4.4. Wolayta Sodo**

Wolayta Sodo is a city and woreda in south-central Ethiopia. It is the administrative center of the Wolaita Zone of the Southern Nations, Nationalities, and Peoples Region, with latitude and longitude of 6°54'N 37°45'E and an elevation of 1,600 to 2,100 meters (5,200 to 6,900 feet) above sea level. It was part of the former Sodo woreda, which included Sodo Zuria, which completely surrounded it. According to the CSA's 2018 Population Projection, this town has a total population of 254,294, of which 125,855 are men and 128,439 are women. According to the CSA's 2007 Census, this town has a total population of 76,050 people, of which 40,140 are men and 35,910 are women. The majority of the population were Protestants, with 54.61 percent reporting that belief, 38.43 percent practicing Ethiopian Orthodox Christianity, 4.76 percent Muslim, and 1.28 percent Catholic. According to the 1994 national census, this town had a total population of 36,287 people, with 18,863 men and 17,424 women.

#### **6.4.5. Bahir Dar**

Bahir Dar is one of the beautiful and flourishing cities in the country. It is located on the highway that connected the country with Sudan. Bahir Dar is the city of industry and tourism. The Blue Nile Fall, Lake Tana, and the monasteries in Lake Tana are tourist attraction sites. More than 95 percent of the inhabitants are ethnic Amhara. The minority groups in the city include Tigre, Oromo, and others. Bahir Dar is a fast-growing city in terms of both economic activity and population size. The city has a total population of 329,323 people, according to the CSA (2015) report. According to the same study, the city's total area is 213.43 square kilometers, with a population density of 1.543 per square kilometer. In the year 2019, 70 percent of the total 373,074 inhabitants are of working age. The remaining 30% (114,616), on the other hand, are dependent on others and are either under the age of 15 or over the age of 64. According to the city's socioeconomic report (2019), there are 161 educational institutions with at least 230 teachers and 41,468 students, as well as 165 health institutions with 608 health professionals serving in these centers in the 2017/18 fiscal year.

#### **6.4.6. Debre Markos**

Debre Markos, capital of former Gojjam province, is a city and separate woreda in northwest the Amhara Region. It has a latitude and longitude of 10°20'N 37°43'E; 10°20'N 37°43'E, and an elevation of 2,446 meters. Debre Markos had an estimated population of 262,497 people in 2012, according to the Central Statistical Agency of Ethiopia's (CSA) national census, with 129,921 males and 132,576 women. The majority of the citizens, 97.03 percent, embraced Ethiopian Orthodox



Christianity, while 1.7 percent and 1.1 percent of the population, respectively, claimed to be Muslims and Protestants.

Like that of Bahir Dar, the inhabitants of Debere Markos are predominately ethnic Amhara. There is no recorded ethnic tension in the town. As explained by the officials of the town, despite some conflicts between individuals, there is no ethnic conflict in the town at all.

#### **6.4.7. Dire Dawa**

According to a structural report (Integrated Urban Economic Development, 2019), the total population of Dire Dawa City Administration was 479, 000 in base year 2018, with males accounting for 50.1 percent (240,000) and females accounting for 49.9%. (239,000). During the same time period, the urban and rural populations were estimated to be around 303,000 and 176,000, respectively (Demography study, DDMPRP, 2019).

According to reports, there are 147 houses of worship in Dire Dawa City that belong to Orthodox (14), Muslim (108), protestant (24) and Catholic religions (1). In addition, within the city and surrounding rural kebelles, Dire Dawa boasts a variety of heritages and tourism attractions. In the last four years, the City Administration's yearly average regional GDP growth has been 13%, greater than the national average of 11%. The industrial sector's average annual growth rate of 15% is higher than the service and agriculture sectors' average annual growth rates of 12% and 6%, respectively, throughout the same time period. By contributing 53 percent of GDP, the service sector has the biggest average proportion of labor force and output.

For decades, the inhabitants of Dire Dawa were known for their hospitality. In terms of Ethnic composition, Oromo, Somali Amhara, and Gurage are constituting the largest proportion of the inhabitants. Different ethnic groups were living in the city comfortably. The social relationship used to be independent of ethnic line. Informants mentioned time and again that ethnic groups such as, Amhara, Gurage, Wolayta, and others are made a target by the Oromo youth who are coming mainly from the outskirts of Dire Dawa. Hence, the ethnic Oromo and other minority groups are looking at each other with suspicion. There is also tension between the Somali and the Oromo since both are claiming the ownership of city.

#### **6.4.8. Harar**

For centuries, Harar was a centre of Islamic civilization. After Harar, incorporated within the Ethiopian Empire in 1887, many Christian highlanders settled in the city. Since then, Harar has become the home of nations and nationalities. Amhara, Oromo, and Harari are the major ethnic groups in the city although the it is encircled by the Oromo community. For more than one hundred years, the people in the city are living in peaceful coexistence. For this reality, in 2002, UNESCO awarded Harrar the cities for Peace Prize, in recognition of its outstanding contribution to the promotion of peace, tolerance, and solidarity in everyday life.

However, recently, following the liberalization of Ethiopian politics by PM Abiy, Harar has become one of the conflict hotspots. The ethnic Oromo from surrounding areas has attacked the inhabitants of the city in several incidences. The Oromo are the dominate ethnic groups in Harari Regional State. There is also an attempt to trigger religious conflict between Islam and Orthodox Christians. This happened when the Muslim Oromo from the vicinities of Harar try to disrupt the Christian epiphany and the True Cross/Demera ceremonies. This condition culminated to its peak when the Oromo youth dismantled the statue of Ras Mekonen Woldemichael, the nephew of Emperor Menelik II, which stand at the heart of the city for several decades following the death Hacalu Wundesu, an Oromo singer. Thus, there is

ethnic tension between the Oromo on one side and non-Oromo, particularly the Amhara, and Gurage on the other side.

#### **6.4.9. Jijiga**

Jijiga City was established during the era of Emperor Menelik II as a military garrison. Since then, different highlanders began to settle in the town. In terms of ethnic composition, Amhara, Oromo, and Somali are the major ethnic groups in the city. Like other Ethiopian cities, for long the people were living peacefully.

However, with the coming of the reformist government to power in 2018, there appeared deadly conflicts that resulted in the loss of several human life and the destruction of Orthodox Christian churches. The Hego, the Somali youth, supported by the notorious Abdi Iley, the former president of the Somali region which is now in prison, inflicted several losses of human life and property damage. The minority groups such as, Amhara, Gurage, and the Orthodox Christians were targeted by the Hego. Similarly, in a clash between the Oromo and Somali, there are claims that about one million Oromo were displaced from Jijiga and the entire Somali region. Therefore, there is a recent and memorable tension between the Somali and the highlanders (Amhara, Gurage, and the Orthodox Christians), and also between the Oromo and Somali. However, with the coming of the incumbent Somali region president, peace is restored throughout the entire Somali region. It is possible to say that at present the region is relatively the most peaceful regions in Ethiopia. Accordingly, in relative term, Jijiga is one of the peaceful cities in the country.

Conflict among the ethnic Somali can be categorized as inter and intra conflicts. The former is the conflict between the Somali and other ethnic groups like Afar and Oromo, whereas, the latter is inter-clan conflict among the Somalis themselves. There are different causes for these conflict, but the major proximate causes are political and governance concerns, economic and environmental concerns, and socio-cultural concerns (Feinstein International Centre, 2011).

#### **6.4.10. Mekelle**

Mekelle, the capital of Tigray Regional State, was founded in the 13th century. The city is located 783 kilometers north of Addis Abeba, at an altitude and longitude of 13029'N 39028'E, with an elevation of 2084 meters above sea level. Mekelle had a population of 96,938 in 1994. By 2007, it had risen to 215,914, a 122 percent increase (CSA, 2013). By 2013, it had risen by 45 percent to 313,332 people. In 2013, the Tigray Bureau of Urban Development estimated that Mekelle's population would grow at a rate of 5.5 percent per year. Mekelle city has a much higher productive-age population, with 55.4 percent in 2001 and 62.8 percent in 2007, compared to the regional average of 49.5 percent in 2007. The Tigrayan (96.5 percent) and Amhara (96.5 percent) ethnic groups were the two most numerous in this city (1.59 percent). Other ethnic groups made up 1.97 percent of the population. Tigrigna is spoken as a first language by 96.26 percent, Amharic by 2.98 percent, and all other primary languages spoken by the remaining 0.76 percent. Ethiopian Orthodox Christianity accounts for 91.31 percent of the population observed, while Islam accounts for 7.66 percent.

Mekelle is divided into seven administrative sub-cities: Addihak'i, Ayder, Haddinet, Hawelti, Qedamayweyyane, Kwiha, and Semien. The city is primarily used as an economic and educational center. Mekelle is the regional state of Tigray's economic center. There are also fertile farmlands to the south, significant mineral deposits to the east and west, and a variety of tourist attractions within a 100-kilometer radius of the city. The livestock and salt markets in Mekelle are said to be the largest in Ethiopia. The city is home to a number of livestock-related industries and is well-known for the superior leather produced from local sheep and goats. It also has one of Ethiopia's largest cement

plants. High-quality honey and spices are also potential export products that use local resources. Mekelle's main sources of income are trade, manufacturing, salary, and urban agriculture. Dairy, fattening, silkworm, goat and sheep rearing, apiculture, poultry, and vegetables are the main activities in urban agriculture.

#### **6.4.11. Aksum**

Aksum is a town in the Tigray Region's Maekelay Zone, near the base of the Adwa mountains. It is surrounded by La'ilay Maychew and has an elevation of 2,131 m (6,991 ft). It is the site of the Aksumite Empire's historic capital. From around 400 BCE to the 10th century, the Aksumite Empire ruled the region as a naval and trading power. Due to their historic significance, UNESCO inscribed Aksum's archaeological sites, including the monumental obelisk, on its list of World Heritage Sites in 1980. According to the 2007 national census, the town had a population of 44,647 people, with 20,741 men and 23,906 women. The majority of the population practiced Ethiopian Orthodox Christianity, with 88.03 percent identifying as such, while 10.89 percent identified as Ethiopian Muslim. Tigrayans are the most numerous ethnic group, accounting for 98.54 percent of the population, and Tigrinya is spoken as a first language by 98.68 percent. Builders, architects, farmers, merchants, and military personnel were the most common services and occupations in Aksum.

#### **6.4.12. Arbaminch**

Arba Minch town is located in the Gamo Goffa zone of Ethiopia's Southern Nations, Nationalities, and Peoples Regional State, approximately 505 kilometers south of Addis Abeba and 275 kilometers from Hawassa, the regional capital (Arba Minch Municipality (AMM) 2006). Arba Minch is astronomically located at 6°04' North Latitude and 36°40' East Longitude, with an elevation of 1285 meters above sea level. It is made up of four administrative sub-cities: Secha, Sikella, Abaya, and Nechsar. According to the CSA's 2007 Census, this town has a total population of 74,879 people, of which 39,208 are men and 35,671 are women. The majority of the population practiced Ethiopian Orthodox Christianity, with 56.04 percent of the population reporting that belief, 38.47 percent Protestant, and 4.16 percent Muslim. It is surrounded by Arba Minch Zuria woreda and the most resourceful zone in the southern region, which includes two large lakes (Abaya and Chamo), more than 40 springs, and Nechisar National Park, which is famous for its crocodile market. Bananas, apples, mangoes, and avocados are among the fruits grown in the area.

#### **6.4.13. Assela**

Asella is a town in the Oromia Region's Arsi Zone, 159 kilometers from Addis Abeba. The latitude and longitude of this city are 7°57'N 39°7'E, and it is situated at an elevation of 2,430 meters. On a high plateau overlooking Lake Ziway in the Great Rift Valley, it is located west of Mount Chilalo. The town serves as a vital trading hub for the surrounding livestock and logging regions. It is linked to Nazret to the north via an all-weather road. According to the 2007 national census, Asella had a total population of 67,269 people, with 33,826 men and 33,443 women. The majority of the population practices Ethiopian Orthodox Christianity, with 72.43 percent of the population adhering to this belief, while 22.59 percent are Muslim and 9.75 percent are Protestant. The majority of the population is agrarian (approximately 94.8 percent in 2010/11 and 94.4 percent in 2011/12) and lives in rural areas.

#### **6.4.14. Dessie**

Dessie is one of the country's oldest cities, dating back over a century. Dessie is the administrative center of the South Wollo Administrative Zone. Geographically, the town is located about 400 kilometers from Addis Abeba along the road to Mekele. Dessie is located between 11° 13' N latitude and 39° 05' E longitude. It is surrounded by a chain of mountains, which is said to be the main factor influencing its growth and development, with the highest altitude being about 3037 meters above sea level in the nearby Tossa mountain ridges. According to the 2007 CSA, the town's total population for 2016 was estimated to be 201,274, with 96,837 men and 104,437 women. The majority of the population (58.62 percent) is Muslim, 39.92 percent is Ethiopian Orthodox Christian, and 1.15 percent is Protestant. Amhara (92.83 percent) and Tigray (4.49 percent) are the two largest ethnic groups, with other ethnic groups accounting for 2.68 percent. Dessietown's economic activities include trade, government civil service, and urban agriculture. The town is divided into 16 kebeles and has a total of 46,808 households.

#### **6.4.15. Gondar**

The city of Gondar is situated in North-western parts of Ethiopia, Amhara Regional State. It is at 12°03'N latitude and 37°28'E at 727 km from Addis Ababa. Gondar has a total area of 192.3 km<sup>2</sup> with undulating mountainous topography. The city is classified into 12 administrative sub-cities, which have their own legislative, executive and judiciary organs. Gondar has one of the largest urban populations in Ethiopia. Gondar is a major tourist destination and business hub in North-West Ethiopia due to its various tourist attraction and World's Heritage Sites mainly the Fasiledes Castles and the Semen National Park.

Gondar is a city in Ethiopia's Amhara Regional State, located in the north-western section of the country. It is located at 12°03'N latitude and 37°28'E longitude, 727 kilometers from Addis Ababa. Gondar covers a total size of 192.3 km<sup>2</sup> and is characterized by its undulating mountainous terrain. The city is divided into 12 administrative subdivisions, each with its own legislative, executive, and judicial branches. Gondar has one of Ethiopia's most populous cities. Due to its numerous tourist attractions and World Heritage Sites, primarily the Fasiledes Castles and the Semen National Park, Gondar is a major tourist destination and business centre in North-West Ethiopia. According to the Central Statistics Agency's (CSA) population prediction (2013), Gondar's population would reach 323,875 by 2015, and 360,600 by 2017. Because Gondar is a popular destination for urban-rural migrants in North West Ethiopia, migration has aided the city's population increase. Trade, in addition to tourism, is a significant economic activity in Gondar. The adjacent areas, such as Metema and Humera, grow cotton and sesame, providing jobs for thousands of people and producing foreign money through market-oriented cash-crop cultivation. Its recent expansions to the periphery have incorporated primarily agriculturally oriented inhabitants. The city's primarily young population is primarily employed by the government, however many more work in the informal economy. The Ethiopian Ministry of Urban Development and Housing Construction (EMUDHC), 2015:39, found that businesses involved in commerce amounted for 54% of total businesses in the city, while service providers accounted for 27%. However, the unemployment rate of 17.4 percent in 2014 is still high, and it is even higher among the youth (22.8 percent) and women (24.1 percent), while graduate unemployment is a new problem that requires rapid action.

#### **6.4.16. Jimma**

Jimma is the most populous town in Ethiopia's southern Oromia Region, around 350 kilometers southwest of Addis Ababa. It's located at 7°40'N 36°50'E latitude and longitude. It is located at a height of 5,740 feet (1,750 meters) in a forested area famed for coffee plantations. The entire population of Jimma in 2007 was only 120,600, according to the Ethiopian Population and Housing Census, with males accounting for 50.24 percent and females for 49.76 percent, respectively. Major ethnic groups in Jimma include the Oromo, Amara, Dawro, Gurage, and Kafficho, with the Oromo accounting for around 36% of the population. Commerce and small-scale manufacturing businesses are the town's primary economic activities. Two hospitals, three health centers, twenty clinics, seven pharmacies, 22 drug stores, four rural drug vendors, and four drug distributors are among the health establishments in Jimma town that provide health services. 17 elementary schools (1–8), 3 secondary schools, 1 Government College, 1 University, and 7 privately owned colleges are among the town's existing educational facilities. Jimma town is home to a lot of cultural and economic landmarks and artifacts. The 'Aba Jifar Palace' and the 'Mesgida Afurtema' are two prominent cultural heritage sites in and near town.

#### **6.4.17. Nekemtie**

The settlement of Nekemte is found in Oromia's East Welega Zone. It is located at 9°5'N 36°33'E and is 2,088 meters above sea level. The district is bordered on the north by the districts of Gidda Ayana and Limu, on the south by the district of Leka Dulecha, on the east by Wayu Tuka and Sibu Sire, and on the west by Digga and Sasigga. The town of Nekemte sits in the heart of Ethiopia's south-western road network. This woreda had a total population of 75,219 people according to the 2007 national census, with 38,385 men and 36,834 women. The majority of the population was Protestant, with 48.49 percent saying that they followed this faith, while 39.33 percent said they followed Ethiopian Orthodox Christianity and 10.88 percent said they followed Islam. The town and its environs are endowed with a diverse range of agro-ecological zones, ranging from warm weather in low altitude areas to cool weather in higher altitude areas, resulting in a favorable environment for the production of a wide range of crops, including cereals (maize, sorghum, Teff), oil seeds (niger seed and sesame), and a variety of other crops.

#### **6.4.18. Shire Endesilassie**

The administrative town of Shire Endaselassie is located in Tigray's Northwest Zone. It is the region's third-most populous town, located 1087 kilometres north of Addis Ababa and 304 kilometers northwest of Mekelle, Tigray's capital. The settlement is located at 14°6'N 38°17'E latitude and longitude. This town has a population of 47,284, with 21,867 males and 25,417 women, according to the 2007 national census (CSA), and a total area of 1,400.71 ha. Ethiopian Orthodox Christianity is practiced by the vast majority of the population (85.11 percent). Manufacturing, wholesale, retail, and service trade are among the city's most important economic activities. One general hospital, two government health centers, and four private clinics are available in the city.

### **6.5. Gender and Related Issues**

Women and girls in Ethiopia are strongly disadvantaged compared to boys and men in several areas, including literacy, health, livelihoods, and basic human rights. They also suffer from low status in their society and lack social support networks. In Ethiopia, 80 percent of the population resides in rural areas and women provide a significant portion of agricultural labor (DHS,2016). However, their contributions often go largely unrecognized and their fathers or husbands often restrict access to resources and community participation. According to the Ethiopian Demographic and Health Survey

(2016), 30 percent of Ethiopian women do not make decisions on individual and family issues. Hence, women often face basic economic constraints than men, including less access to credit and the market. Informants argued that it is imperative to eradicate the economic constraints of women through easing access to credit and market for them.

Gender-based violence against women often referred to as violence against women and girls has been acknowledged worldwide as a violation of basic human rights. Growing research has highlighted the health burdens, intergenerational effects, and demographic consequences of such violence. In Ethiopia, female are not only victims of violence but also exploitation. The violence and exploitations of women have got roots from the cultural, political, economic, and religious practices of the society. Until recently, the law in the country is not committed to curb the different forms of violence and exploitations on women.

