



Ethiopia Women Entrepreneurship Development Project (P122764)

AFRICA | Ethiopia | Finance, Competitiveness and Innovation Global Practice |
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Implementing Agencies: Ministry of Finance and Economic Cooperation, 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 May 21 to 25, 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), Global Affairs Canada (GAC). 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) to explore the possibility of EIB co-financing for the project.

Component 1 Access to Microfinance:

The line of credit under component 1 has disbursed at an extremely fast rate. With the IDA contribution fully exhausted, funds from Italy as well as revolving funds at DBE and the MFIs' own internal funds are fueling the line of credit. As of March 31st 2018, 8536 loans worth ETB 2.13 billion (approx. USD 78.9m) have been disbursed, with an average individual loan size of ETB 249,562 (approx. USD 9,243). ETB 284.2 million (approx. USD 10.4m) has been disbursed from the funds of the Italian Agency for Development Cooperation to MFIs.

DBE suspended funds for two MFIs which were not in compliance with the WEDP eligibility criterion of maintaining a Portfolio at Risk (PAR90) below 5%. Planned disbursements of over ETB 150 million to DECSI and OMO were suspended by DBE, until the PAR issues are addressed. As a result, beneficiaries in key project cities are unable to access WEDP services. The mission reviewed the loan portfolio of these two MFIs in detail, and determined that the current PAR90 measure had not accounted for fully provisioned loans which were in arrears for over 365 days. The PAR90 calculation will therefore be adjusted and reflected in a revision to the WEDP Operations Manual. At the same time, continued technical support and assistance to the MFIs will be conducted, to strengthen their credit risk assessment processes.

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.

Agreements for co-financing have been signed between the Ethiopian Government and two bilateral donors: the Japanese International Cooperation Agency (JICA) and the Italian Agency for Development Cooperation. A condition of effectiveness for these funds to reach the project is the signing of a co-financing agreement with the World Bank. For the Italian funds, a co-financing agreement has been signed between the World Bank and Italy and the co-financing has reached the project. For the Japanese, a co-financing agreement is expected to be signed and funding is expected to take effect in July 2018. With the additional financing, the project undertook an expansion to four new cities, namely, Assela (Oromia), Gondar (Amhara), Axum (Tigray) and Dilla (SNNPR). Discussions are also being held with European Investment Bank (EIB) on a possible contribution. Finally, the project is exploring the incorporation of selected commercial banks into the growing line of credit.

Component 2 Entrepreneurship Skills:

Component 2 has continued to progress, with business training delivered to a total of 12,720 clients as of May 2018. The training component has exceeded its interim target of supporting 2,000 firms, reaching 2,078 during the last 6 months. The new WEDP cities have all started provision of WEDP training. The provision of technical training by TVET Colleges and of Business Development Services by Digital Opportunities Trust (DOT) has also begun.

Several logistical challenges related to the project's expansion were raised during the mission. These include (i) transportation challenges faced by city coordinators organizing training outside of their home TVET colleges; (ii) the need for per diems for TVET trainers travelling to new project sites; and (iii) the effect of training dropouts on TVET reimbursements. The mission agreed to (i) explore options for transferring unused motorcycles from Addis to the regions to assist the City Coordinators, (ii) institute per diems for TVET trainers who travel to new cities to conduct training, and (iii) to conduct an assessment of the regular TVET system and decide the cut-off attendance percentage for completion.

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

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 May 21, 2018, there are a total of 22,780 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 are in need of maintenance.

Impact Evaluation: The impact evaluation for the WEDP project has made strong progress and has produced seven 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%.

Procurement: A detailed procurement review was conducted as part of this mission and the result are forthcoming.

Financial Management (FM): As part of the mission, a financial management implementation support and supervision mission of WEDP has been carried out. The objective of the FM mission was to assess whether the project financial management arrangements continue to be adequate as designed to give timely reports, which reflect project transactions, and whether such reports can reliably be used for project monitoring. It is the conclusion of the mission that the FM Arrangements in place continue to provide reasonable assurance that the project resources are used for the intended purposes and are adequate to provide timely and reliable information to stakeholders. Areas that require management's attention are mostly related to the budget utilization of the FUJC&FSA and the need for the agency to disclose the WEDP audit report to the public on its website.

Environmental and social safeguards: The preparation and provision of occupational safety, health and environmental protection Training of Trainers MoU has been signed with the Addis Ababa Bureau of Labour and Social Affairs (BoLSA) and Environment Protection Bureau (EPB).

A system of quarterly visits has been instituted to monitor implementation of the project's Environmental and Social Monitoring Framework (ESMF). The monitoring visits will be composed 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. DBE has also played a critical role in conducting 2 ESMF visits in Mekelle and Bahir Dar and produced reports. A detailed action plan will be developed to ensure implementation of recommendations and progress will be monitored during the monthly WIC meetings.

