UNITED NATIONS IN ETHIOPIA

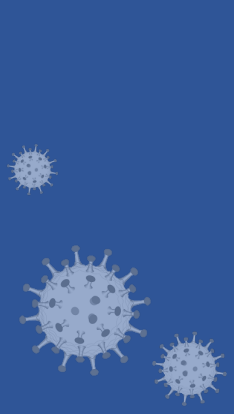
UNITED NATIONS ETHIOPIA

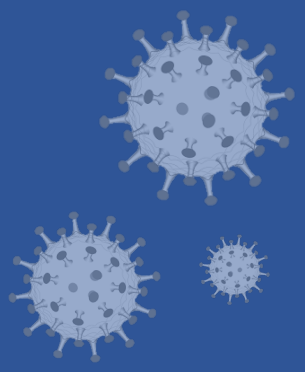
COVID-19 RESPONSE

PROPOSAL FOR SOCIO-ECONOMIC RESPONSE AND RECOVERY IN THE AFTERMATH OF COVID-19

SUSTAINING BUSINESSES, PROTECTING JOBS AND MAINTAINING HUMAN CAPABILITIES

A Framework for Action





Final Draft

ADDIS ABABA, 28 JUNE 2020

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1. BACKGROUND

The world economy is experiencing a historic economic and social shock triggered by COVID-19. The unique feature of the pandemic is that it represents **a 'perfect storm', bringing together a multitude of crises – public health, economic, financial, social, environmental – in a single, rapid and devastating blow to countries and societies** (Triggs and Kharas, 2020).

Ethiopia, despite its best efforts, cannot insulate itself from the crisis rippling across the globe and must move quickly to design and implement socio-economic response and recovery measures that mitigate the worst effects, sustain businesses large and small, protect jobs and maintain human capabilities. A study conducted by the Planning and Development Commission (PDC) shows that COVID-19 will have major adverse impacts on the economy as well as on household welfare and human dignity. Economic growth is expected to deviate from the base by 2.81% and 3.80%, respectively, in the moderate and worst-case scenarios. Moreover, long-run economic growth will deviate from 2.6% to 3.1% in the moderate and the worst-case scenarios, respectively. Estimates from other sources such as the IMF and the UN indicate that the situation could be worse. Impacts will also be uneven across sectors with effects on economic, social, cultural, civil and political rights.

The negative impact of COVID-19 on Ethiopian economy will depend, crucially, on the structure of the economy and pre-existing socio-economic conditions and challenges. For instance, the service sector is the leading sector in terms of its contribution to GDP and employment creation. It is also the most vulnerable to COVID-19. Sub-sectors including tourism, the airline industry, hospitality, distribution and other services are already reeling. The nascent manufacturing sector, dominated by labour intensive industries, will need to cope with the double blow of lower demand and the costly task of physical distancing in the workplace, in those instances that these enterprises can contemplate staying open. There may be human rights considerations as well, for example, with regard to wages as well as the health and safety of employees in the workplace.

Many businesses will not be able to stay open and operate. On the supply side, measures aimed at slowing the spread of the virus such as workplace closures and travel bans are triggering a visible drop in output and employment, hitting the self-employed and smaller businesses the hardest, especially those in the large informal sector where the gender dimensions are very evident. The overall deterioration in the economic, business and investment climate has led to firms and small informal businesses taking measures to scale-down or close and shed workers, resulting in lost wages. Enterprises are also coping with a major liquidity crunch and run the risk of not being able to honour their debts. If global experience is any guide, small and medium size enterprises, in particular, will not be able to survive for long and will likely either default or have to reschedule loans. This, in turn, will imperil the financial sector, not least where it is small and underdeveloped, as in Ethiopia, raising the likelihood a systemic risk that can precipitate collapse in the absence of large-scale public intervention. On top of this, consumer demand has fallen as individuals reduce trips to the market and generally reduce their consumption levels and draw down savings and other assets (if available) in the face of heightened uncertainty and rising public concern about the pandemic. Combined with the actions of firms and enterprises, this will mean deferral of spending and investment, slowing growth - quickly.

The shocks mentioned above will not be the end of it. They will reinforce each other to generate other economy-wide effects, for example, on food supply and care work. There is a high probability that **agricultural production will be impacted adversely** – even as it copes with other crises such as the desert locust (DL) invasion - **generating deeper impacts on food availability, access and utilisation,**

on food and non-food inflation and on food security. Remittance has decreased significantly, which has direct impact on household consumption and poverty. These trends are likely to widen existing gender inequalities with a disproportionate effect on women and children. Apart from this, **lower foreign direct investment (FDI) inflows** will affect sectors such as energy and mining and, to some degree, manufacturing as well. As access to investment flows from major sources such as China, India and Turkey drop – and the risk of debt distress and risk aversion among funders play their part - access to capital markets will be restricted sharply, investment in infrastructure and production will be severely affected, and **the interplay of these factors will threaten productivity, employment, exports and long-term growth potential**.

To add to the grim outlook, there are rising concerns about the direct and indirect impacts of the pandemic on Ethiopia's human capital, on human capabilities more broadly and enjoyment of human rights as well. As scarce resources are diverted to tackle COVID-19, access to vital sexual and reproductive health (SRH) services such as maternal and ante-natal health care (ANC) and post-natal services and services for adolescents and children such as immunization are likely to be impacted negatively. Similarly access to specialized services for victims of gender-based violence, violence and harassment in the workplace and sexual abuse is likely to be hampered as well. A rapid rise in malnutrition can be expected as lower incomes and reduced access to a well-balanced and nutritionally dense diet take their toll, especially on the poor and those in the bottom quintiles of the income distribution. In education, with millions of children out of school, the likelihood of poorer learning outcomes, lower nutritional status from lack of access to school feeding programmes and the potential for permanent withdrawal from schooling including due to early marriages are growing risks, especially if the crisis goes on for more than 3 months.

Finally, some will feel the impact much more than others, with female headed households especially at risk (please see the text box below). The PDC's study reveals that between 0.7- 1.57 million of jobs are threatened in the moderate and worst-case scenarios, respectively, mostly in the informal sector; estimates from the Jobs Creation Commission (JCC) and the UN suggest that the numbers could be much higher, depending on the severity and duration of the crisis. The PDC study further reveals that the **urban poor are the most vulnerable**, with their income potentially decreasing by nearly 11% and 14% in the moderate and worst-case scenarios, respectively. Additional analysis by the Ministry of Finance (MoF) shows that anywhere up to **5 million people are expected to fall below the poverty line**. It would be even worse, and the number would go higher, if addressed from a multi-dimensional perspective (mainly people who are deprived in accessing essential services)[1]. In terms of those left behind, **women** run the risk of being among the hardest hit by the pandemic because of their specific roles in the economy and society and pre-existing, often structural, factors that have inhibited their development progress in Ethiopia. Moreover, there is a very real risk – again, if global experience and local conditions are any guide – of increased violence against women and girls (VAWG) as economic and social conditions deteriorate including increased risks of violence in lockdown and quarantine[2]. Other vulnerable groups include **children, older persons, youth, persons with disabilities and adolescents generally and those in particular circumstances (e.g. on the street or with HIV/AIDS), domestic workers, returning migrants. internally displaced persons (IDPs), refugees and the elderly and homeless**.

This is then the backdrop for the preparation of this framework document, to ensure implementation of evidence-based and well-designed response and recovery measures over a timeframe starting now and

[1] https://www.unicef.org/esa/sites/unicef.org.esa/files/2019-01/UNICEF-Ethiopia-2018-Multidimensional-Child-Deprivation.pdf or https://ophi.org.uk/wp-content/uploads/CB_ETH_2019_2.pdf

[2] Rates of domestic violence are increasing during the pandemic as they tend to during emergencies: www.channelnewsasia.com; www.theglobeandmail.com; www.themarshallproject.org.

extending 18 months to the end of 2021. Government's commitment to its reform agenda prior to COVID-19, provides an opportunity for doing things differently to sustain businesses while protecting jobs and strengthening human capabilities of individuals and groups to exploit their full potential, including making choices which can enable them to live a dignified life. This can be achieved if an enabling environment is created to ensure the right of access to employment, especially for disadvantaged and marginalized individuals and groups, including adoption and implementation of a national employment strategy and plan of action based on and addressing the concerns of all workers in line with human rights normative standards. Additionally, application of a human rights- based approach in the design of COVID-19 response and recovery measures will ensure that those left furthest behind are reached first. This will secure **Ethiopia's past development gains and its future prospects – not just economic but also social and environmental – and, indeed, for its governance transition as well. The implications will be wide-ranging, for the country, for the Horn of Africa and quite possibly, for Sub-Saharan Africa (SSA) as well.**

Most Impacted Groups, Sectors and Geographic Areas (with significant overlap)

- Workers, especially women workers, employed in micro, small and medium-size enterprises (MSMEs) in the urban, informal, sector (manufacturing, construction, trading, retail, hospitality and tourism).
- Workers in industrial parks and other large enterprise who are already laid off or in danger of losing their jobs.
- Farmers/pastoralists and households in areas at-risk of increasing food insecurity (IPC Phase 3 or 4).
- Frontline health system workers.
- Women in the urban informal sector and employed in industrial parks.
- Children in general and those of school-going age who are from poor, food insecure, households.
- Particularly vulnerable children and adolescents (e.g. urban street children, girls/women engaged in commercial sexual exploitation).
- The vulnerable, especially in urban informal settlements and slums.
- Groups with specific vulnerabilities (PLWHA, PWDs, older persons, the homeless).
- IDPs, refugees, returnees/relocates and returning migrants (particularly t and female migrant domestic workers unaccompanied and separated children, irregular migrants and victims of trafficking), potential migrants who were on process of migrating;
- MSMEs in supply chains in construction, manufacturing, agro-industry, hospitality, tourism, and retail.
- MSMEs in supply chains for agricultural and horticultural exports as well as production + marketing of critical food crops.
- Urban informal settlements and slum areas.
  Developing regional states (Afar, Benishangul-Gumuz, Gambella, Somali).

2. ANALYSIS OF THE SITUATION PRE-COVID-19: ENTERPRISES, EMPLOYMENT, AGRICULTURE AND THE RURAL ECONOMY, SOCIAL WELLBEING

CHARACTERISTICS OF MICRO, SMALL AND MEDIUM-SIZE ENTERPRISES (MSMEs) IN ETHIOPIA

Globally, micro, small and medium-size enterprises make up over 90% of all firms and account, on average, for 60-70% of total employment and 50% of GDP.[3] MSMEs represent the largest shares of businesses in Ethiopia, accounting cumulatively for over 98% of all business enterprises. In 2018, urban unemployment was estimated at 19.1% with youth unemployment at 25.3% where female youth takes the main share of unemployed youth (one out of three female youth in the labour market are not employed). Out of the 42% employed females, 54% are employed in the informal sector mainly in SMEs. Disaggregating using the Government of Ethiopia's (GoE) definition of MSMEs[4] and recently reported data, the country is estimated to have 800,000 micro enterprises, 12,000 small enterprises and 8,000 medium-sized enterprises. Some sources suggest that the total number of MSMEs has now reached about 1.43 million[5]. Overall, it is estimated that MSMEs employ approximately 5 million people nationwide (GoE Impact Assessment COVID-19, 2020).

MSMEs have been a vibrant and dynamic sector of the Ethiopian economy over the last decade, in employment generation, value addition, and accelerating the transition to an industrial society. They will remain crucial as Ethiopia adjusts its economic model to one that is more market- and private-sector driven, open, and well-integrated into regional and global value chains.

In order to identify policy interventions that can protect the essential productive base that is comprised by these enterprises, it is important to understand and contextualise these enterprises in the Ethiopian context. A study[6] by Ethiopian Development Research Institute (EDRI) based on a sample size of 8,174 formally registered micro and small enterprises (MSEs) drawn from the 10 largest cities in Ethiopia (of which 40% were micro) – a subset of the larger population of MSMEs – is revealing. In this study, enterprises with five or fewer employees were classified as micro and those hiring 6-30 people as small with medium-size enterprises above the latter threshold. Details follow below.

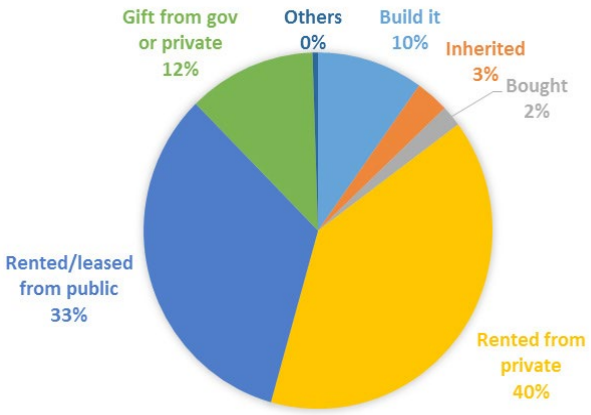
OWNERSHIP AND CLASSIFICATION: In terms of ownership, the table below shows that sole proprietorship is dominant, especially amongst women (57%) followed by cooperatives (14%) and then partnerships (13.8%). The survey showed 94% of sample enterprises were managed by their owners and the remaining 2.87% by hired managers. About 96% of the MSEs reported that they had established the business by themselves from scratch while the rest were inherited or purchased from others. Generally, **entrepreneurship, particularly in the manufacturing sector, is largely a recent phenomenon in Ethiopia, requiring a conscious strategy to promote start-ups**. In fact, in terms of the age of the enterprises in the sample, 24% were 1-2 years old and 36% between 3-5 years, with only 23% between 5-10 years old. Only 17% had survived more than a decade, confirming data from other sources that **survival and progression rates for enterprises in Ethiopia are low. This is also highly suggestive of the elevated levels of vulnerability that such enterprises have to cope with in the face of a large-scale**

[3] According to the data provided by the International Council for Small Business (ICSB).
[4] MSE Development Strategy. An *Iqqub* is a traditional and informal financial mechanism in Ethiopia where people come together and form a voluntary group to save money and lend to members in a rotational basis.
[5] Latest GTP I and II data for the MSMEs as compiled by Federal Urban Jobs Creation and Food Security Agency, 2020.
[6] EDRI, Main Features of Micro and Small Manufacturing Enterprises in Ethiopia, baseline survey report, 2018.

crisis such as COVID-19. In terms of location, about 57% were located outside of the home, 20% in industrial zones/clusters and 23% at home. It is also relevant to responses to the impact of COVID-19 that 33% of MSEs in the sample acquired their current location by renting/leasing from the public/government and another 40% doing the same from the private. This shows that **rental/leasing is a significant cost category, thus, relief in this area will be of substantial value**. While the number requires further analysis, including on account of gender, it is also to deduce from the numbers that about 44% of MSEs – or approaching half – could benefit from the waiver or postponement of lease/rental fees.

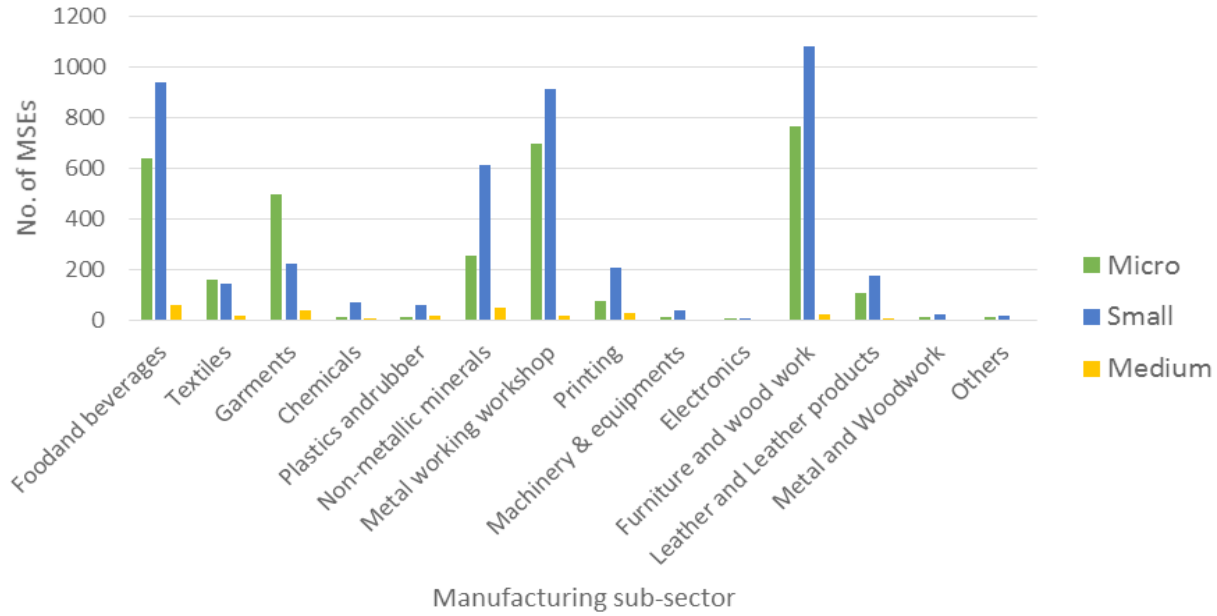
Table 1: Legal Form of Ownership

Legal status	Freq.	%
Public owned	3	0.04
Private limited	921	11.27
Share company	268	3.28
Partnership	1130	13.82
Sole proprietorship	4662	57.03
Cooperative	1182	14.46
Others	8	0.10
Total	**8174**	**100**



SECTORAL FOCUS OF MSEs: The three most important sub-sectors for MSEs in the sample were furniture and wood working, food and beverage, and metal working workshops. The three together accounted for about 63% of MSE enterprises in this snapshot of urban Ethiopia.

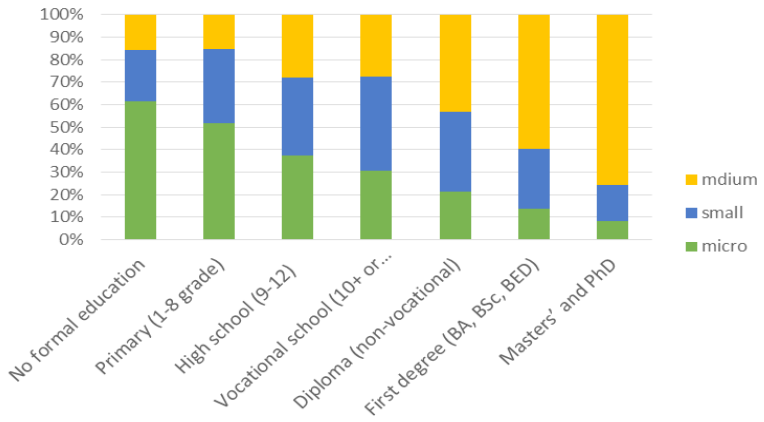
Figure 1: Distribution of MSEs across Sub-Sectors



GENDER AND DEMOGRAPHIC CHARACTERISTICS: Based on the same study, 81% of enterprises were owned by men the majority of whom (76%) were married. In term of the age of owners, 48% were between age of 18-35 years and 50.3% between the age of 35-65 years. MSEs in the sample employed more male workers than female: 85% were male, at least in the initial year of operation. There is a slight improvement in gender balance over time, with the proportion of female workers increasing from 15% in the initial year (2014) to 21% in 2017. Worryingly, **not only is the proportion of female MSE owners low, but the average monthly earnings of male production workers were reported to be 20-25% higher than their female counterparts**.

In terms of education, most entrepreneurs (> 87%) in the sampled MSEs were high school graduates. Level of education appears correlated with scale of entrepreneurial activity: the higher the level of education, the more they more likely entrepreneurs were to be engaged in small and medium-size enterprises rather than micro enterprises.

Figure 2: Educational Status of Entrepreneurs vs Firm Size



WAGE AND EMPLOYMENT: Of the 72,584 people employed by the 8000+ MSEs in the sample, 72% were paid workers. The rate of employment seems to have increased every year. During the initial year of the business, the total number of working owners accounts for nearly half of the total jobs created by the MSEs. The share of working owners, however, declined over time and reached about a quarter in two years while at the same time the share of paid workers rose from about half to nearly three-quarters of employment.

It is, again, instructive for policy responses to COVID-19 that a large proportion of the employment created by MSEs is temporary in nature, in that most employees did not have a written employment contract longer than six months. Nevertheless, permanent employment increased with time, from 17% at the initial stage to 22% in 2017.[7] This suggests that more than three-quarters of employees (78%) are temporary, mostly with no written contract. A wage subsidy will be essential to prevent them for being laid off and perhaps even transit them into a formal, contractually enforceable employment. The alternatives, if layoffs become unavoidable, would be cash transfers – but this will be difficult to administer de-linked from enterprises – or, a potential slide below the poverty line and, thus, an increased reliance on social safety nets.

In terms of compensation, on average, MSE production workers in the sample received a basic after-tax salary of Birr 2069 (USD 96) in 2016/17 which was more than 50% higher than the USD 2 per day (USD

[7] EDRI, Main Features of Micro and Small Manufacturing Enterprises in Ethiopia, baseline survey report, 2018.

60 USD per month) poverty line. **The upside of this is that MSEs seem to help people escape poverty; the downside in a crisis situation, however, is that loss of employment might mean a relatively quick descent back into poverty** in the absence of substantial savings and other assets among the employed (which is unlikely).

ACCESS TO FINANCE: Access to credit very limited for MSEs, especially those owned by women, confirming findings from other studies[8]. More than 70% of MSEs had no access to credit and had to rely on their own funds. **Of the enterprises that had access to loans, the unsurprising finding was that Micro Finance Institutions (MFIs) were the main source of both investment and working capital**, again confirming results from other studies. Size of enterprise matters in gaining access to a loan. About 40% of medium-size enterprises had access to investment loans while only 22.5% of micro firms had the same. The table below shows that **the formal banking sector only services medium-size and large firms: this strongly suggests that liquidity provided to the traditional commercial banking sector is unlikely to find its way to MSEs**. The only option in this regard would be to channel relief through MFIs which are closer to this category of firms and more familiar with their specific gender and operating conditions and sectors. Of the 40% of MSEs in the sample that had applied for a loan, the rejection rate was relatively high (30%), mostly due to the inability of MSEs to provide a guarantor and/or collateral. This has important implications for the design of relief measures and their ultimate cost: **insisting on guarantees and collateral will leave a high proportion of MSEs out of the safety net**. At the same time, the absence of these features will not only require greater follow-up and oversight but also a potentially higher likelihood of write-downs. These risks need to be balanced carefully – and this is possible, using prior track record in making payments e.g. for rental and for use of other services such as telecoms. Many countries are using non-financial measures of credit worthiness by mining data from multiple sources and using artificial intelligence (AI) to develop credit profiles of potential customers. The response to COVID-19 provides an opportunity to bring these digital technologies to Ethiopia.

Table 2: MSE Access to Finance by Source

		INVESTMENT FINANCE				WORKING CAPITAL			
		Micro	**Small**	**Medium**	**TOTAL**	**Micro**	**Small**	**Medium**	**TOTAL**
Enterprises had ever received loan from:									
MFIs	***No.***	**548**	**909**	**37**	**1,494**	**624**	**987**	**42**	**1,653**
	%	73.5	67.6	29.4	67.4	71.9	65.3	33.3	66.0
Formal banks	***No.***	**42**	**211**	**73**	**326**	**62**	**266**	**66**	**394**
	%	5.6	15.7	57.9	14.7	7.1	17.6	52.4	15.7
Gov't projects	***No.***	**14**	**37**	**5**	**56**	**15**	**45**	**7**	**67**
	%	1.9	2.8	4.0	2.5	1.7	3.0	5.6	2.7
NGO	***No.***	**13**	**26**	**1**	**40**	**16**	**28**	**1**	**45**
	%	1.7	1.9	0.8	1.8	1.8	1.9	0.8	1.8
Saving & Credit Associations	***No.***	**129**	**161**	**10**	**300**	**151**	**185**	**10**	**346**
	%	17.3	12.0	7.9	13.5	17.4	12.2	7.9	13.8
All enterprises had ever received loans	***No.***	**746**	**1,344**	**126**	**2,216**	**868**	**1,511**	**126**	**2,505**
	%	22.5	29.5	40.5	27.1	26.2	33.2	40.5	30.6
Observations.	***No.***	**3,310**	**4,553**	**311**	**8,174**	**3,310**	**4,553**	**311**	**8,174**

[8] Amentie, C, Negash E. and Kumera L., *Barriers to Growth of Medium and Small Enterprises in a Developing Country: The Case of Ethiopia*, Journal of Entrepreneurship and Organisation Management, 2016.

MARKETING AND SUPPLY CHAIN LINKAGES: **Marketing is a common challenge that micro and small start-ups face. This is also suggestive of the difficulties MSEs may face in crisis situations like that precipitated by COVID-19**. The same survey indicated that 61% of MSEs do not have a sales outlet and only 5% have more than one sales outlet. The implication is that **most enterprises sell directly to final consumers, a feature that adds to their vulnerability** as consumer demand has fallen already and consumers' ability or willingness to go to markets as per normal practice has been inhibited by restrictive measures as well as personal concerns. Marketing capacity also varies according to size of the firm and location (region vs Addis). The larger the firm size, the more diversified its market base; as expected, businesses in Addis have a more diversified customer base and range of sales outlets than those in the regions.

In terms of inputs/raw material supply, **the majority of MSEs (about 87%) have domestic private enterprises as main sources of productive inputs, suggesting a cascade effect as these sources themselves face challenges in sustaining themselves in business in the face of a large-scale crisis**. Though about 9% of the MSEs have State Owned Enterprises (SOEs) as their sources of productive inputs, other sources - such as foreign investors, non-commercial entities and direct imports - were utilized by less than 4% of enterprises. Only few enterprises (1.5%) are dependent on imported raw materials.

CONSTRAINTS AND CHALLENGES OPERATING AND GROWING MSEs: Based on the same study, MSEs were able to use only 54.5% of their potential capacity, highly suggestive of **low levels of productivity and the likely absence of financial and non-financial buffers to deal with a shock**. For women, the issue of care responsibilities and time poverty come into play as well. This is due to lack of working capital, insufficient demand for their products/outputs and shortage of inputs/raw materials, at 52%, 29% and 13%, respectively. For the manufacturing sector lack of working premises, credit and power supply were the key challenges. The other major reason for the underutilization of capacity was the **lack of or limited supply of business development services**. Of the sample MSEs studied, only 47% had received some form of training related to their business delivered mainly *after* their establishment. The study also found that **only about 11% of female entrepreneurs running the MSEs in the manufacturing sector had received support services** targeted to their needs.