However, in Ethiopia, violence against women and girls continues to be a major challenge and threat to women's empowerment. Women and girls face physical, emotional, and sexual abuses that undermine their health and ability to earn a living; disrupt their social systems and relationships and rob them of their childhood and education. Among women age 15-49, 23% have experienced physical violence and 10% have experienced sexual violence. Four percent of women have experienced physical violence during pregnancy. Thirty-four percent of ever-married women age 15-49 have experienced spousal physical, sexual, or emotional violence. Twenty-two percent of ever-married women who experienced spousal, physical, or sexual violence reported injuries, including 19% who reported cuts, bruises, or aches and 10% who reported deep wounds and other serious injuries (DHS, 2016).

As mentioned by informants, women have been often victims of physical, sexual, and emotional violence. Some basic household assets such as land, house, building, and others are controlled by the male. In Muslims dominated cities such as Harar, Jijiga, and Dire Dawa, there is still the practice of polygamous marriage which in turn has social, economic, and psychological impacts on the women.

Moreover, data from field observation and interview indicate that women and girls who are employed in WEDP clients' enterprises are subjected to sexual exploitations and harassments. Girls who are working in WEDP clients' enterprises explained that their salary is too small which ranges from 1000 to 2000 ETB before tax although they are working more than eight hours a day and those who are employed in service giving enterprises like hotel and cafeteria are working for the entire weekdays. Besides the exploitation of their labour with small salary, they are also insulted and warned by their respective bosses for minor faults. For instance, waiters whom the boss thought is not properly handling customers will be insulted and warned. Moreover, if a tea or coffee cups are broken accidentally from the hands of the waiters, the cost will be deducted from their salary. But with all these odds, the women and girls continue to work in the enterprises.

#### **6.6. Vulnerable Groups and the Extent of Vulnerability**

Vulnerable groups are those who experience a higher risk of poverty and social exclusion than the general population. Ethnic minorities, migrants, disabled people, the homeless, those struggling with substance abuse, isolated elderly people, and children often face difficulties that can lead to further social exclusion, such as low levels of education and unemployment or underemployment (Atkinson, 2000). Vulnerability is frequently differentiated by gender. Lack of access or control over essential resources makes women one of the most vulnerable groups.

In an effort to give social protection for urban vulnerable groups, the GoE in collaboration with its development partners has initiated the urban productive safety net program (UPSNP) in 2015. This

program is an extension of the rural safety net program which is initiated in 2005. The UPSNP is the first instrument of the government to implement the Urban Food Security and Job Creation Strategy, which was approved by the Ministry of Urban Development and Housing (MoUDH) on May 8, 2015. The strategy aims to reduce poverty and vulnerability among the urban poor living below the poverty line over a period of 10 years. The UPSNP, which is fully embedded in the National Social Protection Policy (NSPP) and Growth and Transformation Plan II (GTP II), aims to support over 4.7 million urban poor living in 972 cities and towns. It is envisaged that this will be achieved over a long-term period through a gradual roll-out plan of different phases starting with big cities having a population of over 100,000 people. The first five-year phase of the government program was targeting 11 major cities with the highest rates of urban poverty. These include Addis Ababa and one city from each region (Adama, Assayita, Asosa, Dessie, Dire Dawa, Gambella, Hawassa, Harari, Jijiga, and Mekele). In the first phase, 604,000 beneficiaries were targeted through a gradual roll-out plan during a five-year period (WB 2015).

Although urban poverty rates in Ethiopia are quite high, particularly in the large cities, the urban-rural poverty rate differential is low in comparison to other countries. The total national poverty head count in 2011 was 29.6 percent (30.4 percent in rural Ethiopia and 25.7 percent in urban areas). Poverty rates in Addis Ababa and Dire Dawa were as high as 28.1 percent and 28.3 percent, respectively. The poverty gap index is estimated to be 8 percent in rural Ethiopia and 6.9 percent in urban Ethiopia (MoUDC, 2016).

The situational analysis of the Urban food Security Strategy has established that some of the root causes of food insecurity in urban areas are: unsystematic rural-urban migration (that is urban rural migration not guided by economic indicators); lack of adequate employment opportunities; lack of integrated social protection for disadvantaged groups; underutilized potential of urban agriculture; lack of modern market exchange system; lack of efficient service delivery; lack of conducive working environment; poor solid and liquid waste management; and environmental, natural and man-made hazards. Urban areas are also severely affected by price hikes that arise from production falls due to drought and other natural disasters. Due to the aforementioned problems, a significant number of people in urban areas are unemployed and underemployed and as a result, they are facing food insecurity and living in difficult circumstances. Moreover, the number of street dwellers, beggars, people with mental disorder, juvenile delinquency, disadvantaged groups and other victims of social problems and evils are increasing from time to time (MoUDC, 2016).

As indicated in the socioeconomic section of this document, all the existing and upcoming project cities are characterized by a high unemployment rate. The unemployed youth often resorted to substance abuse and accordingly chewing *khat* has been widely expanded in all major cities and towns of the country. Being a sex worker is the other outcome of poverty and unemployment in all WEDP project cities. Domestic and international migration is the other outcome of vulnerability. Both of these are practiced by youth (male and female). Often the internal migration is to major cities of the country from their hometown or localities. For instance, there are thousands of migrants from Wolayta and Gojam (Deberemarkos) to Addis Ababa and other major economic cities. These migrants are often engaged in construction sectors as waged laborers and petty trading activities.

The international migration from Ethiopia has three corridors: eastward to the Gulf States and the Middle East, southward to South Africa, and northward - trans-Saharan migration to Libya and beyond. Although it is difficult to demarcate a clear boundary to the migrant youth, those from the eastern part of the country, such as Dire Dawa, Harar, and Jijiga prefer the eastward corridor for their illegal migration. Similarly, those youths from the northern part of the country such as Deberemarkos, Bahir Dar, and other cities prefer the trans-Sahara route to migrate into Europe. In the same fashion, those

youths from the southern part of the country such as Wolayta and Hawassa often prefer the southward route to make their destination in South Africa. The youth from the central part of the country (Addis Ababa and Adama) can choose either of the three routes. All three routes are very dangerous which claim the lives of hundreds of migrants each year.

#### **6.7. Occupational Health and Safety Issues**

Occupational health and safety are the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations. To achieve this objective, a safe and healthy working environment and access to occupational health services should be ensured for all workers as provided for in ILO Convention (No. Dec. 16, 2014). Similarly, according to WHO (1995), occupational safety and health can be defined as a multidisciplinary activity aiming at:

- ✓ Protection and promotion of the health of workers by eliminating occupational factors and conditions hazardous to health and safety at work,
- ✓ Enhancement of physical, mental and social well-being of workers and support for the development and maintenance of their working capacity, as well as professional and social development at work, and
- ✓ Development and promotion of sustainable work environments and work organizations.

However, the FUJCFSA is against the strict observance of organizational health and safety. According to the claim of the deputy director, Ethiopia should not be expected to fulfil the organizational health and safety measures as it is done Europe and US. Safety measure should be taken in the context of Ethiopia. In line with this, he attested that most WEDP business have safety equipment.

In this social assessment, different WEDP clients' businesses are assessed about their organizational health and safety measures. On the basis of findings, most of the WEDP clients are very keen to address occupational health and safety issues in their businesses. In some businesses, despite the availability of safety equipment, workers are not interested to wear or to use the materials.

Concerning organizational health and safety, WEDP clients from different project cities and satellite towns explained their experiences as follows.



## Box 2

### Experiences of WEDP Clients about OHS

I am the owner of garment and textile business. Currently, I have five permanent workers and I provide the necessary safety materials for them. For instance, I provided them with masks and sanitizer to protect themselves from COVID-19. In my firm, there is water, toilet and shower room for the workers. The toilet is enough for the workers and also for the customers. Besides, I provide my workers with tea and coffee as refreshment. All of my workers are above eighteen and there is no child labour (Marta Kebede at Adama)

I am the owner of grain mill. I have one male worker and at the beginning I provide him with safety cloth and shoes. But I observed him he did not wear the safety cloth and shoes. Then after, I declined to provide any safety materials to him. During the lockdown, I provide mask and alcohol to my worker. However, as you see in the town, people are not wearing masks. Hence, I and my worker avoided to use mask and alcohol as safety material to protect ourselves and the customers. But, I realized that this is a wrong move and I will provide him with all the necessary safety materials (Adera Demelle at Merawi).

I am the owner of pension and I am strict in keeping the organizational safety and health of my firm. I have ten workers and most of them are females. I provide the necessary materials for all workers. For instance, the janitors are wearing safety clothes and gloves while doing their tasks. The cashier, the waiters, and the guards have their own safety clothes. Besides, I provide the employees with masks and sanitizer. Water, toilet and shower rooms are available in the pension. All of my workers are above eighteen and there is no child labour in my firm (Menegsha Lakew at Hawassa).

I engaged in woodwork enterprise and I have two females and three male workers. I provide them with the necessary safety clothes and shoes. However, I do not provide them with mask and sanitizer but this is not intentional. I have observed them always using their own masks and sanitizers. Hereafter, I should provide them with masks and sanitizer. In my workshop, there is water, toilet, and shower room. All of my workers are above eighteen (Addiskidan at Dire Dawa).

## 6.8. Sexual Exploitation and Abuses/Sexual Harassments

WEDP coordinators, clients, OSS staffs, and MSEs officials explained that there is less likely for the occurrence of sexual harassment, sexual exploitation, and gender based violence in the WEDP system. They asserted that most of the WEDP clients are adult, matured and self-confident who know their rights and obligations. However, they never ruled out the possibility harassment, exploitation and violence since these kinds of activities are considered as taboos and are not often disclosed to the public.

There is no officially reported SEA/SH or GBV in the process of WEDP loan procedures. However, the loan process is not free from nepotism and corruption. As explained by the WEDP coordinator in Hawassa, clients are often complaining that they are giving some portion of the loan to the officials or professionals of Omo MFI. However, it is difficult to get tangible evidence for this kind of corruption since it is done secretly. The demand for a portion of loan in this microfinance institution is a serious corruption that needs a close inspection to disclose the fraud with evidence. Similarly, WEDP clients are blaming the OCSSCO branch of Adama for nepotism. According to the clients, there are women who can access better amount of WEDP loan for collaterals of less value and for businesses having less

capacity compared to with others clients. In their explanation, these are women who have relatives or personal relationship with individuals' that are responsible for the approval of loan in the MFI.

As stated by most of the informants, the problem related with gender issue is the refusal of husbands to provide the family asset as collateral for the MFIs. Some of them are not comfortable about their wives' engagement in business and WEDP loan. On the other hand, there are WEDP clients who do not have the required collateral or guarantors are dealing with individuals through commissioning system to get their loan. For instance, WEDP clients may give 15% from the total loan amount to the one who provide his asset as collateral or who become guarantor for the woman to get the loan. As explained by the WEDP coordinators of Addis Ababa, this is becoming a common practice among WEDP clients to get the loan. The tight system of acquiring WEDP loan leads the women to illegal activities which in turn expose themselves for much exploitation.

Data from the observation and interview indicate that women and girls who are employed in WEDP clients' enterprises are not free of sexual exploitations and harassments. Some of the employees during the fieldwork explained that their salary is too small which ranges from 1000 to 2000 ETB before tax although they are working more than eight hours a day and those who are employed in service giving enterprises like hotel and cafeteria are working for the entire week days. Besides the exploitation of their labour with small salary, they are also insulted and warned by their respective bosses for minor faults. For instance, waiters whom the boss thought is not properly handling customers will be insulted and warned. Moreover, if a tea or coffee cups are broken accidentally from the hands of the waiters, the cost will be deducted from their salary. But with all these odds, the women and girls continue to work in the enterprises. The same employees were asked about the existence of GBV in their workplaces but responded as they did not have such experiences.

#### **6.9. COVID-19 Prevention**

It is fact that in the country like Ethiopia women are the most vulnerable groups. In every project city, there are unique kebeles or woredas where the most vulnerable section of the community is living. For instance, in Hawassa, Misrak sub-city is mentioned as the area where the most vulnerable groups are living. In this sub-city, predominately Woliyta, Amhara and Tigre ethnics are living. They are minorities and they are also the poorest of the poor. However, as explained by the MSEs official of the city, they are not discriminated or segregated from any available economic and social service opportunities.

The impact of COVID on the vulnerable groups are so immense. Several businesses including WEDP clients were closed because of the pandemic. This in turn made many workers jobless. For instance, those girls who were employed in different businesses areas like hotel, cafe, beauty salon etc., were lost their job because of COVID-19. Women who provide *injera* and other provisions for the hotels and restaurants were lost their business during the lockdown. As explained by several informants, the vulnerable groups survived the lockdown in the following ways. First, those who were employed earned their salary for three months by the provisions of the State of Emergency. Second, those women who engaged in petty trade like *injera* baking continued their business but changed their provisions from hotel to street vending. Third, some of the most vulnerable groups in city like Addis Ababa survived the lockdown with government aid and other charity organizations. Fourth, those girls who came from rural areas and working in different businesses were returned back to their homeland.

In Addis Ababa, about 121 WEDP financed businesses are either fully or partially closed. As stated by the WEDP coordinators, from sample phone survey in two sub-cities (Gulele and Krkos) 45 WEDP clients' businesses are totally closed and 77 of them are partially closed during the lockdown. Day-cares, schools, hotel, cafés, fast food shops, beauty salons, garment and textiles etc. are businesses

seriously affected by the pandemic. Thus, by the end of the State of Emergency (lockdown), some of business enterprises downsized the number of their workers. Because the State of Emergency prohibited downsizing during the lockdown. On the other hand, those clients who engaged in merchandise, pharmacy, detergent, and sanitary businesses have very attractive market during the pandemic. WEDP coordinators in other project cities lack organized data about the closed and partially closed businesses during the lockdown.

The impact of COVID was so high particularly for those who got WEDP loan and start business in the immediate eve of the outbreak of pandemic in the country. According to the WEDP coordinators, all WEDP clients who start business on the eve of COVID-19 pandemic closed their businesses. Therefore, these clients face a serious problem to make repayment of their loan for the MFIs. During the lockdown, some MFIs like Oromia Saving and Credit Share Company, gave grace period for WEDP clients up to sixth months by making them pay only the interest rate not the principal. Also, most MFIs gave relief or grace period to their clients to overcome the impact of COVID-19. However, after the lockdown is over, the MFIs ordered their clients to repay their principal loan with interests. This makes a huge challenge for some businesses particularly for those which were closed. If the closed businesses are unable to repay the loan, the MFIs can claim the guarantors or the collateral to get their money back. The seriousness of the situation is explained by one of the WEDP coordinators in Addis Ababa as follows “a man told me bitterly that he will sell his house to pay his wife’s debt from WEDP.” Generally, with the exception of few businesses, all WEDP financed business are faced the problem of repayment with the impact of the COVID-19 pandemic

In all project cities, the businesses of WEDP clients are seriously affected by the pandemic. It is recently that business starts to revive through using safety measures to protect themselves and their customers from the pandemic. Most of the WEDP clients were suffering from house rent during the lockdown. However, some of the owners of the buildings or business houses gave them free of rent offers from one month to three months. In some project cities like Adama, Shashemene, Dire Dawa, and Hawassa, the businesses of WEDP clients are not only affected by the COVID-19 pandemic but also by the political instability.

WEDP clients face different challenges that hinder the performances of their businesses. Nonetheless, the challenges are not uniform across project cities. For instance, as explained by the official of the MSEs, the challenge for WEDP performances in Hawassa are COVID-19, political instability, and the organizational problem of the Omo MFI. In some project areas, the businesses of WEDP clients are more affected by political instability than COVID pandemic. This is particularly the case in Shashemene. For instance, as explained by the OCSSCO manger in Shashemene, the business of twelve women were completely burnt by the political unrest occurred following the death of Hachalu Hundesa. Of whom nine of them are on the process of revival and they request grace period to repay their debt. However, three of them are unable to get back on their business and they are inept to repay their loan. Most of them who lost their business are engaged in trade and service sector. Still the business activities in the town is not normal due to the political tension and COVID pandemic.

WEDP clients who engaged in non-consumable goods and items businesses were stricken hard by the impact of COVID-19. For instance, retailers like boutique owners lost their income, but the interest rate of the WEDP loan is counting on them during the lockdown. Informants explained that most of the WEDP clients used their deposit to remain in business and they were unable to pay their loan for the MFIs. The other burden on WEDP clients during the lockdown was holding their employee for three months without any income. To abide by the provisions of the State of Emergency, many WEDP clients incurred losses through paying salary for their workers. Some WEDP Clients argued that they should be compensated and encouraged to remain in their businesses.

During the lockdown, some WEDP clients were struggling to assure the survival of their family. According to the explanation of WEDP clients and WEDP coordinators, there are some clients who used the money they took as a loan for their businesses to household consumption purpose. These clients are in problem to pay their loan to the MFIs.

### Box 3

#### WEDP clients Reflection about the Impact of COVID-19

My business was almost closed because of the pandemic. I used the deposit that I have in bank to remain in business. The pandemic has immense impacts on the business of women under WEDP loan. Of course, every business is affected by the pandemic. Before the COVID-19 outbreak, my average sales ranges from 1500 to 2000 ETB. After the pandemic, sometimes my daily sales become zero. Of course, my business is not only affected by COVID-19, but also by the political instability. Hence, I am struggling to remain in business (Tigist Assefa at Adama).

I am a retailer of children clothes, shoes and other school materials. The impact of COVID-19 on my business is so serious. To encourage business, the owner of the building gave us two months free of rent. I am really thankful for the owner. During school season, parents used to purchase, shoes, bags, and different utensils for their children. By the impact of the pandemic, children are not fully engaged in schools and parents are not interested to buy school facilities to their children. Peoples are spending much on consumption items than on clothes or shoes. So, I have remained in business by spending my deposit and with the help of relatives (Zinash Tadesse at Adama).

My business is garment and textile and has three sections: training, décor, production and selling. All of these sections were closed during the lockdown except the selling room. Even if the selling room was opened, there was hardly any sales since the production section was not functional. But, I have kept my workers paying them from my deposit. The building owner has given me relief or grace period for seven months. Now, I am paying the accumulated house rents after I start business activities again. I have got 250,000 ETB free of collateral through psychometric program and its interest rate is 21%. Currently, I face a challenge pay the loan. (Marta Kebede at Adama).

I am the owner of hotel and restaurant. My business was extremely beaten by the impact of COVID-19 pandemic. During the lockdown, my business was totally closed. However, I was not given a relief time by the MFI (ACSI) to revive from my economic downturn. I was paying the loan during the lockdown from my deposit in the bank. With all these problem I still maintain my workers (Tadelech Waseye at Merawi).

#### 6.10. WEDP Contribution to the Community of the Project Cities

In the existing WEDP and the upcoming WEDP AF project cities, there are government and non-governmental MFIs that provide loan to the customers. ACSI/Amhara Credit and Saving Institution in Amhara region, OCSSCO/ Oromia Credit and Saving Share Company in Oromia region, Dedebit microfinance in Tigray region, Dire Microfinance Institution in Dire Dawa City Administration, Harar Microfinance Institution in Harari region, and Omo Microfinance Institution in SNNPR are among others government owned microfinance institutions. The private microfinance institution which provide loans for clients include Meklit Micro Finance Institution Share Company, Agar Micro Finance Share Company, Vision Fund Micro Finance Institution Share Company, Metemamen Micro Financing

Institution Share Company, Harbu Micro Financing Institution Share Company, etc. However, both governmental and non-governmental microfinance institutions do not have special loan schemes for women as it is the case in WEDP.