The complaint mechanism for the project is up and running. The project has hired 13 City Coordinators, oversee the project's 49 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 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	● Low
Stakeholders	--	● Moderate	● Moderate



Other	--	● Low	● Low
Overall	--	● Moderate	● Moderate

Results

Project Development Objective Indicators

► 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	02-Nov-2017	21-May-2018	31-Dec-2017

► 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	02-Nov-2017	21-May-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	02-Nov-2017	21-May-2018	31-Dec-2017

Overall Comments

Intermediate Results Indicators



► Direct project beneficiaries (Microfinance) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	6,800.00	8,536.00	10,000.00
Date	31-Oct-2012	02-Nov-2017	30-Mar-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	68.00	72.00	68.00
Date	31-Oct-2012	02-Nov-2017	21-May-2018	31-Dec-2017

► 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	02-Nov-2017	21-May-2018	31-Dec-2017

► Fully staffed, trained and well-functioning OSS (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	45.00	49.00	45.00
Date	31-Oct-2012	02-Nov-2017	21-May-2018	31-Dec-2017



► Data collection and reporting (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	45 OSSs + 12 MFIs	49 OSSs + 12 MFIs + 11 TVEV	45 OSSs + 8 MFIs
Date	31-Oct-2012	02-Nov-2017	21-May-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	100.00	97.50	80.00
Date	31-Oct-2012	02-Nov-2017	21-May-2018	31-Dec-2017

► Direct project beneficiaries (Training) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	11,188.00	12,720.00	20,000.00
Date	31-Oct-2012	02-Nov-2017	21-May-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



► 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	02-Nov-2017	21-May-2018	31-Dec-2017

► Portfolio at Risk - SME (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.10	2.89	3.39	3.00
Date	31-Oct-2012	02-Nov-2017	21-May-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

► 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



► 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	02-Nov-2017	21-May-2018	31-Dec-2017

► 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	02-Nov-2017	21-May-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	45,900,000.00	56,300,000.00	111,700,000.00
Date	31-Oct-2012	02-Nov-2017	30-Mar-2018	31-Dec-2019

► No of active loan accounts -SME (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	6,800.00	8,536.00	10,000.00
Date	31-Oct-2012	02-Nov-2017	02-Nov-2017	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

Overall Comments

Data on Financial Performance

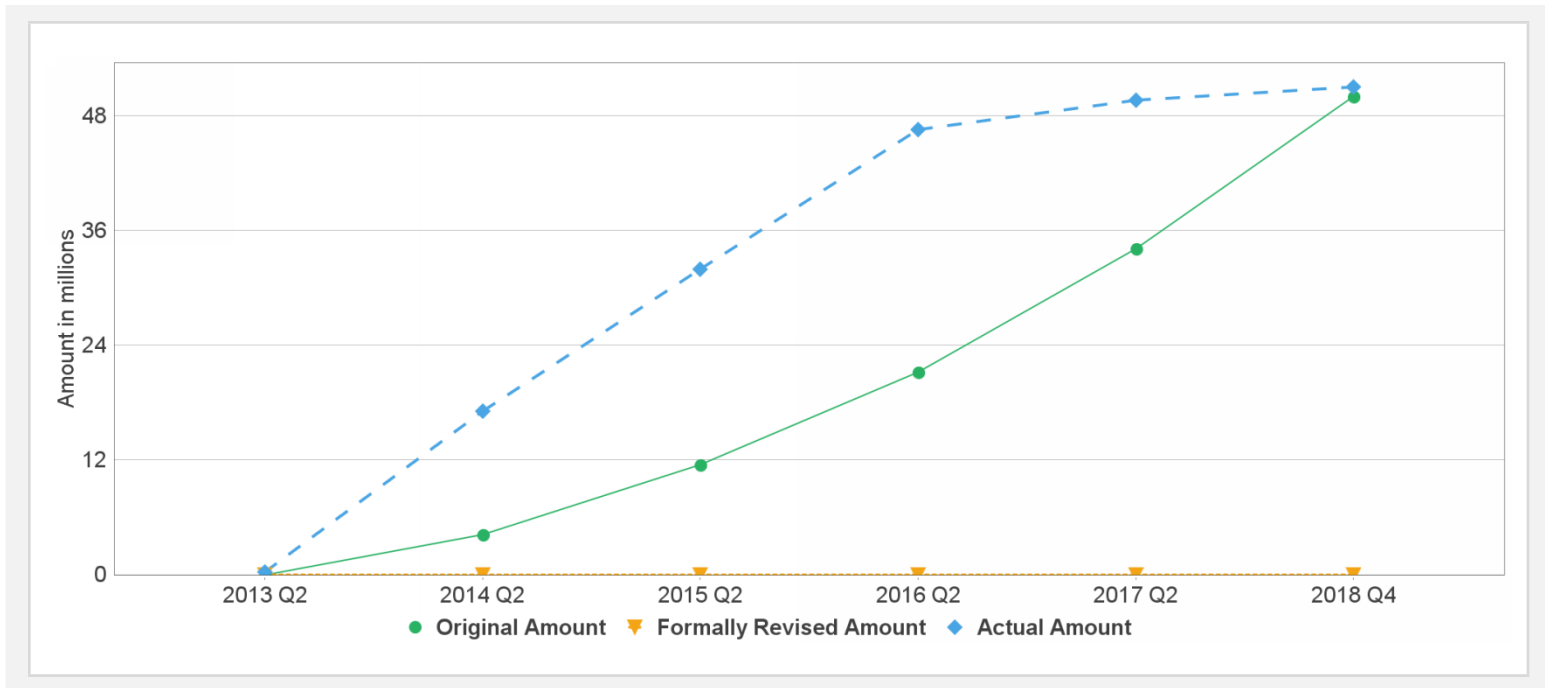
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P122764	IDA-51120	Effective	USD	50.00	50.00	0.00	45.83	1.95	 96%
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.