



Ethiopia Women Entrepreneurship Development Project (P122764)

AFRICA | Ethiopia | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2012 | Seq No: 13 | ARCHIVED on 29-Nov-2018 | ISR34811 |

Implementing Agencies: Ministry of Finance, Development Bank of Ethiopia (DBE), Federal Urban Job Creation and Food Security Agency (FUJCFSA)

Key Dates

Key Project Dates

Bank Approval Date: 24-May-2012

Effectiveness Date: 05-Oct-2012

Planned Mid Term Review Date: 30-Sep-2015

Actual Mid-Term Review Date: 12-Oct-2015

Original Closing Date: 31-Dec-2017

Revised Closing Date: 31-Dec-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective of the WEDP is to increase the earnings and employment of MSEs owned or partly owned by the participating female entrepreneurs in the 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 and supporting cluster, technology and product development for their businesses.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Component 1: Access to Microfinance:(Cost \$108.20 M)

Component 2: Entrepreneurial skills, Technology and Cluster Development.:(Cost \$6.10 M)

Component 3: Project Management, Advocacy and Outreach, Monitoring Evaluation and Impact

Evaluation.:(Cost \$1.50 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Highly Satisfactory	● Highly Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Moderate	● Moderate

Implementation Status and Key Decisions

A World Bank Implementation Support Mission for Ethiopia - Women Entrepreneurship Development Project (WEDP) took place from November 12- 16, 2018. The Mission liaised with officials from the Ministry of Urban Development and Housing, the Federal Urban Job Creation and Food Security Agency (FUJCFSA), Development Bank of Ethiopia (DBE), Federal TVET Agency (FTVET), the UK Department for International Development (DFID)-funded Private Enterprise Program for Ethiopia (EP/WEDP), the National Bank of Ethiopia (NBE), Italian Agency for Development Cooperation (AICS), and European Investment Bank (EIB). The main objectives of the Implementation Support Mission were to



review the results achieved to date, monitor the expansion of the project to four new cities, and meet newly assigned counterparts in the Government of Ethiopia. The mission included a representative from European Investment Bank (EIB) ahead of a November 2018 loan signing for EIB's support to the project.

Component 1 Access to Microfinance:

The line of credit under component 1 has disbursed at a fast rate. With the IDA contribution fully exhausted, funds from Italy and Japan, as well as revolving funds at DBE and the MFIs' own internal funds are fueling the line of credit. As of September 30, 2018, 9,757 loans worth ETB 2.5 billion (approx. USD 89.45m) have been disbursed, with an average individual loan size of ETB 258,099 (approx. USD 9,235). ETB 284.2 million (approx. USD 10.5m) has been disbursed to MFIs from the funds of Italy, and ETB 217.9 million (approx. USD 7.8m) from the funds of JICA.

Participating MFIs continue to disburse their own funds to WEDP clients, with internal MFI disbursements increasing from ETB 630 million (approx. USD 22.5m) in March 2018 to ETB 825 million (approx. USD 29.5m) in September 2018. This indicates high demand from the clients and strong buy-in by partner MFIs, and suggests that the WEDP project has introduced a sustainable, long-term business line for participating MFIs. **Loan disbursement has started in the four new cities,** namely Assela (Oromia), Gondar (Amhara), Axum (Tigray) and Dilla (SNNPR). The initial disbursement has been slower than expected, due to the time required to train staff in the new MFI branches, and transfer funds to MFI branches in the new cities. However, disbursements in the new cities are expected to accelerate in the coming months.

The WEDP Operation Manual has been updated with a revised formula for calculation of Portfolio at Risk (PAR 90), in line with international standards. DECSI is now in compliance with the project's PAR requirements. Therefore, it has received its disbursement from DBE and started serving WEDP clients again. However, funds to OMO are still suspended, since OMO does not currently have a CEO in place, and its operating license has lapsed. The project team will continue to monitor the developments with OMO closely, since OMO remains the main provider of WEDP loans in Hawassa. For now, to serve beneficiaries in affected cities and enable them to access WEDP services, Vision and Agar have opened new branches in the SNNP region.

To better understand the constraints faced by MFIs and to understand the absorptive capacity of MFIs, the World Bank will commission a consultant to develop a report on the constraints/bottlenecks of disbursement. The findings of this report will help inform a potential extension of the WEDP project timeline, and will feed into an experience-sharing workshop on disbursement mechanisms for MFIs in all regions, organized by DBE.