WEDP is implemented in ten cities and eighty-nine satellite towns including Addis Ababa. Currently, there are about 40,599 women who got services or looking for services from WEDP. Out of this, around 22,646 women took entrepreneurship training and about 18,000 of them took loans which amounted to 4.7 billion birr. Before the COVID-19 pandemic, the repayment rate of the loan is 98.4% but now it is declined, and clients are requesting extensions of loan period. WEDP is expanding its scope to include more women to the loan scheme. Accordingly, while the participant MFIs increased from 8 to 12 and then to 16, the project cities increased from 6 to 10 and then 18. Five emerging cities, such as Jijiga, Semera, Harar, Gambella, and Assosa will also be involved in the WEDP AF soon.

It is a bare fact that women are the disadvantaged group in Ethiopian society and WEDP is believed to solve the financial problem related with their business for those who are in the business and also for those who want to start business. As stated by informants during the fieldwork, WEDP is a loan for women that has contributed more than the government system do to them. Several model businesswomen are created with the loan from WEDP.

In view of the MFIs, WEDP has solved the financial problem they faced in providing special loan for women. WEDP helped the microfinance institutions to extend their outreach services to include more women. This loan enhanced the economic capacity of women because they got working capital and this helps them to create job opportunity. The participating microfinance institutions explained that WEDP has provided better amount loan than other schemes of loan. MFIs remarked that their clients are successful and most of the WEDP clients took loan more than once. As stated by the Oromia Credit and Saving Share Company (OCSSCO) branch manager of Shashemene, though the current business activities are not attractive, its clients are paying their loan as scheduled with the exception of few.

WEDP is different from other loan schemes in the banks and MFIs in that it arranges training for its clients for free. Besides entrepreneurship skill training, the training also includes issues such as, environmental protection, social protection, and occupational health and safety. Although there are WEDP clients who give little care about occupational health and safety, and environmental and social protection, the majority of WEDP clients are working in accordance with the laws of the country and World Bank guidelines. By doing these, WEDP clients' enterprises significantly reduce the social and environmental impacts of their enterprises. These can be taken as lesson by the GoE and by the World Bank in implementing other projects.

According to the explanation WEDP country coordinator, WEDP is successful in its mission. On the average, WEDP financed business has employed three persons. Clients enhanced their income using the financial loan from the project. Besides its contribution in enhancing the income of WEDP clients, WEDP has also benefited the community of the project cities in different ways. First, there about 18,000 WEDP clients who took loan and have been working to enhance the performance of their businesses. Consequently, different suppliers who are not WEDP clients are also benefited from the project through supplying different items of goods and raw materials to the clients. Second, WEDP has created job opportunities for the vulnerable groups particularly for females. Accordingly, one can simply observe several women and girls working in different WEDP clients' enterprises. Hence, WEDP created job opportunities especially, for the members of the vulnerable groups. Third, through expanding their businesses, WEDP clients are paying more taxes to the government which in turn invested to different development activities. Finally, WEDP has also boosted the psychology of many women to aspire for change and advancement by looking the success of WEDP clients.

### 6.11. Grievances Redressing Mechanisms

A grievance redress mechanism (GRM) is a set of arrangements that enable local communities, employees, and other affected stakeholders to raise grievances on WEDP AF and seek redress when they perceive a negative impact arising from the project activities. It is a key way to mitigate, manage, and resolve potential or realized negative impacts, as well as fulfil obligations under international human rights law and contribute to positive relations with communities and employees. GRMs have been operated with varying degrees of success.

The WEDP AF GRM will be strengthened and expanded to better serve communities by leveraging the existing public grievance management system. The GRM will be more accessible to local communities, subproject workers and other stakeholders to allow for a clear communication channel for any individual or group of people who believe that they have been adversely impacted by the activities of WEDP AF businesses. The PMT and PIU in collaboration with concerned Regional Urban Food Security Agency (ReUJCFSA), city MSEs agencies, MFIs and TVET agents will make the public aware of the GRM through different awareness creation forums and outreach services. Contact details in support of the mechanism will be publicly disclosed and posted in the enterprises and participating financial institutions. These will also be incorporated in the WEDP AF information materials (e.g. reports, magazines, brochures, flyers and posters). All grievances will be monitored and reported on a quarterly basis. (The details of GRM are found in the WEDP AF ESMF document)

#### 6.11.1. Guiding Principles of GRM

The core guiding principles of GRM include:

- ✓ **Legitimacy and objectiveness:** its governance system is widely perceived as independent of the conflicting parties.
- ✓ **Accessibility:** the grievance provision mechanisms should be easily accessible for any person or organization that have complaints on WEDP AF subprojects. Individuals who have wish to submit grievance, complaints or concern should not be deterred because of barriers such as language, cost, fear of reprisal, being illiterate, etc.
- ✓ **Predictability:** it offers a clear procedure with time frames for each stage and clarity on the types of resolutions/verdicts.
- ✓ **Fairness:** its procedures are widely perceived as fair, equitable and unbiased, especially in terms of access to information and opportunities for meaningful participation in the final decision.
- ✓ **Responsiveness:** Complaints are acknowledged in a timely manner, addressed promptly and according to order of urgency, and the complainant is kept informed throughout the process with an opportunity to appeal against the final order if he/she is unsatisfied
- ✓ **Rights compatibility:** its outcomes consistent with applicable national and international standards;
- ✓ **Cultural appropriateness:** the design and operation of the grievance mechanism should consider cultural differences, and the broader social and institutional environment while adhering to legal and constitutional obligations
- ✓ **Social Inclusion:** a multiple channel modality promotes an equitable participation of all, particularly inclusion of the poor and marginalized. There must be multiple platforms available to citizens to submit grievances either orally, electronically or in written form in their native language.
- ✓ **Transparency:** its procedures and outcomes should be transparent enough to win the public trust.

- ✓ **Confidentiality:** privacy for complainants should be honoured i.e. the personal information of the complainant should be kept confidential and only used for the purposes of addressing the complaint and follow up actions.
- ✓ **Capability:** implemented with adequate technical, human, and financial resources to deal with the issues at stake or regularly review and act upon grievances data, trends and systemic issues; and
- ✓ **Feedback:** serves as a means to channel citizen feedback to improve project design, implementation, and outcomes.

#### **6.11.2. Procedures of GRM**

The PMT and PIU, in collaboration with ReUJCFS, MSEs agencies, MFIs and TVETs will ensure the effective use of the national GRM that allows any person to submit his complaints or concerns regarding the activities of the WEDP AF subprojects. Consequently, the reception of complaints should be acknowledged, and resolutions and feedback will be followed accordingly. Multiple levels of structures include: Kebele Grievance Redressing Council (KGRC), Woreda Grievance Redressing Office (WGRO), Regional Grievance Redressing Mechanism (RGRM), and the different levels of court system as last resort.

The grievance handling process shall also consider the customary conflict resolution mechanisms that are widely practiced within the communities of respective WEDP AF project cities. The customary institutions will play pivotal role in resolving disputes that can be occurred because the activities of WEDP AF subprojects by realizing the historical and existing societal realities.

When informal dispute resolution as well as the OSS and hotline system has not sufficiently delivered a resolution, the complainants may submit grievances to KGRC. The KGRC is composed of five individuals from elderly people, women, youth and religious leaders. The representative of the kebele administration council will serve as a focal point for receiving and recording grievances. If the appellant is not satisfied with the verdict of the KGRC, he/she will take the case to WGRO. The wereda level office either approve the verdict given by KGRC or nullify and give new decision. However, if still the complainant is not yet satisfied to the resolution, he/she can take the issue at regional level and beyond, particularly to the court system. The GRM procedures at all level of structures shall follow at least six procedures: uptake, screening and assessment, resolution process, response, implementation, and monitoring.

##### **i. Up-take**

Receiving and registering grievances is the first stage which is performed by the grievance officers or focal persons, as appropriate. Multiple uptake-channels of entry should be available, including face-to-face meetings, written complaints, telephone conversations, hotline system, SMS, and e-mail to avoid risks of stigmatization, rejection and reprisals particularly against the vulnerable and survivors of GBV, and SEA/SH. The GRM should assist GBV survivors by referring them to GBV Services Provider(s) for support immediately after receiving a complaint directly from a particular survivor. The complainant has the right to remain anonymous. The grievance officer/focal point shall provide a complainant with a written testimony on the spot acknowledging the receipt and detailing the next step it will take. Complaints should be submitted free of charge or with negligible amount of cost in the form of charge incurred for telephone/cell phone, email or SMS and this should be made clear to the local community through different channels of communication.

##### **ii. Screening**

Screening of complaints encompasses determining of the illegibility of complaint such as, whether the matter is within the competence of Public Grievance Redressing Mechanisms (PGRM) organs or not. It also includes checking exhaustively the available resolutions including referring the matter to higher level PGRM structures.

### **iii. Resolution Process**

The grievance officer sets forth a resolution approach based on the outcome of the independent assessment or screening results. A resolution approach is the proposal in which the complainant and subproject or other WEDP AF structure come together to discuss on the proposed resolution from the independent assessment. Upon discussion between the conflicting parties, the resolution should be moulded into an acceptable solution for both parties. This process should be minute and will be made available upon request.

### **iv. Response**

Following the investigation, the grievance officer or focal person formulates a written response on the decision and resolution process. A response will include: a) the complaint and issues that are taking into consideration in the response, b) the view of each party about the issues, c) the rationale for the decision, d) the decision and approach to resolution. All responses are reviewed and approved by the head of the grievance offices, as the highest responsible officer for grievance in the respective PGRMs. Either party may appeal against any final judgment rendered by the subordinate PGRM structures.

### **v. Implement**

The PGRMs will work with the public to find a positive way forward and to take ownership of the issue and the solution. If unacceptable solution is found, the grievance officer makes an outcome report of the proposed resolution and the report will be conveyed to the complainant and all other parties. Then, complainant can choose submitting an appeal to the higher level.

### **vi. Monitor**

Monitoring and evaluation is a process that helps to improve performance and achieve results. Monitoring and evaluation are used for measuring the effectiveness of the GRM and the efficient use of resources. Monitoring helps to identify recurrent claims that may require structural solutions and enables the project to capture lessons learned in addressing grievances. Monitoring and reporting also create a base level of information that can be used by the project to give information back to communities.

The Project Implementing Agencies at the federal, regional, kebele, and woreda levels shall form a monitoring team and conduct periodical monitoring mission to track the implementation of GRM. It is imperative to establish clear indicators while evaluating the performances of the PGRM. Some of the possible indicators include:

- ✓ number of established functional PGRMs at different levels;
- ✓ number of complaints registered;
- ✓ number or percentage of complaints resolved;
- ✓ percentage of grievances addressed in set time frame;
- ✓ percentage of grievances handled with OSS/hotline/formal PGRMs;
- ✓ number of GBV, or SEA/SH related cases referred to the service providers.
- ✓ times taken to redress grievances (disaggregated by different types of cases);
- ✓ percentage of complainants satisfied with the response and the GRM process;
- ✓ percentage of grievances appealed to higher levels in the GRM structure (such, courts)

### **6.11.3. Grievances on WEDP activities**

During the fieldwork, the target communities were asked about their grievances on the WEDP funded subprojects. However, despite some complaints from WEDP clients' employees (women and girls) about exploitation and harassment, there is no significant grievance about subprojects from members of the community. Instead, several complaints were forwarded by WEDP clients, training institutions, trainers, and others. The complaints revolve around the interest rate of the loan, the collateral, the training, and other administration issues. For instance, some of the WEDP clients who attended the entrepreneurship training were complaining about the discomfort of the training venue. As explained



by the WEDP coordinators in Addis Ababa, the entrepreneurship training is given in hall which is inconvenient for the trainees.

Absence of per diem for the trainees is one of the common grievances of WEDP clients mentioned during the fieldwork. Per diem is a common experience in Ethiopia for trainings, seminars, workshops and meetings. The WEDP clients are coming to the training venues with this expectation. When they heard that there is no per diem for trainees, they thought as they were cheated by the WEDP coordinators and other responsible officials. However, the trainees have refreshment budget. As suggested by clients, OSS staffs, and WEDP coordinators, it is better to give modest per diem for the trainees by avoiding the refreshment cost to motivate them for the training.

By explaining the existing inflation rate, the participating training institutions asserted the need for the revision of payments per trainee. WEDP is paying for the participating training institutions 840 ETB and 1365 ETB for entrepreneurship and practical skills trainings respectively, per trainee. The practical skill training is delivered from 15 days to 3 months, whereas, the entrepreneurship training is given for 40 hours. According to the officials of the training institutions, TVETs/Polytechnic colleges are incurring costs through purchasing different items for practical training. Besides, WEDP is also blamed for not making the payment on time for the training institutions after the end of the trainings.

Another grievance raised by the trainers or teachers from the participating training institution is the professional fee payment. There is no uniformity in the rate of payment for the trainers across TVETs/polytechnic colleges. But, WEDP coordinators explained that the existing rate of payment for trainers is 100 ETB per hour. In some TVET institutions the trainers were bitterly complaining the rate of payment. For instance, in Bahir Dar Polytechnic College, the rate of payment is 50 ETB per day and the staffs refused to engage in the training. Accordingly, the college has never given any skill training to WEDP clients for the last two years. Similarly, in Hawassa polytechnic College, the professional fee payment ranges from 40 to 60 ETB per hour.

Some WEDP clients accused of the MFIs for unfair treatment. For instance, one WEDP clients in Adama blamed Oromia Credit and Saving Share Company (OCSSCO) for nepotism and she took her case to the head office of the MFI. According to the WEDP coordinator in Adama, the owner of "Selam Shuro" complained that she was unfairly treated by this microfinance institution arguing that OCSSCO gave better loan for businesses which have less performance capacity than her. She requested 2 million ETB loan, but she was given 700,000 ETB. However, the effort made to get information about the final decision on her complaint was failed.

Similarly, the Hawassa branch of Omo MFI was blamed for maladministration and corruption. According to the WEDP coordinator, in this institution, the women are required to give some portion of the loan they took from this MFI to the professionals or officials. This is a serious corruption that needs an immediate correction measures for the success of WEDP objectives. Omo MFI is also blamed for not providing loan for those businesses which have better capacity. For instance, a business called Abeba Sweater is denied loan although her business has the potential to grow and to repay the loan.

Another attempt of corruption was occurred in Boricha (within 50 km radius from Hawassa). The woreda Trade Office director of the town collected some amount of money from the WEDP clients promising that he can facilitate better amount of loan for them. However, the women did not get the loan as promised by the Trade Office due the criteria of WEDP. This brought a huge discontent and it was a public news through South Television. As explained by the WEDP coordinator of Hawassa, she will not go to Boricha for any outreach services because the women thought as she is the obstacle for them to get the loan.

The other common complaints from the clients are the valuation given for their assets as collateral. Although valuation has its own procedures and techniques, the clients feel that their collateral to microfinance institution are given less value. This complain was forwarded because the clients know the current market values of their asset. One of the WEDP clients at Bahir Dar explained that the value given for her house as collateral was far behind from the current market. To put in her words, “If in case, I fail to pay my loan, the MFI will make the valuation as a starting value for the auction to sale the house. Hence, my house will be sold below the existing market value and this will make me a looser from the auction since the extra money beyond the debt that I incurred should be given to the owner of the house.”

WEDP clients are complaining about the interest rate, the collateral and long procedures to get the loan. After they took the training organized by OSS and project coordinators, WEDP clients who are qualified for collateral requirement wait for long to get the loan. But, for most of them, the obstacle to get loan is the collateral requested by the MFIs. Hence, the need to look for new modalities of loan is a pressing issue to benefit those women who are not qualified for the collaterals required by MFIs. WEDP should discuss with PMFIs for alternative loan besides the loan with collateral.

The above complaints are clues of dissatisfactions about WEDP from its clients and other pertinent stakeholders. In the existing WEDP, grievance is collected and redressed through the hotline system, OSS, and Public Grievance Redressing Mechanisms (PGRM) organs. However, it is a matter of debate to what extent grievances are collected and redressed through the mechanisms mentioned above. During the social assessment fieldwork for WEDP AF, it is observed that clients and other stakeholders are blaming WEDP for different reasons. Therefore, besides the existing GRMs, WEDP AF should establish Central Grievance Desk (CGD) at federal level composed of PMT, PIU, and WEDP project office to monitor the performance of the grievance redressing mechanisms mentioned earlier. The CGD will be compose of five members two from each PMT and PIU, and one from WEDP project office. The CGD will be headed by the representative of WEDP project office and will evaluate the performances of the GRMs on quarterly basis and provide feedback for the GRMs and to the public.

WEDP AF should build the capacity of grievance redressing system so that the lessons learned can be duplicated and institutionalized for other WB projects. Grievance report should be made quarterly, provide access to repositories of information and resources, publications, trainings and consultations that would benefit horizontally the WEDP AF structure.

#### **6.11.4. Customary Dispute Resolution Institutions**

The customary dispute resolution mechanisms in Ethiopia are playing an important role in resolving crimes of any kind to maintain peace and stability in the community though they are not recognized by law and not properly organized. The emphasis of the customary institutions is the restitution of victims and reintegration of offenders. In so doing, customary institutions are working to restore the previous peaceful relationship within the community through avoiding any form of revenge and counter revenge. With this notion, some important customary dispute resolution institutions which exist within the community of the existing and upcoming project cities will be discussed as follows. However, these customary institutions are not representing the diverse ethnic groups living in a town or city. Therefore, customary institutions which belongs to the dominant ethnic groups in terms of social, economic, and political spheres are selected and described for each project city. For instance, in Hawassa, the Sidama is the dominant ethnic group and thus the indigenous conflict resolution mechanisms of the Sidama people are presented for the purpose of WEDP AF social assessment. Otherwise, it is difficult to narrate about the customary institutions of each ethnic group living in WEDP AF project cities.

#### 6.11.4.1. Indigenous Conflict Resolution among Sidama

According to informants, indigenous institutions among the Sidama have played a pivotal role to maintain peace and security within the community. There are several indigenous institutions among the Sidama community that are still widely existed and respected. The main duty of these institutions is to deal with injustices to settle disputes among different groups of the community. There are four major indigenous conflict resolution institutions among the Sidama community. These are “Woma” (Hamlet level institution), “Gaanna” (Sub-clan institution), “Karichcha” (Clan level institution), and “Garo” (General assembly that includes all clans).

#### 6.11.4.2. Customary Dispute Resolution among Woliya

There are various dispute resolution mechanisms among the Woliya community among others Chako, Chucha Chitcha, and Chimeteta, are the main ones. Each of them has its institutional structures and process. Chako (similar to „oath“), which is mainly designed to resolve tribal disputes arising of grazing land, border, cattle theft, and the like. Chucha Chitcha (blood compensation), which is the second type of dispute resolution mechanism among Wolayta and is designed to resolve issues of homicide. Chimeteta (reconciliatory activities) is an institution that is designed to resolve minor disputes such as divorce, inheritance, theft, simple robbery, family disputes, husband-wife peer disputes, neighborhood disputes, abduction, and the like.

