



# Outcomes from a Child Focused Economic Strengthening Programme in Ethiopia

Adolescent Development, Protection and  
HIV/AIDS (ADPH), UNICEF Ethiopia

Douglas Webb, M. Robinson, A. Mah,  
F. Basaznew, K. Girmay, E. Terfassa,  
Z. Yohannes, K. Kefetew, F. Wakjira  
July, 2010

For every child  
Health, Education, Equality, Protection  
ADVANCE HUMANITY

unicef 

Under 5 Mortality Rate  
123/1,000 LB

Maternal Mortality  
670/100,000

11,598,000  
children under 5

6.2 million in need  
of food assistance

Population:  
78.9 million

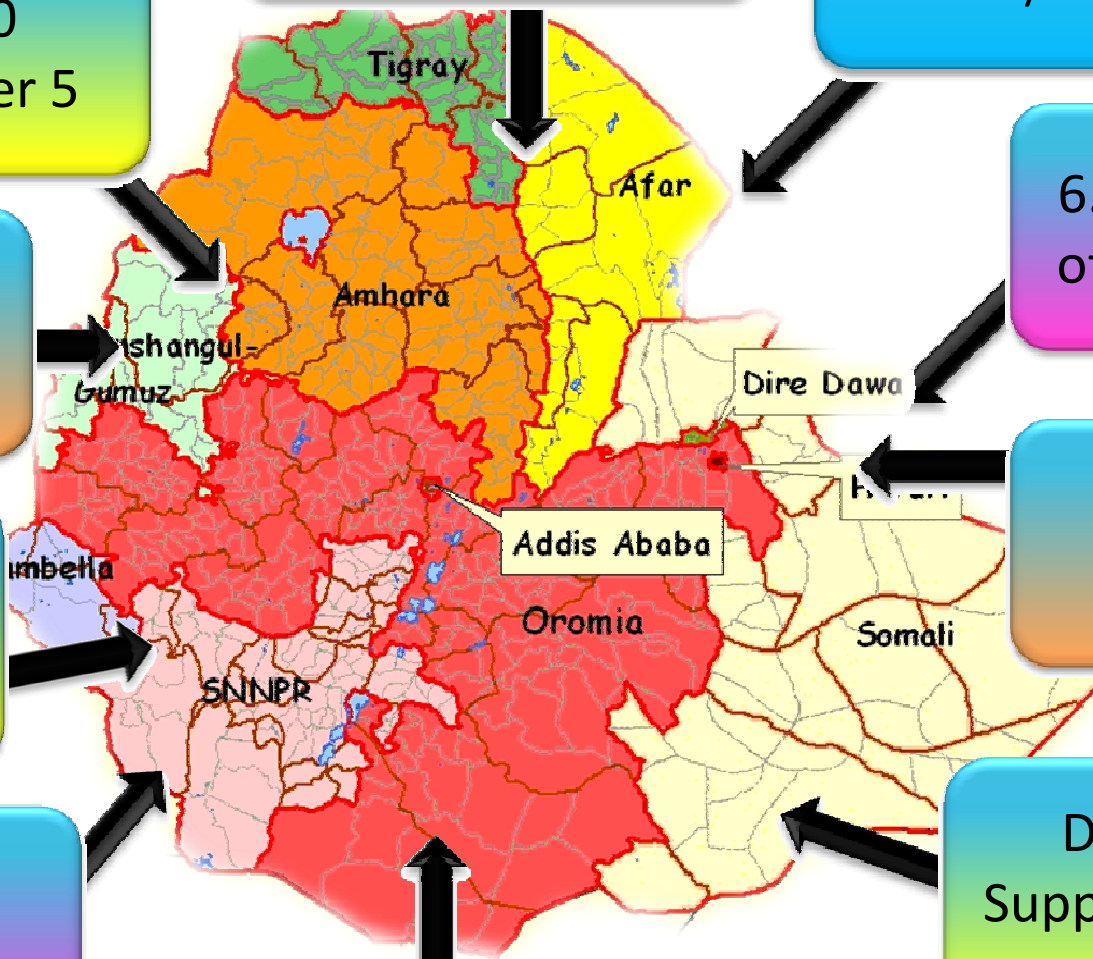
Est. 2.3% HIV  
prevalence

Severe Acute  
Malnutrition  
2.2%

Drinking Water  
Supply and Sanitation  
approx. 35%

GDP: US\$ 255.4  
per capita

39% living in  
absolute poverty



# Background

- The MoLSA (Ministry of Labour and Social Affairs) CT programme was piloted in Tigray and Southern Nations, Nationalities and Peoples Region in 2006. Now a national programme in every major urban area in every region.
- Each household is given an interest free microloan between the range of 1,000 ETB to 3,000 ETB (74-222USD) depending on the region, for either micro-business or livestock-raising
- Training on either running a small business or raising livestock is given for three days before the provision of cash
- UNICEF has secured an average yearly budget of USD 1.5 million to implement the *Addressing Vulnerabilities Programme* for the period 2007-2011
- 10,022 households are being reached as at March 2010, covering around 35,000 children

# Household selection

- Conducted by kebele child rights committee/verified by government staff
- Most of the selection is done in favour of double orphans either living alone or in foster care (usually grandparents or relatives), single orphans living in a female headed household and children cared for by bed-ridden or severely disabled caretakers.
- Categories of children who are at greatest risk of separation and are likely to face either institutionalisation or street/ sex professions.
- Concept of 'poverty' is applied to the current living conditions of the selected household, while the concept of 'vulnerability' is mainly applied to the risk of imminent separation between the caretaker and the child.
- No formal assessment or survey is carried out to conduct an initial screening of potential beneficiaries. No formal tool is used to measure poverty and vulnerability levels, only subjective judgments are made to assess the status of potential beneficiaries.

# Household portfolio

- The average dependency ratio in the households (n=110) is 6.2 exactly.