There is high demand for more technical assistance (TA) to be provided to MFIs. With EIB's support, the project is preparing for a second phase TA to provide trainings and mentoring to all existing partner MFIs and any newly added partner MFIs as well as relevant capacity building assistance to DBE. The new TA, in addition to the topics covered in the first phase, will also include areas such as interest-free loan product development (Islamic Banking) and environmental and social management framework (ESMF).

Innovations and financial technology ('fintech') are being introduced to the MFIs on a demand-driven basis, to help interested MFIs harness world-class products and technologies to reach more women entrepreneurs. A pilot of psychometric testing with Amhara Credit and Savings Institution (ACSI) involved testing nearly 3,000 clients and tracking their loan performance over time. The pilot has demonstrated that psychometrics can help predict credit risk in Ethiopia, with the highest-scorers on the test being the least likely to default on their loans. A new pilot of psychometric technology with Wasasa MFI is building on the proof-of-concept developed at ACSI in order to pilot a new individual loan product which uses psychometric testing as a substitute to traditional collateral for female borrowers. The pilot was launched in April 2018 with a plan of testing 2,000 borrowers and offering 300 uncollateralized loans to WEDP clients, as well as monitoring a randomly selected control group of 300 WEDP clients.

A loan agreement will be signed between the Ethiopian Government and the European Investment Bank (EIB) in November 2018. EIB financing is expected to reach the WEDP line of credit in the first quarter of 2019. With the additional financing, the project implementation timeline will need to be extended, and additional MFIs may be added to the project. EIB will also provide funding to support the second phase technical assistance (TA) for WEDP MFIs and for DBE, the service of which will be procured by EIB directly.

Component 2 Entrepreneurship Skills:

The skills component has accelerated progress achieving beyond the targeted figure for the second consecutive ISM. Over the past six months, the project trained 2,987 clients, surpassing the six-month target of 2,000 clients set at the last ISM. The cumulative number of trained clients has therefore reached 15,525. The accomplishments were due to the contribution made by the new cities as well as renewed efforts by the sub city in Addis Ababa. In order to reach WEDP clients in the new cities, the project provided transport and per diems for TVET trainers in neighbouring cities to travel to the new cities. Training uptake and dropout have improved through a client-to-client recommendation approach, and training uptake continues to be monitored.

Capacity development interventions for implementers are helping to ensure sustainable results. WEDP entrepreneurship training materials were revised and two additional short-term training modules were developed to diversify the services. Training of trainers (ToT) was provided to 49 TVET trainers including WEDP city coordinators. The Bureau of Labor and Social Affairs (BoLSA) and the Environmental Protection Agency (EPA) have also participated in the designing and provision of environmental protection and occupational safety (ESMF) training of trainers for 44 TVET trainers as per the MoU signed. Service agreements were signed with 6 Industrial and Manufacturing TVET colleges as a cost-effective alternative for the contracting of private trainers to expand coverage in Addis Ababa.

Quality assurance of the training provision has continued. A Training Task Force meeting consisting of World Bank, PIU, and City Coordinators convenes monthly to review any challenges in the provision of business training to WEDP clients. On a quarterly basis, a joint team from the PIU and the World Bank visits the TVET colleges; thus far, two quarterly visits have been conducted. The findings indicated that the WEDP training is progressing smoothly. Training evaluations completed by clients indicate that with the majority of WEDP clients rate the training highly and appreciate the overall organization, as well as the experience and capacity of the trainers.

Partnerships and linkages have been formed with other projects and agencies. WEDP clients engaged in the leather sector have been linked with a UNIDO cluster program to benefit from their interventions. Introduction to equity financing has also been provided to WEDP clients by RENEW which is an equity investment firm. Collaboration with the Chamber of Commerce provided trainings and capacity building for project staff. The Ministry of Trade and Industry invited the WEDP project to present its experiences on financing women entrepreneurs to the Ministry and the Government of Ethiopia.

The project is exploring an extension of activities beyond the current end date and is working to identify funding partners. The project team will prepare a concept note outlining future skills development activities and corresponding budgets, with a focus on innovative interventions



such as mentorship or consulting, or interventions to help women entrepreneurs enter male-dominated sectors such as manufacturing and construction.