#### 6.11.4.3. Customary Dispute Resolution among Oromo Community (Shashemene/Adama)

There are many indigenous conflict resolution mechanisms among Oromo in general and of Arsi in particular. Oromo people have various conflict resolution mechanisms such as *jaarsumma*, *gumaa*, *siinqee*, *shanacha*, *michuu*, *harma hodhaa*, etc. However, the most common indigenous dispute settlement mechanisms among the Arsi Oromo in Shashemene area are *siinqee*, *jarsummaa*, and *gumaa*. The latter two are common among all Oromo community, while *siinqee* is largely practiced among the Arsi Oromo

Among the Arsi Oromo, Siinqee is customary dispute resolution run by the female members of the community. Although the institution will resolve different conflicts, it has a great role in resolving conflicts between spouses. Jarsumma is the process of handling conflict by „jaarsa biyya“ which means elders. Elders who are reputed for having a deeper understanding of social values, rules, and customary law of the society are requested to see the case when conflict takes place within the society. Gumma is another basic institution used to settle disputes among different Oromo clans who entered into conflicts against one another particularly when life is lost. It is a mechanism that restores peace and stability based on justice and truth. Gumaa is a justice-based social institution that compensates the victim by punishing the criminal.

#### 6.11.4.4. Customary Dispute Resolution among the Amhara (Bahir Dar/ Deberemarkos)

In many parts of the Amhara region, the main indigenous conflict resolution mechanism is the *Shimgelina*. *Shimgelina* is a peace deal process run by five *Shimageles* (elders) who are appointed by the disputing parties themselves based on their choice. Many people in the Amhara region prefer the indigenous system of conflict resolution because of its accessibility, low cost, and trust. To make the system more acceptable by the conflicting parties, it is paramount but not mandatory to make at least one of the five Shimageles to be a priest. Usually, the priest is leading the process as a chairman; if not, one of the other sitting elders can serve as chairman of the conflict resolution process. The chairman is in charge of making sure that both conflicting parties receive a fair hearing. After the process is completed and bears something good, former conflicting parties contribute something like preparing food and other local beverage for the elders.

#### **6.11.4.5. Customary Dispute Resolution Mechanisms among the Somali (Jijiga/Dire Dawa)**

Empirical data from police and courts show that the community in the Somali Regional State prefers to solve their disputes through customary dispute resolution mechanisms. Disputes in the Regional State are of two types, namely, collective and individual disputes. In the case of collective disputes, the situation is handled politically with the help of elders. In the case of individual disputes, often, it is solved by the elders even before the case comes to the knowledge of the formal institutions. Even if a case has already come to the attention of the police, usually the elders try their best to take the case and solve it traditionally.

Xeerbeegti is one the most important customary dispute resolution institution among the Somali. It has jurisdiction over any kind of dispute arising among the Somali community. There is no distinction between criminal and civil cases. In most cases, there may be more than one Xeerbeegti. In such cases, there will be hierarchical levels. For instance, sub-clans may have their Xeerbeegti and but at a clan level, they have one common Xeerbeegti. If a person is dissatisfied with the decision of the sub-clan 'Xeerbeegti', he can appeal to the clan Xeerbeegti (Seid and Jote, 2008).

#### **6.11.4.6. Customary Dispute Resolution Mechanisms among the Hararis (Harar)**

The Harari People have a longstanding tradition of self-rule, cooperation, and maintenance of peace and order through its respected traditional institutions. There are five common institutions among the Harari people. These are *afocha*, *mureno*, *baha*, *jemeha*, and *guza*. *Afocha* is an egalitarian cultural association for help at death, weddings, sickness, etc. *Mureno* is women's traditional association of help for good and bad times known as 'kitchen association'. *Baha* is also an association of women of comparable age, economic and social status for giving money during deaths and weddings. Similarly, *jemeha* is a women's association for saving money. Finally, *guza* is a peasants' association for help in farming, cultivation, and harvesting.

Among the above traditional institutions, the *afocha* is the prime Harari institution entrusted with the function of settlement of disputes. The term *afocha* in Harari language means neighbourhood. *Afocha* in its institutional sense is an association of neighbours participating in various social activities (Yusuf 1965:125).

Even though the institution of *afocha* is primarily designed to facilitate cooperation between members in various social situations, settlement of disputes through customary negotiation, arbitration or mediation is its significant role. If a conflict happens within members of an *afocha*, it should be solved there without going to court and without the intervention of anybody else. Therefore, it can be said that settlement of disputes under the *afocha* arrangement is the role of the association accepted by members at the moment of admission.

### **7. Subproject Environmental and Social Assessment/ screening, review and approval**

The environmental and social screening of the subprojects should be made by MFIs in consultation with the counterparts of the Environment, Forest and Climate Change Commission (EFCCC) in each project city, when available. Based on the screening of subprojects, the local Environmental Protection Authority can decide whether site-specific proportional environmental and social management plans (ESMPs) are required, if sub-projects screened as Category B. A full ESIA will not be anticipated for this project due to the scale and nature of potential risks and impacts of the project.

The WEDP AF supported activities are not likely to generate significant negative environmental and social impacts because the project does not involve activities that have a high potential for harming people and the environment. Such subprojects are excluded from financing by the AF. The potential impacts that could be generated from the proposed project activities are expected to be temporary, reversible, low in magnitude, and site specific.

The environmental and social screening procedures can lead to one of the following decisions:

- ✓ For activities classified as category B, it will be required that the appropriate level of environmental and social impact assessment be carried out, and Environmental and Social Management Plan be prepared. The ESMP should be approved by implementing agency - Environmental and Social Specialist of PMT under DBE.
- ✓ For activities classified as category C, no further environmental and social assessment will be required; but mitigation measures taken will be reported according to the monitoring plan.
- ✓ Equally with the social and environmental impact assessments results, the proposed occupational health and safety (OHS) measures can also lead to the approval or non-approval of the sub projects for both categories

In addition, the environmental and social screening checklists are annexed in Annex viii.

## **8. Community and Stakeholders Consultation on WEDP AF**

Community consultations were made in five existing and five upcoming WEDP project cities. These include Addis Ababa, Adama, Hawassa, Dire Dawa, Bahir Dar, Shashemene, Woliyta Sodo, Deberemarkos, Harar, and Jijiga. Despite participants' expectations for remuneration, the community consultations were successfully completed in all the existing and upcoming project cities. This section will summarize the basic challenges and risks identified during the consultation sessions. While a challenge is an event that has already occurred, a risk is an event that could possibly occur in the future.

Community consultation is held with the intention of creating platforms for the target communities to speak out their doubts, concerns, and fear over a development project intervention. The consultation further envisages to identify workable responses and solutions for anticipated social, cultural, economic, political, and environmental problems that will be occurred because of the project. If done well, community consultation can empower community members by strengthening their personal capacities and the capacity of their communities.

In each of the existing and upcoming project cities, consultations were made with selected individuals about WEDP AF. For each consultation session, a group of five to six individuals participated. Although most participants were women, some men were involved in the discussion sessions. To get divergent views from the community consultation session, teams were intentionally organized from WEDP clients, from people who are living around WEDP clients' enterprise, and from those individuals who do not even know about the existence of WEDP. Members of the local communities were involved in the community consultation with the aim of grasping as much information as possible about the social and environmental impacts of WEDP clients' enterprises. On the other hand, WEDP clients are involved in this consultation to assess the challenges they encountered under the existing WEDP and to take corrective measures in the implementation of WEDP AF. MFIs, WEDP coordinators, OSS staffs, and MSEs agent officials are also consulted to explore the challenges and weaknesses of the existing WEDP to acquire important lesson in implementing the upcoming WEDP AF.

In each discussion session, the participants were briefly deliberated about the activities, objectives, and motives of the existing WEDP before explaining the purpose and objective of WEDP AF. Once the participants understood the purpose and objectives of the existing WEDP, explanation was made about the upcoming WEDP AF. In this regard, the participants understood the difference between the two projects although WEDP AF is an extension of the existing WEDP. Then after, they were asked their informed consent whether to participate or not in the consultation session. The discussion points

were raised as indicated in the checklists annexed under annex IV. The consultant played a moderation role and the participants were encouraged to suggest possible solution for the issues they raised as concerns.

Several concerns about WEDP AF were raised during the community consultation sessions. Those participants who have knowledge about the existing WEDP, were commented on the upcoming WEDP AF from their experiences on the existing project. There are different reactions from the participants about the objective and anticipated success of WEDP AF. Some of them have seen WEDP AF as a good opportunity for women particularly for businesswomen but others have explained their reservations about it. One of the concerns for participants about the project is the demand for collateral by the MFIs to get the loan. According to the participants, women are economically disadvantaged group and they are not the decision-maker on the family asset. Thus, it is difficult for them to provide collateral to get the loan. To overcome this problem, the participants suggested that WEDP AF should arrange different loan schemes including without collateral. If there are different loan schemes, more women will be benefited out of the project.

The other debate on the WEDP loan is the demand for high interest rates by the MFIs. The participants argued that if WEDP is a special loan to women, the GoE should avoid the interest rate or at least minimize it to encourage the economic capacity of women. Otherwise, they contended that what makes WEDP different from other loan schemes in the banks and MFIs. With the existing high-interest rate and the demand for high valued assets as collateral, WEDP AF can serve only the purpose of the well to do, not the poor women. Therefore, the participants agreed that WEDP AF should have discussion with the MFIs and other stakeholders to reduce the interest rate for WEDP loan.

Some of the participants in community consultation raised their worries about the challenges from husbands to get the loan. Ethiopian society is patriarchal in nature and thus, women have little or no role to decide over important assets of the household. Female participants raised their concerns that husbands will not allow the women to provide the family assets as collateral for the MFIs. Some of the participants further commented that husbands may not even interested at all in the business activities of their wives. As possible solution, the participants commented that the outreach services of WEDP AF should include both the wife and the husband. The husbands should be informed and advised about the benefit of the loan for the entire household by OSS staffs and WEDP coordinators.

The other worry of the participants about WEDP AF is that the country is in political turmoil, and business activities require a peaceful environment. So, taking the loan without a conducive business environment may lead women to bankruptcy. This in turn resulted in the loss of the family assets provided as collateral for the MFIs. COVID-19 pandemic is also mentioned as one constraint to utilize WEDP AF loan. The participants asserted that because of the pandemic, business activities are not attractive. Finally, they concluded that settling political turmoil is up to the government although the role played by the society is undeniable. But, concerning COVID-19, it is possible to engage in business using safety measures. Concerning COVID-19, the participants agreed that by strictly adhering to WHO and MOH protocols for prevention of the pandemic, it is possible to run businesses.

The absence of Islamic loans in the existing WEDP project cities is mentioned as one of the weaknesses of the project. Muslims argued that if WEDP AF is continued in the same fashion as it was before, the project will not have any contribution for the Muslim businesswomen. Accordingly, the participants unanimously agreed that WEDP AF should come with Islamic loan schemes.

The probability of child labor and sexual harassment are also mentioned as concerns for the upcoming WEDP AF. As explained by WEDP clients during the consultation, they often owned small businesses

which are run by family labor. Thus, owners might have to use the labor of their children or members of the households who are under eighteen for businesses. This is witnessed during the fieldwork in some businesses of WEDP clients. For instance, during the fieldwork in Dire Dawa, under eighteen girl was found working as salesgirl in boutique of her mother who is a WEDP client. WEDP clients, WEDP coordinators, and OSS staffs explained about incidences of sexual harassment or abuse in processing the loan, particularly in the MFIs. In this regard, incidents of corruption and nepotism are mentioned in a few PMFIs. Therefore, the participants suggested that WEDP AF should strengthened its training given to the clients. The training materials should be revised to include the issue child labour, sexual harassment, sexual exploitation and abuse, and gender-based violence. Simultaneously, MFIs officials should be made alert about the incidents of SEA/SH/GBV.

During the community consultation sessions, several issues are identified as challenges and risks of WEDP AF. For the sake of simplicity, the anticipated challenges and risks for WEDP AF that were frequently mentioned in the community consultation session of each project city are summarized as follows.

### **8.1. Summary of Key Informants Interviews**

**Inclusion and exclusion in the existing WEDP:** By the explanation of key informants, the main beneficiaries of the WEDP loan are those women who came from the middle class. The upper class are the well to do and do not need this loan. The middle class are the main beneficiaries because they lack the financial capital to enhance the performance of their business but they have the required assets to provide as collateral or can have the opportunity to get human guarantors to get the loan. However, women from the lower class (the poor and the poorest of the poor) are in need of the loan but they do not have properties for collateral and they also lack access to get human guarantor. The vulnerable groups (the poor and the poorest of the poor) are eager to get the loan to enhance the capacity of their business. WEDP city coordinators explained that to benefit the vulnerable group, WEDP loan criteria should be improved. According to them, the WEDP loan amount should be restructured to the levels of the vulnerable groups repayment ability. With this arrangement, it is possible to include these groups with a minimum threshold loan which is below the existing minimum WEDP loan offered by MFIs. It is also important to note that since the poor are incapable to provide collateral, loan should be provided by evaluating their business capacity and by making one poor business women a guarantor for the other.

**The impact of COVID-19:** The impact of COVID on the vulnerable groups are so immense. Several businesses including WEDP clients were closed because of the pandemic. This in turn made many workers jobless. For instance, those girls who were employed in different businesses areas like hotel, cafe, beauty salon etc., were lost their job because of COVID-19. Women who provide *injera* and other provisions for the hotels and restaurants were lost their business during the lockdown. As explained by several key informants, the vulnerable groups survived the lockdown in the following ways. First, those who were employed were made to earn their salary for three months by the provisions of the State of Emergency. Second, those women who engaged in petty trade like *injera* baking continued their business but changed their provisions from hotel to street vending. Third, some of the most vulnerable groups in city like Addis Ababa survived the lockdown with government aid and other charity organizations. Fourth, those girls who came from rural areas and working in different businesses were returned back to their homeland.

In Addis Ababa, about 121 WEDP financed businesses are either fully or partially closed. As stated by the WEDP coordinators, from sample phone survey in two sub-cities (Gulele and Kirkos) 45 WEDP clients' businesses are totally closed and 77 of them are partially closed during the lockdown. Day-cares, schools, hotel, cafés, fast food shops, beauty salons, garment and textiles etc. are businesses

seriously affected by the pandemic. Informants explained that most of the WEDP clients used their deposit to remain in business and they were unable to pay their loan for the MFIs. The other burden on WEDP clients during the lock down was holding their employee for three months without any income. To abide by the provisions of the State of Emergency, many WEDP clients incurred losses through paying salary for their workers. Some WEDP Clients argued that they should be compensated and encouraged to remain in their businesses. On the other hand, those clients who engaged in merchandise, pharmacy, detergent, and sanitary businesses have very attractive market during the pandemic.

The impact of COVID was so high particularly for those who got WEDP loan and start business in the immediate eve of the outbreak of pandemic in the country. According to WEDP coordinators, all WEDP clients who start business on the eve of COVID-19 pandemic closed their businesses. Therefore, these clients face a serious problem to make repayment of their loan for the MFIs. During the lockdown, some MFIs like Oromia Saving and Credit Share Company, gave grace period for WEDP clients up to sixth months by making them pay only the interest rate not the principal. Most MFIs gave relief or grace period to their clients to overcome the impact of COVID. However, after the lockdown is over, the MFIs ordered their clients to repay their principal loan with interests. This makes a huge challenge for some businesses particularly for those which were closed. If the closed businesses are unable to repay the loan, the MFIs can claim the guarantors or the collateral to get their money back. The seriousness of the situation is explained by one of the WEDP coordinators in Addis Ababa as follows “a man told me bitterly that he will sell his house to pay his wife’s debt from WEDP.” Generally, with the exception of few businesses, all WEDP financed business are faced the problem of repayment with the impact of the COVID-19 pandemic

Key informants stated that in all project cities the businesses of WEDP clients are seriously affected by the pandemic. It is recently that business starts to revive through using safety measures to protect themselves and their customers from the pandemic. Most of the WEDP clients were suffering from house rent during the lockdown. However, some of the owners of the buildings or business houses gave them free of rent offers from one month to three months. In some project cities like Adama, Shashemene, Dire Dawa, and Hawassa, the businesses of WEDP clients are not only affected by the COVID-19 pandemic but also by the political instability.

In some project areas, the businesses of WEDP clients are more affected by political instability than COVID pandemic. This is particularly the case in Shashemene. For instance, as explained by the OCSSCO manger, in Shashemene, the business of twelve women were completely burnt by the political unrest occurred following the death of Artist Hacalu Hundesa. Of whom nine of them are on the process of revival and they request grace period to repay their debt. However, three of them are unable to get back on their business and they are unable to repay their loan. Most of them who lost their business are engaged in trade and service sector. Still the business activities in the town is not normal due to the political tension and COVID pandemic. Nonetheless, the challenges are not uniform across project cities. For instance, as explained by the official of the MSEs, the main challenges for WEDP performances in Hawassa are COVID-19, political instability, and the organizational problem of the Omo MFI.

**Social conflict:** As stated by different stakeholders, social conflict due to WEDP funded businesses is very rare although there is a possibility. Instead, businesses that got loan from WEDP have created job opportunities for family members and others. According to WEDP’s Country Project Coordinator, clients’ businesses are created job opportunities on the average for three individuals. Particularly, those who are without job after graduation are engaged in their families’ business. Thus, the social conflict is minimal as compared with its job creation for those who were unemployed.



However, in rare case there appeared social conflict because of WEDP financed business. For instance, in Dire Dawa, a woman who engaged in woodwork was in conflict with her neighbours. Accordingly, one of the neighbours accused of her business being disturbing and polluting his family with noise, odour of the chemicals used for production, and the dust that comes out of the wood. Finally, the issue was settled in the court and the WEDP client was forced to relocate her business to another site. This is one incident of social conflict but there might be more if the whole WEDP clients are interviewed.

Although social conflict is very minimal by the WEDP clients' businesses, however, their businesses are greatly affected by the social unrest that were occurred indifferent regions and at different time. These unrest seriously damaged the businesses of the WEDP clients. As it is explained earlier, Shashemene is the hotspot town where the businesses of some WEDP clients ruined totally. In this town the businesses of twelve WEDP clients identified as non-Oromo were burned because of the political unrest occurred following the death of artist Hachalu Hundesa. The OCSSCO manager in Shashemene explained that from the total businesses which were burnt, nine of them are struggling to revive back but the remaining three are unable.

**SEA/SH and GBV:** WEDP coordinators, clients, OSS staffs, and MSEs officials explained that there is less likely for the occurrence of sexual harassment, sexual exploitation, and gender based violence in the WEDP system. They asserted that most of the WEDP clients are adult, matured and self-confident who know their rights and obligations. However, they never ruled out the possibility harassment, exploitation and violence since these kind of activities are considered as taboos are not often disclosed to the public.

There is no officially reported SEA/SH or GBV in the process of WEDP loan procedures. However, the loan process is not free from nepotism and corruption. As explained by the WEDP coordinator in Hawassa, clients are often complaining that they are giving some portion of the loan to the officials or professionals of Omo MFI. However, it is difficult to get tangible evidence for this kind of corruption since it is done secretly. The demand for a portion of loan in this microfinance institution is a serious corruption that needs a close inspection to disclose the fraud with evidences. Similarly, WEDP clients are blaming the OCSSCO branch of Adama for nepotism. According to the clients, there are women who can access better amount of WEDP loan for collaterals of less value compared to others clients. The complainants also argued the businesses of these favoured WEDP clients have less capacity as compared with others. In their explanation, these are clients who have relative or person at the MFI who can approve the loan.