- Of these, 46% of children are the biological children of the main caretaker, 40% are grandchildren and the remaining are sons and daughters of relatives or fostered children from the community.
- An unknown proportion are AIDS affected

# Outcome questions/objectives

- What impacts on vulnerable households do micro-loans have?
- What systemic challenges does a public sector micro-credit programme face?
- Is the public sector the most appropriate manager of large scale micro-credit programmes targeting the most vulnerable?

# Available Programme Data 2007-2010

	# beneficiaries	%	# children reached	% Repayment rate	Daily income ETB	Monthly savings ETB (on average)	% OVC returned to school	% HHs now able to access health services	% HHs which increased the number of meals per day	% HHs which improved the housing condition
Female headed HH	7,775	88.0%	35,048  Average # of children per HH is 4	54%  (range of 5%-90%)  90% achieved after 18-24 months	27 ETB (2USD)  (range of 10-82 ETB) (0.7-6USD)	36.9 ETB (2.7USD)  (range of 10.5-122 ETB) (0.7-9USD)  *4.5% of monthly income goes to savings	43%  <b>Self reported return</b>	84%	81%	21%
Male headed HH	776	2.1%								
Female child headed HH	183	1.1%								
Male child headed HH	101	8.8%								
<b>TOTAL</b>	<b>8,835</b>	<b>100%</b>								

# Impacts on nutrition

- Outcomes in the area of food diversification, improved diet and number of meals per day are encouraging.
- The majority of interviewed beneficiaries were reporting just one meal per day before the commencement of the programme, made of mostly bread and *injera*, and complemented with some vegetables and the handouts that community members could give from time to time.
- Households are now having at least two meals per day and 74 per cent of them can afford three meals per day although some on an irregular basis.

# Impact on education status

In school 2006/7	Out of school	In school 2009/10	Out of school
55%	45%	90%+	2-12%

Anecdotal evidence that children's school performance also improved

Overall, some caretakers think that once the child has withdrawn from school and has "learned how to work, it would be not good for the child to go back to school". In other cases the micro-business established is not profitable enough to allow for all school-age children of a household to be sent back to school. Additionally, when the health of the main caretaker worsens, the older siblings are withdrawn from school "to learn the job before anything happens".

A precise calculation of enrolment rates before the programme started proved to be difficult due to caretakers not being sure about their children being of school age or not.