Component 3 Project Management, Advocacy & Outreach, Monitoring & Evaluation, and Impact Evaluation:

Project Management: Project management activities are functioning smoothly, and the WEDP City Coordinators are playing a key role in outreach to new clients. As the coverage of the project expands, City Coordinators are facing transportation challenges. The challenge is particularly acute in the four new cities, where distances between project sites are larger and public transportation is inadequate. During the mission, it was agreed to increase the transportation allowance for all City Coordinators. For the City Coordinators in the four new cities, the project will also attempt to transfer motorcycles from Addis Ababa to each of the four Coordinators. If the motorcycles are successfully transferred, the transportation allowance will be reduced back to the original amount for these City Coordinators.

Communication, Advocacy and Outreach: The project has carried out a wide range of communication activities to expand the outreach of its services. Project activity news, particularly training activities and documentaries were broadcasted on television and radio. Outreach particularly for training activities has been made through mass media (Addis Ababa and Debube Television and Fana Broadcasting Corporate Radio Program and Tigiry FM Station), printing materials, and social media. The WEDP newsletter was printed and distributed. The project has supported and facilitated the participation of WEDP clients in exhibitions and bazars organized in WEDP cities. Information about the project is being published on the project website (www.wedp.webs.com) and social media page.

Monitoring & Evaluation: As of November 2018, there are a total of 26,840 registered WEDP clients. All of the four new cities of the project have been connected to the MIS system. Both the desktop and web-based MIS systems are functional (<http://197.156.90.249:8100/>). Data replication between OSS and the central database is running smoothly. Training on WEDP MIS application has been given to end users of OSS and TVET, DOT, EDC and DBE staffs. All implementing agencies are currently using the web-based WEDP Application. While the overall performance of the MIS system has shown improvements, there are still some outstanding issues pertinent to the disruption of the internet system of the country. Printers in the One Stop Shops which are used to scan and print ID forms for registered clients have begun to malfunction and need maintenance. A World Bank Policy Research Working Paper has been published, outlining the key lessons from the development WEDP MIS, to inform initiatives in other countries.

Impact Evaluation: The impact evaluation for the WEDP project has made strong progress and has produced eight completed studies, with several more underway. A before-after comparison of a sample of 2,400 WEDP enterprises surveyed in 2013 and again in 2016 showed that enterprises that had participated in WEDP had increased employment levels in their firms by 55% and had increased profits by 41%, over the past three years. Enterprises that took WEDP loans grew at the fastest rate, exhibiting employment growth of 68% and profit growth of 79%. The impact evaluation has also introduced innovative pilots into the project, such a psychometric testing pilot for loan clients, and psychological/action-oriented entrepreneurship training. Studies and pilot activities supported under the WEDP impact evaluation have generated new knowledge and evidence on supporting women's entrepreneurship, and have received numerous accolades, including the World Bank Innovation Award (2016), the IFC Knowbel Award (2017), and an SME Launchpad Award (2017). The evidence produced through WEDP's impact evaluation has in turn influenced the design of women's entrepreneurship operations in other countries, including Tanzania, Madagascar, Zimbabwe, and Indonesia. A World Bank Policy Research Working Paper has been published outlining the impact of WEDP loans on the growth of participating enterprises.

Procurement: As the project has reached an advanced stage of implementation, procurement activities are limited.

Financial Management (FM): Based on the supervision of the Project in the visited implementing entities, it is the conclusion of the mission that the FM system provides reasonable assurance that the project resources are being used for the intended purposes. The financial management system continues to be strong and is rated Satisfactory. However, key issues that need management's attention are the low budget utilization at FUJCFSA, the monitoring required on advances to cities and the need to clearly document internal audit findings on the project for proper follow up.

Environmental and social safeguards: Training of trainers (ToT) on occupational safety, health and environmental protection for TVET Colleges and for DBE have taken place, with involvement of the Addis Ababa Bureau of Labour and Social Affairs (BoLSA) and Environment Protection Agency (EPA). Training materials have been prepared and reviewed by World Bank environmental and social safeguard specialists. The Environmental and Social Management Framework (ESMF) has been incorporated into entrepreneurship trainings for WEDP clients, so that entrepreneurs are aware of relevant environmental and social safeguards and standards. A system of quarterly visits has been instituted to monitor implementation of the project's Environmental and Social Management Framework (ESMF). The monitoring visits comprised of team members from the WEDP PIU, World Bank WEDP staff and safeguard specialists, and the Development Bank of Ethiopia. The inaugural ESMF monitoring visit was conducted in Addis Ababa to 3 selected MFIs – Addis Credit and Saving Institution (ADCSI), Agar and Specialized Financial Promotion Institute (SPFI) and their respective clients. A report has been produced outlining findings and recommendations. Two key actions were agreed, stemming from the findings of the quarterly ESMF visits.