As stated by most of the informants, the most common problem related with gender issue is the refusal of husbands to provide the family asset as collateral for the MFIs. Even some of the husbands are not comfortable about their wives' engagement in in business and WEDP loan. On the other hand, some WEDP clients who do not have the required collateral or guarantors are dealing with individuals through commissioning system to get their loan. For instance, WEDP clients may give 15% from the total loan amount to the one who provide his asset as collateral or who become guarantor for the woman to get the loan. As explained by the WEDP coordinators of Addis Ababa, this is becoming a common practice among WEDP clients to get the loan. The tight system of acquiring WEDP loan lead the women to illegal activities which in turn expose themselves for much exploitation.

**Occupational health and safety (OHS):** Occupational health and safety is the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations. To achieve this objective, a safe and healthy working environment and access to occupational health services should be ensured for all workers as provided for in ILO Convention

(No. Dec. 16, 2014). Similarly, according to WHO (1995), occupational safety and health can be defined as a multidisciplinary activity aiming at:

- ✓ Protection and promotion of the health of workers by eliminating occupational factors and conditions hazardous to health and safety at work,
- ✓ Enhancement of physical, mental and social well-being of workers and support for the development and maintenance of their working capacity, as well as professional and social development at work, and
- ✓ Development and promotion of sustainable work environments and work organizations.

However, the FUJCFSA is against the strict observance organizational health and safety. According to the claim of the deputy director, Ethiopia should not be expected to fulfil the organizational health and safety measures as it is done Europe and US. Safety measure should be taken in the context of Ethiopia. He argued that WEDP business are doing their best to fulfil the OHS standard of Ethiopian.

During the fieldwork, some clients are found providing safety clothes to their workers and other do not. Different WEDP clients' businesses are assessed about their organizational health and safety measures. As explained by key informants, most of the WEDP clients are very keen for occupational health and safety issues in their businesses. In some businesses, despite the availability of safety equipment, workers are not interested to wear or to use the materials. However, some businesses do not have water, toilet, and shower room for the workers. The issue of OHS will continue to be one of the risks in WEDP AF.

**Child Labour:** Officials of MSEs agents, WEDP coordinators, and WEDP clients explained that often women are running small businesses that require family labour. Accordingly, there is a tendency of using child labour in WEDP clients' enterprises. During the fieldwork, under eighteen teenage girls were found working in beauty salon, boutique, and pizzeria at Mojo, Dire Dawa, and Bahir Dar, respectively.

## **9. Summary of Challenges and Risks under existing WEDP**

### **9.1.1. Challenges**

Participants often commented the possible way out of the challenges raised during the consultation sessions. Thus, besides the recommendation of the consultant to mitigate the challenges, the solution forwarded by the participants are also taken into account. The mitigation measures of the challenges are presented under the matrix of Potential Risks, Challenges, Opportunities and Mitigation Measures. The major challenges identified by the communities from the consultations are summarized as follows.

1. ***Fear of high interest rate:*** participants of the community consultation raised the high interest rate of WEDP loan as one of the challenges that deter women to involve in the project. The most frequent comment raised by the WEDP clients, coordinators, OSS, TVET and MSEs officials is the high interest rate of the loan. The women are asking what makes WEDP special than others loan. This is a tough question from women which is difficult to convince them. If there is a significance interest rate difference with other loan schemes of the microfinance institutions, the women will be encouraged to take the loan. Therefore, WEDP AF should discuss the concerns of the clients with concerned stakeholders. It would be more useable loan if WEDP reduced the interest rate of the loan in consultation with the PMFIs. On the other hand, participating micro finance institutions have different interest rate policy. Thus, there should be uniform interest rate policy for WEDP AF loan

2. **The need for high valued asset collateral:** women are the most disadvantaged group who lack high-valued asset collateral to provide for the MFIs to get the loan. Often women are not decision-makers on household assets. Thus, the demand for high valued asset collateral by MFIs is one of the factors that obstruct women from getting a WEDP loan. There are several women who are unable to get WEDP loan since they do not qualify for the requested high value collateral by the MFIs. Hence, there is a common voice from WEDP clients and the community for different loan schemes with or without collateral. Currently, irrespective of the amount of the loan, the clients are requested uniform type collateral by the micro finance institutions, certificate of ownership for house site map and plan. Hence, it is better to revise the existing collateral system in consultation with the microfinance institutions.
3. **Political unrest:** Political unrest is mentioned as one challenge for women to aspire for a WEDP AF loan. In some project cities like Shashemene, Hawassa, Dire Dawa, and Adama, the enterprises of WEDP clients are highly affected by the political unrest. Particularly, in Shashemene several businesses are demolished, burnt, and changed to ash. In the course of data collection, twelve enterprises belong to WEDP clients were found burnt and demolished.
4. **COVID-19:** the menace of this global pandemic is far from over. In Ethiopia, the pandemic is at its peak stage. As a result, the business activities are not as before. Hence, women are afraid of taking the loan for fear of lack of income and failure to repay the loan to the MFIs.
5. **Ethnic tension:** ethnic tension is one of the frustrating conditions for those women who are living in the region which does not belong to their ethnicity. Minorities who are living in a city that does not belong to their ethnicity are afraid of making investment. The participants during the discussion were referring to the violence that occurred in Shashemene and other Oromia region following the death of Hachalu Hundesa. Of course, this is an incidence that indicates the culmination of ethnic tensions in Ethiopia.
6. **Long loan procedures:** community consultation participants are accusing the MFIs of a long process to get a WEDP loan. Some of the WEDP clients explained that many women decline the loan for fear of the long procedures in the MFIs. WEDP clients, city coordinator, OSS staffs, TVET, and MSEs complained about the long procedures to acquire WEDP loan. The OSS staffs remarked that the delay of loan after the women took training is one of the obstacles in their outreach services. Similarly, the TVET argued that the number of trainees is decreasing because the newcomers will get information from those who trained but do not get the loan. Thus, several women develop negative attitude to the WEDP loan and to the training. Thus, too long process is identified as one of the factors that discourage women from WEDP AF loan.
7. **Conflict between spouses:** Participants of the community consultation explained that there appeared conflict between spouses over the issues of collateral and the engagement of women in business. There are husbands who refused to provide the high valued family assets as collateral for the MFIs. Others are against the entire business activities of their wives. These are the sources of conflicts between spouses that refrain women from taking WEDP loan.
8. **Unreachable loan scheme for the poor:** as it was explained during the consultation, WEDP clients are requested to provide high-valued assets as collateral. The majority of women do not have such potential to get a WEDP loan. Therefore, the bulk of women who owned small businesses have no chance for WEDP loans to enhance the performance of their businesses. Hence, the WEDP loan scheme is beyond the reach of the poor. Thus, WEDP AF should expand its outreach services to include the poor and the poorest of the poor. WEDP AF should arrange

a different scheme to include the most at risk groups. Currently, WEDP is not benefiting the poor.

9. **Lack of Islamic Loan:** community consultation participants in Muslim-dominated cities such as Harar, and Dire Dawa blamed the existing WEDP for not having an Islamic loan scheme. The participants argued that Dire MFI, Harar MFI, and Oromia Credit and Saving Share Company (OCSSCO) have Islamic loans in their loan schemes. Of course, Dire, and Harar MFIs are not participating MFIs in WEDP loans. However, OCSSCO is participating microfinance institution but does not have an Islamic loan scheme for WEDP loan. Therefore, there are several Muslim women who took the skill training in WEDP but not the loan. Because in Islam religion it is harm to pay or to accept interest. Thus, lack of Islamic loan is one of the factors that will obstruct women from getting WEDP AF loan.
10. **Poor outreach service:** most of the participants in the existing project cities do not have any information about WEDP. According to them, there are businesswomen who should be potential WEDP clients, but they do not have the information. From this, it is possible to conclude that the poor outreach service is one of the obstacles in bringing more women to the loan schemes. Moreover, some women consider WEDP loan as a grant from WB or GoE for them. This is also an indication of poor outreach services by WEDP coordinators and OSS staff. There is no system of structure that enforce OSS staffs to do the outreach services. They are working the outreach services on their good will. The OSS staffs are reluctant to the activities of WEDP since they get nothing out of it. Thus, the success of WEDP in the project city is based on the personal communication skills of the coordinators. The 500 ETB mobile card allowance at OSS centre level is insignificant. It is better to think incentive to motivate the OSS staffs to the outreach services of the upcoming WEDP AF activities.
11. **Demotivated WEDP Coordinators:** the social assessment also recapitulates the views of the WEDP coordinators about the project activities. Accordingly, they mentioned that as they are unsatisfied with their salary and other benefit packages. All WEDP city coordinators in the sample project cities explained the they are dissatisfied about their salary and benefit packages. This in turn will have negative consequences on the outreach services of WEDP. They also blamed the WEDP office for lack of any capacity building trainings for the employees. The other complaints of the coordinators are salary gap at the project cities and head office with the same qualification. Therefore, depending the financial capacity of WEDP AF, it is good too look the complaints of the coordinators. Because demotivated coordinators, cannot be productive to meet the overall objectives of WEDP AF.
12. **Lack of commitment from the government officials for WEDP:** WEDP is working under the structure of the government. From the discussion with WEDP coordinators and officials of MSEs agents, the government structure is not supporting the project as promised by the GoE. There is a demand from the officials to get some benefit out of the project, but they do not. This is one of the sources of the disappointment of the officials to assist and supervise the project. WEDP should get sense of ownership from the concerned government officials particularly of MSEs. Now, they consider WEDP activities as extra activities of their main duty. Hence, the government officials do not have concern for the project. WEDP is not part of the structure of government hierarchy. Activities that require interventions other than WEDP coordinators are done in terms of good will. For instance, officials facilitate transportation services for WEDP coordinators for the outreach services within 50 km radius from the project

cities on their good will. All these hampered the performance of WEDP. Hence, WEDP AF should have consultative workshop with all responsible officials from the project cities.

13. **Corruption and nepotism:** some WEDP clients explained that there are few microfinance institutions that are blamed for corruption and nepotism. As explained by the WEDP coordinator in Hawassa, clients are often complaining about the claim of officials or professionals from Omo MFI to some portion of the loan they acquired. However, it is difficult to get tangible evidence for this kind of corruption since it is done secretly. The demand for a portion of loan in this microfinance institution is a serious corruption that needs a close inspection to disclose the fraud with evidences. Another attempt of corruption was occurred in Boricha (within 50 km radius from Hawassa). The woreda Trade Office director of the town collected some amount of money from the WEDP clients promising that he will facilitate better amount of loan for them. However, the women did not get the loan as promised by the Trade Office due the criteria of WEDP. This brought a huge discontent and it was a public news through South Television. As explained by the WEDP coordinator of Hawassa, she will not go to Boricha for any outreach services because the women thought as she is the obstacle for them to get the loan. Similarly, WEDP clients are blaming the OCSSCO branch of Adama for nepotism. According to the clients, there are women who can access better amount of WEDP loan for collaterals of less value compared to other clients. Even if the absolute majority of the MFIs are working free of corruption and nepotism, incidences in a few institutions can lead into loss of clients' confidence over the entire MFIs. Therefore, WEDP AF should have consultative meetings with the MFIs on corruption, nepotism and other related issues.
14. **Inconvenient training room:** some of WEDP clients who attended the entrepreneurship training complained about the discomforting nature of the training venue. The training venue is often creating uneasiness for the trainees. This complain is also supported by most of the WEDP city coordinators. For instance, the WEDP coordinators of Addis Ababa city explained the entrepreneurship training is given in hall that the trainees have little access to water and toilets.
15. **Absence of per diem for the trainees:** absence of per diem for the trainees is one of the common grievances of WEDP clients mentioned during the fieldwork. Per diem is a common experience in Ethiopia for trainings, seminars, workshops and meetings. The WEDP clients are coming to the training venues with this expectation. When the trainees realize there is no per diem for trainees, they thought as they were cheated by the WEDP coordinators and other responsible officials. WEDP clients, OSS staffs, and WEDP coordinators recommended to make modest per diem for the trainees by evading the refreshment cost to motivate them for the training.
16. **Demand for the revision of professional fee for trainers:** by explaining the existing inflation rate, the participating training institutions asserted the need for the revision of payments per trainee. Currently, WEDP is paying for the participating training institutions 840 ETB and 1365 ETB for entrepreneurship and practical skills trainings respectively, per trainee. The practical skill training is delivered from 15 days to 3 months, whereas, the entrepreneurship training is given for 40 hours. According to the officials of the training institutions, TVETs/Polytechnic colleges are incurring costs through purchasing different items for practical training. Besides, WEDP is also blamed for not making the payment on time for the training institutions after the end of the trainings.

17. **Lack of Uniformity for professional fee payment:** trainers or teachers from the participating training institution complained about lack of uniformity in the professional fee payment among TVETs/Polytechnic colleges. There is no uniformity in the rate of payment for the trainers across TVETs/polytechnic colleges. In some TVET institutions the trainers were bitterly complaining about the rate of payment. For instance, in Bahir Dar Polytechnic College, the rate of payment is 50 ETB per day and hence, the staffs refused to engage in the training. Accordingly, the college has never given any skill training to WEDP clients for the last two years. Similarly, in Hawassa polytechnic College, the professional fee payment ranges from 40 to 60 ETB per hour. However, WEDP coordinators explained that the existing rate of payment for trainers is 100 ETB per hour.
18. **Non-market based valuation of assets for collateral:** The other common complaints from the clients are the valuation given for their assets as collateral. The clients feel that their collateral to microfinance institution are given less value. This complain was forwarded because the clients know the current market values of their asset. One of the WEDP clients at Bahir Dar explained that the value given for her house as collateral was far behind from the current market.

#### 9.1.2. Risks

A risk is the likelihood of occurrence of events that will have potential adverse effects on the intended development intervention. Risk reflects the likelihood of the unwanted events and their potential consequences. Failure in business, child labour, sexual harassment/exploitation, social conflict, environmental pollution, occupational health and safety, and competition on the same kind of businesses are identified as the potential social and environmental risks associated with WEDP AF. The nature and the extent of these risks are discussed as follows.

1. **Failure in business:** During the community consultation sessions, some women raised their fear of failure in business activities. In the face of uncertainty (COVID-19, political unrest and ethnic tension), there is high risk businesses business failure. They argued that business failure is not without consequences, which will result in the loss of important family assets provided as collateral for MFIs to get loan. This is one of the risk factors that hinder women from claiming WEDP AF loan.
2. **Child labour:** Officials of MSEs agents, WEDP coordinators, and WEDP clients explained that often women are running small businesses that require family labour. Accordingly, there is a tendency of using child labour in WEDP clients' enterprises. During the fieldwork, under eighteen teenage girls were found working in beauty salon, boutique, and pizzeria at Mojo, Dire Dawa, and Bahir Dar, respectively.
3. **Sexual harassment/Sexual exploitation:** The field data acquired through observation and interview indicate that women and girls who are employed in WEDP clients' enterprises are not free of sexual exploitations and harassments. Some of the employees during the fieldwork explained that their salary is too small which ranges from 1000 to 2000 ETB before tax although they are working more than eight hours a day and some who are employed in service giving enterprises like hotel and cafeteria are working for the entire weekdays. Besides the exploitation of their labour with small salary, they are also insulted and warned by their respective bosses for minor faults. For instance, waiters whom the boss thought is not properly handling customers will be insulted and warned. Moreover, if a tea or coffee cups are broken accidentally from the hands of the waiters, the cost will be deducted from their

salary. But with all these odds, the women and girls continue to work in the enterprises. The same employees were asked about the existence of GBV in their workplaces but responded as they did not have such experiences. However, in all sampled project cities, one can easily observe how girls are exposed to risks of violence. Girls are engaged in street vending during the night and return home late crossing streets and corridors that lacks roadside electricity light. This regular habit can risk girls to rape and other forms of violence. Particularly, girls from the lower class are engaged in the provisions of fast-food items for those who are drinking in the hotel and other local drink sale houses. Consequently, these girls can be victimhood of rape by drunkards. Hence, WEDP AF should create awareness for the public and WEDP clients about SEA, SH, and GBV through different channels of communication.

4. ***Social conflict:*** From the social assessment fieldwork, it is observed that social conflict is less likely because of WEDP clients' enterprises. However, in rare case there appeared social conflict because of WEDP financed business. For instance, in Dire Dawa, a woman who engaged in woodwork was in conflict with the neighbours. Accordingly, the neighbours accused of her business being disturbing and polluting the environment with noise, chemicals odour used for production, and the dust that comes out of the wood. Finally, the issue is settled in the court and the WEDP client was forced to relocate her business to another site. Although social conflict is less likely because of WEDP clients' enterprises, however, their businesses are greatly affected by the social unrest occurred in WEDP project cities. These unrests seriously damaged the businesses of the WEDP clients.
5. ***Environmental pollution:*** Different WEDP businesses such as hotels, garments, woodwork, retailers, boutiques, pension, pizzeria, coffee houses, restaurants, beauty Salon and others are critically inspected about their waste management system. Accordingly, most of the WEDP clients' enterprises are discharging the solid and liquid waste in accordance with the Ethiopian legal frameworks and World Bank Operational Policies. For instance, they discharge liquid waste to the septic tanks and from there the municipality removed the waste to the areas prepared for this purpose. Similarly, solid wastes are collected and removed by the enterprises that are working on sanitation in each project city and satellite towns. The solid wastes are removed or dumped in the area where the municipality prepared to serve this purpose. However, although the magnitude of the environmental pollution is assumed to be low, few enterprises were found discharging their liquid wastes to open fields and ditch that finally end up to the rivers; and this is against the very principle of the World Bank. Despite the limited scope of the pollution, the liquid wastes which comes out of these MSEs have some pollutants that can have adverse effect on the flora and fauna of the ecology where the wastes are discharging. The case in point is the beauty salon in Mojo and the pizzeria house in Bahir Dar. For instance, different residues of chemicals used for hair dressing and other beautification activities are discharged into a natural canal that goes to the river and this can impact the natural ecology where the waste is moving. Similarly, the residue of the sanitary chemicals used in the pizzeria house can have its own influence on the nearby ecology. Therefore, WEDP AF should give emphasis about the environmental protection training given to the clients.
6. ***Occupational Health and Safety (OHS):*** During the fieldwork, some clients are found providing safety clothes to their workers and other do not. There are also other who provided safety equipment to their workers, but the workers are reluctant to use them. However, some businesses do not have water, toilet, and shower room for the workers. The issue of OHS will continue to be one of the risks in WEDP AF.

7. ***Over competition on the same kind of business activity:*** Competitive business by its nature is normal and healthy to render quality services to the customers. Competition cannot be a problem in big project cities. However, as explained by participants during community consultation, over competition on the same kind of businesses can be a risk in satellite towns. If women engaged in the same kind of businesses in small satellite towns, for instance, bakery, there will be more bread production beyond the need of the residents. Thus, over competition on the same kind of businesses can lead to the closure of some clients' businesses. Hence, it is important to review and assess the business activities of the satellite towns before providing the loan to women. In this regard, the feasibility of the businesses should be critical evaluated by the MFIs.



## **10. Potential Project specific challenges and Risks**

Contextual risk refers to events, factors or dynamics occurring in the broader environment which affect the project operations yet are beyond its control. On the contrary, project specific risks and challenges are factors that impede the performance of the project, but they are within the reach of the project to manage them. As it is discussed above, several project specific risks are identified for the upcoming WEDP AF project. However, there are few risks which cannot be controlled by the project. Risks such as OHS, SEA/SH, social conflict, environmental pollution, the use of child labour in the project financed MSEs, and over competition for the same kind of businesses are project specific risks.