CHARACTERISTICS OF THE LABOUR FORCE, LABOUR MARKETS AND EMPLOYMENT IN ETHIOPIA

The working age population in Ethiopia (between 15-64 years of age) is relatively higher than the global average, given that Ethiopia is a young country with 70% of the population below the age of 30. With an overwhelming majority (80%) of the population living in rural areas, agriculture remains the main occupational sector creating employment for 68% of the labour force in 2017. Women provide the majority of the agricultural labour force, however, their contributions often go largely unrecognized and their fathers or husbands often restrict access to resources and community participation.[9] Despite the increase in the share of industry in GDP between 2009 and 2017, employment growth in industry, which includes construction, has been only 3.1% between 2009 and 2017.[10]

Ethiopia has relatively high labour force participation and employment to population rates. According to data from the JCC, the average employment to population ratio was 76% in 2013, highest in

[9] https://www.usaid.gov/ethiopia/gender-equality-and-womens-empowerment.
[10] JCC, Preliminary Assessment of the Labour Market, April 2019.

rural areas (81.6%) mainly due to agriculture, and 55.5% in urban areas, lower than the national average. Worryingly, data from a Central Statistical Agency (CSA) survey in 2018[11] indicate that the rate for urban areas had dropped to 50%, suggesting increasing unemployment triggered by rural-urban migration, natural population increase and rising urbanization.

With an urban population of 18.7 million (53.5% of whom were female) in 2018[12], urban areas have a working age population of about 15 million of whom half (7.5 million) are employed. Of these 3.9 million (52%) are estimated to be wage/paid employees that work in the government and private sectors, 3 million (41%) are self-employed and about half-a-million are 'unpaid family workers. Based on the same survey, the unemployment rate in urban areas was estimated to be 19.1%; the corresponding rates for men and women were 12.2% and 26.4%, respectively, revealing the women are at a significant disadvantage in the urban labour market. It was higher than the average among youth between the age of 15-29 years (25.3%), pointing to another source of disadvantage – and vulnerability – in urban labour markets.
An important characteristic of employment in Ethiopia, similar to other countries in Sub-Saharan Africa (SSA) and Least Developed Countries (LDCs), is the **high degree of informality, mostly concentrated in micro, small and medium-size enterprises (MSMEs) in urban areas, engaged in construction, small-scale manufacturing, hospitality and tourism, trading, retail and urban agriculture**.

Informality also implies a high degree of vulnerability to shocks, especially prolonged, large-scale, ones such as COVID-19, due to little or no contractual or social protection, few if any savings and assets to maintain consumption at close to 'normal' levels, precarious housing conditions and poor education and skills levels. Moreover, according to the CSA[13], the economic dependency ratio (EDR), which indicates the share of the dependent population, stood at 149 dependents for each 100 employed persons, suggesting the broader social implications of loss of employment and income.

THE SITUATION IN AGRICULTURE AND THE RURAL ECONOMY

As the impact of COVID-19 is both more intense and visible in urban and peri-urban areas and long major transport corridors, there is a danger of overlooking developments in agriculture and the rural economy and their implications for the broader economy, poverty and social wellbeing.

The agricultural sector remains the backbone of the Ethiopian economy and is the dominant source of employment. The sector constitutes over 34% of GDP, accounts for over 72% of the labour force, and contributes to over 73% of foreign exchange earnings. Agro-industry, in turn, contributes 5.4% to GDP (FAO, 2019)[14]. There are several pre-existing conditions in the sector that will determine how it will be affected by COVID-19:

- ***Ethiopia has not fully recovered from the devastating effects of the 2015-17 drought on livelihoods.*** North and central Ethiopia experienced the worst drought in decades due to the El Niño phenomenon. The drought affected an estimated 10 million people, mainly in rural areas, due to livelihood loss as result of failed crops and loss of livestock assets. More than 8 million drought-affected people required emergency food assistance, according to the United Nations[15].

[11] See footnote 6.
[12] CSA, *Statistical Report on the 2018 Urban Employment/Unemployment Survey*, Addis Ababa, October 2018.
[13] See footnote 6.
[14] Investment plans for Agro-commodity Procurement Zones (ACPZs) in Ethiopia, FAO Ethiopia; June, 2019. Same figures reported in National Bank of Ethiopia, 2018/2019 Report.
[15] https://www.worldweatherattribution.org/ethiopia-drought-2015/

- ***Acute and chronic situations of food security and malnutrition compounded by recurrent shocks of desert locust (DL), erratic rains, conflict and high food prices***. Ethiopia has faced recurrent catastrophic shocks prior to COVID-19 since at least 2014: floods in Afar, Gambella, SNNPR and Somali Regions in 2014 affecting 3 million people[16]; the worst El Nino impacts in fifty years in 2015/16 affecting the livelihoods of 10 million people[17]; drought caused by the Indian Ocean dipole in 2017 affecting the livelihoods of 8.5 million people[18]; inter-communal violence in 2018 displacing 2.7 million people; and the DL invasion in 2019/20 affecting the livelihoods of more than 800,000 farming households.[19]

  According to the first Integrated Food Security and Phase Classification (IPC) report for Ethiopia produced in November 2019, 8.5 million people were projected to face a high level of food insecurity (IPC Phase 3) or in Emergency (IPC Phase 4) situation between February and June 2020. In addition to this, from June 2019, DL infestation began to affect about 170 woredas in Afar, Somali, SNNPR, Tigray, Amhara and Oromia regions and Dire Dawa. The DL problem will likely continue in 2020 and substantially worsen the impact of COVID-19.

- ***Purchasing power of vulnerable households is already low.*** A recent assessment of the impacts of DL shows that households in pastoral and agro-pastoral areas were experiencing unfavourable terms of trade. In areas affected by DL in February 2020, there was a 10-30% reduction in quantities of food that could be bought from sales of a sheep/goat compared to the previous year. The same assessment shows that 25% of the DL-affected population was relying on markets for essential food items meaning a large section of the population in those areas would be hurt further by COVID-19 related movement restrictions. Moreover, poor and very poor households rely heavily on food assistance either through government safety nets or emergency interventions including assistance through their families and remittances.

- ***Poverty has become more concentrated in rural areas over time – and agriculture continues to remain the main occupation of the poor[20].*** 'Between 2011 and 2016, poverty became more concentrated in rural areas. While the rural population share decreased by three percentage points, from 83 percent in 2011 to 80 percent in 2016, the rural share of poverty increased by two percentage points (Figure 25). This pattern reflects the stronger poverty reduction in urban as opposed to rural areas. In 2016, close to 90% of the poor lived in rural areas, compared to a rural population share of 80%,'[21] (see charts below).

[16] 2015 Humanitarian Requirements Document, Joint Government and Humanitarian Partners Document, January 2015.
[17] 2016 Humanitarian Requirements Document, Joint Government and Humanitarian Partners' Document, Jan 2016.
[18] 2018 Ethiopia Humanitarian and Resilience Plan, Joint Government and Humanitarian Partners' Document, 2018.
[19] Impact of desert locust infestation on household livelihoods and food security in Ethiopia: Joint assessment findings. April 2020
[20] World Bank, *Harnessing Accelerated Growth for Poverty Reduction*, 2020.
[21] *Ibid*.

Figure 3: The Poor Became More Concentrated in Rural Areas

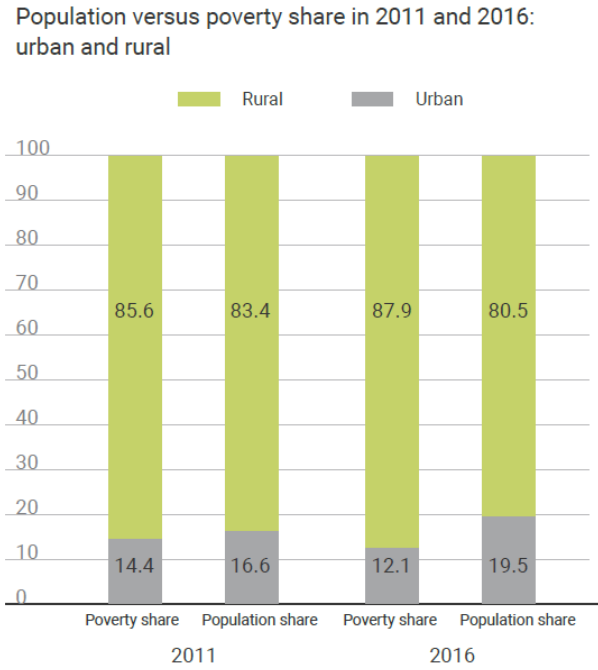
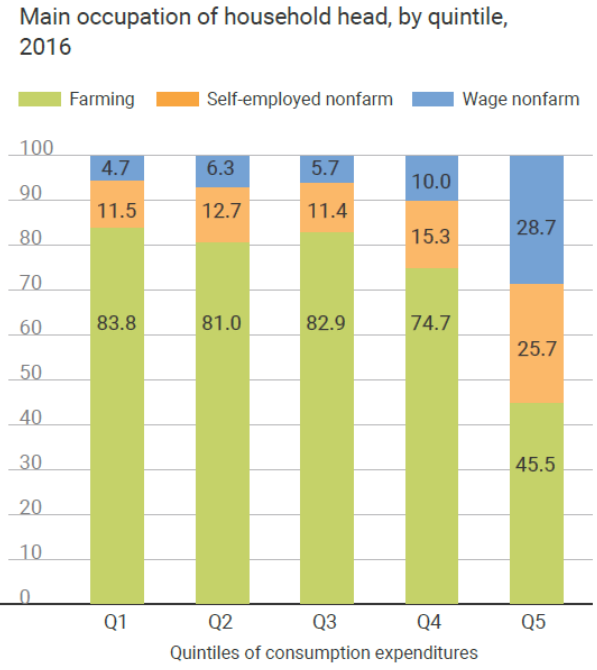


Figure 4: Agriculture Remains the Most Common Occupation, Especially for The Poor



Source: Extracted from World Bank, *Harnessing Accelerated Growth for Poverty Reduction*, 2020.

SOCIAL CHARACTERISTICS

- ***Encouraging trends in income and multi-dimensional poverty***. Income poverty declined from 29.6% in 2010/11 to 23.5% in 2015/16 and overall multidimensional poverty fell from 88.4% to 83.5% over the same period. For specific groups such as children, data indicate that 88% (or 36.2 million children) suffer from multidimensional poverty with significant disparities between rural and urban areas.[22]. It is also likely that there is an underestimation of income poverty. Ethiopia's poverty line is Birr 7,184 per annum or Birr 19.628 per day based on 2015 prices and 2015/16 household survey data. While basic needs have not changed dramatically since then, purchasing power has been eroded significantly due to relatively high inflation, suggesting that the income threshold is below what it needs to be at present.

- ***Major challenges with gender equality and the empowerment of women and girls***. Ethiopia is among countries with a low Gender Development Index value (ratio of female to male human development index (HDI) values) scoring 0.846[23] and stands at 117 out of 129 countries in the Sustainable Development Goals (SDGs) Gender Index.[24] With strong socio-cultural norms and practices that work against the best interests of women and girls, Ethiopia's Gender Inequality Index

[22] https://www.unicef.org/ethiopia/media/806/file/Multi-dimensional%20Child%20Deprivation%20in%20Ethiopia%20-%20First%20National%20Estimates.pdf
[23] UNDP, *Human Development Indices and Indicators*, 2018 Statistical Update.
[24] https://data.em2030.org/em2030-sdg-gender-index/

(GNI)[25] score (0.502) is also one of the lowest in the world - Ethiopia ranked 121st out of 160 countries on GNI scoring[26]. Data from 2016 shows that nearly half of married women (48%) were employed at any time in the past 12 months compared to 99% of married men. Unemployment in the urban population is higher among women compared to men and the employment-to-population ratio was 43% for females compared to 64% for males in 2016[27]. The labour force participation (LFP) ratio (female-to-male) in Ethiopia was 88%[28] in the same year. Women, however, dominate the workforce in the services sector. For example, in the tourism and hospitality sector, women account for 80% of all jobs.[29]

Beyond the economic, violence against women and girls (VAWG) is high.[30] High rates of child marriage (and female genital mutilation) are also indicative of girls'/women's low status. According to the Ethiopia Demographic and Health Survey (EDHS, 2016), almost one quarter of girls and women aged 15-49 have experienced physical violence since age fifteen; and one in ten report having experienced sexual violence.[31] Help-seeking behaviour is low: 25% of girls and women who have experienced any type of physical or sexual violence have sought help; 66% have neither sought help nor told anyone about the violence. Young Lives' research on violence affecting children confirms its universality (with aged and gendered dimensions), including at home and in schools and communities.[32] Administrative data from service providers on numbers of children in the criminal justice system is characterized by inadequate resources and weak capacity in critical areas such as investigations and prosecution of cases of violence against women and children (girls and boys). As a response, the Government has established special units that deal with violence against women cases. These include the special investigation and prosecution units within the various police stations, a special bench for violence against women and children cases within the Federal Criminal Court, and the women and children related crime prosecution units within the offices of the Federal Attorney General (FAG) and Regional Attorney Generals. There are five one-stop centres under FAG (Tirunesh Beijing, Ghandi, Menlik, Paulos and Dire Dawa) in the country rendering multiple services in one setting for survivors of violence.

Despite these services, reporting and availing protection services by children and women is of mixed quality, is largely not available or not systematic, does not disaggregate and fails to analyse and interpret available data resulting in miscounting. This gap masks what are likely to be high rates of violence, including GBV.

- ***Generally improving health condition of the population***, with life expectancy increasing from 56.8 years in 2005 to 65.5 years in 2016[33]. Maternal mortality has been reduced by 39%, from 676 in 2011 to 420 deaths in 2016 per 100,000 live births. Additionally, the routine health information shows that in FY2010, the national pentavalent-3, measles and full vaccination coverages were 94%, 88% and 86%, respectively. Communicable diseases such as HIV, tuberculosis have also shown a decline with HIV prevalence among women and men aged 15–49 years decreasing from 1.5% in 2011 to 0.9% in 2016.[34]

[25] A composite measure reflecting inequality in achievement between women and men in three dimensions: reproductive health, empowerment and the labour market.
[26] See footnote 5.
[27] UN Women, *Ethiopia Gender Statistics Report*, 2017.
[28] IMF, *Country Report No. 18/355*, December 2018.
[29] World Tourism Organization, *Annual Report 2010*, 2011.
[30] Central Statistical Agency, Ethiopian Demographic and Health Survey, 2016.
[31] EDHS is the only source for nation-wide statistical information on violence against children as there is a gap in collection and quality of administrative data, including related to violence in schools. Other sources of data include Young Lives.
[32] https://younglives.org.uk/sites/www.younglives.org.uk/files/YL%20Impact%20Case%20Study%20Evidence%20on%20Violence.pdf
[33] Global Health Observatory Data Repository/World Health Statistics.
[34] Ethiopian Demographic Health Survey, 2016.

Furthermore, the age-standardized death rate owing to TB declined from 191 per 100,000 in 2005 to 76 per 100,000 in 2017.

- ***Poor Sanitation and Hygiene***: Maintaining personal hygiene is at the heart of preventing COVID-19 but even before the COVID-19 outbreak, only 11% of the population was using safe drinking water, with rural populations, IDPs, refugee populations and those living in informal settings being the most disadvantaged; and 22% of the population (23 million people) were reported to practice open defecation. In addition, access to soap is not readily available, while only 34% of health facilities have an improved water source available. Limited access to water and poor sanitation could lead to a vicious cycle of increased risk to infection, serious health outcomes and poor living conditions.

  An estimated 24.1 million girls and women of reproductive age (WRA, 15-50 years) in Ethiopia are in need of menstrual hygiene products; 45% of these women and girls report use of commercial products and only 28% report having everything they need to manage their menstruation. Taking into account both products (disposable and non-disposable) and the accessibility of facilities for MHM (Menstrual Hygiene Management), PMA 2020 found that only 28% of women in Ethiopia report having everything they need to manage their menstruation, with no variability across age groups. Qualitative research suggests that women and girls experience shame, fear, decreased mobility, embarrassment, discomfort during menstruation because they lack access to affordable and preferred products, private and safe facilities, and education about menstruation.

- ***A double burden of disease affecting the population***. According to the 2017 Global Burden of Disease (GBD) study estimates, communicable, maternal, neonatal and nutritional diseases (CMNNDs), None-Communicable Diseases (NCDs) and injuries account for 60%, 33% and 8%, respectively, of the total disability-adjusted life years (DALYs) in the country. Mental and substance-use disorders are among the leading NCD disorders in terms of disease burden with an estimated prevalence of common mental illness at 22% in the general population. Malnutrition remains a significant concern as nearly four in ten (38%) of under-five children in Ethiopia are stunted, 10% of the children are wasted and 24% of the children are underweight. Furthermore, existing staff in HR management and leadership has limited technical skills and experience, the HR structure and staffing at all levels is inadequate and the capacity and practices in strategic and operational HR planning and budgeting are limited.[35]

- ***An extensive but minimal safety net***: Ethiopia has one of the largest safety net programmes in Sub-Saharan Africa – the 5-year Productive Safety Net Programme (PSNP), established in 2005 by the Government with support from development partners, with a budget of USD 500 million. The PSNP is designed to support chronically food insecure people and build their livelihoods with the aim of graduation but the latter has been very limited, leading to concerns about dependency, although the Programme is generally well-targeted[36], seen against comparators in other developing countries, and has served to alleviate poverty. The PSNP supports 8.4 million people at present with the system able to accommodate the needs of people impacted by additional shocks when funds are available. In addition, the Urban Production Safety Net Programme (UPSNP), which started in 2019, reaches about 600,000 people and the community-based health insurance programme covers about 22 million people throughout the country. Building on the already established system that is proved to be responsive to reach beneficiaries quickly in such crisis and emergency situations.

[35] Essential Health Services Package of Ethiopia.
[36] World Bank, Ethiopia Poverty Assessment: Harnessing Continued Growth for Accelerated Poverty Reduction, 2020.

- ***A Social Service Workforce (SSW) in Ethiopia in general, including for child protection, that is still nascent and at an early stage of development***: It is characterized by the absence of formal regulatory framework, under-resourcing, lack of standard job classifications, and lack of coordination between the sectors that need the expertise of the workforce.

  The absence of a social service workforce at the community level is felt more acutely as there is in fact no recognized child protection cadres at the kebele level. The Community Care Coalitions in some cases engage community service workers, who perform some protection-related functions, however, without adequate training or logistics. Functions and job descriptions are also not clear and aligned with the functions expected to be performed under the Ministry of Women, Children and Youth's child protection case management framework. The workforce also lacks appropriate training and adequate logistics to cover a large constituency.

- ***A significant proportion of the population that is unbanked***: only 35% of adults are estimated to have an account at a formal financial institution.[37]

[37] World Bank, Ethiopia: *The Path to an Efficient and Stable Financial Sector*, 2019.

3. ESTIMATING THE IMPACTS OF COVID-19

ENTERPRISES (+ EMPLOYMENT)[38]

A significant proportion of the 800,000+ MSMEs in Ethiopia could come under pressure, even with a crisis lasting a single quarter let alone two or more successive quarters. If China's better capitalized and more profitable SME sector is used as a benchmark – with 14% unable to survive more than a month on a cash flow basis and 50% beyond three months – then the implications for SMEs in Ethiopia could be very serious, again depending on the severity of the pandemic[39]. Another survey done in China showed that 30% of the companies have seen their income drop by more than 50%; another 28% reported a 20-50% drop. More than one-third of the companies in the study reported that they could stay open for only one month with their current cash flow, 33% could sustain two months, and less than 10% could stay open for more than six months. Most of the financial pressure (62.8%) is from paying salaries and employee insurance and social security; rent and loan payments were the second and third causes for stress.'[40] Since a minimum duration of 3-6 months is to be expected, **more than 30% of Ethiopia's SMEs could be in jeopardy[41] in a mid-case scenario, mostly in urban areas in the informal section, and engaged in food production, export, construction and service industry supply chains.** The pandemic has already exposed one major bottleneck though: the lack of an online business transaction infrastructure means MSME sales could literally grind to zero in many cases, especially if there are either localized or generalised lockdowns with non-essential businesses shut down.

At the end of April 2020, the EDC (Entrepreneurship Development Centre) conducted a quick survey to assesses the impact of the pandemic on MSMEs that it has been supporting in five regions including Addis Ababa. The survey was conducted based on a sample of 362 enterprises, of which 43% were owned by female entrepreneurs. Sample enterprises were engaged in manufacturing (30%), services (33%), construction (8%), urban agriculture (11%) and trade (19%).

Table 3: EDC's Assessment of the Impact of the Pandemic on MSMEs

Region	# of sample enterprises surveyed	Business status before COVID 19					Current status (with COVID-19)				
		Average # of Employees per enterprise			Av. Monthly Sales (in Birr)	Av. Monthly net income (in Birr)	No. of Employees			Av. Monthly Sales (in Birr)	Av. Monthly net income (in Birr)
		Perm	Temp	Total			Perm	Temp	Total		
Oromia	81	4.3	1.7	6.0	31,190	10,058	2.5	0.6	3.1	13,393	1,085
SNNPR	75	2.4	1.5	3.9	36,269	11,142	1.7	0.6	2.3	8,236	-974
Tigray	64	2.9	0.8	3.7	34,460	13,809	2.2	0.1	2.3	17,983	957
Amhara	56	3.8	0.9	4.7	46,162	23,031	2.8	0.1	2.9	11,646	3,506
Addis Ababa	86	3.5	2.8	6.3	71,909	19,005	2.3	0.5	2.9	17,685	2,966
Total	**362**	**3.4**	**1.6**	**5.0**	**45,180**	**14,983**	**2.3**	**0.4**	**2.7**	**13,501**	**1,417**

[38] UN-Ethiopia, *Socio-Economic Impact of COVID-19 in Ethiopia*, April 2020.
[39] IFPRI, COVID-19's impact on China's small and medium-sized businesses, 17 March 2020.
[40] RAND Corporation, *Assessment of COVID-19's Impact on Small and Medium-Sized Enterprises: Implications from China*, 10 March 2020.
[41] FDRE, COVID-19: Economic impact responses assessment and policy, April 2020.

From the above table, it is possible to infer that a monthly average sales reduction of Birr 31,679 (about USD 945.6) and reduction in average net income by Birr 13,566 (about USD 405) per enterprise. In terms of job loss, on average, 2.3 jobs (1.1 permanent and 1.1 temporary) per enterprise was at risk. If this impact is multiplied by the 32,000 MSMEs (mostly micro) that are in EDC network and received direct support, then the impact could entail loss of 73,600 jobs and Birr 434,112,000 (USD 12.9 million) in net income. If this impact is again translated, as a rough rule of thumb to the 800,000+ micro enterprises in Ethiopia, the impact would be massive: loss of 1.84m jobs and USD 324 million in net income.

A similar survey was done based on a sample of 127 growing enterprises. The impact is substantially more severe on them leading to an average loss of 4.3 jobs per enterprise and reduction in net income of USD 1,188 per month. EDC supports about 800 growing enterprises. If this represents the population, the implication on about 15,000 growing enterprises in Ethiopia would be exceptionally negative.

LABOUR MARKETS (+EMPLOYMENT)

COVID-19 will have far-reaching impacts on labour rights concerns and market outcomes beyond the immediate concerns about the safety and health of workers and their families. High unemployment and the lack of secure employment has been evident following the outbreak of the pandemic. The pandemic can rapidly transform into a social crisis, given the elevated level of informality in the urban labour market.

It is critical to note that the accompanying economic shock will impact the world of work across four key dimensions:

- the quantity of jobs (both unemployment and underemployment);
- the quality of work (e.g. right to adequate remuneration and wages and access to social protection);
- effects on specific groups who are more vulnerable to adverse labour market outcomes;[42] and
- effects on industrial relations as disputes arise about measures to safeguard the health and welfare of workers, on job losses and pay cuts.

The socio-economic impact of COVID-19 will also be much more pronounced in cities than other locations including in rural areas particularly affected by the pandemic. One of these consequences, as highlighted above, is the loss of existing jobs and the inability of industries and services to create new jobs in urban centres where as in rural areas, disruption of supply chain and inability to distribute inputs As such, high unemployment and the lack of secure employment is one of the drivers inducing workers to seek employment in the informal sector of the economy. Workers in the informal sector have no protection due to poor regulatory measures including absence of a minimum wage policy. A vast majority of youths including young women are in the informal sector and at risk of being left furthest behind compared to those in the formal sector. Given a diverse range of issues highlighted. As people start to lose jobs in urban areas, they would start to return to rural areas increasing the burden and become means to disseminate the pandemic. So, containing the problem in urban areas would have multiplier effect.

It is worth noting that cities are known for their natural concentration of industries and service-based activities. While occupying small areas, cities contribute a significant share to GDP largely due to agglomeration benefits and the related boost in productivity.[43] For instance, with a population of about

[42] ILO, *COVID-19 and World of Work*, 2020.
[43] World Bank, *Ethiopian Urbanization review*, 2015.

21%[44] and a land area less than 3% of the total, Ethiopian cities contribute to about 40% of overall output.[45] Some academic estimates[46] put the share of Addis alone in Ethiopian GDP as high as 35% and that all of all urban areas at 54% and possibly higher.

IMPACT ESTIMATIONS: **According to the JCC, at the onset of the pandemic, in the manufacturing sector alone, 11% of total employment (mostly involving temporary, low-skilled, workers) was at risk over the next quarter, if no actions were taken**. Tourism, which employs more than 1.5 million people, was also expected to be one of the hardest hit sectors. As mentioned above, MSMEs, also the largest employers by far, are already and will be severely impacted. Large-scale job losses are a real and increasingly likely prospect. The JCC study provides the following estimates for different categories of employment:

- **For self-employment in urban areas: hypothesis based on a decrease in turnover/income with medium measures of social distancing.[47]**

Table 4:	**Scenarios**		
1.9m of urban self-employed	**Low (like the current one)**	**Medium (partial confinement)**	**High (total confinement or lock-down measure)**
Wholesale and retail	-30%	-60%	-70%
Transport & warehousing	-12%	-30%	-50%
Accommodation & food	-40%	-80%	-95%
Personal service activities	-40%	-80%	-90%
Overall Implication	In three months, income loss for urban self-employed at 132m USD	In three months, income loss for urban self-employed at 265m USD	In three months, income loss for urban self-employed at 296m USD

- **For wage-employment in urban areas (mainly in private sector): hypothesis based on job lay-off with medium measures of social distancing.**

Table 5:	**Scenarios**					
	Low (like the current one)		**Medium (partial confinement)**		**High (total confinement or lock-down measure)**	
Length of crisis	**3 months**	**6 months**	**3 months**	**6 months**	**3 months**	**6 months**
Temporary staff	30%	60%	50%	70%	80%	95%
Permanent staff						
High skilled	0%	1%	1%	3%	4%	8%
Semi-skilled	10%	20%	20%	40%	30%	50%
Low skilled	20%	40%	40%	60%	60%	80%
Overall Implication	In three months, 727K jobs will be threatened		In three months, 1.4m jobs will be threatened		In three months, 2.5m jobs will be threatened	

[44] Ministry of Urban Development and Construction, 2018.
[45] Ministry of Urban Development and Construction, 2019.
[46] Geda, Alemayehu, *The Macroeconomic and Social Impact of COVID-19 in Ethiopia and Suggested Direction for Policy Response*, April 2020.
[47] JCC, COVID-19: potential impact on jobs and incomes in Ethiopia, and short-term policy option, March 2020.