To enhance accountability, the project's ESMF screening checklist which is completed by MFIs for each approved WEDP loan, will be modified to include the names and signatures of the loan officer and manager who conduct and approve the environmental/social screening. This will help to ensure that MFIs are accountable for conducting high-quality screenings. In addition, FUJCFSA, supported by the World Bank, will produce a leaflet on national environmental and social requirements, especially on occupational safety and health and minimum age of employment, to be distributed to clients for awareness raising. FUJCFSA will host a training for all MFIs within 2018.

The complaint mechanism for the project is up and running. The project has also hired 13 City Coordinators, to oversee the project's 45 One Stop Shops where clients register for the project. Each City Coordinator is responsible for receiving, escalating, and resolving complaints in their project sites. In addition to this, a toll-free grievance and information telephone line (8658) has been introduced and is functional.

Risks



Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● Moderate	● Moderate
Macroeconomic	--	● Low	● Low
Sector Strategies and Policies	--	● Substantial	● Substantial
Technical Design of Project or Program	--	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	--	● Moderate	● Moderate
Fiduciary	--	● Moderate	● Moderate
Environment and Social	--	● Low	● Moderate
Stakeholders	--	● Moderate	● Moderate
Other	--	● Low	● Low
Overall	--	● Moderate	● Moderate

Results

PDO Indicators by Objectives / Outcomes

To increase the earnings and employment of MSEs owned or partly owned by female entrepreneurs				
▶ Increase in average numbers of full-time and part-time employees (paid and unpaid) per MSE (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.86	2.90	2.90	2.42
Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2017
▶ Increase in number of hours of worked for the Micro and Small Enterprise (MSE) per week (paid and unpaid) (Hours, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	179.00	295.00	295.00	232.00
Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2017
▶ Increase in yearly average business earnings (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2,414.00	3,398.00	3,398.00	3,621.00
Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2017

Intermediate Results Indicators by Components



Component 1: Access to Microfinance				
▶Direct project beneficiaries (Microfinance) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	8,536.00	9,757.00	10,000.00
Date	31-Oct-2012	30-Mar-2018	05-Nov-2018	31-Dec-2019
▶Intermediate Number of One Stop Shops (OSS), Microfinance Institutions (MFI) and Technical Vocational Education and Training (TVET) colleges reporting according to the WEDP Monitoring and Evaluation ((Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	72.00	72.00	68.00
Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2017
▶Data collection and reporting (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	49 OSSs + 12 MFIs + 11 TVEV	49 OSSs + 12 MFIs + 11 TVET	45 OSSs + 8 MFIs
Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2019
▶Number of MFIs that have adopted and implemented institution development plans and project-related credit technologies (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	12.00	12.00	8.00
Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2017
▶Portfolio at Risk - SME (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.10	3.39	3.39	3.00
Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2019
▲Percentage of project-supported institutions that are reporting on this indicator (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	100.00	100.00	100.00	100.00
▶Percentage of loan officers trained by Project (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	53.00	53.00	20.00



Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2017
►No of active loan accounts -SME (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	8,536.00	9,757.00	10,000.00
Date	31-Oct-2012	02-Nov-2017	05-Nov-2018	31-Dec-2019
▲Percentage of project-supported institutions that are reporting on this indicator (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00
►Volume of Bank Support: Institutional Development - SME (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3,600,000.00	3,600,000.00	3,600,000.00
Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2017
►Volume of Bank Support: Lines of Credit - Microfinance (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	56,300,000.00	90,107,369.14	111,700,000.00
Date	31-Oct-2012	30-Mar-2018	05-Nov-2018	31-Dec-2019

Component 2: Entrepreneurial skills, Technology and Cluster Development.