Similarly, there are different challenges that obstruct the project from attaining its objectives. Although there are several challenges, the following are project specific which hinder its performance unless there should be proper mitigation strategies. The project specific challenges include: fear of high interest rate for the loan, the demand for high valued collateral by MFIs, the long loan procedures to get loan, conflict between spouses over family asset to use as collateral, unreachable loan scheme for the poor, lack of Islamic loan, poor outreach service, demotivated WEDP coordinators, and lack of commitment by government officials.

## **11. Risks Mitigation Measures**

### **11.1. Safety Measures to Implement WEDP AF Subprojects**

In implementing subprojects of WEDP AF, the screening criteria described in the project ESMF document should be strictly adhered. The business plan of any subprojects should be critically reviewed for its social and environmental risks and impacts. If the environmental and social impacts are beyond the expertise of the social and environmental safeguards specialists of DBE, it should be referred to the local environmental protection authority or to regional level. Hence, the environmental and social impact assessment should be one of the most important issues to be considered by the WEDP AF.

Equally important with that of the social and environmental impact assessment is the need to review the occupational health and safety (OHS) issues of each subproject. The nature and activities of subprojects are different and accordingly, the OHS issues also vary. OHS issues should be included in the business proposal of the subprojects. Therefore, proper OHS arrangement is one of the screening criteria of the subprojects to get WEDP AF loan and the details are discussed in the ESMF of WEDP AF. Based on the nature of the enterprises, employees should be provided with the necessary personal protection equipment (PPE).

The other crucial issue about OHS is the COVID-19 pandemic, this global pandemic is a serious health risks that claims the lives of millions throughout the world. Therefore, in order to prevent the pandemic, enterprises are required to include their prevention strategies in their business proposals. The inclusion of COVID-19 prevention in the business proposal of enterprises should be taken as one of the mandatory screening requirements to get WEDP AF loan. The prevention mechanisms should be in line with WHO and the Federal Ministry of Health (MOH). Besides, the prevention strategy should include the workplace response for COVID-19 adopted by Ministry of Labour and Social Affairs (MOLSA). The details of COVID-19 protocols and workplace responses are discussed in the ESMF of WEDP AF.

### 11.2. Potential Risks, Challenges, Opportunities and Mitigation Measures of WEDP AF

Issues	Existing challenge/ Risk	Potential Risks or Challenges	Potential Opportunities	Mitigation Measures	Responsible Body	Necessary Resources/ Budget
High interest rate for WEDP loan	Challenge	The interest rate for WEDP loan is almost similar with other loan schemes in the MFIs and banks. This deterred many businesswomen from applying to WEDP loan	<ul style="list-style-type: none"> <li>✓ The GoE is committed to empower women</li> <li>✓ MFIs are willing to make deal with the stakeholders</li> </ul>	Required all-stakeholder's discussions to find ways to encourage women for WEDP AF loan	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ DBE</li> <li>✓ FUJCFSA</li> </ul>	Component I  95 million USD
The long procedures of the MFIs to get WEDP loan	Challenge	Often MFIs have long procedure to offer WEDP loan and this discourage many businesswomen from being part of it	<ul style="list-style-type: none"> <li>✓ WEDP top officials are committed to deal on the challenges with stakeholders about</li> <li>✓ MFIs are willing to discuss on the issue</li> </ul>	Implement short procedures to access loan	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ DBE</li> <li>✓ MFIs</li> </ul>	Component I  95 million USD
The demand for high value assets as collateral from MFIs	Challenge	Women are the most disadvantaged group who lack the required collateral to provide to MFIs and this obstructs many women from getting WEDP loan	<ul style="list-style-type: none"> <li>✓ WEDP office is willing to discuss different schemes of loans with MFIs</li> <li>✓ The GoE committed for social, economic and political empowerment of women</li> <li>✓ MFIs are sympathetic to women</li> </ul>	Arrange different loan schemes. For instance, enhance the amount of the loan through human guarantor. Besides, loan can be provided by assessing the capital of the enterprises	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ DBE</li> <li>✓ FUJCFSA</li> </ul>	Component I  95 million USD
The use of child labour in WEDP finance enterprises	Risk	It is against the very principles of the World Bank Group	<ul style="list-style-type: none"> <li>✓ Legal frameworks of the GoE</li> <li>✓ The UN convention</li> </ul>	✓ Provide training for WEDP clients about the illegality of the	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ FUJCFSA</li> </ul>	Component II  3 million USD

				use of child labour by the Ethiopian law and by the World Bank standards ✓ Revise the training module to include content about child and forced labour		
There is a likelihood of Sexual harassment and GBV	Risk	The occurrence Sexual harassment/exploitation and GBV can potentially affects women from being involving in WEDP loan. It is also against the ethical principles of the WBG	✓ Legal frameworks of the GoE ✓ Regional and international conventions	✓ Awareness creation training for the MFIs about gender and related issues ✓ Provide gender issues training for WEDP clients ✓ Revise the training modules to include content on SEA/SH and GBV	✓ WEDP ✓ FUJCFSA ✓ TVETs/Polytechnic colleges	Component II 3 million USD
The presence of Political unrest in different regions	challenge	The political unrest created in different parts of the country affected the business activities of WEDP clients	✓ The GoE is committed to restore law and order in every parts of the country ✓ The international community is assisting the Ethiopian government to make peace security in the country	✓ National dialogue ✓ Justice for the victims ✓ Compensation for those who lost their business because of unrest	✓ GoE ✓ WEDP	Component I 95 million USD

Social conflict have been occurred because of the businesses of WEDP clients	Risk	Sometimes WEDP clients' businesses can be sources of conflict mainly because of their waste management and other related issues. Social and environmental safeguards are the operational policy of the WB.	<ul style="list-style-type: none"> <li>✓ Ethiopia's legal framework for environmental protection</li> <li>✓ Social and environment safeguards operational policy of the WB</li> </ul>	<ul style="list-style-type: none"> <li>✓ Include social and environmental protection contents in the entrepreneurship training</li> <li>✓ Any doubtful business plan will be referred to EFCCC to evaluate the social and environmental impact</li> <li>✓ Use customary institution to solve the conflict</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ Community's customary institutions</li> </ul>	Component II 3 million USD
Less attention for Occupational Health and Safety	Risk	Less attention for Occupational Health and Safety issues are against the principle of the WB Group. The physical and emotional wellbeing of the workers should be protected by the employers.	<ul style="list-style-type: none"> <li>✓ Legal framework of the Ethiopian Government</li> <li>✓ Operational Policy of WB</li> <li>✓ International convention</li> </ul>	<ul style="list-style-type: none"> <li>✓ Awareness creation for WEDP clients</li> <li>✓ Regular supervisions on OHS</li> <li>✓ OHS issues should be included in the business proposal of the subprojects.</li> <li>✓ Appropriate OHS arrangement should be one of the screening criteria of the subprojects to get WEDP AF loan</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ FUJCFSA</li> <li>✓ OSS</li> </ul>	Component II & III  3 million USD and 2 million USD, respectively
Environmental pollution	Risk	Enterprises financed by WEDP may have significant environmental pollution	<ul style="list-style-type: none"> <li>✓ GoE legal framework for environmental protection</li> <li>✓ WB Operational Policy on environmental safeguards</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provide training for WEDP clients on environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ TVETs/Polytechnic institutions</li> <li>✓ FUJCFSA</li> </ul>	Component II & III 3 million USD and 2 million USD, respectively

		due to ill waste management practices		<ul style="list-style-type: none"> <li>✓ Local/regional environmental protection authority will involve in subproject screening activities</li> <li>✓ Conduct regular supervision son WEDP client's business</li> </ul>		
The impact of COVID-19 pandemic	Challenge	All business including WEDP financed businesses are affected by COVID-19 pandemic	<ul style="list-style-type: none"> <li>✓ Efforts of the GoE to control the pandemic using different prevention methods including vaccine</li> <li>✓ International communities' commitment to halt the spread of the pandemic</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provide training about WHO and MOH COVID-19 protocol to WEDP clients.</li> <li>✓ Arrange compensation for those businesses which are highly affected by the pandemic</li> <li>✓ Revise the training modules to include content on COVID-19 prevention</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ TVETs/Polytechnic colleges</li> </ul>	Component I & II 95 million USD and 2 million USD, respectively
Fear of failure in businesses	Risk	Some women are in fear to take loan for fear of failure in their business	<ul style="list-style-type: none"> <li>✓ TVETs/Polytechnic colleges are committed to train WEDP clients about entrepreneurship and other motivational trainings</li> </ul>	<ul style="list-style-type: none"> <li>✓ Motivational training boosts the psychology of the client</li> <li>✓ Entrepreneurship training to</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ TVETs/Polytechnic colleges</li> </ul>	Component II 3 million USD

			✓ WEDP is committed to facilitate the training for the clients	enhance their business skills		
Poor outreach service	challenge	Several potential business women do not have any idea about WEDP loan and this is the problem of poor outreach service by OSS and WEDP coordinators	<ul style="list-style-type: none"> <li>✓ Conducive environment on the side of GoE to enhance the economic power of women</li> <li>✓ There is commitment from top officials of FUJCFSA for WEDP success</li> </ul>	Awareness training for OSS staffs	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ FUJCFSA</li> </ul>	Component III 2 million USD
Demotivated WEDP Coordinators	challenge	WEDP coordinators explained that they are dissatisfied about their salary and benefit packages. Hence, demotivated coordinator cannot strive for the success of the project	WEDP officials are willing to discuss the matter with WEDP project cities coordinators	Discussion should be made between WEDP officials and the coordinators	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ WEDP Coordinators</li> </ul>	Component III 2 million USD
Lack of commitment from the government officials for WEDP	challenge	FUJCFSA and its structures are expected to monitor the operational activities of WEDP. However, the FUJCFSA structures at the city level are not committed to WEDP and this in turn affect the performances of the project	Top officials of FUJCFSA are committed to WEDP	<ul style="list-style-type: none"> <li>✓ WEDP should discuss with the FUJCFSA for the necessary correction measures</li> <li>✓ Awareness training should be organized for MSEs officials</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ FUJCFSA</li> </ul>	Component III 2 million USD

Inaccessible loan scheme for the poor	challenge	The demand for high value assets as collateral by MFIs makes WEDP loan unreachable for the poor women. On the other hand, the amount of loan through human guarantor is too small by some MFIs.	<ul style="list-style-type: none"> <li>✓ The availability of legal frameworks to empower women</li> <li>✓ Sympathetic MFIs for the poor women</li> </ul>	Different loan schemes should be arranged in consultation with DBE and MFIs	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ DBE</li> <li>✓ MFIs</li> </ul>	Component I 95 million USD
Conflict between spouses	challenge	In some cases, conflict is ignited between spouses when the wives are trying to provide family assets as collateral for the MFIs. Thus, for fear of this kind of conflict, many women refrain themselves from applying to WEDP loan	<p>GoE Provisions of legal framework for equal right</p> <p>The availability customary institutions to solve this kind of problem</p>	WEDP coordinators and OSS staffs in each project city should have discussion with husbands who are in conflict with their wives on the issue of collateral	<ul style="list-style-type: none"> <li>✓ WEDP coordinators</li> <li>✓ OSS Staffs</li> </ul>	Component III 2 million USD
Over competition on the same kind of businesses activities	Risk	Over competition for the same kind of businesses may result in the failure	<ul style="list-style-type: none"> <li>✓ WEDP is committed to train entrepreneurship skill</li> <li>✓ MFIs are willing to assess the feasibility of the businesses before the provision of loan</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP clients should be made aware of the danger of over competition</li> <li>✓ Feasibility assessment by MFIs before the provision of loan</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ TVETs/Polytechnic institutions</li> <li>✓ MFIs</li> </ul>	Component II 3 million USD
Corruption and nepotism	challenge	There is an indication of corruption and nepotism within two MFIs in two project cities. Unless correction measures are	<ul style="list-style-type: none"> <li>✓ WEDP officials are committed to deal with the issues</li> <li>✓ Training should be given for the clients on the issues of</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP should discuss with all MFIs officials about the likelihood of corruption and nepotism</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ MFIs</li> <li>✓ TVETs/Polytechnic colleges</li> </ul>	Component III 2 million USD

		taken as much as possible, these incidences will spoil the reputability of the entire MFIS. This in turn affect the success of WEDP	corruption, nepotisms, and others	<ul style="list-style-type: none"> <li>✓ GRM should be strengthened</li> <li>✓ Encourage clients to use hotline system or other alternatives of the GRM to report the case</li> <li>✓ WEDP coordinators, MSEs officials, and OSS staffs should be alerted on the issues</li> <li>✓ Clients should be made aware of the condition</li> </ul>		
Lack of Islamic	challenge	Lack of Islamic loan segregated the entire Muslim women from being part in the WEDP	Willingness of the MFIs to arrange Islamic loan scheme	MFIs should arrange Islamic loan for Muslim women	WEDP MFIs DBE	Component I  95 million USD
Inconvenient training room	challenge	Because of the inconvenience of the training rooms, many WEDP clients are losing their interest for the training	<ul style="list-style-type: none"> <li>✓ WEDP clients are enthusiastic to take the entrepreneurship training</li> <li>✓ WEDP head office is ready to discuss on the issue with relevant stakeholders</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP, FUJCFSA, and DBE work together to solve the concerns of the trainees.</li> <li>✓ The training venue should give at least minimum facilities for trainees such as water and toilet</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ FUJCFSA</li> <li>✓ DBE</li> </ul>	Component II  3 million USD
Absence of per diem for the trainees	challenge	Per diem is a common tradition in Ethiopia for training or seminar. WEDP trainees will come to the training session	<ul style="list-style-type: none"> <li>✓ WEDP officials are positive to look this concern</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP, FUJCFSA, and DBE work together to look options.</li> <li>✓ The refreshment cost can be used to</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ FUJCFSA</li> <li>✓ DBE</li> </ul>	Component II  3 million USD



		with this expectation. Thus, the absence of Per diem demotivate the trainees for the training		pay per diem for the clients		
Demand for the revision of professional fee for trainers	challenge	Demotivated trainers cannot properly deliver the required skills to the trainees	<ul style="list-style-type: none"> <li>✓ The training institutions are committed to give the training for the WEDP clients.</li> <li>✓ In some cases the training institutions are incurring additional costs which are not settled by WEDP.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Revise the professional fee payment</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ FUJCFSA</li> </ul>	Component II 3 million USD
Lack of uniformity for professional fee payment	challenge	When professional payment vary from institution to institution, those who are paid less amount will lose their commitment to give the training	<ul style="list-style-type: none"> <li>✓ WEDP has uniform rate of payment, i.e., 100 ETB per hour</li> </ul>	<ul style="list-style-type: none"> <li>✓ The WEDP rate of payment should be implemented across all participating training institutions</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ FUJCFSA</li> </ul>	Component II 3 million USD
Non-market based valuation of assets for collateral	challenge	WEDP clients refrain from processing their loans when they realize the valuation given by MFIs for the assets they provide as collateral is less than the existing market value.	<ul style="list-style-type: none"> <li>✓ MFIs are willing to revisit their valuation system</li> </ul>	<ul style="list-style-type: none"> <li>✓ The valuation for collateral needs to be done on the basis of the existing market value</li> <li>✓ WEDP, DBE and FUJCFSA need to assess the existing collateral valuation system practiced by MFIs</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ MFIs</li> <li>✓ DBE</li> <li>✓ FUJCFSA</li> <li>✓</li> </ul>	Component III 2 million USD
Exclusion and adverse impacts on indigenous	Risk	WEDP business beneficiary selection	GoE Provisions of legal framework for equal right	<ul style="list-style-type: none"> <li>✓ Make sure the interventions are socially</li> </ul>	<ul style="list-style-type: none"> <li>✓ WEDP</li> <li>✓ MFIs</li> </ul>	Component II

people and marginalized groups		process might include or exclude certain social groups		<p>inclusive of use to underserved peoples and vulnerable groups</p> <ul style="list-style-type: none"> <li>✓ Use WEDP communications and participation strategies to sensitize the underserved and vulnerable groups</li> <li>✓ Create awareness creation program on inclusiveness for the project staff</li> </ul>	<ul style="list-style-type: none"> <li>✓ DBE</li> <li>✓ FUJCFSA</li> </ul>	1 million USD
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## **12. Summary and Recommendations on the Activities of Existing WEDP**

Despite all the weaknesses and challenges, as stated by many, WEDP has met its target. It enhanced the economic capacity of the businesswomen. WEDP has changed the dependency perceptions of many women to realize their economic empowerment. Besides, WEDP funded business have created several job opportunities. However, to enhance the outreach services and to include as many women as possible, WEDP is expected to address issues that are discussed hereafter.

WEDP should get sense of ownership from the concerned government officials particularly of MSEs agents. The MSEs agents consider WEDP activities as extra duties to their main responsibilities. Hence, the government officials do not have concern for the project. WEDP is not part of the structure of government hierarchy. Thus, activities that require the interventions other than WEDP coordinators are done in terms of good will. Sometimes transportation is arranged for WEDP coordinators for the outreach services within 50 km radius from the project cities through the good will of the government officials. These all hamper the performance of WEDP. Hence, WEDP should have consultative workshop with all responsible officials from the project cities.

There is no system of structure that enforce OSS staffs to do the outreach services. They are working the outreach services on their good will. The MSEs officials and the OSS staffs are reluctant to the activities of WEDP since they get nothing out of it. Thus, the success of the WEDP in every project city is on the personal communication skills of the coordinators. The 500 ETB mobile card allowance at OSS centre level is insignificant. The structures of FUJCFSA of WEDP down to the OSS level is not committed to the WEDP activities. Hence, it is better to incentivize them to motivate the OSS staffs and the responsible officials of MSEs to give attention for the WEDP activities.

The awareness creation about WEDP is not strong. As a result, there are women who considered WEDP loan as an aid. In 2016/17, the Ethiopian government provided funds for the unemployed youth in the name of “revolving fund”. The fund was given to the youth without collateral and this was a grave mistake. The borrowers were not pay back their loan and some of them disappeared from their location. Women are considering WEDP loan like that of the government revolving fund and they are claiming getting the WEDP fund is their right. They thought that it is grant for women. These problems are related with the lack awareness. Hence, WEDP should push again the MSEs officials, OSS staffs, and WEDP coordinators for strong awareness creation camping.

WEDP needs to expand its outreach services to include more women in its loan scheme. To include more women in the project, WEDP should consider the following three things. First, WEDP should have its own structure and accordingly, it should have its own office. By doing this, WEDP staffs will work hard to expand the outreach services. Second, the first option needs too many staffs and this may consume the project fund. Thus, instead of organizing its own structure including offices and new staff recruitment, WEDP should incentivize the OSS staffs for the outreach services. Third, WEDP should discuss with the FUJCFSA to include the activities of WEDP as part of the duties of OSS and other responsible staffs. WEDP should be included in the BSC/balance score card/ of the responsible offices usually MSEs agents. The last two modalities are good in terms of reducing costs and enhance efficiency.

Another obstacle for WEDP outreach service is the staff turnover in OSS. Most of the OSS staffs who acquired capacity building and awareness training about WEDP have left the offices for different reasons. The newly appointed staffs are new to the WEDP to run the activities effectively. Thus, WEDP

should fill the knowledge gap as much as possible by giving training for the new staffs. As indicated above, it will have more cost for WEDP to employ its own staff for each OSS centre. But in consultation with the city MSEs agents, it is possible to assign at least one responsible person at each OSS from the OSS staffs to run the WEDP outreach activities.