As outlined above, not all jobs will be impacted equally. Low-skilled and temporary jobs are much more vulnerable than jobs tied to permanent contracts and in skilled occupations.

The PDC's[48] preliminary estimations suggest that, over the next 3 months, 1.23 million jobs could be threatened based on a worst-case scenario. The table below summarizes the assessment of threatened jobs in different sectors in both the moderate and worst-case scenarios.

Table 6: Threatened Jobs in Different Sectors

	Moderate Case		Worst Case	
	3 months	6 months	3 months	6 months
Total Threatened Employment	**705,415.08**	**1,017,974.48**	**1,233,799.35**	**1,568,516.35**
Industry	158,640.15	289,179.70	335,417.45	512,194.75
Manufacturing	46,237.75	92,475.50	138,713.25	231,188.75
Construction	112,402.40	196,704.20	196,704.20	281,006.00
Services	546,774.93	728,794.78	898,381.90	1,056,321.60
Distributive Services	444,401.85	611,796.98	722,885.20	851,575.45
Wholesale and Retail Trade	317,735.80	397,169.75	476,603.70	556,037.65
Hotels and Restaurants	42,205.70	73,859.98	105,514.25	126,617.10
Transport and Communication	84,460.35	140,767.25	140,767.25	168,920.70
Other Services	102,373.08	116,997.80	175,496.70	204,746.15

Source: PDC, *Study on the impact of COVID-19 on Ethiopia's Growth*, 2020.

In the UN's Socio-Economic Impact Assessment[49], it was stated that the brunt of the impact will be felt in industry (both manufacturing and construction) and services (tourism, hospitality, a wide range of small-scale informal sector activities), **a 10-15% loss of employment/livelihoods (self, wage) could have major effects leading to a cumulative loss of perhaps 1.6 - 2.4 million jobs/livelihoods depending on the severity and duration of the crisis, mostly in urban areas.**

[48] The Impact of COVID19 on Ethiopian Economic Growth, Planning and Development Commission, April 2020
[49] UN-Ethiopia, *Socio-Economic Impact of COVID-19 in Ethiopia*, May 2020.

An Entrepreneurship Development Centre (EDC) survey of micro enterprises showed that enterprises have had to lay off on average 2.5 staff which totals 79,714 employees laid off just by EDC clients during a single month. Most of these micro enterprises, however, reported that they have tried to retain most of their staff hoping that the situation will improve. If the situation deteriorates, however, an additional 115,000 employees of EDC clients are likely to lose their jobs. **The scale of job losses could, thus, be substantially higher if the crisis deepens and the loss of jobs/livelihoods doubles to between 20-25% which would mean a cumulative loss of 3.2 – 4 million jobs/livelihoods.**[50] Though the agricultural sector is expected to be less impacted in terms of loss of employment, livelihoods could be affected if productivity decreases due to coping mechanisms adopted by farmers that include selling breeding animals and consuming planting seeds.[51]

The table below, drawing on data from the CSA, takes another route to estimating impacts, based on an assessment of likely vulnerability of urban employed persons in Ethiopia.[52]

Table 7: Vulnerability Assessment of Urban Employed Persons

Category	Occupations included	Total number	% of Total	Likelihood of impact on jobs (UNDP's estimate)	
Total employed persons in urban areas		7,518,858	100%	Private Sector	Government
Managers	CEOs, senior officials, legislators, managers (production, hospitality, service and commercial)	247,049	3.3%	Very low	Very unlikely
Professionals	Health, science & engineering, teaching, business, ICT, legal, social and cultural	757,700	10.1%	Low	Very unlikely
Technicians and associate professionals	Mostly associates of the above professions	618,679	8.2%	Medium	Very low
Clerical support workers	General and custom service clerk, numerical and material recording clerk, other clerical support workers	281,468	3.7%	High	Low
Service & Sales workers	Personal service sales workers, sales workers, personal care workers, protective workers	2,439,816	32.4%	High	Low
Skilled agriculture workers	Market oriented skilled agricultural, forestry workers	468,224	6.2%	Low	Very unlikely
Craft and related trade workers	Food processing, wood working, garment, building & related trade workers, metal, machinery trade workers, handicraft & printing, electrical & electronic trade workers	1,065,639	14.2%	High	Low
Plant and machine operators/workers	Stationary plant and machinery operators, assemblers, drivers, mobile plant operators	572,061	7.6%	High	Low
Elementary occupations	Cleaners & helpers, agriculture laborers, mining & construction laborers, food preparation assistants, street sales service workers and other basic workers	1,068,222	14.2%	Very High	Medium (outsourced services may be terminated + workers in public enterprises

According to the CSA data, out of the 3.9 million paid employees in urban areas, about 1.8 million (46%) are working for the government, of which employees of parastatals number about 543,000. Since the government is highly unlikely to retrench workers, these are considered the least vulnerable groups.

[50] *Ibid*.
[51] Impact of desert locust infestation on household livelihoods and food security in Ethiopia: Joint assessment findings. April 2020
[52] CSA, statistical report on the 2018 urban employment unemployment survey, Addis Ababa, October 2018.

The **most vulnerable** group includes workers, especially women members in MSEs, especially in the informal sector, and cooperatives. The **second most vulnerable** group of workers will be the 3.1 million self-employed workers that constitute about 41% of the 7.5 million employed people in urban areas. Among wage workers, those in the private sector are likely to be the most vulnerable. These number about 1.5 million (38% of paid employees) including those working in the industrial parks where about 100,000 people (95,000 workers - 80% female[53] – and 5,000 professional staff) could be vulnerable if their private sector employers cannot run their businesses during the crisis (in a partial or total lock-down period). Even if these businesses are required to keep their workforce on the payroll, the associated costs will need to be financed from a combination of public and private sources, and this fall in the **third most vulnerable group**. **The fourth vulnerable group** includes returning migrants who have lost their jobs and assets abroad or failed to migrate. They find it hard to integrate and to pursue economic activities which leads to them attempting irregular migration.

These groups represent a combined population of about 4.6 million workers (67% of paid employees). With full lockdown, a very high proportion of them would be vulnerable to loss of employment and income. With a partial lock-down, this may decline by half to 2.3 million paid employees. The estimated job losses due to a contraction of demand would mean a corresponding loss of income of about Birr 2.54 billion per month.[54]

POSSIBLE IMPACTS OF COVID-19 IN THE AGRICULTURAL SECTOR:

COVID-19 has coincided with the beginning of the Belg rainfall season. The emergency could be expected to worsen malnutrition with preventive social distancing limiting access to health facilities and markets, coming at a time of deteriorating food security. On-going emergencies will complicate underlying seasonal challenges that vulnerable communities face in accessing adequate food and income. As a result, the most vulnerable areas could be facing a longer and more acute hunger season.

- ***Productivity in high potential areas may be compromised.*** The output of high agricultural production areas in western Ethiopia which depends on inputs and labour could be negatively affected by COVID-19 in several ways: i) travel and movement restrictions will suppress the supply market, thus, negatively impacting access to required agricultural inputs like seeds, agrochemicals and fertilizers; and ii) the spreading/fear of COVID-19 infection among the population will decrease the supply/availability of the labour force for traditionally labour-intensive farming systems.

- ***Disruptions to income earning opportunities during important festivities.*** Through demand and supply side shocks, the crisis may disrupt food systems, thus, threatening jobs in each segment of the system. Labour in agriculture is becoming scarce, mainly in labour-intense value chains like horticulture, affecting rural workers and employment of internal seasonal migrants. This could be driven by faltering SMEs in agriculture and other sectors which lack the capital to overcome a short-term drop in cash flow or disrupted access to markets for their produce, in addition to restrictions on public travel and gatherings. As a result, household incomes are likely to be affected negatively by reduced employment in rural areas thus impacting on a diverse range of human rights concerns including right to adequate standard of living; rights to food, water, housing and access to basic goods and services necessary for the continuous improvement of living conditions. In addition, some important religious festivals for orthodox Christian and Muslim faiths will be severely affected, with implications on household occasional incomes and expenditure patterns. This is likely to be exacerbated by a reduction

[53] Cepheus Capital, *Overview of Ethiopia's industrial Parks*, 2019.
[54] See footnote 19.

of remittances, due to the global economic effects of the crisis and increased repatriation of Ethiopia workers from some Gulf countries.

- ***The functioning of agro-industrial parks (AIP) will be compromised.*** The agro-industrial parks are meant to be the backbone of modernization in the agriculture sector by improving production and productivity (quantity and quality) and commercializing and industrializing strategic agro-commodities through improved market linkages. Travel restrictions have already destabilized the flow of agricultural commodities to the parks thereby affecting the entire food value chain including processing, transportation and distribution of food crops.

- ***Production, productivity and market access segment can be impacted by poor availability of inputs*** (fertilizers, seeds, animal feed, ph11ytos, veterinary products and services and so on). Most rural Ethiopian producers are operating at very low productivity and are highly vulnerable to shocks. The impact on production and productivity will be limited if imported inputs are delivered for this season and distributed to producers. Impact would be significant if the inputs are not yet distributed or not yet imported.

- Research data[55] show that agricultural ***production might drop by 30% if producers revert to the extensive production system for cash crops***. Along with the effect of lower productivity, rural incomes could also suffer from limited opportunities to sell goods. This will lead to price increases, aggravating food insecurity, malnutrition and, ultimately, vulnerability of the population to poverty hence aggravating already existing inequalities and social deprivation among the most marginalised and vulnerable groups.

- ***Access to production capital includes, among others, access to finance*** to pay for the cost of inputs, labour, mechanization services, transport services, fees related to irrigation systems and so forth. Normally, a part of the cost of such charges is covered through financing from rural micro finance institutions established in different regions, zones and even woredas. Depending on the intensity of the crisis, this could be comprised significantly, opening the way for informal lending systems and possible exploitation of an already poor population. This could put women and female youth in a disadvantageous position as their access to financial service and related services in rural settings may be more limited, coupled with ongoing restrictions in movement and the burden of household work and care giving responsibilities.

- ***Pastoralism and livestock sector:*** People in Ethiopia's lowlands are largely pastoralists and agro-pastoralists. Livestock products represent an important source of food intake for these communities, as well as exports and food sources for urban people. The livestock sector under intensive production system (fattening centres) may be knocked out following feed shortages due to restrictions on movement and reduction in agro-industrial production. The main export market during the Ramadan season in May and Hajj season in August will be lost and revenues from live animal exports (24.3 million kgs exported for a value of USD 45.8 million). A decrease in live animal commercialization in the country will have severe repercussions on meat and meat products (17.7 million kg valued at USD 88.6 million), and textile industry including leather and leather products (5.6 million kg valued at USD 117.4 million). If the crisis deepens to reference scenario 3 (see section 2), the effects would be catastrophic for the entire livestock production system, commercialization sector and affiliated industries.

[55] National Agricultural Extension Intervention Programme and others using a sample focused on maize, wheat, sorghum, teff and barley.

- ***Fruits and vegetable production:*** A recent survey by IFPRI showed that labour intensive and highly perishable horticulture value chains have already been impacted by decreased domestic trade and consumption of vegetables, despite the Orthodox fasting season, shortage of and increased input prices, increased farm losses, travel bans that impacted the volume and frequency of truck movements, decreased purchases for restaurants and eateries, and misconceptions related to fresh food contamination[56]. This subsector will be severely impacted, in both export and local markets, due to the perishability of commodities and the disrupted domestic distribution system. Without facilities to export, prices will drop very quickly if the harvesting season arrives before the end of the pandemic. Other key export commodities will also be impacted by the ban of international flights. These commodities include pulse (462.8 million kgs valued at USD 272.3 million), oilseeds (260.9 million kgs valued at USD 387.8 million) and coffee (230.9 million kgs valued at USD 764.1 million).

- ***Food availability:*** Movement of food commodities from surplus producing to deficit areas will be constrained through panic purchases, transporters' fear of travel and farmers withholding food for their own households. Ethiopia is also approaching the main hunger season for a significant proportion of the population, from June to September, during which food prices normally rise as stocks from the main Meher harvest get exhausted. The performance of the Belg Season (February to May rains) are important for Belg crop producers and for livestock production in all pastoral as well as many crop-dependent areas. Despite a later start, Belg crop producers are receiving near average rains so far, and rains also started in pastoral areas in April. The desert locust invasion, however, is threatening the Belg season.

- ***Food access:*** The outbreak of COVID-19 will negatively impact physical access to food, especially in areas where households are already facing deficits due to other factors, for example, below normal rains and displacement. Inadequate supplies of food in markets will reduce diversity of food items consumed by households. Incomes for households in the informal sector will be reduced during the COVID-19 period, worsening the food security situation. Reduction in remittances from abroad will also affect both rural and urban households. Food prices are already unseasonably high; therefore, further increases will worsen the food security situation. The latest data show that food price inflation had already reached 26.9% in March 2020, the highest level since 2012. This could have an impact on right to food by vulnerable and marginalised groups such as older persons, homeless female headed households and compromise their ability to meet required dietary needs. Concerted effort should be made to ensure physical and economic access to food by all; targeted action should be made to support vulnerable and food insecure households and groups

- ***Food utilisation:*** Households have additional needs to prepare food commodities for consumption, including the cost of the fuel and access to water. Some of the food items in the basket will also require pre-processing, including milling, which will impose additional costs for the poor and vulnerable faced with loss of livelihoods, income and assets.

SOCIAL IMPACTS

HEALTH: COVID-19 is a new virus and not enough is known yet about how it affects children, youth, or pregnant women. The possibility, however, for people of any age to be infected and transmit the virus, although older people and/or those with pre-existing medical conditions seem more likely to develop serious

[56] http://essp.ifpri.info/2020/04/06/the-coronavirus-disease-covid-19-crisis-and-food-value-chains-in-ethiopia-insights-from-vegetable-value-chains/

illnesses. Early detection and containment are essential to prevent and/or delay an overwhelming demand for health care services from an already fragile health system. **The Ethiopian Service Availability and Readiness Assessment Survey (SARA, 2018) indicated that the national readiness for routine health services provision in a normal situation is only 55%, pointing to already significant shortfalls in the availability of trained human resources, medicines, equipment, and infrastructure.**[57] In such a context, the Ethiopian health system will not be able to cope with the expected increases in patient loads across the country – currently estimated by the Ministry of Health (MoH) at 100,000 cases over 3 months, but with a possibility for even higher numbers. Given current capacity of testing is limited, further increases in testing capacity is absolutely critical to assessing the extent of the pandemic in Ethiopia and taking preventive measures to contain transmission.

In such a context, it is certain that the Ethiopian health system will not be able to cope with the expected increase in patient loads across the country. If efforts to contain the outbreak of COVID-19 divert resources from essential health services, then the access of women, girls and children, refugees, IDPs, persons with disabilities and older persons to vital support will be curtailed, with serious consequences. For example, access to sexual and reproductive health (SRH) services especially maternal health service delivery, child health, prevention, treatment and control of diseases, and occupational health and access to essential medicines could be impacted adversely. This, in turn, will detract from fulfilment of economic social cultural rights including the right to health, including in the context of public health emergency.

The outbreak of COVID-19 will place women, girls and young people at heightened risk of unwanted pregnancy, unsafe abortions, increased sexually transmitted infections, higher maternal mortality and morbidity when sexual and reproductive health services are being side-lined due to other priorities. At the same time, pregnant women and adolescents who tend to visit health facilities for pre and post-natal care, will be at higher risk of unnecessary contact and exposure to infection, especially where infection control in health facilities is inadequate. Others may be unwilling to seek antenatal care being fearful of contracting covid-19, being 'incarcerated' in isolation centres or having to pay for out-of-pocket expenses.

According to the Ethiopian Demographic Health Survey (EDHS, 2016), the proportion of pregnant women who accessed the four rounds of ante natal care (ANC) is 32% and those with skilled delivery is 26%. Modern family planning use is 35% among married women and 58% for unmarried women. At the same time, pregnant women who tend to visit health facilities for routine health follow-ups will be at higher risk of unnecessary contact and exposure to infection, especially where infection control in health facilities is inadequate. Due to school closure, female adolescents and young women may not be able to access family planning services which puts them at greater risk of unwanted pregnancy and lack of access to SRH services. Moreover, as health facilities are overburdened with the response, other essential services will be abandoned or scaled-back. Health workers, the majority of whom are women are also at a high risk of infection due to the lack, in many situations, of adequate supplies of the required standard of PPE.

The first tangible evidence of disrupted health services is the postponement of the measles and polio campaigns planned for March-April 2020. The number of children aged 0-59 months targeted for the polio campaign is 17,116,378 and those for measles (among children 9 - 59 months) is 14,699,948. This means that the vaccination of these children has been delayed and they are, thus, vulnerable to vaccine preventable infections.

Considering the significant diversion of resources that can take place, there is **a strong likelihood of excess morbidity and mortality due to non-COVID related illness**, if the experience of Ebola in West

[57] Ethiopian Public Health Institute (EPHI), *Services Availability and Readiness Assessment (SARA)*, 2018.

Africa is guide, as a result of the combined effects of: (a) decreased availability of essential health services; and (b) decreased utilization of essential preventive and curative health services by the population due to fear of COVID-19 infection, lack of affordable transport, and/or increasing inability to pay for transport and services due to poverty.

The Lives Saved Tool (LiST), presents information about the lives that could be lost, if PHC services such as immunization, family planning, antenatal, delivery and postnatal care and family planning services are not maintained at pre-COVID levels. Three scenarios are given below based on the duration of the - with scenario 1 being with services slightly reduced and scenario 3 being services severely reduced. **As the figures show, very large number of lives are potentially at risk.**

	3 MONTHS		6 MONTHS		12 MONTHS	
	Child	Maternal	Child	Maternal	Child	Maternal
Scenario 1	126,700	6,100	253,500	12,190	506,900	24,390
Scenario 2	223,600	10,790	447,200	21,570	894,400	43,150
Scenario 3	578,500	28,350	1,157,000	56,700	2,313,900	113,400

PHC care service delivery could be curtailed during COVID-19 for a number of reasons: the preoccupation of health care workers with the pandemic surveillance and treatment; inadequate financial resources; absence of will to work among some health care workers out of fear of infection; short supply of Personal Protective Equipment (PPE).

COVID-19 travel restrictions may hinder supply chains resulting in severe shortage of essential RMNCAH (Reproductive, Maternal, New-born, Child and Adolescent Health) commodities, including lifesaving maternal health commodities, contraceptives, antiretroviral drugs and diagnostic HIV test kits, DBS (dried blood spot) for PMTCT (preventing mother to child transmission), vaccine and immunization commodities at the national, regional and facility levels. All of these factors may lead to disruption of basic medical services including ANC, delivery, postnatal Care, Adolescent and youth reproductive health and referral services. Moreover, the governance and coordination of the health system may be weakened. In addition, only 34 % of health facilities have an improved water source and 61% have sanitation facilities; combined with lack of personal protective equipment (PPE) for frontline health workers, many of them women, this will translate into significant infections inside those centres.

On mental health and psychosocial distress, including on account of violence and harassment, the restrictions imposed because of the COVID-19 outbreak, have caused significant disruption to individuals, families, and communities. For many people, daily life has changed dramatically, and the 'normal' ways of life are suspended indefinitely. Currently, returnees face double trauma as many have suffered physical violence and torture, violence and harassment, sexual exploitation, abuse and violence *en route*, in transit and in destination countries without proper access to effective remedies. Health workers, especially those caring directly for COVID-19 infected patients, are also expected to experience heightened mental health stressors in relation to the increased work burden as well as the fear of contracting the disease and/or passing it on to their families and loved ones. An additional burden could be imposed by their participation in infection-prevention and control measures as part of daily work routines.

NUTRITION: While stunting (short stature for age with negative impact on cognitive development) fell by over half over the past decade among children under five years, from 58% in 2000 to 38% in 2016, the

current rate remains high at 37% in 2019. The negative impact on nutrition of frequent emergencies is currently being compounded by the desert locust invasion and COVID-19 pandemic. The primary and secondary impact of COVID-19 alone is expected to have serious effects on the nutritional status of children and women if counter measures are not taken. It is estimated that both moderate and severe acute malnutrition (SAM) among children under the age of 5 years will increase. Due to the combined effects of desert locusts, climate change, and the secondary impacts of COVID-19, the humanitarian community anticipates that the number of children to be treated for severe acute malnutrition will rise from the 460,000 estimated in January 2020, which includes 16,000 refugee children, to 570,000 by December (of which 18,400 would be refugee children). Increases in malnutrition will be driven by a decrease in household food security, poor care practices for children and women, and limitations in access to health facilities and health service as they are undermined by the primary and secondary impacts of COVID-19.
Furthermore, it is likely that due to preventive measures that limit movement and accessibility to services/markets, coupled with unemployment, food insecurity, the quality of dietary intake might worsen, without easier access to and relatively greater affordability of staple foods at the expense of a diversified diet of nutrient-dense foods. Should preventive measures continue for a longer period of time and the stability of the food supply chain gets impacted under reference scenarios 2 and 3, accelerated deterioration in dietary quality is likely with gains achieved in the fight against chronic malnutrition at risk of reversal.

WATER, SANITATION AND HYGIENE: Based on the 2019 Joint Monitoring Programme (JMP) report, **only 11% of Ethiopia's population is using safely managed drinking water**. Rural populations and the poorest households are the most disadvantaged in terms of sanitation, with very serious impact on women and girls who are mainly responsible for the care work. People living in informal settlements, prisons, refugee/IDP camps and facing other overcrowded living conditions with inadequate water and sanitation facilities are particularly at risk of contracting COVID-19. In addition, analysis of health sector capacities in Ethiopia has highlighted a number of challenges including inadequate water and sanitation facilities in health facilities, schools and communities.[58] With up to 22% (23 million people) practicing open defecation, and very low rates of handwashing after the use of a latrine in Ethiopia, a majority of poor households are at risk of contracting COVID-19 due to poor sanitation practices and hygiene. Women and girls are particularly exposed, as they are usually responsible for water collection in Ethiopian households but without much autonomy of decision-making.[59]

The infectious nature of COVID-19 also requires increased hygiene standards at health facilities and quarantine facilities, yet the 2018 SARA survey indicated that a mere **34% of health facilities have an improved water source available** (i.e., water is piped into the facility or onto facility grounds, or else water that is from a public tap or standpipe, a tube well or borehole, a protected dug well, or protected spring, or rain water, or bottle water), and water is available from this source on facility premises. Only **61% of health facilities had sanitation facilities available, while only 3% of facilities had all of the nine assessed measures for infection prevention in place, with only half having a mechanism in place for the safe disposal of infectious waste, and only 16% with adequate facilities for the storage of infectious waste**[60].

[58] https://phe-ethiopia.org/admin/uploads/attachment-721-HSDP%20IV%20Final%20Draft%2011Octoberr%202010.pdf
[59]https://www.open.edu/openlearncreate/pluginfile.php/172415/mod_resource/content/1/Ethiopias_One_WASH_National Programme.pdfhttps://www.open.edu/openlearncreate/pluginfile.php/172415/mod_resource/content/1/Ethiopias_One_WASH_National Programme.pdf
[60] Ethiopian Public Health Institute (EPHI), *Services Availability and Readiness Assessment (SARA)*, 2018.

EDUCATION: The COVID-19 pandemic has resulted in school closures across the world. It is estimated that learning for 89% of the world's student population has been disrupted.[61] In Ethiopia, schools have been closed since 16 March 2020 and this is likely to remain the case until the end of the academic calendar. This means that **over 26 million children are currently not in school[62] of which approximately 77% are primary school pupils.** These children are neither learning nor benefitting from other school-based support mechanisms such as protection, health, and school-feeding. In short, children's well-being is at risk. Key education indices which were already dismal before the COVID-19 pandemic, are at risk of worsening in the current crisis which has kept children out of school to avoid infection and spreading the disease.

The **Table 8** below shows the number of children affected by the crisis as a result of school closure:

Level	Male	Female	Total
Pre-primary	1,676,156	1,546,097	3,222,252
Primary	10,654,351	9,392,006	20,046,357
Secondary	1,526,653	1,293,482	2,820,135
GRAND TOTAL			**26,088,744**

While school closures are an important response to mitigating the spread of COVID-19, prolonged closures present major risks to education and the well-being of children, families, teachers, and communities. School closures will affect vulnerable children and their families the most because they are unlikely to benefit from parental home-schooling or supervision or distance education modalities such as paper-based and or radio/TV programmes, thus, widening the gulf between the lowest and highest income quintiles. The main tools for distance learning are radio and television. 28.5% of the households in Ethiopia owns a radio[63]. The education sector's limited capacity to design and implement effective education responses due to a lack of technological infrastructure in rural areas and for most poor households in urban areas will amplify the problem. It is estimated that 80% of the country's population live in rural areas which means many children have no opportunity to access learning through technology-based platforms due to low digital technology penetration and inadequate communications infrastructure. These factors have compounded the situation and have put millions of children at the risk of dropping out of school, getting exposed to various forms of exploitation and abuse including early marriage and child labour.

School closures also negatively impact children's nutritional status as many cannot access school feeding programmes, especially in settings of humanitarian responses. It is estimated that in Addis Ababa, approximately 560,000 primary school students no longer receive their meals[64]. The lowered nutritional status will weaken immune systems resulting in more frequent episodes of ill health and their cascaded negative effects on learning and overall well-being.
Other challenges that have been registered in the context of school closures is increased risk of sexual exploitation, early pregnancies, rape, as well as child marriages and female genital mutilation. Children are not the only ones who will feel the brunt of the impact. Women perform the vast majority of unpaid work, more than three times as much as men[65]. School closure, as a preventive measure in containing the

[61] UNICEF (2020): Mitigating the Social-impacts of Covid-19 on the education system.
[62] UNICEF Ethiopia (2020): Socio-economic impacts of Covid-19, 4 April 2020.
[63] UNICEF Ethiopia (2020): Distance education through Radio and TV, National framework to implement distance education through radio & television for COVID-19 response in Ethiopia with data from the Demographic Health Survey 2016.
[64] Ibid.
[65] International Labor Organization (ILO). *Care work and care jobs for the future of decent work*, 2018.

outbreak, exacerbates the burden on parents, particularly women, as additional childcare responsibilities fall on them. Moreover, girls are often obliged to take care of household chores and look after their siblings. This is likely to increase when schools are closed. Studies from the Ebola epidemic have noted that girls are likely to be differentially impacted. During the height of the Ebola epidemic, 5 million children were affected by school closures across Guinea, Liberia and Sierra Leone, and poverty levels rose as education was interrupted. School drop-out was often caused by an increase in domestic and caregiving as well as income generation responsibilities, leading to girls falling behind in home learning.[66]

Bottom-line, in the absence of an effective education response, COVID-19 is likely to generate the greatest disruption in educational opportunities for Ethiopian children in a generation or more.