# Economic Outcomes

- Increase in beneficiaries' confidence by "empowering" them economically
- Some beneficiaries are thinking about applying for micro-finance institution's programme to expand their business
- Some families who were living in temporary shelters, have started to rent houses. Some of those who were living in dilapidated houses have renovated/improved them
- Correlation between % repayment and monthly savings
- Families' purchasing power has increased, allowing them to buy a greater number of goods and services
- Development of modern and innovative small business skills and saving habits (many have bank accounts)
- Successful repayment rate depends on the how well the follow-up mechanism has been established and capacity of regions (i.e. repayment rate is 70% for CT given in 2010 for an NGO in Addis, whereas it is only 55% for CT given in 2007 in SNNP)

# Social Outcomes

- Greater ability to pay monthly contribution for 'iddir's, become involved in other social activities, and increased opportunity for social inclusion and participation
- Greater confidence in their social interaction and developed positive self image
- Reduction in the burden of female headed households who had been engaged in tiresome work like collecting and selling fire wood, domestic work
- Increase in protection for children from isolation, abuse and different forms of exploitation
- Improvement of children's interaction with their peer groups
- Strengthening of family bonds (caring ability and willingness)

# Programme Challenges

- Mismatch between the available resources for CT and the number of needy vulnerable people
- The number of vulnerable children is increasing so becoming increasingly challenging to address all
- Eligible target selection suffers from individual bias and manipulation in some instances
- Low capacity of implementing partners to effectively implement, monitor and closely follow up the interventions (limited number of staff, shortage of vehicles, lack of communication facilities at *woreda* level (telephone, fax etc), and high staff turnover
- BOLSA is not well positioned to manage repayment and revolving funds unless supported by micro-finance

# Social Challenges

- Many beneficiaries who are affected by HIV/AIDS are not sufficiently engaged in their petty trade due to sickness and covering the cost of medication
- Global economic and financial crisis and the resultant escalation of prices- the loan provided is inadequate to run a business in some regions
- Traditional, cultural beliefs related to children and girls limit and negatively impact on their education and health (e.g. early marriage)

# Economic context challenges

- Lack of expertise to direct or coach beneficiaries on how to run small business and manage financial matters
- Absence of banking services and micro finance institutions in some of the woredas is challenging - funds transfer from Jijiga to woredas and encouraging beneficiaries to save some of their profits (Somali)
- Lack of specialised institutions to undertake training and following up cash transfer programme
- No clear guidance on the revolving fund exists in the region and it affects repayment hence other vulnerable HHs cannot benefit

# Outcome Lessons Learned

- Loans bring about significant changes in the lives of children especially on their education, food, health, social and emotional well-being
- Loans enhance the emotional and social well-being of the caretakers by improving their self-esteem/dignity and self reliance in addressing the needs and concerns of children under their care

# Operational Lessons Learned

- More assessment of economic viability is needed for income generation/livelihood engagement in order to increase loan return rate
- Micro finance institutions are needed to provide loans for low capital and labour intensive income generation schemes
- Local interns as monitors are highly valuable
- Importance of high level transparency and repeated cross checking of the selected beneficiaries
- Importance of working in partnership with schools so that they observe children of the beneficiary HHs in their school performance, daily interaction, socialisations and attentiveness.

# Operational Lessons Learned 2

- Local administrations involvement in the project facilitation improves project performance
- The community's active participation in project implementation contributes to the success of the program
- Loans will bring about more positive results if complemented by other interventions including psychosocial support, legal protection, life skills and empowerment
- Experience sharing visits have brought in new ideas and innovations
- Mixture of traditional support mechanisms and state intervention required
- Government ownership of social protection programmes should be strengthened – reliant on overcoming 'dependency fear'

# Future Plans

- Enhancement of government capacity to select and monitor families
- Index linked and (subsidised) interest rates
- Transfer of financial management to micro-finance institutions
- Enhanced focus on social welfare service provision and separation of functions
- Minimum package implementation in select woredas in four regions



# Thank you/Amaseganalu

Douglas Webb

UNICEF Ethiopia

Addis Ababa

[dwebb@unicef.org](mailto:dwebb@unicef.org)

Forthcoming:

Stephen Devereux, Sudhanshu Handa and  
Douglas Webb (2010) Social Protection for  
Africa's Children, Routledge, London