Ministry of Trade and Industry is not within the structure of WEDP. However, the structures of this ministerial office is important for the WEDP outreach service activities. For instance, the women are getting their trade license either in the sub-city or wereda trade office. If trade office is part of the WEDP structure, it will be easy to access the list of women who get their trade license before six months. So, this will ease the burden of the outreach services. Now, it is the OSS staffs who find the lists of the business women from the Trade Office.

The most frequent comment raised by the WEDP clients, coordinators, OSS, TVET and MSEs officials is the high interest rate of the loan. The women are asking what makes WEDP special than others loan. This is a tough question from women which is difficult to convince them. If there is a significance interest rate difference with other loan schemes of the microfinance institutions, the women will be encouraged to take the loan. Therefore, WEDP should discuss the concerns of the clients with concerned stakeholders. It would be more useable loan if WEDP reduces the interest rate of the loan in consultation with the PMFIs. On the other hand, participating microfinance institutions have different interest rate policy. Thus, there should be uniform interest rate policy for WEDP loan.

There are several women who are unable to get WEDP loan since they do not qualify for the requested high value collateral by the MFIs. There is a common voice from WEDP clients for different loan schemes with or without collateral. Of course, the loan without collateral has its own negative outcomes. The clients may not make hard effort to repay the loan. Collateral will increase sense of belongingness to the borrower. But there are women who have no opportunities to get the loan through collateral or human guarantor. In this case, it will be essential to arrange small amount of loan for the poor businesswomen by assessing the capacity of their businesses. On the other hand, there should be different alternatives of collateral. Currently, irrespective of the amount of the loan, the clients are requested uniform type collateral by the micro finance institutions, certificate of ownership for house site map and plan. Hence, it is better to revise the existing collateral system in consultation with the microfinance institutions.

Muslim women are not taking part in the WEDP loan. Because in Islam religion it is harm to pay or to accept interest. Hence, WEDP should arrange Islamic loan for the Muslim women in consultation with the microfinance institutions. Some of the PMFIs have Islamic loan for other schemes. For instance, OCSSCO has Islamic loan for its other schemes of loan but not for WEDP.

The benefit packages for WEDP coordinators are poor. All WEDP city coordinators in the sample project cities explained they are dissatisfied about their salary and benefit packages. This in turn will have negative consequences on the outreach services of WEDP. They also blamed the WEDP office for lack of any capacity building trainings for the employees. Moreover, they insisted that there should be staff loan like other loan institutions. However, from the objectives and motives of the WEDP loan, it is difficult to arrange staff loan as the banks are doing for their workers. The other complaints of the coordinators are salary gap at the project cities and head office with the same qualification. Therefore, depending on the financial capacity of WEDP, it is good too look the complaints of the coordinators. Because demotivated coordinators, cannot be productive to meet the overall objectives of WEDP.

The businesses of WEDP clients are affected by the political instability and COVID-19 pandemic. The business of some of the WEDP clients are totally burned out in Shashemene town. Some of them are

struggling for revival but others are still closed. The impact of political instability is also evident in other project cities such as, Adama, Dire Dawa, and Hawassa though it is not like that of Shashemene. So, WEDP should find solution to compensate those WEDP clients whose businesses were burnt out because political instability.

Experience sharing workshop should be arranged at least once per annum. It is helpful to invite and reward best performer WEDP clients. Through experience sharing, WEDP staffs should learn the strength and weakness of each project city. The coordinators, OSS staffs, and MSEs officials will learn each other. This will enhance the performance of WEDP.

There is a need from training institutions and OSS for new capacity building interventions. The office facilities provided for OSS and TVET/polytechnic institutions are wore out as explained by the respective staffs. The capacity building intervention should be in terms of facilities and human capital. The material support should include laptop, photocopy machine, printer and the like based the financial potentials of WEDP. Refreshment trainings are also essential for those trainers who teach the soft skill/entrepreneurship trainings. Qualified and experienced professionals are recruited from each TVET to take a training of trainers (TOT). However, the number of professional who get training in a particular TVET is few in number and when these trained individuals leave the institutions, there appear lack of professional who took the TOT to give trainings for WEDP clients. Hence, it is better to train reasonable number of professionals from each TVET. Having reasonable number of professionals who took TOT is important since the training is also deliver in 50 km radius of the project cities.

The cost of budget allocated per trainee should be revised taking into account the existing inflation in the country. Specially, the required material cost for hard skill (practical) training is skyrocketed. With the existing modalities of payment, the TVETs and Polytechnic institutions are consuming their budget to train the WEDP clients.

Another pertinent issue raised from the training institution is that the time allotted for the training is not enough. Trainers commented that the time given for soft skill training is not enough to cover all the contents of the modules. Therefore, WEDP should revise the exiting 40 hours training for entrepreneurship training. Besides, a onetime training for entrepreneurship and practical training is not enough. The training should have continuity on a certain period of interval. Refreshment training is asked by the WEDP clients during the fieldwork. Particularly, those who involved in the manufacturing sectors should need continuous capacity building trainings.

### **13. Implementation Plan and Project Life Span**

The implementation plan is a tool that facilitates the execution of major activities which should be implemented in a given period of time for the effective and timely implantation of the entire project. It is the details of the implementation process into smaller steps, while defining the timeline, the required staff and the necessary resources that will be needed for execution. The WEDP AF will phase out by 2024. Therefore, to facilitate, the implementation of the project in definite timeline, major activities of WEDP AF will be executed as indicted in the table below. Besides the timeline of execution, the implementation table also show the implementers and the indicative budget for executions. Moreover, a detailed environmental and social implementation plan will be incorporated in the project implementation manual and will be effected accordingly.

**Implementation Plan (as provided in the ESMF)**

No.	Major Issues of ESMF & SA	Implementation period/Duration	Implementers/response	Budget <sup>8</sup>	Source of budget
	Public consultation	Throughout the project implementation	DBE, FUJCFSA(PIU & PMT)	2 million USD	Component 3
	PIUs' Staff Training on ESMF & SA	Second quarter of FY22	PIU, PTM & WEDP	3 million USD	Component 2
	WEDP-OSS guideline training (including GBV/SEA/OHS)	Second quarter of FY22	DBE & WEDP	3 million USD	Component 2
	Awareness creation training	Second quarter of FY22	DBE, FUJCFSA, & WEDP	2 million USD	Component 3
	Screening WEDP AF subprojects	Throughout the project implementation	DBE & MFIs	n/a	
	Capacity building trainings to MFI E&S focal persons	Third quarter of FY22	WB, DBE, FUJCFSA,& WEDP	3 million USD	Component 2
	Social and environmental audit	Annually in December as of 2022,	Consultants	2 million USD	Component 3
	GRM review	Quarterly review from January, 2022 to December, 2024	DBE, FUJCFSA, & WEDP	2 Million USD	Component 3
	Public disclosure	Throughout the project implementation	DBE & FUJCFSA	2 million USD	Component 3
	Monitoring and evaluation	Biannually on June and December as of 2022	DBE, FUJCFSA, & WB	2 million USD	Component 3

<sup>8</sup> Preliminary estimate to be adjusted as required during implementation.

#### **14. Monitoring and Reporting**

Social risks management monitoring during the project implementation provides information about key social aspects of the project, and the effectiveness of mitigation measures. Such information enables the Implementing Agencies (DBE and FUJCFSA) and the Bank to evaluate the success of mitigation as part of project supervision and allows corrective actions to be taken when needed. Hence, the objectives of Social Risks Management Monitoring (including Environmental) are:

- i. To alert project authorities by providing timely information about the success or otherwise of the environmental and social management process outlined in the ESMF in such a manner that changes can be made as required to ensure continuous improvement to WEDP AF environmental and social management process (even beyond the project life).
- ii. To make evaluation in order to determine whether the mitigation measures incorporated in the technical designs and the ESMP have been successful in such a way that the pre-project environmental and social condition has been restored, improved upon or is worse than before and to determine what further mitigation measures may be required.

The social risks management monitoring will be carried out in accordance with the site-specific Environmental and Social Management Plans (ESMPs) and other Environmental and Social Risk Management (ESRM) instruments prepared by each subproject. WEDP AF monitoring will investigate:

- ✓ whether different ESRM instruments are prepared, reviewed, and approved;
- ✓ the quality of the ESRM instruments prepared;
- ✓ the implementation of the mitigation measures identified and planned in the ESRM instruments;
- ✓ the participation of the community and other stakeholders in all these process;
- ✓ the capacity building process;
- ✓ the monitoring and reporting process; and
- ✓ the effectiveness of GRM; and others.

The FUJCFSA and DBE, are responsible to monitor and ensure the implementation of all requirements set forth in the ESMPs. To oversight the compliance of each subprojects with the ESMPs, a joint implementation technical support and supervision mission will be conducted composed of teams from the World Bank Environmental and Social Specialists, DBE's Safeguards Specialists, and M&E Specialist from Federal Urban Job Creation and Food Security Agency will conduct supervision on subprojects twice a year. The Safeguards Monitoring Team will supervise sample MFIs and WEDP AF clients. The team will audit the screening procedures and checklists of the MFIs that are used to screen WEDP AF subprojects for their environmental and social impacts. The team also makes spot checks in the clients' enterprises to examine the status of occupational health and safety measures, and their mitigation strategies for social and environmental impacts of the subprojects. The Safeguards Monitoring Team will prepare monitoring report based on field data biannually and share with relevant stakeholders including the World Bank.

The monitoring reports will contain details on supervision of potential environmental and social impacts and report on implementation of ESMPs for the sample subprojects that are required to prepare ESMPs. Through this report the Safeguard Monitoring Team will verify whether or not environmental and social requirements have been met. If the requirements have not been met, the monitoring team will provide recommendations for further action to ensure compliance.

##### **a. Monitoring Indicators**

Various social monitoring indicators and parameters can be used to track the performance of the ESMF including the SA of WEDP AF. The indicators to be used to monitor WEDP AF ESMF implementation include the following, but not limited to:

- ✓ Number of ESMPs developed;
- ✓ Number grievance received, resolved and referred;

- ✓ Number of land acquisition and Provision of appropriate compensation for land acquisition and property losses, and their proper documentation
- ✓ Number of written warnings of violations of ESMPs issued to subprojects;
- ✓ Number of field appraisals conducted;
- ✓ Number of subproject staffs, by sex,
- ✓ Number of training provided in regarding the implementation of this ESMF and other safeguards instruments;
- ✓ Number training and awareness creation program conducted on ESRM to beneficiary's;
- ✓ Number of recommendations provided from the WB missions, annual review and monitoring and those recommendations that have been successfully implemented by the beginning of the following year;
- ✓ Number and percentage of subprojects for which environmental and social issues are integrated into the project cycle;
- ✓ Social enhancement and adverse impact mitigation measures mentioned in Environmental and Social Management Plan have been incorporated and considered during project planning, design and site selection;
- ✓ Number of Environmental and social screening checklist filled or not;
- ✓ Implementation of the mitigation measures identified and planned in the ESMP; and
- ✓ Disposal method, site of spoil and construction wastes disposal and its social (and environmental) consequences;



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## Annexes

### Annex I: Participants of Community Consultation and Interview

No.	Name	Project City	Gender	Remark
1.	Tsehay Tadese	Hawassa	F	
2.	Fasika Belay	Hawassa	F	
3.	Tigist Asseged	Hawassa	F	
4.	Netsanet Tesfaye	Hawassa	F	
5.	Meron liulseged	Hawassa	F	
6.	Ato Dereje	Hawassa	M	MSEs Offical
7.	Ato Euel	Hawassa	M	Polytechnic dean
8.	Kebebus Tesema	Hawassa	F	Polytechnic coordinator
9.	Ato Nasir	Hawassa	M	Omo MFI
10.	Ato Shimeles	Hawassa	M	Omo MFI
11.	Ato Amanuel	Hawassa	M	OSS
12.	Ato Natanael	Hawassa	M	OSS
13.	Menagesha Lakew	Hawassa	F	
14.	Birtukan Dabesa	Hawassa	F	
15.	Mahalet Solomon	Hawassa	F	Coordinator
16.	Fire Negegna	Addis Ababa	F	
17.	Mekdes Zewede	Addis Ababa	F	
18.	Gelaye Deyas	Addis Ababa	F	
19.	Yetemegn Mihretu	Addis Ababa	F	
20.	Haregewoyin Haile	Addis Ababa	F	
21.	Suriyat Jemal	Addis Ababa	F	Coordinator
22.	Ziyen Mekonene	Addis Ababa	F	Coordinator
23.	Dareskedar Abebe	Addis Ababa	F	Coordinator
24.	Deberework	Addis Ababa	F	NTA
25.	Ato Bekele	Addis Ababa	M	Deputy Director of FUJCFSA
26.	Muluken Tesfaye	Adama	M	Coordinator
27.	Ato Feleke	Adama	M	MSEs official

28.	Ato Gossaye	Adama	M	Adama Polytechnic representative
29.	Meron Demessie	Adama	F	
30.	Tigest Assefa	Adama	F	
31.	Zinash Tadese	Adama	F	
32.	Marta Kebede	Adama	F	
33.	Jira Gemeda	Adama	M	OSS
34.	Kidist Demessie	Adama	F	
35.	Adugna Arareso	Adama	F	
36.	Ato Mihretu Samuel	Sodo	M	MSEs Official
37.	Asrat Kuss	Sodo	M	
38.	Belayenesh	Sodo	F	
39.	Nebiyat	Sodo	F	
40.	Firehiwot Bekele	Sodo	F	
41.	Mohamd Hidisso	Shashemene	M	OCSSCO
42.	Sisay Kassa	Shashemene	F	
43.	Trikuwa Moti	Shashemene	F	
44.	Alemzewed Negash	Shashemene	F	
45.	Obese Desisso	Shashemene	F	
46.	Yeshwoerk Abera	Shashemene	F	
47.	Ato Samuel	Bahir Dar	M	OSS
48.	Abayenesh	Bahir Dar	F	OSS
49.	Ato Mengistu	Bahir Dar	M	MSEs Official
50.	Ato Chale	Bahir Dar	M	Polytechnic dean
51.	Adera Demele	Bahir Dar	F	
52.	Semegn Admasu	Bahir Dar	F	
53.	Tsedale Wase	Bair Dar	F	
54.	Ato Agazhe	Bahir Dar	M	
55.	Belayenesh Niguse	Bahir Dar	F	Coordinator
56.	Ato Fantahun	Debere Markos	M	Trade & Market Development Official
57.	Ato Tamene	Debre Markos	M	Polytechnic dean

58.	Tsehay Endalew	Debre markos	F	
59.	Yetemwok Alemu	Debre markos	F	
60.	Ato Alemu	Dire Dawa	M	TVET Teacher
61.	Ato Kasahun	Dire Dawa	M	MSEs Official
62.	Ato Almaw	Dire Dawa	M	TVET representative
63.	Birhanu Yilma	Dire Dawa	M	OSS
64.	Wongel	Dire Dawa	F	OCSSCO
65.	Mignot Mesefin	Dire Dawa	F	
66.	Addiskidan Mamo	Dire Dawa	F	
67.	Hamere Shume	Dire Dawa	F	
68.	Mohamd	Dire Dawa	M	Coordinator
69.	Bakala Taha	Harar	F	MSEs Official
70.	Ato Estifanos	Harar	M	Polytechnic representative
71.	Sisay Beketa	Harar	M	OSS
72.	Eleni Mekuria	Harar	F	OSS
73.	Alemnesh Maru	Harar	F	
74.	Liyu yehulashet	Harar	F	
75.	Ato Abdulfeta	Jijiga	M	Official of Urban Development
76.	Ato Beshir	Jijiga	M	MSEs Official
77.	Nuriayt	Jijiga	F	
78.	Barkhado	Jijiga	F	
79.	Barwaaqo	Jijiga	F	

## Annex II: Guiding Questions for KIIs at the Federal Level

No.	Specific Objectives of the SA	Guiding Questions	Remark
1.	To examine the nature of social inclusion and exclusion in the existing WEDP and in the upcoming WEDP AF project cities	<ul style="list-style-type: none"> <li>✓ Are there socially excluded communities in the WEDP cities?</li> <li>✓ If there is social exclusion, on what are the bases of the social exclusion?</li> <li>✓ Is there a possibility of social exclusion in the process WEDP AF implementation?</li> <li>✓ How do you manage to minimize the risks of social exclusion?</li> <li>✓ What kind of grievances the social excluded group have on the existing WEDP?</li> </ul>	
2.	To explore the vulnerable social groups, the nature of their vulnerabilities, and their ability to benefit from the project (ethnic and religious minorities, disabled women)	<ul style="list-style-type: none"> <li>✓ Who are the vulnerable groups in the project cities?</li> <li>✓ How the implementation team and the management team try to reach these vulnerable groups?</li> <li>✓ How do evaluate their potential to be benefited from the upcoming WEDP AF?</li> <li>✓ Can you explain the extent of their vulnerability?</li> </ul>	
3.	To investigate the impact of COVID-19 on the vulnerable social groups	<ul style="list-style-type: none"> <li>✓ Do you have any information about the impact of COVI-19 on the vulnerable groups?</li> <li>✓ How do you explain the living conditions of the vulnerable groups before and during COVID-19?</li> </ul>	
4.	To understand the social impacts of the existing WEDP in relation sexual exploitation or sexual harassment (SEA/SH) or GBV, occupational health and safety (OHS), forced child labour, social inclusion/exclusion, local conflicts, and stakeholder engagement	<ul style="list-style-type: none"> <li>✓ What do you think the social impacts of WEDP in the project cities?</li> <li>✓ How do you explain the existence of sexual exploitation and abuse/sexual harassment/GBV in relation to the existing WEDP?</li> <li>✓ Is a possibility of using forced/child in the existing WEDP? If so, please explain.</li> </ul>	

		<ul style="list-style-type: none"> <li>✓ Are WEDP projects triggered any social conflicts in the project cities? Or is there any conflicts that exist before WEDP but aggravated by it? Is WEDP affected by a conflict which is not its making in the project cities?</li> <li>✓ How do you explain social inclusion/exclusion and stakeholders engagement in the existing WEDP?</li> </ul>	
5.	To Scrutinize the social risks of the implementation approaches of the new WEDP AF tailored to COVID-19 response in relation to SEA/SH or GBV, occupational health and safety, forced child labour, social inclusion, local conflicts, and stakeholder engagement.	<ul style="list-style-type: none"> <li>✓ Do you expect any social impact/adverse impact in the implementation activities of WEDP AF?</li> <li>✓ Do the activities of WEDP AF will lead to SEA/SH or GBV? Explain how?</li> <li>✓ Is there a possibility for forced child labour in the implementation of WEDP AF? If so, explain.</li> <li>✓ What is the criteria for inclusion and exclusion?</li> <li>✓ Do you expect any kind of local conflict in implementing WEDP AF?</li> <li>✓ How do you explain the stakeholders engagement in WEDP AF?</li> </ul>	