GENDER-DIFFERENTIATED IMPACTS

Women are at the centre of the COVID-19 pandemic just like any disease outbreak - and outbreaks affect women and men differently. Health emergencies disproportionately affect women and girls in several ways including in terms of their care responsibilities, access to health care services (e.g. SRH and HIV services), livelihood, food security, and protection. Pandemics, including COVID-19, compound existing gender inequalities and vulnerabilities, increasing risks of abuse and domestic violence, regression in development gains for women and girls and exacerbate deep rooted gender-based discrimination and violence. In times of crisis such as an outbreak, women and girls are at higher risk, for example, of intimate partner violence and other forms of domestic violence due to heightened tensions in the household. Due to restrictions on movement, reporting of Gender Based Violence incidences and access to medical, legal/justice services and psychosocial service may be a challenge. A significant number of women and girls continue to face increased risk of other forms of gender-based violence including sexual exploitation, abuse and harmful practices. Women and girls are at the centre of providing care work and also at the front lines as health care workers, cleaners, domestic workers, and also tend to be caregivers for those who are sick, increasing their burdens and risk of infection. Women and girls in the informal sector such as domestic workers do not have adequate protection in their line of work as care givers hence predisposing them to high risks of infection.

Due to the underlying and long- standing disparities between women and men in Ethiopia, women and girls' access to adequate and correct information on COVID-19 is expected to be lower than that of men, particularly women in the informal sector, migrants, women with disabilities and those in hard to reach settings such as refugees and IDPs. Literacy is highly gendered in Ethiopia where only 44% of adult women are literate[67] which makes it difficult for them to read vital information on COVID-19. In addition, low media access, insufficient internet penetration and language barriers and poorly targeted messages limit communities' access to information. Seventy four percent of women have no access to radio, television or newspapers on a weekly basis.[68] Provision of education and access to information on main health problems and methods of preventing and controlling them is a minimum core obligation necessary for the enjoyment of the right to health. Having a low level of information could affect precautionary measures taken by women and girls, increasing their vulnerability to the disease as well as their involuntary role in spreading the virus.

[66] https://plan-international.org/publications/ebola-beyond-health%C2%A0emergency, accessed April 30, 2020
[67] http://uis.unesco.org/en/country/et#slideoutmenu
[68] Ethiopian Demographic and Health Survey, Central Statistical Agency, 2016

Women in Ethiopia often face different and more basic economic constraints than men, including lower access to credit and markets.[69] Scarcity of food resulting from low production and high cost of living has an impact on poor households, especially female headed households, forcing them to engage in negative coping mechanisms, such as consuming less food where women and girls eat last and least. This may lead to health complications including susceptibility to the virus. Moreover, such a situation has a tendency of pushing women to engage in informal, dangerous, jobs or become victims of transactional sex for food.[70] Attention also needs to be paid to the longer-term effects on the balance between professional and personal life and on women's economic independence. The loss of income and reduction of economic activity is an additional factor the rise in the inequality and poverty levels, especially affecting women, particularly women heads of households, as well as female workers in the informal economy, domestic workers, rural women and sex workers.

There are reports showing increased incidents in Violence Against Women and Girls and Boys (VAWC) in countries most affected by the COVID-19 outbreak, resulting from extended quarantine and other social distancing measures.[71] Given the increase in trends of GBV, ensuring that women and girls and boys have access to essential VAWC services remains a critical and lifesaving activity. Social distance would be hard for people with disabilities, as they need family and others' support. Due to the nature of the infection, existing service providers in Ethiopia such as shelters for survivors of violence are facing difficulties in accepting new cases. It should be noted that these shelters do not accept boys. The EDHS (2016) identified that 61.5% of women who experienced physical and/or sexual violence never sought help and only 8% sought help from police[72] as such it is evident that a disproportionate number of women are facing challenges in terms of access to justice and effective remedies. This could also result in impunity as alleged perpetrators continue to remain at large without being held accountable for their actions. Survivors of violence may not even have the necessary information on the availability of services in the current situation. Overall, based on global experience, an increase in the risk of domestic violence (DV)/intimate partner violence (IPV) due to restrictions on movement can be expected. Moreover, as noted several times earlier, resources for GBV response services may be diverted, leaving women and girls with limited access to life-saving support.

As in many other countries, **women in Ethiopia are at the forefront of the health crises as doctors, nurses, social workers as well as cleaners with minimal access to personal protection equipment (PPE)**. Women as frontline responders have specific rights including; access to health-related information on prevention and control of diseases; access to appropriate training for health personnel, including education on health and human rights issues/approach to enable them respond in a manner that is consistent with normative standards and requisite Standard Operating Procedures and protocols. Additionally, they also have specific needs such as: menstrual hygiene materials, and psychosocial support due to the double burden of care at work and home. Female health workers are also at risk of stigmatization due to caring for COVID-19 patients.[73] There are more than 38,000 female Health Extension Workers (HEW) in Ethiopia[74] who are at the forefront of disease prevention, promotion and response activities within communities. In Addis Ababa alone, around 1,260 HEW have been trained on COVID-19 and are engaged in surveillance and tracking of active cases in the city and nearby areas.

[69] https://www.usaid.gov/ethiopia/gender-equality-and-womens-empowerment
[70] https://www.care-international.org/files/files/Ebola_Gender_Analysis_English_v2.pdf
[71] GBV case management and the COVID-19, AoR, March 2020
[72] Ethiopian Demographic and Health Survey, Central Statistical Agency, 2016.
[73] Global rapid gender analysis for COVID-19, CARE and IRC, March 2020.
[74] http://www.hhpronline.org/articles/2016/12/17/the-health-extension-program-of-ethiopia

Women can be less likely than men to have power in decision-making, within the household and larger society, around the outbreak, and as a consequence, their general and sexual and reproductive health needs may go largely unmet. There is also often an inadequate level of women's representation in pandemic planning and response, which can already be seen in some of the national and global COVID-19 responses. Within the context of such norms, men may also feel pressure in the face of economic hardship resulting from the outbreak and the inability to work, causing tensions and conflict in the household. Additionally, when women lose their incomes their bargaining power is sometimes reduced, in turn contributing to unequal power relations within the household, and gender inequality which can be displayed with violence. Recently, several of research initiatives led by UNIDO have started aimed at getting valuable information about the feelings that businesswomen are experiencing against COVID-19 and related to their decision-making.

The closure of schools to control COVID-19 transmission has a differential effect on women economically, given their role in providing most of the informal care within families and the added burden of providing for basic needs of family life including food, hygiene and education., with consequences that limit their work and economic opportunities. In general, the outbreak experience means that women's domestic burden becomes exacerbated as well, making their share of household responsibilities even heavier, for many while they also work full time.

IMPACT ON CHILDREN

The COVID-19 pandemic has had significant impact on the well-being of children and adolescents thereby preventing them from reaching their full potential. Children are affected by this crisis through infection with the virus itself; the immediate socioeconomic impacts of measures to stop transmission of the virus and end the pandemic; and the potential longer-term effects.[75]

Although a limited number of children are reported to be affected by COVID-19, numerous cases of affected children have been reported including deaths. Limited data exists on how COVID-19 plays out in a setting with high rates of acute malnutrition such as in Ethiopia. More importantly, a significant challenge faced by the children is the psychosocial impact from the loss of a parent, sister or brother.

With the declaration of restrictions following the declaration of the state of emergency in Ethiopia, restrictions in movement could affect the ability of caregivers to access health care services. Furthermore, the health systems may be overwhelmed, thus, children are unable to access the standard of care as previously received before the pandemic. Physical distancing and isolation/quarantine measures may contribute to increased stress levels among children.

Major additional effects triggered by the pandemic include closure of schools, social and physical distancing paired with restrictions on public gatherings, forcible removals of children living and working on the street and their placement in institutions and children in institutions (such as orphanages, detention/remand homes).

- **School closures are detrimental to children's and adolescents' learning.** As many come from low income households, their families are neither well-equipped to provide the necessary learning spaces, materials and devices to access education materials nor are they likely to be in a position to supervise this process to successfully bridge this period. It is possible that impairment of learning outcomes, with

[75] United Nations, Policy Brief: The Impact of COVID-19 on children.

increased needs for catch-up programmes, will not be the only casualty but also that some children and adolescents may not return to school at all given the additional economic hardship their families have been experiencing. In addition, girls exposed to unwanted pregnancies and forced marriages will be forced to drop out of school to take care of their children and their families.

School closures also impact children's nutritional status negatively as many cannot access school feeding programmes weakening their immune systems. Although COVID-19 as a new virus is not researched well-enough to fully understand its impacts on children,[76] they may be unusually at risk compared to the average epi-curve, not only due to high incidence of respiratory diseases, malnutrition and acute watery diarrhoea[77], but also because they live with their low-income families in overcrowded settings where physical distancing measures are hard to follow effectively. The distress caused by the situation, in addition to fear and anxiety, may put some children at risk of substance use and other risky behaviour. Moreover, due to restricted movement, adolescent girls, while staying at home, may be exposed to a wide range of risks such as early pregnancies, pressure to marry early[78] and increased risk of sexual exploitation, rape, as well as early and forced marriages and female genital mutilation.

Furthermore, because the health response is now fully focused on COVID-19, other health services may suffer such as the measles and polio campaigns planned for March-April 2020, as noted earlier.[79] Moreover, it is expected that children's malnutrition will increase due to household food insecurity triggered by measures such as business closures, social distancing protocols, reduced parental caring practices and supervision as well as limited access to health services for common child illnesses and for treatment of moderate and severe wasting.

Social distancing is likely to lead to increased levels of stress, anxiety and discomfort for children and adolescents as they are not able to communicate and engage with their friends and peers during lockdown, especially for low income households that do not have access to ICT and social media for their children. Adolescents may miss out on some of the most important moments in their lives due to social and physical distancing.

- The following groups of vulnerable children and adolescents are exceptionally at risk: **(i) sexually exploited adolescent girls and boys, (ii) adolescents living with HIV/AIDS, and (iii) children and adolescents living with disabilities**.

  Sexually exploited girls and young sex workers work in bars and small local beverage houses that have closed. In addition, the risks of unintended pregnancies, sexual exploitation, acquiring HIV and other STIs is likely to increase. During additional economic hardship, many may accept any offer despite its risks as a means of simple survival. In addition, the likelihood of negotiating safe sex and the use of condoms will be compromised which may reverse gains made thus far in curbing the impact of HIV/AIDS and the incidence of unplanned pregnancy among these target groups.

  Young people living with HIV will be one of the most affected groups. Since most of these young people have pre-existing health concerns, COVID-19 will pose a major challenge to their survival. This also leads to extreme stress and anxiety among them out of the fear of being infected by the new virus. Prohibition of meetings among four or more people further compromises the psychosocial support they

[76] As of 13 April 2020, there have been no children among the confirmed cases in Ethiopia.
[77] UNICEF Ethiopia (2020): Socio-economic impacts of Covid-19, 4 April 2020.
[78] UNICEF. Technical note on COVID-19 and Harmful Practices, April 2020.
[79] Ibid.

get from their peers. Furthermore, the priority given to the COVID-19 response could also affect their health to the extent that ART and related counselling services are discontinued or reduced.

- **Children and adolescents living and working on the street are particularly vulnerable at this time** to contracting COVID-19 and secondary effects (e.g. discrimination and violence). They are also at risk of being collected from the streets without informed consent and placed in institutions that may not cater to their specific needs and rights. This may put them at risk of further exploitation, violence and abuse, including sexual abuse.

- **Children in institutions (orphanages, detention/remand homes and so on) are at risk** of exposure of the direct and indirect effects of COVID-19 because they often have compromised psychosocial, physical and mental health issues, live in crowded or unhygienic conditions, and are more vulnerable to abuse and neglect. There are a number of government orphanages (approximately 5) and many more private institutions across the country. There is a remand home in Addis Ababa with approximately 84 children. In addition, there are children in prison facilities, including mothers imprisoned with their children. While efforts are taking place at federal and regional levels to review/consider release of prisoners with a comprehensive plan to ensure their safety/well-being on release, it will be crucial to prioritise children including those in the remand home. For those who may not be safely released with a comprehensive plan, it is important that those who remain in institutions are provided with the same level of health care and other services. To this end, Ethiopia's alternative care guidelines need to be updated and aligned with the UN-supported Alternative Care Guidelines (2009) and UN General Assembly Resolution (A/74/395) of 2019.

4. PREVIOUSLY IMPLEMENTED COVID-19 ECONOMIC RESPONSE MEASURES

The Homegrown Economic Reform Programme (HGER, 2020-23) remains the principal framework for development policy. It calls for building a resilient and diversified economy to put the country on the path to becoming a middle income economy by 2030, driven by the private sector; eradicating extreme poverty and hunger; building human capabilities; creating a modern policy and institutional framework; and creating an efficient, resilient and well-functioning financial market. Anchoring the implementation of the HGER on human rights normative standards and principles will accelerate the realisation of Ethiopia development aspirations in line with Agenda 2030 and 2063. The HGER will implement the recently released 10-Year Perspective Plan which is based on five strategic pillars: macroeconomic stability; quality of economic growth; productivity and competitiveness; implementation capacity at all levels; and a resilient green economy. Underpinning both, a national jobs plan prepared by Jobs Creation Commission (JCC) aims to create 14 million jobs by 2025 by building a vibrant local private sector, especially SMEs.

Table 9: Home Grown Economic Reform Programme (HGER): Pillars and Focus Areas

Macro - Economic	Public Sector Finances	Foreign Exchange	Inflation	Financial Sector	Financial Inclusion
Structural	Regulatory Procedures and Good Governance	Domestic Productive Capacity	Market and Value Chain	Logistics	Access to Power
Sectoral	Agriculture	Manufacturing	Mining	Tourism	ICT

In the context of the COVID-19 pandemic, MSMEs and the broader sectoral fallout remain at the core of GoE attention as pivotal to preserve employment, incomes and livelihoods, as well as availability of crucial supplies and services. The GoE Impact Assessment for COVID-19 and Response Plan requires USD 2.5 billion for support in this area (excluding funding needed for the immediate public health and humanitarian response).

The Government of Ethiopia has already implementing economic response measures since the emergence of COVID-19 in Ethiopia. The main objectives of the economic response measures are the following:

- Protect livelihoods and avoid layoff of employees.
- Help low income communities from possible further crisis due to COVID-19 related economic.
- slowdown including housing and rental payments.
- Encourage donations towards COVID-19 response.
- To ensure economic resilience and quick recovery.
- Support businesses that are severely affected by the pandemic; Encourage service providers and manufacturers to continue their operation.

Recent Measures taken: (Approved on 30 April 2020)

- Remit tax debt (including principal tax, interest, and penalties) until Fiscal Year 2015 for more than 3099 taxpayers.
- Remit interest and penalty for taxpayers who have received a tax assessment notification for the period 2016-2019. The taxpayers must pay 25% of the principal tax owed within 30 days and pay 75% of the principal within one year from the date on which instalment agreement has been signed.
- Waiver of 30% rental tax for education institutions and micro and small enterprises (MSEs) by regional governments and city administrations. Waiver of rental income tax also includes taxpayers who own residential properties and have waived rent payments for their tenants, whose monthly rent does not exceed Birr 10, 000.
- Waive four-month employment tax of workers who are required to stay home with their salary. This allows the government to share about 50% of employers wage cost of workers who are staying at home for two months.
- Extend the payment period for Value Added Tax (VAT) and Turnover Tax. The filing time of returns and payment of VAT and Turnover Tax for the months of March, April and May are extended until June 2020, without penalty and interest.
- Tax deduction for COVID-19 related charitable donations; deduction raised from 10% to 20% of the taxable income for 2012 E.C. fiscal year to thank donors and encourage more support.
- Loss carry forward: Loss incurred in 2020 fiscal year will be allowed to be carried forward to the next fiscal year even if the business has already carried forward two losses.
- The pension contribution of private organizations for the month of April, May and June has been deferred until to July 2020.
- Loan/credit support for MSEs. The Development Bank of Ethiopia (DBE) avails loan to solve the financial constraints of small and micro enterprises by opening a special window for quick disbursements. Credit will also be availed to Micro-Finance Institutions and cooperatives to support small-scale business and farmers and consumers cooperatives respectively.
- Support for manufacturers that export their products. Based on the assessment to be conducted by the Ethiopian Investment Commission, manufacturers who cannot export their products to the international market will be allowed to supply their products to local market for the coming two months.

Earlier Measures (March – April 2020)

- A Birr 5 billion (around USD 150 million) preliminary budget allocated for emergency expenditure.
- Removal of import taxes on COVID-19 related items.
- Faster value-added tax refunds for businesses.
- Birr 21 billion (around USD 630 million) support for banks to address the expected liquidity shortage from expected lower deposits and loan collection, and to make available working capital for sectors impacted by the COVID-19 pandemic.
- Priority access to foreign exchange importers and producers of COVID-19-related goods.
- Relaxing of the Central Bank's non-performing loan directive to allow banks to reschedule loan payments for highly affected sectors like horticulture, hotels and tourism.
- Removal of minimum price for export flower.

5. PLANNING SCENARIOS

The three planning scenarios in this document use Scenario 3 in the National Emergency Response Plan (NERP)[80] as the starting point. In the NERP Scenario 3 called 'Severe impact,'' Ethiopia confirms an outbreak of COVID-19 and cases are reported in more than two Regions with high morbidity and mortality. The NERP uses this as its primary reference scenario.

According to EPHI, the number of expected cases in Scenario 3 was estimated to be 34,068 per month for the next three months (starting in April). This was based on the following assumptions:

- An urban population estimated at 21% of the total, with all considered at risk;
- 50% of the rural population at risk given dispersed/spread out population distributions;
- About 20% testing capacity;
- An estimation base of 66.5 million people and assuming herd immunity (R0 − 1)/R0 would be at 60%, around 39 million expected to be infected with COVID-19.

Guided by the above, the NERP estimates that 10 million people will require emergency assistance because of COVID-19.

The scenarios below are 'thought experiments' to 'think the unthinkable' to gauge policy responses against a range of possible conditions that may have an impact on MSMEs either directly or indirectly. These are NOT predictions about what might happen in Ethiopia. Current conditions are between Scenarios 2 and 3.

Table 10: Three Planning Scenarios

Parameters related to MSMEs	**SCENARIO 1** Relatively Low-Intensity Epidemic and Economic Lockdown	**SCENARIO 2** Intermediate-Intensity of Epidemic with Increased Restrictions + Limited or Localised Econ. Lockdown(s)	**SCENARIO 3** High-Intensity Epidemic with Nationwide Lockdown
Epidemic and Containment Scenario:	Economic activities are locked down for around two months and phased relaxation of the restriction by the third month.	Economic activities are locked down for around 3-4 months in key urban centres.	The state of emergency (SE) is tightened sharply, with localised lockdowns replaced by either large-scale or even a national lockdown.
SMEs:	Significant proportion of the 800K micro and 162,000 SMEs come under pressure, even with a crisis lasting a single quarter.	A significant proportion – closer to 50% - of the 800K micro and 162,000 SMEs come under pressure with crisis lasting up to 3rd Q	A very high proportion – approaching two-thirds - of 800K micro and 162,000 SMEs come under pressure with crisis goes beyond Q3 of 2020

[80] NERP, 1 April 2020.

Employment/ Livelihoods:	An immediate 10-15% loss of employment/ livelihoods (self, wage) is possible leading to a cumulative loss of perhaps 1.4-1.6m jobs/livelihoods, mostly in urban areas, during Q2-Q3 of 2020	A 30% loss of employment/ livelihoods (self, wage) is possible leading to a cumulative loss of perhaps 2.4 million+ jobs/livelihoods, mostly in urban areas, in 2020	A 50% or more loss of employment/livelihoods (self, wage) is possible leading to a cumulative loss of perhaps 6 million+ jobs/livelihoods nationally. A pick-up will have to be postponed till Q2 2021.
Trade:	A 20% drop in exports of goods and services during 2020	A 25-30%+ drop in exports of goods and services during 2020. The impact will be severe and sustained, lasting at least 3 quarters.	A 50% drop in exports of goods and services during 2020 (from all firms). The impact will be severe and sustained, lasting at least 3 quarters.
Agriculture Sector	Government expenditure on agriculture is sustained. Import of inputs might be delayed but with no major disruption in production.	Government expenditure on agriculture is curtailed substantially for 1-2 years. Delays in input supply (mainly fertilizer supply) with major disruption and lose substantial functionality. Production and exports drop	Production of food and non-food items, for both domestic consumption and exports, drops substantially. There is panic selling of assets – such as livestock – in rural areas
Industry/ manufacturing Sector	Industrial parks operate at minimum or reduced capacity due to limited supply of inputs and sharply reduced exports	Industrial parks operate at minimum or reduced capacity and sharply reduced exports through 2020, with no pick-up until Q1 2020. Domestic demand falls substantially, leading to drop in production of light consumer goods till Q1 2021.	Industrial parks are forced to close. There is no pick-up in orders until mid-2021. Domestic demand falls sharply, and this leads to a massive drop in production of light consumer goods. Shortages of food dramatically reduce availability of agricultural commodities to be processed at AIP and also to job losses.

Service Sector	Travel restricted in Q2-Q3 where passengers' traffic pick-up is possible in Q4 Hospitality industry operates at dramatically reduced capacity but a relaxation of restrictions in Q3-Q4 helps to revive demand.	Travel remains restricted through 2020, where pick-up in passenger traffic does not occur till Q1 2021. The hospitality industry operates at minimal capacity with stronger restrictions in Q3-Q4 cutting demand dramatically	Travel remains restricted through Q1 2021. A pick-up in passenger traffic does not occur till Q2 2021. The hospitality industry operates at minimal capacity with stronger restrictions in Q3-Q4 cutting demand dramatically. There is no chance for a revival in tourism revenues till mid-2021
Impact on protection of those with critical needs	Physical and emotional maltreatment. Sexual and Gender-based violence. Domestic violence. Harmful practices will increase including child marriage, FGM. Sexual exploitation. Teenage pregnancy. Food insecurity due to loss of income. Human Rights Violations. Mental health and psychosocial distress. Child labour. Unaccompanied and separated children. Social exclusion for specific individuals and groups. Essential services for survivors of violence will be partially interrupted.	School drop-out. Increased risk to women and girls experiencing GBV/DV, and the threat of HPs including FGM and child marriages, especially for girls in disadvantaged and hard-to-reach areas. Negative coping mechanisms (EFCM, transactional sex due to loss of income, and unsafe irregular migration). Economic impacts felt especially by women and girls who are generally earning less, saving less, and holding insecure jobs or living close to poverty. Sharp rise in food insecurity. Essential services will be totally interrupted.	Lack of food, shelter, health service, and other basic needs. Food shortages. Challenges in accessing SRH information and services - including contraception, safe abortion and HIV medications- will exacerbate the risks to girls' and women's health and lives. Further reduction in already limited access of many adolescents and young women to sexual and reproductive health services, as well as maternal, new-born and child health services. Elevated food insecurity with danger of localised cases of starvation. Trafficking and smuggling.

Primary Health Care (PHC)	Slight decline in health workforce, supplies, demand access and coverage. Supply and access of basic RMNCAYH services will slightly be affected. Uptake of RMNCAYH services decreases slightly. Decrease in ANC, SBA, PNC, family planning services. An increase in numbers of mothers who die while giving birth.	Moderate decrease in health workforce, supplies, demand access and coverage. Supply and access of basic RMNCAYH services will moderately be affected. Uptake of RMNCAYH services decreases. Decrease in ANC, SBA, PNC, family planning services. A moderate increase in numbers of mothers who die while giving birth. Essential services for survivors of VAWG/C will be interrupted: Justice, health and social services including shelters.	Large decrease in health workforce, supplies, demand access and coverage. Supply and access of basic RMNCAYH services critically affected. Significant decrease in uptake of RMNCAYH services. Decrease in ANC, SBA, PNC, family planning services. A large number of mothers would die while giving birth. Coordination and regulation of health system would get weakened. Essential services for survivors of VAWG/C will be interrupted: Justice, health and social services including shelters.
A global education crisis	A well- planned and timely re-opening of schools with limited impact on the ability of schools to function as expected from September. Possible adjustments to the school calendar.	More uncertain planning process and gradual and phased re-opening of schools with potential social distancing requirements.	Potential delays in school re-opening, which would require a continuation of distance education and a greater emphasis on investments in ICT and digital solutions for continued learning. Could also lead to re-planning of the school calendar and catch-up classes.

6. (PARTIAL) THEORY OF CHANGE

The theory of change below (focusing on the 'problem tree') below captures the combined effects of both COVID-19 as well as underlying and structural factors affecting MSMEs across all sectors; some additional elements have been added to address specificities associated with agriculture and the rural economy. Doing so can ensure that response measure not only mitigate immediate impacts but can also, at the same time, build the foundations for a durable recovery.

Development Challenge:

The elevated exposure of MSMEs to insolvency and potentially permanent closure + negative impacts specific to agriculture and the rural economy that have broad adverse effects on the economy and wellbeing.