►Establish a Women Entrepreneurship Development Training Program with fully operative modules (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	11.00	11.00	11.00
Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2017
►Fully staffed, trained and well-functioning OSS (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	49.00	49.00	45.00
Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2017
►Percentage of trainees passing the institutional end-of-training competency test at the TVET colleges (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	97.50	97.50	80.00
Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2017
►Direct project beneficiaries (Training) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	12,720.00	15,525.00	20,000.00
Date	31-Oct-2012	21-May-2018	05-Nov-2018	31-Dec-2019
▲Female beneficiaries (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00
►Increase in General Business Knowledge (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	63.79	63.79	79.00
Date	01-Nov-2014	02-Nov-2017	02-Nov-2017	31-Dec-2017

Data on Financial Performance

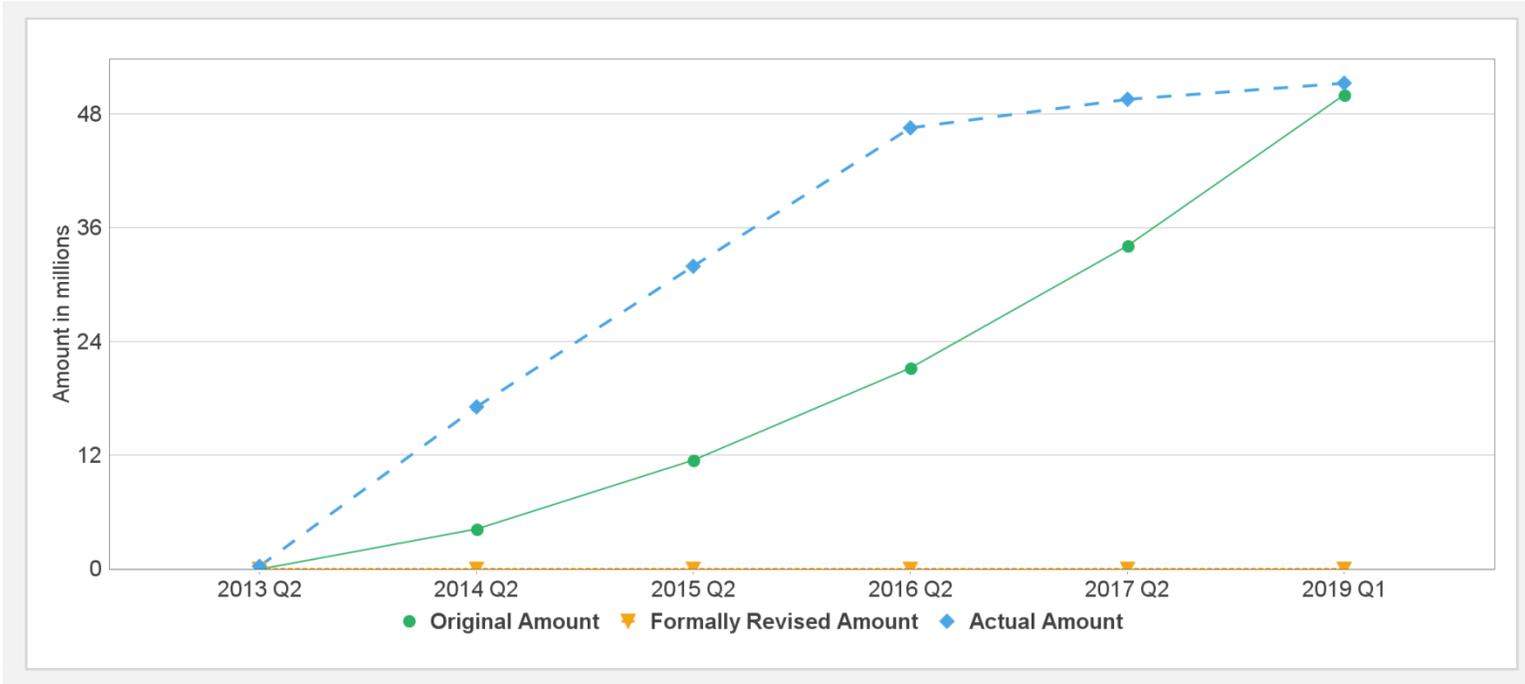
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P122764	IDA-51120	Effective	USD	50.00	50.00	0.00	46.10	1.66	97%
P122764	TF-16392	Closed	USD	5.17	5.17	0.00	5.17	0.00	100%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P122764	IDA-51120	Effective	24-May-2012	12-Jun-2012	05-Oct-2012	31-Dec-2017	31-Dec-2019
P122764	TF-16392	Closed	23-Apr-2014	23-Apr-2014	23-Apr-2014	31-Dec-2017	31-Dec-2017

Cumulative Disbursements



Restructuring History

Level Approved on 09-Jun-2016 ,Level Approved on 03-May-2017 ,Level 2 Approved on 18-Jul-2017

Related Project(s)

There are no related projects.