### Annex III: Guiding Questions for KIIs Interview at the Project Cities

No.	Specific Objectives of the SA	Guiding Questions	Remark
1.	To examine the nature of social inclusion and exclusion in the existing WEDP and in the upcoming WEDP AF project cities	<ul style="list-style-type: none"> <li>✓ How do explain the community's interaction the project cities?</li> <li>✓ Is there segregation or exclusion in the interaction? If so, on what bases the exclusion occurs</li> <li>✓ Which groups of the community are socially excluded? Why?</li> <li>✓ Can you explain the extent of social inclusion/exclusion trends in the project cities?</li> </ul>	
2.	To explore the vulnerable social groups, the nature of their vulnerabilities, and their ability to benefit from the project (ethnic and religious minorities, disabled women)	<ul style="list-style-type: none"> <li>✓ Who are the vulnerable groups in the project cities? Why they are vulnerable?</li> <li>✓ How do you explain their vulnerability?</li> <li>✓ How do you explain the living conditions of this groups with the rest of the community in the city?</li> <li>✓ Do you think these vulnerable groups have potential to be benefited from the upcoming WEDP AF? How do you understand their potential?</li> </ul>	
3.	To investigate the impact of COVID-19 on the vulnerable social groups	<ul style="list-style-type: none"> <li>✓ How do you evaluate the impact of COVID-19 on the community of project city?</li> <li>✓ What kind coping mechanism have been taken as survival strategies?</li> <li>✓ How do assess the living conditions of the vulnerable groups during the pandemic</li> <li>✓ Do the vulnerable groups have coping strategies? If so, explain?</li> <li>✓ Can you explain the impact of COVID-19 on the vulnerable groups?</li> </ul>	



		<ul style="list-style-type: none"> <li>✓ How do you compare their living condition before the pandemic and within the pandemic?</li> </ul>	
4.	To understand the social impacts of the existing WEDP in relation sexual exploitation or sexual harassment (SEA/SH) or GBV, occupational health and safety (OHS), forced child labour, social inclusion/exclusion, local conflicts, and stakeholder engagement	<ul style="list-style-type: none"> <li>✓ What kind of negative impacts do the projects have on the community?</li> <li>✓ What major complaints raised by the community towards WEDP?</li> <li>✓ How the projects dealt with these complaints?</li> <li>✓ What are the strategies of WEDP to mitigate or to avoid negative social impacts?</li> <li>✓ How do you assess the occurrence of SEA/SH or GBV in the WEDP?</li> <li>✓ How do you evaluate the implementation the OHS measures by the WEDP in the project city?</li> <li>✓ Is any WEDP funded MSEs engaged in the use of child/forced labour?</li> <li>✓ Is there any local conflict that has been occurred because of WEDP?</li> <li>✓ Are the activities of WEDP affected by other conflicts which are not its making?</li> <li>✓ Would you elaborate the inclusion and exclusion parameters of WEDP?</li> <li>✓ Are stakeholders actively involved WEDP implementation?</li> </ul>	
5.	To Scrutinize the social risks of the implementation approaches of the new WEDP AF tailored to COVID-19 response in relation to SEA/SH or GBV, occupational health and safety, forced child labour, social inclusion, local conflicts, and stakeholder engagement.	<ul style="list-style-type: none"> <li>✓ What kind of negative impacts do you expect in implementing WEDP AF?</li> <li>✓ Is the implementation activities of WEDP AF pave the room for SEA/SH or GBV?</li> <li>✓ What should be done in OHS to meet the goal of WEDP AF?</li> <li>✓ Is there a possibility of using child labour in the upcoming project? If so what should be done as mitigation strategy?</li> </ul>	

		<ul style="list-style-type: none"> <li>✓ Do not you think the possibility of local conflict in implementing WEDP AF?</li> <li>✓ Explain the inclusion and exclusion criteria of WEDP AF?</li> <li>✓ Explain SHs engagement in the WEDP AF.</li> </ul>	
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#### Annex IV: Community Consultation Checklists

No.	Specific Objectives of the SA	Checklist on the basis of objectives	Remark
1.	To examine the nature of social inclusion and exclusion in the existing WEDP and in the upcoming WEDP AF project cities	<ul style="list-style-type: none"> <li>✓ Cultural discrimination with the community</li> <li>✓ Social criteria of discrimination</li> <li>✓ The inclusion criterial to the dominant culture</li> <li>✓ The extent of social exclusion</li> </ul>	
2.	To explore the vulnerable social groups, the nature of their vulnerabilities, and their ability to benefit from the project (ethnic and religious minorities, disabled women)	<ul style="list-style-type: none"> <li>✓ Identify the vulnerable groups in the project cities</li> <li>✓ Causes for the vulnerability</li> <li>✓ The ability of the vulnerable groups to get benefit out of the project</li> <li>✓ The degree of their vulnerabilities</li> </ul>	
3.	To investigate the impact of COVID-19 on the vulnerable social groups	<ul style="list-style-type: none"> <li>✓ The living conditions of the vulnerable groups before the pandemic</li> <li>✓ Their living situation of the vulnerable amidst the pandemic</li> <li>✓ Vulnerable groups response to the pandemic</li> </ul>	
4.	To understand the social impacts of the existing WEDP in relation sexual exploitation or sexual harassment (SEA/SH) or GBV, occupational health and safety (OHS), forced child labour, social inclusion/exclusion, local conflicts, and stakeholder engagement	<ul style="list-style-type: none"> <li>✓ Social impacts of the existing WEDP in the project cities in relation to: <ul style="list-style-type: none"> <li>• SEA/SH or GBV</li> <li>• OHS</li> <li>• Forced child labour</li> <li>• Social inclusion and exclusion to WEDP</li> </ul> </li> </ul>	

		<ul style="list-style-type: none"> <li>• Local conflicts</li> <li>• Stakeholders engagement</li> </ul>	
5.	To Scrutinize the social risks of the implementation approaches of the new WEDP AF tailored to COVID-19 response in relation to SEA/SH or GBV, occupational health and safety, forced child labour, social inclusion, local conflicts, and stakeholder engagement.	<ul style="list-style-type: none"> <li>✓ Community view towards the new WEDP AF in view of: <ul style="list-style-type: none"> <li>• SEA/SH or GBV</li> <li>• OHS</li> <li>• Forced child labour</li> <li>• Inclusion/exclusion to WEDP AF</li> <li>• Local conflicts</li> <li>• Stakeholders engagement</li> </ul> </li> </ul>	

#### Annex V: Field Observation Checklist

No.	Specific Objectives of the SA	Observation Checklists for Field Observation	Remark
1.	To examine the nature of social inclusion and exclusion in the existing WEDP and in the upcoming WEDP AF project cities		
2.	To explore the vulnerable social groups, the nature of their vulnerabilities, and their ability to benefit from the project (ethnic and religious minorities, disabled women)	<ul style="list-style-type: none"> <li>✓ The residential areas of the vulnerable groups</li> <li>✓ The living conditions of the vulnerable groups including their house</li> </ul>	
3.	To investigate the impact of COVID-19 on the vulnerable social groups	<ul style="list-style-type: none"> <li>✓ Observe different livelihood strategies adopted in response to COVID-19</li> </ul>	
4.	To understand the social impacts of the existing WEDP in relation sexual exploitation or sexual harassment (SEA/SH) or GBV, occupational health and safety (OHS), forced child labour, social inclusion/exclusion, local conflicts, and stakeholder engagement	<ul style="list-style-type: none"> <li>✓ OHS of WEDP</li> <li>✓ The existence of child labour if any</li> </ul>	
5.	To Scrutinize the social risks of the implementation approaches of the new WEDP AF tailored to COVID-19 response in relation to SEA/SH or GBV, occupational health and safety, forced child labour, social inclusion, local conflicts, and stakeholder engagement.	<ul style="list-style-type: none"> <li>✓ Realizing WEDP's implementation procedures, its positive and negative impacts</li> <li>✓ Observing the implementation procedures of WEDP AF</li> <li>✓ Understanding the adverse impacts of WEDP AF implementation</li> </ul>	

# Annex VI: Fieldwork Schedule

Annex I Region s	Project sites	Travel date							Flight or travel destination	Flight or travel date
		M	T	W	Th	F	S	Su		
Cluster 1	Adama, Mojo, Dukem								A.A to Adama (17/3/21) Adama to A.A (17/3/21)	By car
Cluster 2	Hawassa and Wondo Genet								A.A to Hawassa	Early flight (Thursday, 18/3/21)
									Hawassa to AA	Morning flight (Sunday, 21/3/21)
								Hawassa to Wondo Genet (18/3/21)	From Hawassa by car	
	Shashemene and Bishan Guracha							Hawassa to Shashemene (20/3/21)	From Hawassa by car	
	Woliyta and Bodete							Hawassa to Woliyta Sodo (19/3/21)	From Hawassa by car	
Cluster 3	Bahir Dar and								A.A to Bahir Dar	Early flight (Tuesday, 23/3/21)
									Bahir Dar to A.A	Morning flight (Tuesday, 25/3/21)
	Merawi							Bahir Dar to Merawi (23/3/21)	From Bahir Dar by car	
	Deberemarkos							Bahir Dar to D.Marekos (24/3/21)	From Bahir Dar by car	
	Mechakele							Bahir Dar to Machakel (24/3/21)	From Bair Dar by car	
Cluster 4	Dire Dawa & Harar								A.A to D.D	Afternoon flight (Sunday, 28/3/21)
	Harar								D.D to Harar ( Monday, 30/3/21)	From Dire Dawa by car
	Jijiga								D.D to Jijiga	Early flight (Saturday, 31/3/21)
									Jijiga to A.A	Afternoon flight (Saturday,31/3/21)

**Annex VII: WEDP A F New Cities including satellite towns within 50 km radius**

No.	Major City	Total number of satellite towns	Satellite towns within 50km	
			Ser. No.	Name
1	Wolayita/Sodo city	10	1	Bodete
			2	Areka
			3	Tebela
			4	Gesuba
			5	Betena
			6	Shantu
			7	Gununo
			8	Bedessa
			9	Sodo Zuria
			10	Bele
2	Shashemene city	5	1	Arse Negella
			2	Wondo
			3	Kofella
			4	Shalla
			5	Bishane Gurcha
3	Nekemite city	7	1	Sissega
			2	Guto
			3	Arejo
			4	Leka Dulacha
			5	Diba
			6	Wayu Tuka
			7	Others
4	Debre Markos city	7	1	Debre Aleyas
			2	Guzamene
			3	Mechakele
			4	Senane
			5	Andod
			6	Awabele
			7	Sasso Liben
5	Jimma city	9	1	Agaro
			2	Mena
			3	Saka Chekorsa
			4	Dedo
			5	Kersa
			6	Omo-nada
			7	Mancho
			8	Shebeshnbo
			9	Goma
6	Dessie	8	1	Albuko
			2	Werebabo
			3	Desie Zuria

			4	Hayik
			5	Kombolcha
			6	Kalu
			7	Kutaber
			8	Tewledere
7	Shire Ende sellassei/ Shire city	8	1	Semema;Beles(koraro)
			2	Endabaguna
			3	Kisad gaba
			4	Hintsatse
			5	Edaga hibret
			6	Adi da-iro
			7	Adi-Nebri-ed
			8	Zana
8	Arba Minch	5	1	Arbaminch Zuria
			2	Chench Zuria
			3	Chench Ketema
			4	Bonkie
			5	Abaya
Total satellite towns		59		

**Annex VIII: Environmental and Social Screening Checklist**

Name of the subproject		
City		
Name of applicant		
Contact:		
Environmental and Social checklist must be filled out and filed for every application		
<b>Criteria</b>	<b>Yes</b>	<b>No</b>
Does the proposed activity require a FULL Environmental Impact Assessment as per the Ethiopian Law on Environmental Impact Assessment? If yes, this activity cannot be financed.		
Will the works financed include construction, reconstruction or demolition works? If yes, an ESMP needs to be prepared!		
Does the existing enterprise have valid operating permit, licenses, approvals etc.? If not, please explain. Permits to screen should include: construction permit, operational/use permit, urban permit, water management permit... If not, will the financing be used to correct this condition?		
Does the existing enterprises have a valid environmental permit (or is in the procedure of obtaining an environmental permit as per the Ethiopian laws) and does the proposed activity fall under those for which this permit was issued?		
Does the existing enterprise have a valid water management permit that calls for special investments or measures for the enterprise's wastewater releases (or is in the procedure of obtaining this permit as per the Ethiopian laws)?		
Does the existing enterprise need to follow specific Ethiopian environmental regulations regarding air emissions, water use or wastewater discharge and solid waste management?		
Are there any significant outstanding environmental fees, fines or penalties or any other environmental liabilities (e.g. pending legal proceedings involving environmental issues etc.) If so, will the financing be used to correct this condition and please explain?		
Have there been any complaints raised by local affected people or groups or NGOs regarding conditions the enterprise? If so, will the financing be used to remedy these complaints?		
Will the proposed activity require acquisition of land, e.g.? Encroachment on private property Relocation of Project affected persons Loss of private lands or assets Impacts on livelihood incomes If yes, a site-specific Resettlement/Livelihood restoration Action Plan should be prepared		
Will the proposed activity disrupt access to education?		
Will the proposed activity disrupt access to health services?		
Will the proposed activity result in loss of livelihood?		
Will the project affect vulnerable groups by any of impacts identified above?		



Will the proposed activity has negative impact to informal side road shops, traders or any nomadic type of commercial activity?		
Will the proposed activity impact community Health & Safety?		
Will the activity impact internally displaced persons or refugees?		
Will the proposed activity result in the temporary or permanent loss of crops, fruit trees or household infrastructure?		
Will the activity generate water effluents (wastewater) that may require special treatment, control or the water management permit?		
Will the activity generate air emissions which would require special controls in order to ensure compliance with the Ethiopian standards?		
Will the activity generate noise levels that would require control measures to ensure compliance with the Ethiopian standards?		
Will the noise levels impact particularly sensitive receptors (natural habitats, hospitals, schools, local population centres)?		
Will the activity consume, use or store, produce hazardous materials that: require special permits or licenses require licensed or trained personnel are outlawed, banned or are difficult, expensive, or hard to manage in Ethiopia may cause soil and water pollution or health hazards if adequate control measures are not in place		
Will the activity generate solid waste that may be considered hazardous, difficult to manage, or may be beyond the scope of regular household waste? (This may include, but not be limited too, animal carcasses, toxic materials, pesticides, medical waste, cleaning materials, flammables etc.)		
Will the activity be located within or close to natural habitats or areas under consideration by the Government for official protection status? Will the activity potentially impact areas of known significance to local, regional or national cultural heritage?		
Will the activity involve import of living organisms, e.g. saplings, insects, animals, etc. or works that can impact sensitive environmental receptors?		
Has the local population or any NGOs expressed concern about the proposed activity's environmental aspects or expressed opposition?		
Is there any other aspect of the activity that would – through normal operations or under special conditions – cause a risk or have an impact on the environment, the population or could be considered as a nuisance (e.g. use of pesticides)?		

#### Annex IX: WEDP Clients' Registration Format

የሴቶች ኢንተርናሽናል ልማት ፕሮጀክት (ቤአልፕ) የተገልጋዮች መመዝገቢያ ፎርም

ክልል: \_\_\_\_\_

ከተማ(ከፍለ ከተማ): \_\_\_\_\_

የአንድ ማዕ. አገ (ወረዳ/ቀበሌ) መለያ ቁ. \_\_\_\_\_ የምዝገባ ቀን: \_\_\_\_\_

1. የአመልካች ሙሉ ሥም ከነአያት \_\_\_\_\_
2. እድሜ \_\_\_\_\_
3. የትምህርት ደረጃ: ያልተማሩ ☐ የመጀመሪያ ☐ ሁለተኛ ደረጃ (9-12) ☐ ኮሌጅ/ዩኒቨርሲቲ ☐
4. በንግድ ሙያ በጠቅላላው ☐ ያህል አመታት ሰርተዋል? ☐
5. አሁን በተሠማሩበት የቢዝነስ ሙያ ለምን ያህል ጊዜ ሠርተዋል? \_\_\_\_\_
6. ለቢዝነስ ሥራዎ ገንዘብ ተበድረው ያውቃሉ? አዎ ☐ አልተበደርኩም ☐
7. ከተበደሩት የገንዘብ መጠን ከፍተኛው ምን ያህል ነው? \_\_\_\_\_
8. የንግድ ዘርፍ(ሴክተር)? የአምራችነት ☐ የኮንስትራክሽን ☐ የንግድ ☐ የአገልግሎት ☐ ማግብርና ☐ ሌሎች ☐
9. የተሰማሩበት የቢዝነስ ☐ : \_\_\_\_\_ ☐ ☐
10. የንግድ ፈቃድ አለዎት? አለኝ ☐ ☐
11. የግብር ከፋይ መለያ ቁጥር (TIN) አለዎት? አዎ ☐ አለኝም ☐
12. የቢዝነስ ባቤትነት አይነት የግል ቢዝነስ ☐ የሽርክና ☐ ኃላፊነቱ የተወሰነ የንግድ ☐
13. ተመዝጋቢዎ ሴት በድርጅቱ ሀብት ላይ ☐ የባለቤትነት ድርሻ መጠን በመቶኛ \_\_\_\_\_ %
14. በድርጅቱ በሥራ ላይ ያሉ ሴት ሠራተኞች (አባላት) ብዛት (ባለቤቱን አይጨምርም) \_\_\_\_\_
15. በድርጅቱ በሥራ ላይ ያሉ ወንድ ሠራተኞች (አባላት) ብዛት \_\_\_\_\_
16. የድርጅቱ መነሻ ካፒታል (በንግድ ፈቃዱ/ስምምነቱ/ ላይ የተገለጸው መጠን) \_\_\_\_\_
17. የቢዝነስዎ አመታዊ ገቢ ምን ያህል ነው? ብር  ያኖል:: አላውቀውም ☐
18. የትኛውን የሴክሊልፕ (WEDP) አገልግሎት ለመጠቀም ይፈልጋሉ?  
የብድር አገልግሎት ☐ ሥልጠና ☐ ሁለቱንም ☐
19. መልስዎ የሥልጠና ወይም ሁለቱንም ከሆነ፣ ምን አይነት ሥልጠና ይፈልጋሉ?  
\_\_\_\_\_
20. የንግድ አድራሻ:  
ክልል \_\_\_\_\_ ዞን/ከፍለ ከተማ \_\_\_\_\_  
ወረዳ/ቀበሌ \_\_\_\_\_ ከተማ \_\_\_\_\_ ቀበሌ \_\_\_\_\_  
የቤት ቁጥር \_\_\_\_\_ የስልክ ቁ. \_\_\_\_\_  
የመሣቂ \_\_\_\_\_ ኢሜይል \_\_\_\_\_

እኔ ስሜ ከታች የተመለከተው በዚህ የተገልጋይ መመዝገቢያ ፎርም ላይ እንዲሞላ የሰጠሁት መረጃ ትክክለኛ መሆኑን በፊርማዬ አረጋግጣለሁ::

የአመልካች ሙሉ ሥም \_\_\_\_\_ ፊርማ \_\_\_\_\_ ቀን \_\_\_\_\_

#### ለቢሮ አገልግሎት ብቻ

ለአመልካቹ የተሰጠ የአባልነት መታወቂያ ቁጥር \_\_\_\_\_

የምዝገባ ቦታ፡ ክልል ----- ከተማ ----- ወረዳ/ቀበሌ -----

የአንድ ማዕከል አገልግሎት -----

ያጣራው/ያረጋገጠው ባለሙያ ስም \_\_\_\_\_

ፊርማ \_\_\_\_\_ ቀን \_\_\_\_\_

**Annex IX: Pictures of WEDP financed MSEs**  
**WEDP client's MSE at Adam**



**WEDP Client's MSE Hawassa (pension)**



***WEDP Client's MSE at Bahir Dar (grains wholesaler)***



***WEDP clients' MSEs at Dire Dawa (from left to right, house utensil shop and woodwork saleroom)***





***WEDP clients' businesses destroyed by violence in Shashemene***