	Factors Pre-COVID-19	**Contingent Factors - COVID-19 Induced**
Immediate Causes	• Limited physical and financial asset base • High exposure to market volatility • Operating on a cash-flow basis • Slim profit margins • Few if, any, 'buffers' to shocks • Access to inputs and finance • Fragile value chains • Exposure to risks (e.g. desert locust/DL invasion, climate change effects) • Food insecurity and poor nutritional status	• Collapse in demand • Elimination of profits • Rapid deterioration of cash position • Rapid exhaustion of working capital • Quick build-up of inventory without stoppage • Disruption of inputs distribution • Reduced access to finance • Disruption of value chains • Decreased access to markets • Fewer livelihood opportunities • Lower purchasing power • Reduced food access and utilisation • Lay-off of workers from MSMEs
Underlying causes	• Lack of adequate initial capital • No or only low levels of reinvested capital • Low productivity • Low levels of technology adoption/adaptation • Limited access to credit (mostly personal, MFIs) • Very limited access to forex • Limited access to BDS or support services • Confronted by regulatory and tax complexity & burden • Reliance on unskilled/low skill labour	• Increase in operating costs • Increase in compliance cost of safety and hygiene rules • Slowing and/or cancelation of orders • Reduced availability of formal or informal liquidity support (savings, family, MFIs) • No BDS support for coping strategies • Unavailability or limited supply of inputs • Lack of human power/labour • Lack of equal opportunity and treatment for women

	• Unreliable access to inputs • Occupying small/un-diversified access market segments • Limited access to market intelligence • Poor/undeveloped leadership and managerial skills • Barriers to access to justice • Rain-fed agriculture • Pastoralism in fragile ecosystems • Low level of technology application (e.g. seeds + mechanization) • Very limited reliance on irrigation • Widespread under-employment	• Lower food and cash crop production • Higher post-harvest losses • Return to extensive agricultural practices • Increased intensity of the 'hunger' season • Slowdown in operationalisation of agro-industrial parks • Deteriorating terms-of-trade with non-agricultural sectors and urban areas • Increased reliance on safety nets
Structural/ Root Causes	Systemic weaknesses: • high degree of informality, low transition rates (size) • poor vertical and horizontal linkages • limited institutional linkages • almost no access to risk sharing instruments/mechanisms (e.g. insurance) • Structural gender inequality and unconscious bias • Poverty increasingly concentrated in rural areas • Demographic pressure • Fragmentation of landholdings • Low of productivity • Exposure to climate change risks	• Disruption in supply chains (domestic and global) • Sustained, large-scale, contraction in demand • Deteriorating macroeconomic conditions (inflation, depreciation of the exchange rate) • Risk of widespread illness and morbidity and localised or generalised lockdowns. • Workload on women due to caring and domestic work responsibilities • Set back to agricultural modernization • Increased likelihood of a permanent increase in poverty + further deepening of the rural-urban poverty divide • Possible 'perfect storm' of risks converging on the sector (COVID+19, DL, floods)

7. PROPOSED NATIONAL POLICY OBJECTIVES AND EXPECTED RESULTS

The policy response to COVID-19 needs to distinguish between two distinct but overlapping phases: response (or management of immediate health and economic shocks) and recovery. **Response needs to focus on the obvious and immediate priority to save lives and livelihoods**. The front-line policy measures for response are emergency support for overwhelmed health systems, the protection needs of the most vulnerable components of the society and for the millions of formal and informal sector workers, returned migrants, enterprises and businesses who are being hit hard. Its duration can vary but anywhere between the first 3-6 months from the outbreak of the pandemic is a reasonable assumption. **Recovery is essentially about return to trend as quickly as possible but doing so smartly**, taking advantage of large-scale policy measures to tackle systemic risks and development shortfalls exposed by the pandemic rather than simply return to business-as-usual. A shift towards recovery can begin 3 months into the pandemic and could last anywhere between 12-18 months from the outbreak of the pandemic.

In keeping with the above, the **main objective** of this document is to implement evidence-based and gender sensitive interventions and emergency response to lessen the adverse impact of COVID-19 on the private sector to protect jobs and ensure protection of social services. To this end, the overall policy objective will be to maintain the productive base, firm structure (formal/informal) and employment levels in the economy whilst preventing a damaging breakdown between sectors (especially agriculture and non-agriculture) as well as social service sectors. In the process, ensuring access to essential social services especially for the most vulnerable will also be very critical. In support of this, **subsidiary objectives**, differentiated by recovery and response phases, will be to:

RESPONSE:

- Prevent a large reduction in employment and output in the most impacted sectors/sub-sectors.
- Protect MSMEs in the formal and informal sectors, cooperatives and the social economy especially in urban areas, particularly those critical to value chains that affect production of essential products/services and exports as well as link rural and urban economies.
- Prevent enterprise closure/bankruptcy/collapse on a large-scale.
- Protect rural enterprises, production system and value chains, including links with urban markets/areas.
- Protect the country's workforce in the formal and informal sectors (skills, assets, locational deployment/engagement).
- Protect and enable the social workforce and ensure the availability and continuity of essential social services (health, nutrition, education, access to safe sanitation and improved hygiene practices).
- Prevent and mitigate impacts on women and youth entrepreneurs, and other at-risk groups e.g. informal enterprises in slum or marginalized urban areas, farmers in locust-infested areas, on marginal lands, engaged in pastoralism, IDPs and returnees.
- Combat violence against women and girls triggered by conditions created by the pandemic.
- Prevent and reduce potential social tensions.

RECOVERY:

- Create the conditions for rapid recovery of output, employment and exports in the medium-term (by mid- to end-2021).
- Utilise the recovery to accelerate progress towards addressing the macro, sectoral and structural constraints to inclusive, resilient and sustainable growth, as set out in the HGER.

- Accelerate transformational change in areas where shortfalls have been exposed by the pandemic, especially:
    (a) digitalization of the economy and society;
    (b) financial inclusion;
    (c) reduced informality among enterprises and in employment;
    (d) reduced gender inequality in the labour market;
    (e) improved coverage, efficiency and effectiveness of safety nets;
    (f) improved management of remittances (e.g. reduction of transaction costs, scaling-up of digital remittance channels, investment in financial education and awareness); and
    (g) accelerated transition to a green economy.
- Create the conditions for resumption of essential services, notably health, nutrition, education, WASH and protection services.
- Successfully absorb returning migrants into the economy and society.

EXPECTED RESULTS are as follows:

A. For the productive base and firm structure of the economy:

- Insolvency directly triggered by COVID-19 prevented for the most at-risk MSMEs.
- Labour retained and lay-offs contained in the short- and medium-term.
- Total invested capital in MSMEs maintained at close to pre-crisis levels.
- Assured integrity of supply chains and distribution channels for mitigation and rapid recovery (e.g. in agriculture).
- Gender-differentiated impacts identified and addressed.
- Productivity improvements that can arise from digital adaptation and process improvements during the COVID-19 operations

B. For recovery back to or above normal pre-COVID-19 levels:

- Structural transformation that improves productivity, inclusion, resilience and sustainability.
- Output levels in all highly impacted sectors restored to pre-crisis levels within 12 months of the start of the pandemic.
- Employment levels at or close to pre-crisis levels within 12 months of the start of the pandemic.
- Domestic (intra-regional, rural-urban) and international trade linkages and supply chains (almost fully) restored within 12-18 months from the start of the pandemic.
- Strengthened capacity for risk management across the economy and society (early warning, risk reduction, data, instruments and institutions).

C. For social well-being:

- Renewed focus on those left behind, improving their exercise of a broad range of rights, and with accelerated progress toward universal health coverage and social protection.
- Minimal, temporary and reversible increase in poverty.
- Minimal harm to the social wellbeing of the population, especially the most vulnerable (access to social services, food security and nutrition).
- Protection for at-risk groups such as women and girls, small-holder farmers, the homeless, pastoralists, IDPs and returnees.
- Humanitarian access to at-risk populations in hard-to-reach locations.

8. MAIN COMPONENTS

The proposed interventions will follow certain criteria to target beneficiaries such as MSMEs with large workforces, in sectors that have been most impacted, and based in areas where the pandemic has disrupted economic activities the most. Careful targeting will be essential, based on quick data mining data from sources such as the Development Bank of Ethiopia (DBE), JCC, the Federal Small and Medium Manufacturing Industry Promotion Authority (FeSMMIPA) and MFIs. Transparency and efficiency will also be crucial factors in the choice of delivery mechanisms for assistance, to avoid 'leakage' and misallocation of funds. Last but not least, the legal and regulatory frameworks that govern assistance for MSMEs need to be underpinned by the core principles of doing better than returning to the status quo ante, being relevant, improving productivity, boosting resilience to future crises, and promoting sustainable consumption and production.

It is worth noting that the assumptions made in this proposal broadly follow the needs assessment and response plan of the Government which used the figures in the table below.

Type	Quantity	Avg. # Employees	Total No. of employees	Financial Support per firm or individual			Total (USD)	Remark
				Average/ firm/ person $	Survive	Revive		
Self-employed (Urban)	1.9m	1	1.9M	125	125	0	237.5M	Safety net
Micro enterprise	0.8M	5	4M	1,000	500	500	800M	Grant (R) & zero interest loan (R)
Small Enterprise	12K	30	360K	50,000	15,000	35,000	600M	Zero interest Loan & low interest loan (R)
Medium Enterprise	8K	70	560K	75,000	30,000	45,000	600M	Zero interest Loan & low interest loan (R)
Large Enterprise	5000	200	1M	300	300	0	300M	Availing loan to Cover Salaries of employees for 3 months with 100 USD/month average rate
Total			**7.82M**				**2,537.5M**	

► 8A. MSMEs

OUTCOME 8A.1: Operations and Viability of At-Risk MSMEs Secured

In a relatively limited virus spread scenario, as at present, these measures should be extended to the most impacted sectors/sub-sectors: construction, retail, hospitality and tourism, horticulture, export-oriented textile and garment (T&G), leather, and small-scale manufacturing concentrated in and around major urban centres and industrial parks such as Addis Ababa, Bahir Dar, Dire Dawa, Hawassa and Mekele. As these sectors combined contribute approximately 7% to GDP and assuming a support package in the range of 10% to 20% of their contribution to the economy, up to USD 670 – USD 1.3 billion (in the worst-case scenario) may be needed to finance MSMEs in the targeted sectors/sub-sectors.

Providing businesses, including MSMEs, financial support will give them financial breathing space to keep operating, avoid bankruptcy, reduce job lay-offs, and prepare them to resume their economic activities at pre-crisis levels, once the pandemic has been contained and help establish new MSMEs for workers laid off from wage employment and returned migrants. Helping businesses keeping their current levels of employment will also decrease transaction costs and the time and cost that would be incurred to hire and train new staff once the crisis is over and minimise disruption to supply chains which may otherwise need to be re-built in many cases. This will help the whole economy to have a V-shaped recovery instead of a U-shape one.

OUTPUT 8A.1.1: Deferral and/or forgiveness of tax, debt payments, rent and utility payments and regulations

- This is relatively the easiest and quickest measure to put in place, delivering immediate relief to MSMEs, something that most countries in the world are applying as part of their socio-economic response. These measures can be in place for between 3 to 6 months, depending on the scenario and number and scale of the most affected sectors. Specific steps could include:

  - income tax exemptions or holidays, faster refunds and reimbursements;
  - postponement/moratoria of rents (such as on publicly owned sheds), utilities (electricity bills) and local income taxes other than VAT;
  - waiver of a range of fees and regulations imposed on enterprises by Federal and Regional Governments as well as cities and local governments;
  - debt write-downs and/or a moratorium - in the past five years, under GTP II, the GoE lent Birr 35.3 billion to 1.3 million enterprises of which Birr 20.3 billion has been recouped already, creating scope to either write-down and/or impose a moratorium on the remaining Birr 15 billion of unpaid debt, with the level determined by the scenario 30%, 50% and 75%, respectively).

  The above could be either generalised in their application or narrowed to MSMEs in only those sectors that have been most impacted by the pandemic. In the case of debt write-downs and/or a moratorium, it is strongly recommended that preference be given to women-owned enterprises as well as those persons with disabilities

  An initial estimate of funding requirements for support to operational costs suggests needs in the range of USD 62.4 million and USD 93.6 million for 3 and 6 months, respectively.

OUTPUT 8A.1.2: Deploying measures for related to financial instruments including guarantees

- MSMEs needs cash to survive as most operate on a cash-flow basis. Several steps can be taken to address this comprehensively, effectively and relatively quickly the provision of low cost and accessible loans, *waiving guarantor or collateral requirements for small and micro enterprises (MSEs)* given their great vulnerability and lower access to finance compared to medium-size enterprises. In order to understand the scale of demand for low cost credit, the following estimate may be made:

Assuming the following scenario:

- Assuming 30% of 800,000 micro enterprises receive loans of USD 500/month for 3 months = USD 360 million.
- Assuming 30% of 12,000 small-size enterprises receive loans of USD 10,000/month for 3 months = USD 120 million.
- Assuming 20% of 8,000 medium-size enterprises receive loans of USD 20,000/month for 3 months = USD 96 million.

Total estimated credit requirement of USD 576 million. The amount would double to USD 1.15 billion if support needs to be sustained for 6 months.

These needs could be met in the following ways:

- Establishment of an Emergency COVID-19 Credit/Loan Guarantee Facility. *Such a facility does not require an expensive and time-consuming effort to create either a purpose-built institution or of a large temporary operation*. It can start-up quickly utilising existing programmes funded at the DBE by DFID, UNDP and the World Bank or work through the Commercial Bank of Ethiopia (CBE), although the former option may be preferable, given the nature of the operation. Under either option, a small and effective unit within the selected institution would closely with the Project Management Unit (PMU) proposed in this document.

  Using a deposit of up to USD 250 million to lend up to USD 500 million (at 50% guarantee) at 0% interest rate with a grace period of 1-2 years to micro enterprises using MFIs and to small and medium enterprises using all the financial institutions that have been quality assured by the DBE. This will help reduce the perceived risk of lending MSMEs that has substantially constrained access to finance for this category of firms.

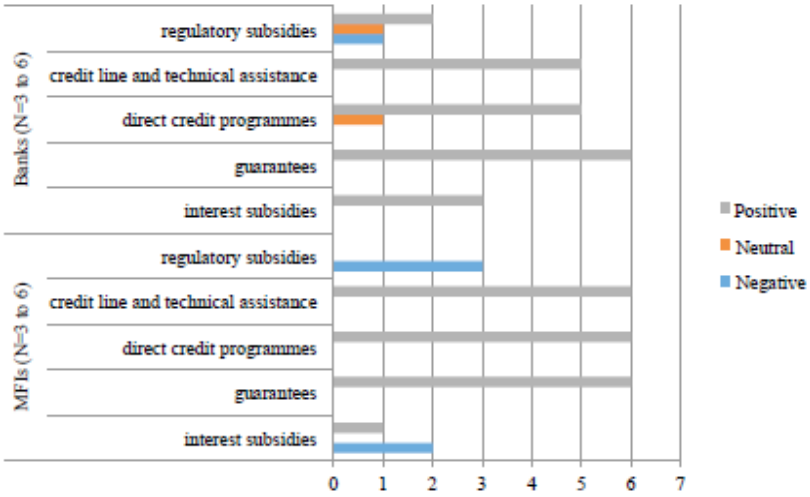
- Dedicated capitalised sectoral SME credit lines (directed credit lines) at a low interest rate and a grace period of 1-2 years for business in the most-impacted sectors such as hospitality and tourism, horticulture and others, with DBE acting as a 'wholesaler' to financial intermediaries.[81]

- Sectoral allocation requirements for the Birr 15 billion in liquidity pumped into commercial banks for on-lending to businesses. This would be particularly effective in the case of medium-size enterprises in the most impacted sectors. The National Bank of Ethiopia (NBE) could decide to subsidise on-lending to enterprises by creating a differential between the rate at which it lends to banks and the rate that banks can charge their clients. Regulatory actions encouraging banks to provide gender responsible services and special windows to women/female youth owned businesses could be one additional measure to be taken by NBE. Moreover, depending on the

[81] World Bank, SME Finance in Ethiopia: Addressing the Missing Middle Challenge, 2016.

interest rate on funds provided by the NBE and the rates set for on-lending, the NBE could establish a sliding scale of interest rates on banks depending on their performance in meeting their sectoral allocation targets.

The initiatives proposed above fit well with available evidence on their perceived effectiveness in encouraging lending to the MSMEs: 'When asked about the impact of government financed programs on the decision to engage in SME finance it emerges clearly that both categories (i.e. banks and MFIs) have a positive perception of partial credit guarantee schemes and the provision of dedicated credit lines associated with technical assistance. Directed credit programs are also perceived as having a positive impact, confirming, once again, the dominant role that public institutions play in the banking and microfinance sector,'[82] (see the chart below).



Source: Extracted from World Bank, *SME Finance in Ethiopia: Addressing the Missing Middle Challenge*, 2016.

Across all the measures outlined above, an important consideration would be ensuring a combination of technical assistance to financial institutions to properly target and reach MSMEs and BDS for firms to ensure the best use of emergency credit (through EDC and TVETs, among others). In addition, it will be advisable to set specific targets for job retention as well as access to funding by women-owned MSMEs, with a suggestion that the latter be set at a floor of 30% provided the ownership structure in the most impacted sectors/sub-sectors enables this to be operationalised.

OUTPUT 8A.1.3: Support MSMEs to tackle labour-related costs

In order to estimate the scale of demand, the starting point is the total number of people employed in MSMEs which, according to the Government's impact assessment, is 4.9 million. The Planning and Development Commission (PDC) estimates job losses generally, essentially concentrated among MSMEs, at between 0.7 million and 1.6 million, in the best- and worst-case scenarios, respectively. The JCC estimates job losses in the range of 0.7 million, 1.4 million and 2.5 million, in the best, mid- and worst-case scenarios. The UN's Socio-Economic Impact Assessment estimates 0.7 million, 1.6-2.4 million and (potentially but unlikely) 4 million, in the three scenarios. Using an average of mid-case estimates across

[82] Ibid.

these sources yields an approximate figure of 1.7 million. This suggest that at least 35% of the workforce employed in MSMEs are at-risk and need to have their jobs protected.

In order to help MSMEs manage their workforce, GoE can employ at least three complementary measures to deal with this pool of the potentially laid-off, whether temporary or permanent, put on leave or working shorter hours, for 3-6 months:

- direct wage subsidy[83], either full or partial (50%), to 35% of the MSME workforce or 1.7 million people at an average wage of USD 75/month (using GoE estimates and confirmed by other studies)
    - for 3 months, at 50%, yielding a funding requirement of USD 191 million;
    - for 6 months at 50%, at a cost of USD 382 million;
    - for 3 months, at 75%, yielding a funding requirement of USD 287 million;
    - for 6 months at 75%, at a cost of USD 574 million;
- increased absorption of social security contributions by the Government for SMEs, building on measures already taken, through expanded coverage and/or changes in eligibility criteria; and
- expanded access to the PSNP or UPSNP during the period of lay-off.

OUTPUT 8A.1.4: Workplace safety and health measures ensured

Protecting the health and safety of retained workers will be an important consideration, focusing on population groups and individuals who are particularly vulnerable such as domestic workers, workers with underlying health conditions, pregnant workers, workers above the age of 50, those with disabilities and so on.

- Conduct regular occupational safety and health (OSH) risk assessments; provide support on risk mitigation strategies; develop an OSH protocol at enterprise level to ensure that activities are carried on or eventually resumed whilst protecting workers' safety and health.
- Implement gender and disability inclusive COVID-19 awareness-raising initiatives; reorganize work and facilities, provide PPEs (gloves, masks, sanitizer, thermal scanners) and disinfect workplaces to protect worker safety.
- Develop training packages and mechanisms for different sizes and categories of firms and production structures to adapt their practices to follow hygiene procedures and comply with physical distancing requirements.
- Introduce and scale-up workplace testing capacity including contact tracing systems particularly for industrial parks, horticulture farms and other large-scale operations.
- Put in place emergency preparedness plans and standard operating procedures to deal with cases of COVID-19 in the workplace (including tracking down workers that have been in close contact with the infected worker(s).
- Strengthen the capacities of labour inspectors to provide technical information on preventive and control measures to enterprises and to enforce OSH legal provisions to prevent workplace COVID-19 outbreaks.

[83] Temporary wage subsidies are generally better designed through social dialogue, with employers' and workers' representatives consulted on the scheme. For information on the designs of the wage subsidies that have been implemented during the crisis, the following recent ILO Factsheet can be useful: https://www.ilo.org/global/topics/wages/publications/WCMS_745666/lang--en/index.htm

OUTCOME 8A.2: MSMEs Repurposed to Support the Response to COVID-19

OUTPUT 8A.2.1: Mobilize SMEs to repurpose production lines to address immediate public needs

Light manufacturers, mainly in textile and garment, leather and leather products as well as chemical and chemical products can probably be shifted to production and supply of materials with high demand in the market for COVID-19 response. Working in close collaboration with their associations, in both formal and informal sector at least 10-15% of such enterprises (including in the regions) can obtain the necessary support (priority access to inputs, forex, credit, technical and quality assurance support) to start production of materials such as masks (surgical and non-medical), plastic facial shields, protective gowns for use by health workers, hand sanitizers, soaps and basic ventilators. Some tech-based SMEs can also be engaged in data management, tracking of contacts, and provision of e-services (counselling and e-health services). To move quickly, GoE can follow a three-track process:

- conduct a rapid assessment to identify the demand of COVID-19 products and capacity of the firms including relevant skills to supply;
- partner with private sector to organise, orientate and train SMEs to repurpose their production quickly (e.g. proposals in this regard have been developed by private organisations such as blueMoon and ICE Addis as well as from quasi-public bodies such as EDC);
- utilise the technical support of the UN to set and monitor quality standards; and
- use competitively awarded public contracts for at least a period of 3-6 months to offer SMEs the certainty of demand, tapping public and development partner grant funding for the public health emergency to shift as much of procurement locally as possible;
- enable market linkages for PPE producing enterprises by linking, for example, with major philanthropic buyers (bulk orders) and set up an e-marketplace, using off-the-shelf database, information-sharing systems and e-commerce applications to match suppliers with clients; and
- facilitate technical support from the Food, Medicine and Health Care Administration and Control Authority to standardize products and services and ensure quality.

OUTPUT 8A.2.2: Organize MSMEs and cooperatives such as in waste management in slums and informal settlements based on circular economy initiative

This initiative can offer a new market for MSMEs and cooperatives, retain and perhaps even create jobs and address environmental concerns, all at the same time. The aim would be to manage waste from quarantine and isolation centres with dedicated waste receptacles, incineration mechanisms (where needed), and dedicated training for waste collectors on handling various waste streams such as medical and hazardous wastes, occupational safety and hygiene. Appropriate guidelines and operational procedures will be provided. Safety gears and materials including gloves, masks, soap and hand washing facilities with back up water tankers would be provided in selected locations and selected target group such as returned migrants for this purpose.

OUTPUT 8A.2.3: Re-organize MSMEs to support social safety nets

This may include contracting MSMEs to work on food banks (collection and distribution) and support to vulnerable populations in informal settlements and slums, to facilitate access to safe water, sanitation, improved hygiene, spaces for isolation and ad-hoc health services.

OUTCOME 8A.3: Foundations for Delivery of MSME and cooperatives Support Services Strengthened

OUTPUT 8A.3.1: Undertake a rapid MSME survey and begin to create a national database of MSMEs

An improved database on MSMEs and cooperatives is a necessity, not only to manage efficient and effective targeting of beneficiaries but also to ensure transparency, accountability and avoid any 'leakages' in benefits. Specifically, this would not only enable a better assessment of the current and potential impacts of COVID-19 on enterprises, businesses differentiated by sectors and sub-sectors, geography, gender as well as nature of the business (most and least affected) but also help map these enterprises and prioritise them based on objective criteria. Such a database would, in addition, enable a major step forward in providing e-services to MSMEs and cooperatives in the future (see below as well), boosting the home-grown tech sector in Ethiopia. The database would be established at national, regional and city levels in a gender-responsive manner.

The GoE has, in fact, planned to set up an MIS (management information system) on MSMEs for some time but has not made any headway in this regard. The response to COVID-19 could be the catalyst needed to start working in this direction, initially focusing on the most impacted sectors, groups and geographic areas, for reasons of feasibility and speed of use for policy implementation. Such a database could be expanded to all 10 regions over the next 12-18 months.

OUTPUT 8A.3.2: Set up of online and mobile accessible platform for MSMEs support services

Building on Challenge Grants and e-governance actions already launched by UNDP with Government, in response to the pandemic, the time is right to consolidate and digitalise a suite of e-services for MSMEs could not only help with channelling immediate relief but also build a scalable platform for an expanded range of services over time, including the development of e-commerce in Ethiopia targeting micro and small enterprises. Mobile accessible apps able to function effectively in a 3G environment could be developed to bring together existing public one-window service hubs, the business development services of entities such as the EDC and applications for emergency credit or debt relief (including e-wallets), online assessment of eligibility (cross-checked with databases such as the police, revenue authority and Ethiotel) and perhaps even disbursement and monitoring of loans.

OUTPUT 8A.3.3: Make immediate improvements in the business ecosystem

As suggested earlier, utilising feedback mechanisms with MSMEs – including app-based tools (as noted above) – the Federal and Regional Governments could implement quick impact tax, policy and regulatory changes, at least for temporarily for the period of the pandemic. If this proves to be a successful model, then proved to be workable, then these changes would become permanent, to accelerate economic recovery though the activities of MSMEs.

OUTPUT 8A.3.4: Construct temporary working sheds

These could facilitate supply of food and other essential items, serve as a hub for the distribution of food, water, sanitary materials, basic pharmaceuticals for people in informal settlements, slums, and IDP and returnee camps/facilities. They would be established around open and public spaces at a minimum distance from inhabited areas, to ensure public health and safety. In so doing, actions that promote best

practices on household sharing behaviours and prevention of gender-based violence on women and youth entrepreneurs, and other at-risk groups will be untaken using public medias such as radios, TVs and other social medias.

There is also a need to erect shed for medical and hazardous waste storage/stockpiling which can be done quickly and cheaply, offering secure storage of items to avoid leakage into open dump sites. Guidance on virus load longevity will be required to assess stockpile timeframes: this is available for mercury storage which could be applicable to hospital-related waste and all types of toxic and hazardous wastes generated as a result of COVID-19.

OUTPUT 8A.3.5: Organize MSMEs in the management of open markets and bus terminals

Open markets in most cities and rural centres are naturally crowded and could create a fertile ground for the spread of the pandemic if actions are not taken by redesigning such markets. The redesigning would not only include the distance between each plots/working premises but also provision of necessary services such as fencing, public bathrooms, and hand-washing facilities, taking into account the needs of women, children and persons with disabilities. Crowding in public transport poses another a major risk factor. There is a clear need to redesign the bus terminals in such a way that they connect to temporary marketplaces but also with an increased frequency of services. This would minimize the risk of contact and create a healthy market environment for informal workers. To sustain such an intervention, MSEs can be organised based on objective criteria and trained on the redesign of both marketplaces and bus terminals, creating scope for replicating such measures across the country. Key activities could include:

- rehabilitation/construction of redesigned open markets with fencing, bathrooms, shaded areas and partitioning works;
- rehabilitation/construction of the redesigned bus-terminals; and
- provision of hand-washing facilities in and around open markets and bus-terminals.

MSMEs unable to carry out their businesses may temporarily switch to supporting the government in setting up such a system and enabling people in marketplaces and bus stations to maintain social distancing by putting in place proper signs, indicators and messages. Proper guidelines and designs will need to be developed engaging professionals, the Ministry of Urban Development and Construction (MoUDC) and city administrations.

► 8B. INFORMAL SECTOR WORKERS

OUTCOME 8B.1: Informal Sector Workers Protected and Formalisation Encouraged

OUTPUT 8B.1.1: Informal sector jobs are protected

For the informal economy, the major immediate risk to be averted is that informal microentrepreneurs and businesses, in the face of severe revenue losses, are forced to sell their productive assets to make ends meet. A fire-sale of productive and other assets would drive large swathes of the population (deeper) into poverty - and compromise a fast and full recovery. Increased poverty and un(der)employment would not just last a few months but take years to alleviate. A secondary, yet important, purpose would be to allow

micro and small operators in the informal economy to repurpose their production in response to emerging demand for protective equipment, by rapidly accessing additional liquidity for this task.
To avert a damaging downward spiral in the economy, an 'informal economy assets and jobs facility' would be put in place. A rough estimate suggests that a USD 100 million credit facility could benefit up to 300,000 informal businesses, preserving the incomes of about 1 million households, or 5 million in total (assuming 5 persons/household), in the most impacted areas.

The facility would provide zero interest emergency loans to (micro) entrepreneurs and require registration with the Government. There are at least two options to providing credit: without any collateral but based on an understanding of the client's standing in other areas (e.g. payment of mobile phone bills or rentals); or collateralized against productive assets (buildings, including rental contracts, vehicles, tools and equipment, livestock and so on), with the credit amount determined against valuation, at pre-crisis price levels, of the business assets. To ensure rapid implementation and wide scalability, it will be necessary to dispense with standard pre-disbursement due diligence. Repayment plans would also need to be phased-in progressively over a minimum of 1 year, with first repayment tranches not due before the economy starts recovering (a benchmark based on quarterly GDP growth of 4% or more). A requirement for access to the facility would be to formally register enterprises, as a step towards formalisation, on the assumption that the latter measure will be backed by a more favourable ecosystem – including policy and regulatory – to encourage rather than discourage registration.

The programme would work through microfinance institutions (MFIs) but as the latter may be stretched assisting MSMEs, other options may need to be explored including municipalities, employment service centres, domestic and international NGOs and civil society organisations. The involvement of informal economy associations, especially in identifying the most vulnerable workers, will be very important.

OUTPUT 8B.1.2: Social protection measures adapted/scaled up to meet basic needs of the laid-off and other vulnerable and marginalised group

Social protection systems are crucial for safeguarding poor and vulnerable families when crises hit. Strengthening social protection responses will be essential for mitigating the health, social and economic shocks of COVID-19 over both the short and medium-term. Approximately 133 countries have introduced or adapted social protection and labour market policies in response to COVID-19, with 564 measures currently in place – of which 34.2% are cash transfer programmes (161 measures in 87 countries). In Ethiopia, urban centres will be the first to experience the immediate health and broader socio-economic impacts of COVID-19. The provision of support to urban poor and vulnerable households including returned migrants will be vital over the coming months.

A substantial expansion of the UPSNP may be the only option for those categories of the employed in the informal sector that do not have any businesses, principally causal labourers and domestic workers as well as returned migrants, that is being deported back due to COVID 19. This will be self-targeting group, among the poorest with the least 'buffer' against shocks. Given an estimate of 1.9 million self-employed workers and taking into consideration access to the facility described in the output above, it is possible that the UPSNP may need to double to triple in its scale from 0.6 million at present to 1.2 million to 1.8 million in the worst-case scenario. This can be done through efficiently and effectively through two main mechanisms:

- **Vertical expansion** – cash transfer 'top-ups' for existing UPSNP households. This would prioritise the most vulnerable households such as the permanent direct support (PDS) and temporary direct support (TDS).

- **Horizontal expansion/temporary income support** – supporting poor and vulnerable households[84] that have severely reduced or lost income due to COVID-19 or are labour constrained/or have pregnant and lactating women not currently covered by UPSNP, but who are also highly vulnerable to COVID-19 either through direct transmission or indirectly through loss of access to livelihood opportunities such as informal economy operators, migrant workers and returned migrants.

There is also an opportunity to expand the coverage of the **Community Based Health Insurance (CBHI)** scheme, and to provide fee waivers to poor and vulnerable households so they can access healthcare without incurring any costs.

It is necessary to align safety net programme with the direct wage subsidy and other forms of support for businesses to ensure retained workers do not also become beneficiaries of UPSNP. The latter should only address those faced with income/job loss due to COVID-19. It is important to avoid double counting of beneficiaries that may lead to inflated cost estimation.

► 8C. LARGE ENTERPRISES

OUTCOME 8C.1: Larger Firms Strengthened to Absorb the Shock

The financial pressure that the COVID-19 induced crisis is creating on firms in different economic sectors will need immediate intervention to address be addressed. Exporting manufacturing firms, will face challenges to maintain operation and ultimately their ability to restart operations during recovery and 'survive' the crisis. Firms in industrial parks, in particular, are receiving cancellations of orders from their biggest clients and buyers in China, the US, and Europe. Payment terms for ongoing orders have been extended, putting firms under high financial pressure. Moreover, manufacturers will not be able to operate due to decreased raw materials availability and lockdown. The interruption of wages due to unpaid leave is already posing a long-term challenge on retention and consequently. To assist large firms, particularly those in the export manufacturing sector, the following interventions will be implemented to preserve jobs and ensure continuity of operation.

Previous global crises have shown that governments cannot on their own overcome the challenges stemming from strong shocks. Given the unprecedented nature of the crisis caused by the COVID-19 pandemic, social dialogue involving governments and employers' and workers' representative organizations is more important than ever[85]. Policies and programmes to deal with the immediate health crisis and to mitigate the effects on employment and incomes will be designed and implemented in consultation with workers and employers and their organizations.

OUTPUT 8C.1.1: Temporary relief provided to large export manufacturing firms

- **Exporting Manufacturing Firms in Industrial Parks (IPs)**
    - ***IP Wage Subsidy***

[84] UPSNP considers a set of poverty criteria: dependency ratio (more than five members in the household); property ownership; access to water; household head engaged in casual labour and/or has not completed primary education.
[85] ILO Policy Brief on COVID-19, 2020.

Workers in IPs face an imminent threat of job loss as demand for the products decline and the pandemic spreads in Ethiopia. Manufacturers will increasingly find it difficult to retain their full workforce with their full salary and compensation. Information gathered from the Industrial Parks Development Corporation (IPDC) and Ethiopian Investment Commission (EIC) indicates that some firms across all parks are dealing with significantly slowing operations due to low demand. Currently, a total of 95,000[86] workers are estimated to be employed across all IPs and are likely to be affected by the pandemic as the outbreak spreads. The priority will be to protect the most vulnerable workers to prevent a slide into poverty due to temporary layoffs. The average salary of IP workers is estimated to be 69 USD: a 3-6 wage subsidy will cost up to USD 39.3 million even if all parks cease operations.

	Average Salary (USD)
Salary per IP Worker (operators)	69
Number of Workers	95,000
Monthly Salary	6,555,000.00
3 months' Salary (USD)	19,665,000.00
6 months' Salary (USD)	**39,330,000**

- ***Repurposing and Continuity of Production***

Industrial parks are repurposing their production lines to produce essential items required to prevent and control the spread of COVID-19. As in the case of MSMEs, repurposing is a rapid response solution to address the global shortage of critical items that can save lives by using idle manufacturing capacity. Some manufacturer's in Hawassa Industrial Park (HIP) and some other IPs are already producing face masks and other Personal Protective Equipment (PPE). In those cases where manufacturers remain operational and in production, the equivalent amount of the wage subsidy will be redirected to interventions targeted at prevention and protection measures against COVID-19 in all IPs, such as face masks, sanitizers, and disinfection (for workers, fire trucks, investors, all vehicles in and out of IPs). Additional support will be provided to support factories to produce PPE supplies and establishing a quality control testing facility in HIP and IPDC with at a cost of USD 102,000.

- ***Short-Term Liquidity for Firms and Specific Categories of Workers***

In addition to workers, there are an estimated 5,000 professional experts and expats working in industrial parks. Firms are likely to require temporary loans to cover the wage bill of professional experts and expats in the amount of USD 8.03 million and USD 16.05 million for three months and six months, respectively. In addition, firms will also require short-term liquidity to sustain their production and cover operational expenses, such as facility rental, utilities, and other operating expenses. Based on data from IPDC, an estimated USD 27.2 million will be required in the form of short-terms loan for six months for these firms.

- **Large Manufacturing Firms Outside IPs**

  - ***Liquidity***

While many large exporting firms are located within industrial parks, there are also companies operating outside. In addition, large non-exporting manufacturers are facing similar challenges to those confronting

[86] Source IPDC.

exporters: supply chain shock, reduced demand and financial difficulties that limit access to capital. The priority will be to help these companies get increased access to finance to preserve working capital and maintain operations in the short-term to mitigate the impact of rising raw material costs and reduced demand. To gain access to finance, loans with zero rate of interest (or with interest rate at or below the rate of inflation rate) covering 40% of costs (equivalent to fixed costs) during the time of the economic slowdown could be granted. Two scenarios have been illustrated below using a 3-month coverage of costs at USD 146.1 million and a 6-month coverage at USD 292.2 million.

	In USD
Total number of large firms	25,877
Manufacturing sector contribution to GDP	6%
Estimated number large of manufacturers	1,506
Companies covered up by the industrial park working loan	54
Manufacturers outside industrial parks	1,452
Estimated number of manufacturers outside industrial parks supported (40%)	581
Average monthly operational cost of manufacturer (per IPDC estimates)	83,849
Total loan size (1 month)	48,705,157
Total loan size (3 month)	146,115,470.28
Total loan size (6 month)	292,230,940.57

- ***Access to FX***

Manufacturers require continued access to FX for working capital, or in some cases to support repurposing of production lines (e.g. towards PPE production). The National Bank of Ethiopia (NBE) will, therefore, prioritise allocation to those sectors and firms that worst impacted by a lack of access to FX those most heavily dependent on imported raw materials and intermediate inputs.

► 8D. AGRICULTURE AND THE RURAL ECONOMY

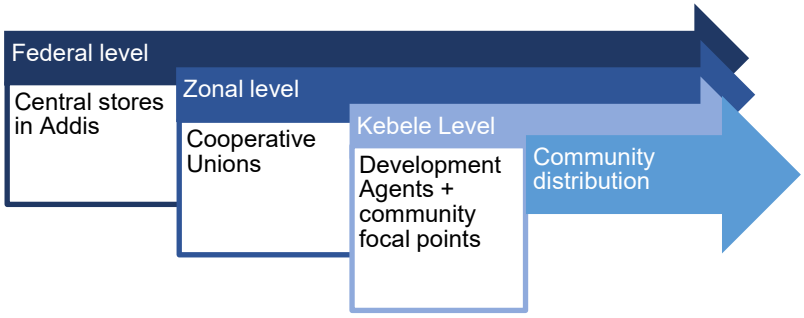
OUTCOME 8D.1: Continuity of Public and Private Services to Agriculture and the Rural Economy Ensured

OUTPUT 8D.1.1: Efficient rural inputs distribution channels maintained

A rapid assessment of the status of preparation for the upcoming cultivating season, based on previous years' data and orders already received from Regional Bureaus of Agriculture (RBoA) would be conducted through a team composed of MoA, ATA and RBoA. Quantified needs of necessary inputs per region would be assessed considering what is available and where inputs are stored. Outstanding requirements for input supply that still to be imported would be prioritised to ensure adequate supply.

A rapid delivery system for input supply would be created by re-defining distribution channels to avoid delays and increased operating costs (loading, unloading) while fully complying with the safety procedures set by the Ministry of Health (social distancing and hygiene procedures). The recommendation is to focus

on two key operational institutions in the delivery system: (i) cooperative unions established at Zonal level; and (ii) Kebele Development Agents assisted by around 5 focal/contact persons selected within the community at that level while temporarily limiting the role of Regions, Woredas and primary cooperatives. In this system – shown in the graphic below – input would be transported from central stores in Addis to cooperative unions and from there directly routed to a kebele where a distribution committee would handle the process. Teams all along this distribution system would be provided with protection kits against COVID-19 contamination (hand sanitisers, PPEs, masks).



Once the distribution channel is defined, an agenda/calendar/plan of distribution would be designed and budgeted by MoA and RBoA teams, from Addis stores to cooperative unions and on to Kebeles and producers. The agenda and plan of distribution would detail actions at all levels: i) distribution from Addis central stores to zonal cooperative unions; ii) from zones where cooperatives unions are located and Kebeles which serve as bridge between producers and zonal extension services; and iii) from Kebeles to producers (organized by zones). The plan of distribution would include transport organization, clear delineation of responsibilities along the distribution chain, responsibilities with respect to certain functions like loading, unloading, transport fees, handover tools, and payment modalities for inputs and, finally, health precautions in coordination with MoH. Existing systems and tools would be adapted to the context of limited human resources and COVID-19 related restrictive measures.

Distribution of seeds and seedlings would follow the same channels as fertilizers. Additional inputs like chemicals would go through strengthened Farmers Services Centres (FSCs) In cases where FSCs are not operational in the area, marketing groups would be supported to ensure this function is performed effectively. Engagement of women, persons with disabilities and youth in all parts of the process would be required. Packaging procedures would be explored to reduce time on-site and contact between beneficiaries for redistribution to minimize the risk of exposure to personnel, service providers and beneficiaries during implementation.

Elaboration of tools for inputs distribution, stocks management and handover procedures and capacity development of relevant staff on the approach would need to be undertaken including accounting and monitoring tools such as cooperatives distribution files, kebele distribution files and individual distribution files for producers. Facilitation of e-payments by scaling up e-input voucher systems where feasible would be explored actively (see Output 1.2 below). Training would be provided by small mobile regional and zonal teams when possible or through ICT (videos/plasma, audio) and written materials (e.g. guides). Social distancing and full protection of participants would be guaranteed whenever technicians need to meet. Communications equipment would be provided to address any limitation on movement from Kebeles to Regions or Zones and vice versa. Feedback mechanism (for the beneficiaries) on the efficiency of the distribution, including using technology, should also be put in place to help address gaps and boost accountability.

OUTPUT 8D.1.2: Continuity of service provision to producers ensured in a context of limited movement

A key approach – mirroring efforts for MSMEs – would be to use the pandemic to jump start and accelerate progress towards e-services in the agricultural sector. Building on Challenge Grants and e-governance actions already launched by UNDP with Government and the experience of FAO and IFAD in the sector, the aim would be to consolidate and digitalise a suite of e-services for agriculture, building on experience of inputs e-voucher management, that could not only help to channel immediate relief but also build a scalable platform for an expanded range of services over time, including access to finance, inputs and product distribution and marketing, social services such as health and education and rural safety nets. Mobile accessible apps that would be able to function effectively in a 3G environment could be developed to bring together existing public services. The immediate objective would be to ensure continuity of agricultural activities including extension services as well as operation of value chains (identification of input demand, inputs distribution, aggregation of production and linkage to markets) whilst minimising the need for physical contact. The medium-term objective would be to substantially improve the timeliness and cost of service delivery, expand information flows in the sector, and increase the efficiency of rural markets for commodities and livestock.

Expansion of e-agricultural services would focus on the following aspects: (a) timely collection of information and feedback from producers by Woreda, Zonal and Regional Bureaus assisted by advice from the extension service, and provision of goods and plans for visits to enable deeper evaluation of any reported situation that requires urgent intervention; (b) organization of critical activities at a distance (vaccination campaign, epidemiological surveillance, early warning of disasters, monitoring and management); (c) two-way communication between buyers and individual or organized producers (or representative structures) for implementation of business agreements, planning of procurement agreements for raw material supply, and training on product quality; and (d) digital payment (mobile payment, e-input voucher system) for producers to pay for inputs distributed and for the buyers to pay farmers who supply commodities – this could entail scaling-up the electronic input voucher management system that has been tested by ATA, mitigating the dangers of travel and money handling.

A complementary rapid upgrade of communications systems and accompanying training programmes would be required. This would involve supply of computers, laptops, smartphones, UHF/VHF radios and printers, preparation of stand-alone and mobile-friendly video training packages and establishment of help lines to backstop staff in a manner that accommodates vulnerable parts of the communities. One option would be to strengthen the Automatic Voice Response (AVR) mechanism to provide virtual extension services to farmers using mobile phones.

In order to be feasible, the rollout of e-agricultural services cannot happen on a national scale in the immediate future. The suggestion is that it be rolled-out in a few selected areas such as the catchment areas around industrial and agro-industrial parks and/or areas with projects underway with the support of FAO, IFAD and the World Bank.

OUTPUT 8D.1.3: Safety of workers in agriculture supply chains and extension services addressed effectively

The main purpose, complementing work on Outputs 1.1 and 1.2, would be ensure the safety of workers (including development agents) in supply chains and extension services by providing them with both guidance on good practice but also access to adequate supplies of sanitisers, PPE and masks. As suggested in the proposal for support to MSMEs, this could be handled by contracting garment

manufacturers in industrial parks and small-scale producers outside these parks to deliver these materials for a minimum period of 6 months.

OUTCOME 8D.2: The Food Security, Nutritional Status and Livelihoods of the Rural Population Protected

OUTPUT 8D.2.1: Production of fast-cycle crops expanded

Regions with a potential to grow fruits and vegetables would be identified along with their levels of connectivity to transport and communications infrastructure. These commodities, despite being nutrient-dense, have only achieved a low level of self-consumption. Two groups of beneficiaries would be targeted: those already active in fruits and vegetable production; and at-risk groups who cannot afford the necessary production capital, with emphasis on willing youth and women. Beneficiaries would be identified and provided with production kits composed of seeds, fertilizers and agriculture tools (watering cans, pumps, packaging materials). Those at-risk would get the production kit free of charge.

Home gardening for production of vegetables would be an option to offer livelihoods opportunities for IDPs, returnees and vulnerable host communities with limited land tenure and lack of other economic opportunities. With a view to improving the income of vulnerable households, particularly, those headed by women, persons with disabilities and youth, provision of vegetable seeds that have short production period and are easily adaptable to the environment would be promoted. Furthermore, targeted beneficiaries would be provided with hand pumps for small-scale irrigation and home gardening practices, where required.

Under this activity, the beneficiaries would receive high yield, locally improved, vegetable seeds including onion, kale, tomato, hot pepper and carrot (125g/family/0.25 hectare). Most of the seeds would be those developed locally at the Melkasa Agricultural Research Centre or Haromaya University in Ethiopia. This will ensure that all seeds are appropriate to the climate as well as the needs of the population and are grown, tested, known and accepted by the beneficiaries. In addition to receiving seeds, households would be trained in improved horticulture management skill, seed stocking and selling skills. Emphasis would be placed on improving skills, the nutritional status of households and additional income generation. The expectation is that sources of incomes would be diversified as a consequence, through sale of vegetables and poultry, and made more stable over time as vegetables can be grown year-round. Facilitating market linkages is essential as vegetables are perishable.

Support would be provided to FSCs where they exist to increase capital and stocks of inputs, to avoid disrupting SMEs already involved in inputs commercialization. Where there are no FSCs, marketing groups would establish inputs supply activities as a side business to diversify revenues. Support for the establishment of physical facilities would be examined on a case-by-case basis (e.g. hire a transit store or build small collecting centres in Kebeles or hire stores in towns where opportunities to reach buyers are identified). Gender-sensitive, disability friendly, climate-smart, post-harvest technologies would be promoted. In areas where access to irrigation is possible, water pumps would be provided with accompanying water application kits so long as such systems of irrigation are technically and financially viable, and the rights of existing water-users are fully respected.

Given the risks associated with training of new actors in a new field, it would be more realistic to work with those who are already in the business. Additional vulnerable groups of youth and women could be inserted

in the system and benefit from training by fellow community members. To support any model, it is recommended to work with Kebele public services that are already present on the ground and have good knowledge of producers. It would also be important to build on the expertise and systems of existing producer groups, such as the Cooperatives, formed through the IFAD-supported PASIDP II Programme.

OUTPUT 8D.2.2: Production surpluses commercialised

Depending on the evolution of the pandemic, the current raw material procurement channel via cooperatives or individual collectors could be speeded-up by relying upon existing or newly established marketing groups within kebeles communities, working closely with Kebele Development Agents, as described in Output 1.1. Newly established marketing groups would need to engage willing women, persons with disabilities and youth in the process. Mapping and capacity assessment of existing fora at zonal levels that bring value chain actors together would be conducted. Where such fora exist, their capacity would be strengthened. In the absence of any existing group, marketing groups would be established in Kebeles and linked with producers and buyers in towns. Their mission would be to reduce post-harvest losses by improving marketing and processing of production. Marketing groups would also be organized to ensure transport services, improved storage and better access to markets and inputs where FSCs are not in operation.

The pandemic has already disrupted rural and urban markets for agricultural products (due to the need for social distancing) e.g. the Easter markets in urban areas such as Addis Ababa were greatly affected by worries related to COVID-19. In addition, city administrations, facing the challenge of balancing operation of markets with ensuring proper public hygiene, are taking actions that may be backfiring on both fronts. Such initiatives would be supported technically to avoid hampering the value chain.

Marketing groups (such as the Market Access Alliances established by PASIDP II) would act as buyers' relays and business partners where the work under traditional links (cooperatives, collectors) is found to unfeasible. An efficient and COVID-19 compliant transport system supported by the private sector, the Government and Regional States would be established to shorten the current supply chain (inputs distribution and commercialization of production) considering the situation of confinement, reduced human resources and limited logistics in primary cooperatives and cooperative unions.

For selection of marketing groups/existing fora, those living in the locality would be given priority. If the role of this category of actors is new, they would require consistent technical support and strengthening of financial and logistics capacities. Revolving funds could be provided to them as working capital from existing rural financial institutions. These funds would be replenished when delivery of stocks to buyers is verified.

Strengthening the Ethiopian Commodity Exchange (ECX) to develop virtual and electronic management systems to market key commodities would be an important additional option. This could involve building on earlier support provided UNDP to enable the ECX to spearhead development of a technology-based agricultural marketing system that serves all market actors, from farmers to traders, processors, exporters and consumers.

OUTPUT 8D.2.3: Agro-processing of fruits and value addition to vegetables production increased

In areas of high production that are not linked to existing markets (agro-industry, big aggregators), business-oriented groups (including marketing groups, and women's and youth cooperatives) would be identified and supported to establish small scale aggregation, packaging and processing plants to process unsold

production. Diversified post-harvest technologies for value addition could be promoted to target groups. Such investments would need to be financially viable, as demonstrated by adequate business plans. Where there are existing plans, these would be prioritized for the sake of continuity and risk reduction.

OUTPUT 8D.2.4: Resilience of the livestock sector improved

Ethiopia is vulnerable to the export and domestic trade restrictions due to COVID-19. These will jeopardize the food security and incomes of pastoralists, among others. A decrease in the income of pastoralist households can expected as livestock exports to Middle East and North Africa (MENA) countries are curtailed, during the Hajj/Eid season, essential both for the national economy and for the livelihoods of pastoral households. The lack of markets and livestock sales will reduce access to staple food for household consumption, vital livestock feeds, vet drugs, and other inputs, resulting in deteriorating animal health and increased livestock morbidity and mortality if the situation can persist. In order to address the challenge and minimise impact, the following are proposed as response and recovery measures: (a) support for livestock health, including treatment and vaccination for known livestock diseases; (b) disease surveillance to track and control zoonotic and livestock diseases; (c) provision of livestock feed in areas where feed is deficient due to inadequate rainfall in the current season (April to May 2020); (d) consideration of livestock market interventions either through cash or grain subsidies to compensate for the loss of markets; and (d) negotiation with MENA countries to export live animals or meat to access the Ramadan market during May 2020.

OUTPUT 8D.2.5: Demand for nutritious and healthy diets increased

Despite improvement in recent years, high levels of malnutrition still exist in many parts of the country. The proportion of the Ethiopian population suffering from malnutrition is 20.6%, totalling to 21.6 million people, with 22% of women suffering from the same, mainly clustered in rural areas. Only 7% of children aged 6-23 months meet the standard for a minimum acceptable diet (EDHS, 2016) and 20% of women consume a diversified diet (covering the four food groups). Furthermore, decreases in dietary diversity (DD), meal frequency and shift to less nutritious and less diversified diets and to cheaper staple foods can be expected due to rising food inflation and interruption of food supply chains, triggering a likely increase in the prevalence of malnutrition and micronutrient deficiencies. To ensure that diets in the most vulnerable communities are not severely affected, the nutrition in agriculture approach for COVID-19 would need to focus on: (a) ensuring stable production, supply and value addition of nutrition-dense crops on the supply end; and (b) securing uninterrupted and consistent access to and affordability of a healthy and nutritious diet from the demand end.

Proposed activities under this output are meant to be cut across all components: (a) adaptation of the MoA's NSA harmonized training material to innovative communication technologies suited for COVID-19, including community radio as mobile and even online communications; (b) rollout of NSA training activities through the extension service; (c) promotion and scaling-up of nutrition- and gender-sensitive as well as climate smart post-harvest handling technologies to maximize value addition and preservation of nutrients; (d) scaling-up social behaviour change activities to ensure demand for nutritious and healthy diets; (e) putting in place a support system designed specifically for improving access to and utilization of nutritious and healthy diets for vulnerable families with children under five, pregnant and lactating women or existing malnourished children under the age of two and children who are in school feeding programmes that have stopped reporting to schools. After an assessment and in alignment with the PSNP 4/5, options could be explored to address the issue using modalities such as cash, in-kind support or linkages to small holder farmers.

OUTCOME 8D.3: Awareness Raised and Attitudinal and Behavioural Changes Triggered in the Rural Population in Response to COVID-19

OUTPUT 8D.3.1: Actors all along agricultural value chains informed on good practice in response to the pandemic

All actors along value chains would be informed about the epidemiological propagation of COVID-19 and ways to protect self and community. Measures taken to minimize transmission of infection would include increasing the number of distribution sites to avoid large gatherings; staggering distribution cycles to reduce frequency of gatherings; and implementing precautionary procedures at unloading and distribution sites by strictly following physical distancing and deploying handwashing facilities and personal protective equipment (PPE). This would require collaboration between the MoA and MoH extension systems to scale-up screening and testing.

OUTPUT 8D.3.2: General awareness of COVID-19 and risk mitigation measures raised significantly in the rural population

The main approach would be to quickly launch a major rural community engagement initiative that would use the most effective available channels (including those designed to reach people with disabilities and illiterate) to raise awareness of COVID-19, its potentially devastating effects on farmers and their households, including COVID related discrimination, and the precautions that can be taken to avoid infection and community transmission. These channels would include community radios, targeted campaigns on the mobile network, Kebele Development Agents, the extension service, religious and community leaders, civil society organisations/groups and, potentially, the National Youth Service (in case this is launched on a small scale in selected areas). A rapid gender assessment would be conducted to address the specific needs of women and girls with follow-up audits proposed as well and ensuring including of women led CSOs.

► 8E. PRIORITY SOCIAL SERVICES

OUTCOME 8E.1: Protection of the Most Vulnerable Groups

OUTPUT 8E.1.1: Increased availability of and access to an effective social service workforce

- Map existing numbers and recruitment and deployment of SSW in priority regions and woredas (i.e. those areas heavily affected by COVID-19, including Ports of Entry for migrant returnees from KSA, Djibouti, Somalia and Sudan, in particular).
- Provide personal protective equipment (PPE) for the SSW and awareness raising around COVID-19.
- Develop and roll-out of remote case management training, including through mobile phone technology. Enable remote supportive supervision of SSW and documentation.
- Build the capacity of Community Care Coalitions (CCCs) and the newly established block to block structure in Addis Ababa for identification and referral of VAW/C cases and Community Conversations Groups (CCGs).
- Support the Ethiopia Network of Women's Shelters (ENWS), Police, Special Investigation Units, courts and One Stop centres with provision of personal protective equipment (PPE) and training to respond to COVID 19-related VAWC. Expand the capacity of shelters, including transitional shelters to

accommodate new survivors and returnee survivors of violence with due consideration of women with disability. Develop the capacity of SSW to remain aware of Protection from Sexual Exploitation and Abuse (PSEA) measures and requirements.

- Strengthen health services and provider competencies to render a comprehensive response to sexual violence and its consequences, including counselling, shelters, hotlines, prevention and treatment of associated obstetric and gynaecological complications. Build the capacity of health workers, legal aid and social service providers to enable them to understand critical human rights issues as well as deal with sensitive gender-based violence-related information while respecting confidentiality and adopting a survivor-centred approach.
- Strengthen the capacity of Border Crossing Points to effectively identify rescue and refer victims of trafficking and refer them to psychosocial and economic rehabilitation service providers.
- Collect and report on gender statistics and sex disaggregated data to inform crisis response and recovery plans.

OUTPUT 8E.1.2: Strengthened capacities of SSW and increased public awareness to combat GBV

- Support already established community networks, partners, and social mobilization and draw on the extensive networks of youth and women's organizations human rights defenders and religious and traditional leaders and different media channels to cultivate compassion, raise awareness of and protection from the virus, challenge harmful stereotypes, promote healthy behaviour and social norm change in order to reduce stigma and discrimination
- Build the capacity of all the social workforce and health workers to ensure that excluded girls, women, boys and men and peoples with disabilities, have critical information about how to prevent and contain the COVID-19 so that public advice campaigns and information from national health authorities are accessible to the entire public, for example, in sign language and accessible means, modes, and formats, including accessible digital technology, captioning, relay services, text messages, easy-to-read and plain language.
- Ensure that community-based protection systems are still effective and develop alternative systems to protect women and children s from GBV and girls from female genital mutilation and child marriage.
- Strengthen Multi-Sectoral Response mechanisms and Access to GBV Services, including health care, access to protection and legal assistance and access to judicial remedies and promotion of livelihood and economic support and opportunities to GBV survivors through adopting a survivor centred approach.
- Support for the continuity of sexual and reproductive health services and information provision and interventions, including the provision of PPE, post-rape treatment kits and dignity kits and contraceptives are available at the level of the health centres, the One Stop Centres and the safe houses.
- Strengthen the capacity of security and rule of law institutions to investigate and sanction of acts of GBV.
- Build the capacity of the SSW on prevention, mitigation and response to GBV using the IASC guidelines including for GBV case management in COVID-19[87] and distribute guidance materials to all state institutions.
- Develop and rollout of messages using multiple platforms (radio, television, etc.) on prevention, redress, mitigation and response to violence including GBV and how/where to seek help.

[87] GBViE Helpdesk, *GBV Case Management and the COVID-19 Pandemic*, 2019 https://reliefweb.int/sites/reliefweb.int/files/resources/guidance-on-gbv-case-management-in-the-face-of-covid-19-outbreak-final-draft.pdf

OUTPUT 8E.1.3: Strengthened engagement of children (notably adolescents), youth and women

- Support young people, their networks and youth serving organizations in risk communication and virtual community engagement.
- Provide factual, age-appropriate information about the virus and concrete instructions about how to prevent its spread in hot spots of covid-19 infection.
- Engage adolescents and youth in educational and entertainment activities using mass media, social media and digital technology.
- Provide age-appropriate adolescent and youth friendly sexual and reproductive health services including for youth with disabilities, sex workers and those living with HIV amidst responding COVID-19.
- Strengthen counselling and psychosocial support to children and young women who are exposed to severe stress and faced psychological trauma.
- Provide awareness-raising and implement plans to prevent child marriage and FGM during COVID outbreak.
- Support community-based initiatives for the sustainable reintegration of returning migrant youth to provide livelihoods and strengthen resilience to the pull of dangerous irregular migration.

OUTCOME 8E.2: Sustain and Enhance the PHC System

OUTPUT 8E.2.1: Strengthen Health Care Facility Level Interventions

- Mobilize a pool of surge capacity (temporary health work force) to ensure that health facilities, goods and services, including early testing and treatment for COVID-19, remain operational.
- Take care of psychosocial needs of frontline health care workers such as stress management, counselling service, risk allowance, adequate rest, arrange accommodation and transport.
- Support the development and dissemination of new job descriptions to aid clinical management related to COVID response.
- Procure and distribute personal protective equipment (PPE).
- Procure and distribute RH commodities and essential supplies for maternal health so that there is continuum of RH services in health facilities.
- Train/orient health service providers in smaller group on human rights-based approaches to health service delivery, EmONC and other key SRH areas, including Family planning.
- Provide infection prevention training and supplies to service providers and delivery outlets.
- Build capacity of health workers on comprehensive abortion care and ensure service delivery.
- Implement MISP for SRH aligned with COVID-19 situation and proper prevention measures.
- Procure and provide emergency reproductive health kits, HIV and cancer treatments, are available, physically accessible and affordable to all, without discrimination.
- Devise strategies to improve the in-country SCM efficiency and effectiveness.
- Implement new ways of reaching out to patients and clients and to provide critical health services [no business-as-usual approach].
- Strengthen data capturing and conduct regular synthesis of selected indicators.

OUTCOME 8E.3: Improve Access to WASH Services and Strengthen Institutional WASH

The objective is to strengthen linkages between existing efforts to scale-up sanitation and end open defecation in Ethiopia and COVID-19 responses. Scaling-up sanitation and hygiene in homes, schools, health care facilities and public places is critical to protect public health and reduce the risk of future pandemics with local, national and global consequences.

OUTPUT 8E.3.1: Key hygiene practices, including handwashing with soap, are improved, reinforced and sustained

- Identify the target behaviours that need promotion for the prevention of COVID-19 and the target audience and settings (homes, public spaces such as workplaces, marketplaces, places of worship, public transport, etc.) in which to practice and promote these behaviours.
- Make special efforts to reach specific vulnerable population groups (e.g. migrants, IDPs, refugees, disabled population) in particularly challenging contexts (e.g. slums, informal settlements, water scarce settings) with appropriate hygiene messaging, whilst ensuring gender-responsive programming.
- Develop audience specific hygiene promotion messages along with supportive Behavioural Change and Communication (BCC) materials for sanitation and hygiene promotion will be conducted.

OUTPUT 8E.3.2: Improved capacity of adolescent girls and young women to better manage menstrual hygiene

- Carry out mini mapping of MHM stakeholders and their specific roles (Government, private, CSOs, UN & development organizations) and create an alliance to promote the President's initiative around MHM.
- Support community-based women associations to increase awareness among adolescent girls, young women and public about MHM using different types of medias.
- Utilise the influence of opinion-leaders to address social stigma surrounding discussions of menstrual health.
- Include sanitary pads and products as part of PPEs to health facilities, quarantine/isolation centres, youth associations, youth clubs, safe houses, people with disabilities, sex workers, PLHIV associations, prisons, IDP/refugee camps and those in conflict- affected areas.
- Promote and support local women groups in the production of reusable sanitary pads
- Withdraw value-added tax (VAT) and customs duty on menstrual hygiene products

OUTCOME 8E.4: Access to Remote Learning Opportunities and Focus on Reopening of Schools

OUTPUT 8E.4.1: Strengthened and expanded access to quality continued and remote learning for children

- Effectively use existing coordination mechanisms to help convene relevant stakeholders for a coordinated planning and response.
- Invest in radio, TV, digital platforms and infrastructure of education authorities to provide distance and remote learning.

- Support the MoE and Regional Education Bureaus to provide, strengthen, expand and monitor continuity of learning through distance and home learning (radio/ tv) and other learning platforms as required for pre-primary, primary and secondary.
- Procure and provide solar radios and digital devices for students who do not have radios, with a focus on refugees, IDPs and vulnerable students.
- Strengthen the capacity of the MoE to communicate internally and with education stakeholders during the COVID-19 crisis and education response, including to teachers, students and parents to promote access to existing remote learning offerings.
- Broadcast messages using multi-dimensional media platforms on mitigating violence and reducing PSS challenges of children particularly of girls that affect their remote learning and continuity of future school enrolment.
- Work with regional education bureaus and MoE for placement of signs language interpreters for all existing (TV/ radio) and new platforms to reach students with disabilities.
- Disseminate SGBV prevention messages in existing TV and RADIOs of education bureaus to raise the awareness of the students.
- Design and implement alternative school feeding programme and school health programme to compensate for those that were school based. Ensure continued access to food for children enrolled in schools through social security schemes.
- Assist government in addressing reported incidents of child marriages induced by school closures.

► 8A. MSMEs AND EMPLOYMENT

OUTCOME 8A.1: A Single, Empowered, Institutional Champion in Government for MSMEs Established

Effective medium- to long-term recovery and development of MSMEs in Ethiopia – and improvement in the survival and progression rates of these enterprises requires an empowered focal institution that can advocate for them and provide authoritative direction on policy, legal, institutional, financial and development issues. This is essential to overcome the inefficiencies and shortfalls created by the current, fragmented, institutional arrangement at Federal level that embraces the MoTI, FeSMMIPA, JCC, and the Federal Urban Jobs Creation and Food Security Agency under the Ministry of Urban Development and Construction. There is also the EDC that could be considered in this group. Discussion along these lines have already begun in the GoE but the widespread effects of the pandemic on MSMEs argues for an accelerated decision in this regard.

OUTCOME 8A.2: Strengthened Horizontal and Vertical Integration of MSMEs in Value Chains

Supply chain disruption is one of the most evident and pressing issues the COVID-19 pandemic has caused. This is evident at all levels of the productive chain and is affecting small and large businesses equally. It is, therefore, essential to provide MSMEs across multiple sectors/sub-sectors with a platform for matchmaking of suppliers and buyers at the local, regional and national level, to improve price and product discovery, reduce if not eliminate information asymmetries and ease and lower the cost of transactions to enable an expansion of markets and enterprises and avoid volatility in prices and outputs.

OUTPUT 8A.2.1: Build the capacity of relevant institutions for effective vertical and horizontal integration

This may include establishing a Sub-Contracting and Partnership Centre (SPX Centre), providing it with the tools needed to expand the supplier base of major buyers within the country in pivotal manufacturing and affiliated sectors, including large foreign multinationals and state-owned enterprises, while strengthening the ability of MSMEs to capture emerging market opportunities. With external trade and supply chains under pressure, outsourcing companies may look to domestic markets to supply some of their inputs needs, opening a window for local manufactures to not only establish long-term partnerships and agreements but also to benefit from know-how and technology.

The target beneficiaries would be primarily manufacturing MSMEs (agro-processing, leather, textile, metal, electronics, machinery, rubber, plastics), and construction material and industrial services (ICT, repair, maintenance). A prototype could be tested with a maximum of 3,000 selected MSMEs (of which 40% to be owned by women) from the sectors most impacted by the pandemic. Potential sets of interventions include:

- establishing the SPX Centre inside the Ministry of Trade & Industry (MoTI) and build staff capacity;
- capacity-building on supplier benchmarking techniques to complement profiling activities and initiation of regular benchmarking services;

- diagnostic studies of large domestic, foreign and public enterprises in Ethiopia to map out local strategic supply chains and determine the 'demand' for local sourcing;
- diagnostic studies of MSMEs to determine local sourcing capacity based on suppliers' demand;
- creation of a detailed database with potential supplier and buyer data for 'matchmaking';
- dedicated technical assistance to MSMEs to help them comply with buyers' requirements; and
- support to buyer-supplier negotiations aimed at successful matches and new buyer-supplier partnerships and sub-contracting arrangements.

OUTPUT 8A.2.2: Integrate MSMEs with Supply Chains for Industrial Parks

A major opportunity to bolster MSMEs lies in increasing the domestic content of products – primarily textiles and garments – exported from industrial parks. The national MSME database, a package of e-services for MSMEs (including BDS and technology support), and the SPX Centre proposed above could play a major role in enabling this to happen. Similarly, the financing and regulatory incentives developed in response to COVID-19 could be quickly re-purposed to provide sector/sub-sector specific incentive packages to accelerate these linkages, especially in the 100km radius catchment zones of each industrial park. Policy measures and tax incentives for domestic and foreign investors could also calibrate benefits according to the proportion of local content in products. The gains from such an approach would be multiple: accelerating the development of strong, vibrant, MSMEs tied to regional and global supply chains; increased productivity and employment; and substantially increased domestic value add to exports from the parks which is currently very low.

OUTPUT 8A.2.3: Improve MSME access to credit

A key area of work will be to revolutionise assessments of credit worthiness using new, digital, technologies and business that are being pioneered in other developing countries. The aim would be to go beyond a heavy reliance on relationship-based lending to the use of transactional technologies – such as data mining and AI using databases across multiple sources, including at the NBE – to develop credit scores/profiles of clients that can be offer a high degree of reliability and, at the same time, overcome the major obstacle to credit access that is represented by guarantee and collateral requirements in a manner that is sensitive to the most vulnerable.

Another option, subject to Government's rules governing expected liberalisation of telecoms, would be to open-up the market for credit services by allowing the entry of new players into the market with the aim of promoting innovation, lowering transaction costs and increasing access to services. These players may be telecoms companies themselves or the latter could provide the platforms for multiple, private sector providers to access and manage their client base.

OUTPUT 8A.2.4: Reinforce the capacity of a 'one window' service to SMEs

During the GTP II period, about 1780 one window service centres had been established including in regions. Building on and integrating with work proposed under Outputs 3.1 and 3.2, the capacity of these centres could be strengthened including for managing online and mobile platforms for virtual service provision, backed by improvements in their internet connectivity and IT equipment. Within this framework, the Creative Hub, promoted by UNIDO in partnership with Italy, inside FeSMMIPA compound and its created network of stakeholders, will play a key role on scaling up knowledge and capacity among SMEs and potential start-ups.

OUTCOME 8A.3: Strengthened Operational Capabilities and Enabling Environment

This outcome focuses on strengthening the operational capabilities of key government institutions to address the undying causes of government and business inefficiencies and improve the enabling environment for sustainable businesses. Enterprises would also be supported to prepare for the future through reskilling and upskilling so that they can capture new opportunities created by the crisis, thereby reversing some of the associated negative impacts. Key government institutions will also take measures to reduce and simplify burdensome regulations in order to facilitate the transition of informal MSMEs to formality and strengthen their voice in social dialogue and policymaking

For those workers that might have lost their jobs or are at risk of losing their jobs (both in the formal and informal sectors), an activation programme would be designed concurrently and implemented over the medium-term. Activation includes building skills, knowledge and competencies that enhance a worker's ability to secure and retain jobs, progress at work and cope with change, and participate more easily in the labour market at different stages of the life cycle. This includes core and soft skills training, such as teamwork, problem-solving, information and communications technology (ICT) and communication and language skills. This would help to develop a generation of resilient and skilled workers, improving their wellbeing and boosting productivity.

OUTPUT 8A.3.1: Operational capabilities strengthened for e-investment support and advisory services

- Digitalize investor support and handling mechanisms such as investor information in EIC to enable ease of access to data for decision-making and online investor handling procedures considering movement restrictions and social distancing.
- Provide online investment support and use online platforms to provide relevant investment- related information and services including customer and commercial registration; issuance, renewal and cancellation of investment permits; issuance and renewal of business licenses; access to tax holiday and duty-free incentive support letters; and business development services (BDS).
- Digitalize labour relations administration and related processes: workers' data; labour administration and support; and e-platforms for social dialogue between workers and employers at national, sectoral and enterprise levels.
- Develop policy options and e-payment mechanisms for an unemployment insurance scheme targeted for the private sector.

OUTPUT 8A.3.2: Integrating Ethiopian industries into local, regional and global markets

- Explore opportunities for economic integration at the regional and global levels.
- Study alternate markets, including in other African countries.
- Work on quick re-entry to industrial parks based on the assumption that some investors may not return when the situation stabilizes (assuming the worst-case scenario).
- Use the crisis as an opportunity to address key FDI bottlenecks related to productivity and skills training, linkages to value and supply chains, support services, and bureaucracy and 'red tape'.
- Fast-track completion of industrial and agro-industrial parks. Support firms to expand production capacity to compensate for losses due to the pandemic by fast-tracking logistics for operation of supply chains and opening-up access to the domestic market (on goods deemed relevant for the domestic market, through linkages with domestic value chains that add to local content).

OUTPUT 8A.3.3: Revamped activation measures to transit workers, including those exiting social assistance programmes

- Undertake a mapping of employment services providers in the most impacted areas/regions and build a database of services provided. Set-up or strengthen employment service infrastructure including employment services centres and a labour sourcing system.
- Design employment promotion programmes targeted and customised to specific labour market groups (wage and hiring subsidies, training, intensive guidance and counselling, work experience) such as youth, long-term unemployed, persons with disabilities and women.
- Strengthen online job portals for registration and job matching, information sharing as well as provision of enhanced services such as job-search assistance and guidance and referral to active labour market programmes.
- Promote partnerships and coordination among different providers of employment services: public-private partnerships, public employment services, private employment agencies and NGOs and civil society organisations.
- Review and adapt curricula and provide re-skilling and upskilling opportunities with a focus on people in vulnerable situations aiming at job retention through labour mobility across occupations.
- Create livelihoods opportunities through public work programmes and entrepreneurship development.

8B. DIGITALISING GOVERNANCE AND THE ECONOMY

OUTCOME 8B.1: A Major Step Forward in E-Governance Enabled

COVID-19 has put into sharp relief the low stage of development as well as application of digital technologies in Ethiopia, placing it at least a decade or more behind leading peers in East Africa and SSA. This has not only reduced potential economic output and curtailed productivity but also decreased access to vital services, held back financial inclusion and substantially complicated the public policy response to the pandemic in the absence of robust national database, widespread use of AI and data mining and a high rate of e-banking. This needs to change to correct a structural problem exposed by COVID-19 and accelerate recovery and progress towards the targets of the HGER and 10-Year Perspective Plan. A vital and necessary condition for success, however, will be the liberalisation of the telecoms sector and a bold - rather than conservative – approach to digital finance, as is in fact being contemplated by the GoE. The recovery from the pandemic can provide added impetus to this process.

Moving forward, it is important to distinguish between e-government and e-governance. The former refers to the widespread application of information and communication technologies (ICTs) to government services whether this is government-to-citizen (G2C), government-to-business (G2B) or government-to-government (G2G). The objective is improved accessibility, speed, quality, reliability and transparency of public services, reducing costs whilst substantially improving outcomes. E-governance includes all of these aspects but extends further to regulation and promotion of ICTs more broadly in the economy and society.

OUTPUT 8.B.1.1: Assessment of and strategic framework for e-governance completed

A major assessment would be launched immediately to map out the current landscape for e-governance in Ethiopia, identify critical shortfalls – policy, legal, regulatory, financial, institutional, technological, in the quantity and quality of human capital – and design a 'sector-wide' programme across the whole of government, and in close partnership with academia and the private sector, to enable Ethiopia to reach the

level of peer countries in East Africa within 3-5 years (with Kenya and Rwanda as potential benchmarks). Support from development partners such as UNDP – working in partnership with Israel and the Republic of Korea – on the innovation ecosystem in Ethiopia as well as with others on democratic governance can be quickly scaled-up, in coalition with a wider range of development partners (such as Austria, Denmark, DFID, Norway and Sweden) and key government institutions such as the Ministry of Innovation and Technology (MiNT), MoF and the Federal Civil Service Commission, among others.

OUTPUT 8.B.1.2: A 'Digital Government 2030' Initiative launched

Connected closely to the previous output, the GoE would consider launching a comprehensive, 5-10 year '*Digital Government 2030*' initiative by mid-2021 with the aim of completely transforming the use of ICTs in federal and regional governments and parastatals. This could become a key element of the broader institutional transformation that the government plans in order create a depoliticised and skilled civil service that has the ethics and capacities required to deliver on the HGER and the 10-Year Perspective Plan. An initiative of this nature would cut across the delivery, monitoring and assessment of public services such as agriculture, health, education, early warning and disaster management, social safety nets, business licensing and development (not least for MSMEs), local government, public security and the judiciary. Crucially, the GoE would be able to use such a large and ambitious programme to give a major boost to the local innovation and tech ecosystem and firms. Another substantial component of the initiative would be large-scale investment in connectivity infrastructure backed by risk management including ensuring continuity of critical e-services under crisis conditions.

OUTCOME 8B.2: Measures Taken to Accelerate the Transition to a Digital Economy

OUTPUT 8.B.2.1: Actions taken to provide a major boost to e-commerce and e-financial services

Building on and accelerating work already underway at the NBE, MoF, MoTI and EIC, the GoE would move rapidly to liberalise the policy, legal and regulatory framework for e-commerce and e-banking (for instance, a forward-looking national digital payments system and increased space for the provision of financial services by bank *and* non-bank financial institutions). A Priority Plan of Action of E-Commerce and E-Finance could be launched by Q1 2021, targeting 'quick wins' within 12-18 months and measures over the medium-term (2024-25).

The range of areas to be covered include digital banking, digital payments platforms, e-financial services (including credit and insurance targeting farmers, MSMEs and retail consumers), e-commerce platforms (suppliers/clients-to-farmers, business-to-business/B2B, business-to-consumer/B2C) and further expansion of the Ethiopian Commodity Exchange (ECX), potentially as part of a larger sub-regional exchange in commodities such as coffee and team, among others. Given that Ethiopia lags its regional and sub-regional peers in this front, considerable emphasis may need to be paid to welcome foreign investors – with capital, tested models and management skills – to play a major role in advancing quickly, preferably in partnership with domestic investors.

► 8C. ENABLING SOCIAL RECOVERY

OUTCOME 8C.1: Expanded Capacity for and Quality of Social Service Delivery

OUTPUT 8.C.1.1: Increased capacity of the social service workforce

- Support the Ministry of Women, Children and Youth (MoWYC) and Ministry of Labour and Social Affairs (MoLSA) to establish and sustain the National Leadership Group for the Social Service Workforce for more effective promotive, preventive and response services rooted in human rights norms and standards.
- Map the existing essential service providers (justice, health and social services) and their accessibility by the survivors of GBV and human trafficking and publicize SOPs for services provision.
- As part of sustaining and systematising social service workforce strengthening efforts, incorporate remote case management training and supervision modules (including lessons learned) into the existing Social work and Community Service Work pre- and in-service curriculum in the Technical and Vocational Education Training (TVET) institutions.
- Support one stop centres and shelters including capacity building on service-based data and other data sources are used and analysed to strengthen the response to VAWC (particularly those furthest left behind) during COVID-19.Support to the Federal Attorney General, MoWCY, FMOH and other key stakeholders for updating the national strategy and plan on violence affecting children and women, including clarification of mandates, roles and responsibilities of each member and division of labour among government and NGO actors.
- Strengthen and adapt referral mechanisms, such as helplines to quarantine and lockdowns, through technology-based solutions and social support networks (e.g. .24x7 Voice, Chat, SMS facilities) to provide online counselling and psychosocial and refer to emergency health services, shelters and police.
- Develop an awareness raising strategy on VAWC targeted to identified groups by sex/age range etc. and baseline, midline and end line to measure changes as a result of its roll-out.
- Advocate and prioritize support to women with Disabilities, migrants, rural women, Refugees and other vulnerable Women and children by putting in place support mechanisms to protect and regulate the status of migrants, immigrants, women in cross-border trade and provision of livelihood to safeguard them from violence.

OUTPUT 8.C.1.2: Strengthened risk communication and community engagement

- Utilise existing women's and community structures and organizations to minimize COVID and other connected vulnerabilities.
- Incorporate community messaging on COVID-19 in GBV referral pathway posters prepared in local languages and in RMNCAYH messages.
- Use mainstream and social media to disseminate COVID-19 information integrated with SRHR and GBV messages.
- Conduct community-based communication, including using mass media, social media, small group and outreach mobile sessions to reduce stigma and fear, and ensure accurate information is provided.
- Incorporate in the social protection measures of the COVID-19 elements that contribute to gender equality, while protecting marginalized groups.

OUTPUT 8.C.1.3: Improved access to WASH services

- Conduct refresher trainings on hand hygiene for all medical and non-medical staff and put in place protocols to ensure all staff abide by hygiene rules.
- Provide cleaning kits to ensure hygienic environment in the health facilities.
- Train health facility support staff such as cleaners, guards and janitors on mandatory hygiene and sanitation practices including safety measures.
- Ensure an effective waste management system is in place for solid and liquid waste.
- Rehabilitate latrines and build new emergency latrines for institutions (health and schools).

OUTCOME 8C.2: Sustained Recovery of Social Services

OUTPUT 8.C.2.1: Improved data monitoring for planning, delivery and management of PHC

- Invest in data quality strengthening of DHIS 2, including through data quality strengthening at the woreda level by enhancing Woreda connectivity development Develop real time data initiatives to complement the longer-term DHIS 2 efforts.
- Establish feedback mechanisms for tracking availability, access, and utilization of Essential Services with sensitivity to capturing the coverage of vulnerable groups and in line with HRBA to data.

OUTPUT 8.C.2.2: Strengthened health system supply and demand

In terms of Health Service Supply:

- Increase/improve the number and quality of health workers, especially of midwives through surge staff, equipping staff with PPE so that they are supported and protected during Health Services delivery.
- Strengthen health workforce management and regulation of health professionals to improve quality of care with full responsibility and accountability through adequate supportive supervision and mentoring.
- Develop dialogues and training platform for health workers to adopt human rights'-based approach to health content and delivery.
- Ensure the occupational health and safety of those who continue to work, in particular workers in the health, agriculture, food production and transport sectors and cleaning services, including by providing the necessary protective equipment.
- Work towards increased implementation of alternatives to deprivations to liberty to alleviate over-crowding in detention centres.
- Strengthen maternal and perinatal death surveillance and response system for quality improvement, so that quality of services can be improved.
- Ensure adequate commodity supply chains by addressing bottlenecks for service provision.
- Use digital technology to provide information about COVID-19 for health care providers.

In terms of Health Service Demand:

- Generate demand, improve access and utilization of maternal and child health services by including messages about the importance of accessing Essential Services in risk communication messages.
- Improve access and utilization of MNH services by providing services in locations and at times convenient for mothers.
- Supervise, mentor and protect community health workers so that they can confidently engage with communities and build trust in health services.
- Manage rumours and negative messaging around Covid-19 and continued essential services.

OUTPUT 8.C.2.3: Safe school re-opening and enhanced capacity of schools and education authorities

- Develop and implement an overall plan and guidelines for safe school re-opening (pre-primary, primary/secondary) (e.g. promotion of hand and respiratory hygiene, screening and referral of suspected cases, as appropriate).
- Provide learning materials as part of back to school campaigns, with a focus on IDP and refugee populations at heightened risk.
- Develop advocacy strategy with a special focus on Girls' Education, and work with media, community and religious leaders on Back to School Campaigns, with a focus on the most vulnerable including girls.
- Support the implementation of a catch-up accelerated learning curriculum and strengthen the Capacity of teachers to provide catch up classes and quality education to children who have missed out on learning;
- Invest in ICT and digital capacity of schools to provide connectivity to students, as a resilience measure for the education system and ensure continuity of learning.
- Work with regional education bureaus and Ministry of Education (MoE) for placement of sign language interpreters for all existing (TV/ radio) and new platforms to reach students with disabilities.
- Disseminate SGBV prevention messages in existing TV and Radio programs of education bureaus to raise the awareness of the students on SGBV prevention and response.
- Design and implement alternative school feeding and school health programs that used to be availed in the schools for vulnerable young people.

9. GOVERNANCE ARRANGEMENTS, ROLES AND RESPONSIBILITIES, DELIVERY[88]

GOVERNANCE ARRANGEMENTS

The governance arrangement described below are based on the following criteria:

- maximum reliance on existing structures and capacities;
- respecting current functional mandates and responsibilities across government;
- ease and speed of establishment;
- minimum additional bureaucracy;
- flexibility and adaptability; and
- cost.

The arrangement is meant to be transitional rather than permanent, likely for a period of 12-18 months, that is, through the end of 2021, thus, covering both the recovery and response phase.

- Overall responsibility would lie with the **Macro Team** already in operation, reporting to the Prime Minister and Cabinet.

- A **National Steering Group (NSG)** co-chaired by the Ministry of Finance (MoF) and Ministry of Trade and Industry (MoTI) bringing together all MSME, employment promotion and social protection agencies/entities at federal levels (JCC, FeSMMEPA, EIC, IPDC, MoLSA), the Ministry of Revenue and principal financial institutions (NBE, DBE and CBE), the MoA, and core social sector ministries (MoH, MoE and MoWIE). The main functions of the NSG would be to:

    - liaise with the Prime Minister's Office (PMO), Macro Team and the Cabinet;
    - liaise with donors, other development partners and the private sector (especially the Advisory Group proposed below);
    - provide strategic policy and operational guidance;
    - make policy and operational decisions, as delegated to it by the PMO;
    - provide oversight to gauge effectiveness of major programmes/initiatives;
    - mobilise domestic and external resources (financial, technical, in-kind);
    - assess the effectiveness of crisis management and recovery measures; and
    - monitor and determine actions arising from the public complaints and grievance redress mechanism (please see below).

- An **Advisory Group (AG)** composed of representatives from MSMEs and large firms from the most impacted sectors/sub-sectors, independent national experts, representatives of civil society and selected development partners.

- A **Socio-Economic Response and Recovery Team (SERRT)** jointly managed by MoTI and JCC, and reporting to the NSG, with seconded staff from key federal agencies/entities. The core functions of the SERRT would be to:

[88] This section draws on as well as adapts material from the JCC paper '*COVID-19 Crisis: Support of the Ethiopian Government to Businesses'*, May 2020.

- plan the overall effort across the 'whole-of-government';
- oversee task management based on directions from the National Steering Group;
- coordinate across the 'whole-of-government';
- liaise with regional governments;
- liaise with the private sector;
- monitor performance (results, activities and inputs);
- troubleshoot to overcome major bottlenecks;
- report to the National Steering Group on performance, issues and options for action;
- maintain a major national portal providing information on support available from the GoE, an application window for support, a central database for delivery management and a reporting and visualization tool on the use of funds; and
- ensure effective public and external communication and outreach.

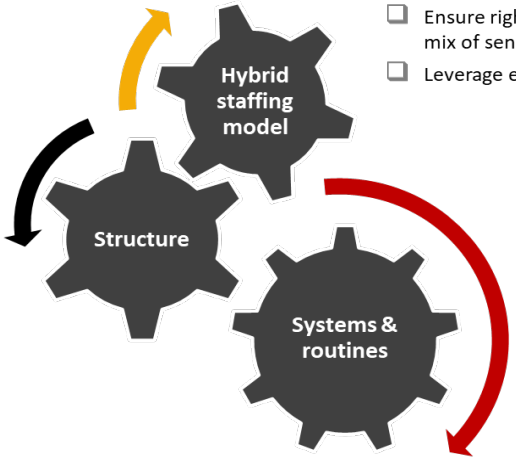
In other words, the SERRT would not be an implementation body. It would work through existing institutions/agencies at federal and regional level plus any development partners requested by the GoE to assist with the implementation of direct budget support (DBS). These selected institutions would need to set up their own 'implementation teams' to ensure their work is properly planned, managed and monitored. Regional governments would be encouraged to set up their own SERRTs.

The success of the SERRT will depend on having the right structure, skills, systems and tools. The Team would need to be staffed by carefully vetted and rigorously selected people with skills and demonstrated experience in areas such as strategic and operational planning, data collection and analysis, coordination, and rapid decision-making. **Systems and tools** will include technology-enhanced data collection, analysis, and reporting capability and infrastructure for real-time decision-making, with a battle rhythm to coordinate and command crisis response and recovery efforts. The systems and tools will also require frequent and regular communication to keep the public informed and engaged, especially within the private sector.

Success factors for the SERRT:

Structure

- ❑ Create a structure aligned with the objectives of government for support to businesses affected by the COVID-19 crisis
- ❑ Include all institutions involved in the service-delivery to ensure an effective and timely support
- ❑ Ensure real-time information flow and engagement platform between federal and regional level



Skills

- ❑ Have high-caliber and technical representatives from institutions involved in the service-delivery
- ❑ Ensure right mix of backgrounds and a balanced mix of seniors and juniors
- ❑ Leverage external experts and support services

Systems

- ❑ Develop the right tools for an effective monitoring and follow-up in daily implementation
- ❑ Monitor and report on implementation and impact, enabled by technology
- ❑ Operate with high professional standards and serve as a role-model across government
- ❑ Establish a delivery communication function to underscore delivery priorities and keep the public informed and engaged

The **federal SERRT** would be a relatively compact group composed of the following personnel:

- planning, monitoring and evaluation – 2-3 experts;
- coordination and liaison – 2-3 experts;
- data scientists – 2-3 experts;
- IT specialists – 2 experts;
- communications and external relations – 1 expert;
- operations specialists (procurement, finance, HR) – 3-4 experts;
- support staff – approximately 8-10.

- An **independent public complaints and grievance review mechanism**, perhaps hosted by the Office of the Attorney-General or the Office of the Ombudsman, that would offer firms and individuals to bring problems to the surface, whistle-blow any violations of public rules and regulations and report any abuse of services. Such a mechanism would be a breakthrough for Ethiopia's public services and set the pace for countries in SSA and beyond.

- Governmental bodies and/or independent contractors – such as CSOs, NGOs and audit firms - for **verification** that the right target groups (the most impacted, women and girls, those left behind) are being reached and accessing relevant benefits, the quality, speed, reliability and transparency of service provision, and the occurrence of any 'leakages'. A **gender and human rights audit** would be a priority within 6-9 months.

DELIVERY MANAGEMENT FOR THE RESPONSE PHASE

The basic framework would be as follows, with additional details for examples provided for a subset of instruments.

Type of Support Provided by Firm Size – Response (Emergency) Phase

	Emergency phase		
Type of firms / *Support provided*	Micro-firms	Small and Medium firms	Large firms
Wage-subsidy	Yes	Yes	Yes
Coverage of operational cost	Yes	Yes	No
Tax measures	Yes	Yes	Yes
Freeze of loan payment	Yes	Yes	Yes
Access to zero interest loan	Yes	Yes	No

Type of Support Provided by Worker Category – Response Phase

Type of worker / *Support provided*	Self-employed	Working in MSMEs	Working in IPs	Working in large firms
Wage subsidy	No	Yes	Yes	Yes
Cash transfer	Yes	No	No	No
Social security contributions	N/A	Yes	Yes	Yes
Access to credit	Yes	No	No	No
Access to UPSNP	Yes	Yes	No	No
Access to CBHI	Yes	Yes	Yes	No

The measures outlined below are generally agnostic to sector and socio-economic characteristics such as gender, age and location. This is NOT because they are unimportant but for ease of understanding. The GoE may want to use these instruments to develop sector or sub-sector intervention packages as well as ensure that the administration, monitoring, verification and evaluation of implementation use identifying criteria *beyond just the economic* that match assistance to those most in need and left behind.

- **WAGE SUBSIDIES**

Eligibility:

- *For MSMEs in hard hit sectors, firms in IPs, exporters*: experienced a drop in gross revenues of at least 15% in March 2020, 20% in April 2020, and/or 30% in May of 2020 as compared to the same timeframe in 2019 or the average monthly revenue for January-February 2020.
- *For large firms outside IPs*: experienced a drop in gross revenues of at least 25-30% or more in April-May 2020 compared to the same timeframe in 2019 or the average monthly revenue for January-March 2020. Large garment and textile factories located outside industrial parks would be treated the same way as those inside the parks.

Level and Duration:

- 50% or 75%;
- For 3-6 months.

Delivery Mechanism:

- Firms and target employees identified through online/offline applications submitted to MFIs, one-stop service centres (OSSCs), woreda development agents or municipal governments.
- Details logged on mobile app linked to a central database. Information passed on to MFIs and CBE to disburse.
- Funds disbursed directly to firms by MFIs or CBE. Transferred through bank account or mobile money account. Registered in the dedicated mobile app by both firms and workers, with uploads to the central database. This will ensure multiple means of verification and cross-checking of beneficiaries against source of assistance: the dedicated mobile app + database maintained by the GoE SERRT and the databases of financial institutions; firm level information from POESSA and taxpayer database; and surveys and spot-checks.
- An oversight mechanism in place to investigate any grievances both from enterprises and workers participating in the scheme.

- **LOW COST CREDIT OR LOAN GUARANTEES**

Eligibility:

- *For the self-employed (low cost credit)*: experienced a drop in income of 20% or more in April-May 2020 compared to the same timeframe in 2019 or the average monthly income for January-February 2020. No collateral or guarantee required.
- *For MSEs (low cost credit or loan guarantees)*: experienced a drop in gross revenues of 20% or more in April-May 2020 compared to the same timeframe in 2019 or the average monthly revenue for January-February 2020. No collateral or guarantee required.
- *For medium-size enterprises (low cost credit or loan guarantees)*: experienced a drop in gross revenues of 25% or more in April-May 2020 compared to the same timeframe in 2019 or the average monthly revenue for January-February 2020. Collateral or guarantee required.
- *For large firms (loan guarantees)*: experienced a drop in gross revenues of at least 25-30% or more in April-May 2020 compared to the same timeframe in 2019 or the average monthly revenue for January-March 2020. Collateral or guarantee required.

Level and Duration:

- *Self-employed*: USD 100/month for 3-6 months, a grace period of 3 months, repayment over two years.
- *Micro enterprises*: up to USD 500/month for 3-6 months, a grace period of 3 months, repayment over two years.
- *Small-size enterprises*: up to USD 10,000/month for 3-6 months, a grace period of 3 months, repayment over two years.
- *Medium-size enterprises*: up to USD 20,000/month for 3-6 months, a grace period of 3 months, repayment over one year.

- *Large enterprises*: scale of assistance to be decided, for 3-6 months, a grace period of one month, repayment over one year.

Delivery Mechanism:

- Self-employed identified by woreda development agents, NGOs and municipal governments. Enterprises identified upon online/offline application by MFIs, commercial banks, one-stop service centres (OSSCs), woreda development agents or municipal governments.
- Details logged on mobile app linked to a central database. Information passed on to MFIs, DBE, CBE (and other commercial banks) to disburse.
- Funds disbursed directly to self-employed through mobile money and recorded on the dedicated mobile app. Funds disbursed to enterprises by MFIs, CBE or other commercial banks. Transferred through bank accounts. Registered in the dedicated mobile app by enterprises. Verification as proposed for wage subsidies.

- **DEBT WRITE-DOWNS, TAX HOLIDAYS AND RELIEF ON RENTALS**
  (note that these measures can be combined with low cost credit guarantees to provide substantial overall relief to enterprises)

Eligibility:

- *For MSMEs*: those that have experienced a drop in gross revenues of at least 15% in March 2020, 20% in April 2020, and/or 30% in May of 2020 as compared to the same timeframe in 2019 or the average monthly revenue for January-February 2020.
- *For large enterprises*: those that have experienced a drop in gross revenues of at least 25-30% or more in April-May 2020 compared to the same timeframe in 2019 or the average monthly revenue for January-March 2020.

Level and Duration:

- *Micro-enterprises*: debt write-downs of up to 75-100% capped at an upper (value) limit to be established; exemption from federal, regional or local taxes and fees for 3-6 months; and relief on rental to public bodies for up to 3-6 months.
- *Small-size enterprises*: debt write-downs of up to 50-75% capped at an upper (value) limit to be established; exemption from federal, regional or local taxes and fees for 3-6 months; and relief on rental to public bodies for up to 3-6 months.
- *Medium-size enterprises*: debt write-downs of up to 50% capped at an upper (value) limit to be established; exemption from local taxes and fees for 3-6 months; and expedited VAT reimbursement for 3-6 months.
- *Large enterprises*: debt write-downs of up to 30% capped at an upper (value) limit to be established and rescheduling as well; exemption from local taxes and fees for 3 months; and expedited VAT reimbursement for 3 months.

Delivery Mechanism:

- Debt: upon online/offline application submitted to MFIs, woreda development agents, NGOs and municipal governments. Details logged on mobile app linked to a central database. Information passed on to MFIs, DBE, CBE (and other commercial banks), municipal governments to disburse.

- Tax and fees: upon online/offline application to the Ministry of Revenue and municipal governments. Registered in the dedicated mobile app and uploaded to the central database.
- Rental of public spaces: upon online/offline application to municipal governments. Registered in the dedicated mobile app and uploaded to the central database.

- **ACCESS TO UPSNP AND CBHI**

Eligibility:

- *Laid-off or unemployed*: without any job for a month or more effective 1 April 2020. UPSNP criteria would be used to ensure self-section of only those who are seriously at-risk: dependency ratio (more than five members in the household); property ownership; access to water; household head engaged in casual labour and/or has not completed primary education.

Level and Duration:

- Existing UPSNP levels of support.
- Retained on programme for up to one year.

Delivery Mechanism:

- As per UPSNP and CBHI systems. An extra layer of verification may be required by woreda development agents and municipal governments. Registered in the dedicated mobile app by the programmes and their beneficiaries.

10. RISKS AND THEIR MITIGATION

RISKS	MITIGATION MEASURES
Information gaps and lack of consolidated baseline data on MSMEs, complicated by the nature of the informal sector, hampering an effective targeting and planning of financial and non-financial interventions.	Conduct rapid survey and establish national level data base, starting with MSMEs in the most impacted sectors/sub-sectors and areas. Combine with the use of IT to overcome information gaps and targeting data. Utilise MFI knowledge of MSMEs as an added resource.
Limited inter-ministerial and Federal/Regional coordination on MSME-related actions.	Set up a National Steering Group bringing together all key governmental entities together with an Advisory Group representing other major stakeholders.
Capacity constraints in government.	Establish project management teams bringing together seconded staff from across government backed with access to an expert pool and UN and other development part 'back-up'.
Ensuring transparency and integrity in the management, delivery and oversight of funds.	Use trusted channels e.g. MFIs quality assured by DBE, technology and a transparent governance arrangement to eliminate likelihood of fraud and abuse.
Weak linkage between federal ministries, sector bureaux and regional governments	Set up a National Steering Group bringing together all key governmental entities together with an Advisory Group representing other major stakeholders.
The private sector's limited engagement and technical capacity as well as coordination challenges, especially in a crisis context.	Ensure dialogue and technical support in all phases of work. Utilise existing platforms such the Sustainable Investment Platform (SIP) to facilitate engagement, dialogue and better coordination.
Supply chain disruptions and shortage of forex	• Containment strategies • Segmentation of the supply chain – regionalisation of the supply chain • Pricing strategies to influence customer choice • Inventorying of certain critical components to ensure that the supply chain can continue to function smoothly when faced with disruption. • Use of multi-modal/multi-carrier transportation.
The pandemic may spread very rapidly in rural areas, deepen the economic, financial and political crisis in the country. This implies that a significant proportion of technical staff	This risk cannot be avoided but can be mitigated by taking precautions such as the provision of essential equipment and materials to frontline staff and workers; minimising physical contact for service delivery through use of e-services; raising awareness among staff and workers in supply chains; and putting a realistic a realistic

and funding for vital operational costs may not be available.	business continuity plan in the MoA and in private operators utilising the initiative already launched by the Federal Civil Service Commission in partnership with UNDP.
Restrictions on the movement of people and vehicles could delay the delivery of key inputs to rural areas those in remote areas in the periphery.	This risk can be mitigated through flexible arrangements, such as the prepositioning or storing of crucial inputs in Regions, not just the central stores in Addis, and by bolstering operational capacities of partners at regional level though improved communications systems.
The specific needs of women and girls and boys may be overlooked and may get 'left behind' in response and recovery measures.	A rapid gender assessment would be conducted to ensure that the specific needs of women and girls and boys are identified and addressed. A gender audit of response and recovery measures would also take place to ensure effective follow-up.
Social unrest due to COVID-19	• Employment retention programmes that minimise social losses. • Companies to focus on risk mitigation. They may want to transfer some of their risk via insurance, such as political risk policies that offer coverage for losses due to political violence, currency inconvertibility or government default. • Companies to look at the role of their captive insurance in managing risks, to protect the supply chain e.g. through supply-chain insurance, and backup production.

IMMEDIATE RESPONSE (3 – 6 MONTHS)	Est. Resources (USD)	Responsible Agency	Remarks
OUTCOME 8A.1: Operations and Viability of At-Risk MSMEs Secured			
Output 8A.1.1: Deferral and/or forgiveness of tax, debt payments, rent and utility payments and regulations	267,778,000	NBE, CBE, DBE and MFIs, other FIs	*Not new money as such and doesn't need a new allocation*
Output 8A.1.2: Deploying measures for related to financial instruments including guarantees	317,000,000	MoF, NBE, CBE, MFIs, other FIs	
Output 8A.1.3: Support MSMEs to tackle labour-related costs	510,000,000	JCC, MoTI	*Incl. average of 3 months wage subsidy*
Output 8A.1.4: Workplace safety and health measures ensured	5,000,000	MoH, MoLSA	
SUB-TOTAL:	**1,099,778,000**		
OUTCOME 8A.2: MSMEs Repurposed to Support the Response to COVID-19			
Output 8A.2.1: Mobilize SMEs to repurpose production lines to address immediate public needs	10,000,000	MoTI, IPDC	
Output 8A.2.2: Organize MSMEs on waste management in slums and informal settlements	530,000	MoUDC and city administrations	
Output 8A.2.3: Re-organize MSMEs to support social safety nets	13,500,000	MoTI, MoLSA, and city administrations	
SUB-TOTAL:	**24,030,000**		
OUTCOME 8A.3: Foundations for Delivery of MSME Support Services Strengthened			
Output 8A.3.1: Undertake a rapid MSME survey and begin to create a national database of MSMEs	60,000	JCC and MoTI	
Output 8A.3.2: Set up of online and mobile accessible platform for MSMEs support services	120,000	JCC and MoTI	

Output 8A.3.3: Make immediate improvements in the business ecosystem	50,000	JCC and MoTI	
Output 8A.3.4: Construct temporary working sheds	330,000	City administrations	
Output 8A.3.5: Organize MSMEs in the management of open markets and bus terminals	4,000,000	MoUDC and city administrations	
SUB-TOTAL:	**4,560,000**		

OUTCOME 8B.1: Informal Sector Workers Protected and Formalisation Encouraged

Output 8B.1.1: Informal sector jobs are protected	110,000,000	CBE, DBE and MoTI	
Output 8B.1.2: Social protection measures adapted/scaled up to meet basic needs of the laid-off	160,000,000	MoLSA	
SUB-TOTAL:	**270,000,000**		

OUTCOME 8C.1: Larger Firms Strengthened to Absorb the Shock

Output 8C.1.1: Temporary relief provided to large export manufacturing firms	374,810,940	CBE, DBE, EIC, IPDC	*6 months is considered*
SUB-TOTAL:	**374,810,940**		

OUTCOME 8D.1: Continuity of Public and Private Services to Agriculture and the Rural Economy Ensured

Output 8D.1.1: Efficient rural inputs distribution channels maintained	2,120,000	MoA	
Output 8D.1.2: Continuity of service provision to producers ensured in a context of limited movement	7,750,000	MoA	
Output 8D.1.3: Safety of workers in agriculture supply chains and extension services addressed effectively	2,000,000	MoA	
SUB-TOTAL:	**11,870,000**		

OUTCOME 8D.2: The Food Security, Nutritional Status and Livelihoods of the Rural Population Protected

Output 8D.2.1: Production of fast-cycle crops expanded	26,000,000	MoA	
Output 8D.2.2: Production surpluses commercialised	6,250,000	MoA	
Output 8D.2.3: Agro-processing of fruits and value addition to vegetables production increased	2,330,000	MoA	

Output 8D.2.4: Resilience of the livestock sector improved	32,500,000	MoA	
Output 8D.2.5: Demand for nutritious and healthy diets increased	2,930,000	MoA	
SUB-TOTAL:	**70,010,000**		

OUTCOME 8D.3: Awareness Raised and Attitudinal and Behavioural Changes Triggered in the Rural Population in Response to COVID-19

Output 8D.3.1: Actors all along agricultural value chains informed on good practice in response to the pandemic	14,000,000	MoA	
Output 8D.3.2: General awareness of COVID-19 and risk mitigation measures raised significantly in the rural population	1,000,000	MoA and MoH	
SUB-TOTAL:	**15,000,000**		

OUTCOME 8E.1: Protection of the Most Vulnerable Groups

Output 8E.1.1: Increased availability of and access to an effective social service workforce	2,000,000	MoLSA,	
Output 8E.1.2: Strengthened capacities of SSW and increased public awareness to combat GBV	3,000,000	MoWCY, MoH	
Output 8E.1.3: Strengthened engagement of children (notably adolescents), youth and women	1,500,000	MoH	
SUB-TOTAL:	**6,500,000**		

OUTCOME 8E.2: Sustain and Enhance the Primary Health Care (PHC) System

Output 8E.2.1: Strengthen the health care facility level services interventions	54,342,191	MoH	
SUB-TOTAL:	**54,342,191**		

OUTCOME 8E.3: Improve access to WASH Services and Strengthen Institutional WASH

Output 8E.3.1: Key hygiene practices, including handwashing with soap, are improved, reinforced and sustained	6,000,000	MoH, MoWIE	
Output 8E.3.2: Improved capacity of adolescent girls and young women to better manage menstrual hygiene	1,000,000	MoWCY, MOH	
SUB-TOTAL:	**7,000,000**		

OUTCOME 8E.4: Access to Remote Learning Opportunities and Focus on Reopening of School

Output 8E.4.1: Strengthened and expanded access to quality continued and remote learning for children	8,000,000		
SUB-TOTAL:	**8,000,000**		

RECOVERY (3 – 18 MONTHS)	Est. Resources (USD)	Responsible Agency	Remarks

OUTCOME 8A.1: A Single, Empowered, Institutional Champion in Government for MSMEs Established

OUTCOME 8A.2: Strengthened Horizontal and Vertical Integration of MSMEs in Value Chains

Output 8A.2.1: Build the capacity of relevant institutions for effective vertical and horizontal integration	2,000,00	MoF, MoTI and JCC	
Output 8A.2.2: Integrate MSMEs with Supply Chains for Industrial Parks	20,000,000	EIC, MoTI and IPDC	
Output 8A.2.3: Improve MSME access to credit especially by women led MSMEs	2,500,000	CBE, DBE and MoTI	
Output 8A.2.4: Reinforce the capacity of a 'one window' service to SMEs	4,450,000	MoTI, JCC and MoF	*This can be integrated into 8A.1 above; institutional champion*
SUB-TOTAL:	**28,950,000**		

OUTCOME 8A.3: Strengthened Operational Capabilities and Enabling Environment

Output 8A.3.1: Operational capabilities strengthened for e-investment support and advisory services	2,000,000	MoF, EIC, MoTI, IPDC	
Output 8A.3.2: Integrating Ethiopian industries into local, regional and global markets	1,000,000	IPDC, EIC, MoTI	
Output 8A.3.3: Revamped activation measures to transit workers, including those exiting social assistance programmes	2,000,000	MoLSA, JCC and MoTI	
SUB-TOTAL:	**5,000,000**		

OUTCOME 8B.1: A Major Step Forward in E-Governance Enabled

OUTCOME 8B.2: Measures Taken to Accelerate the Transition to a Digital Economy

OUTCOME 8C.1: Expanded Coverage and Quality of Social Service Delivery

Output 8C.1.1: Increased capacity of the social service workforce	5,000,000	MoLSA, MoH, MoWYC, FAG	
Output 8C.1.2: Strengthened risk communication and community engagement	12,000,000	MoH, MoWCY	
Output 8C.1.3: Increased access to WASH services	35,600,000	MoH, MoWIE	
SUB-TOTAL:	**52,600,000**		

OUTCOME 8C.2: Sustained Recovery of Social Services

Output 8C.2.1: Improved data monitoring for planning, delivery and management of PHC	16,399,892	PDC, MoH	
Output 8C.2.2: Strengthened health system supply and demand	100,000,000	MoH	
Output 8C.2.3: Safe school re-opening and enhanced capacity of schools and education authorities	25,000,000	MoE	
SUB-TOTAL:	**141,999,892**		
GRAND TOTAL:	**2,172,851,023**		