Ethiopia Economic Opportunities Program

November 5, 2025

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Program Overview

Key Data	
Project approval date	June 26, 2018
Project Effectiveness date	April 22, 2019
Closing date	August 31, 2025
Total Financing disbursed (IDA, Prospects and FCDO)	US$204.9 million
Implementing Agencies	Ethiopian Investment Commission Refugee and Returnee Services (RRS) Ministry of Labor and Skills (MoLS) Industrial Parks Development Corporation (IPDC)
Governance Oversight	Ministerial level Steering committee – Chaired by MoF and EIC

Program Development Objective

- **PDO:** To provide economic opportunities for Ethiopians and refugees in an environmentally and socially sustainable way.

- **Expected Outcomes:**
  1) Legal access to Economic Opportunities for refugees
  2) Economic opportunities created for Ethiopians
  3) Improved labor productivity and quality of jobs
  4) Improved fiduciary, Environmental and social safeguard systems

Program Components

Program for Results (PforR)	Investment Project Financing (IPF)
Results areas: (1) Legal rights to work for refugees (2) Improving the broader investment climate (3) Improving labor productivity and quality of jobs (4) Improving sustainability (5) Fiduciary System Strengthening (6) Environmental, Social Safeguards and protection system Strengthening	Components: (1) Capacity strengthening of implementing agencies (2) Program implementation support to Ethiopian Investment Commission/Project Coordination Unit (3) Advocacy, outreach and Communication (4) Demand driven technical assistance

Key Results

- Foundational Legal and institutional reforms to operationalize legal rights to work for refugees and enabled ambitious Government commitments
  - Refugee Law (Procl. No. 1110/2019),
  - Rights to work Directive No.1019/2024
  - RRS RegulationNo. 546/2024, etc.
- 28,796 - Rights to work issued for refugees – Resident Permits= 20,907, Work Permits = 6,604 and Business Licenses =1,285.
  - Mainstreaming of issuance of WP in MoLS Labor management system (LMS).
- 27,512 - Number of Ethiopians with access to economic opportunities (including # women and youth) in the targeted four industrial parks (Bole Lemi, Hawassa, Kombolcha and Mekele).
- Better labor management system - Better Work program implemented, and reports disclosed from 2020 – 2024.
- Percentage of refugee hosting communities with functional RRS local facilitation and support branches - 11 Local facilitation & Support Branches were established at Buramino, Melkadida, Tsore, Asayita, Alemwach, Logiya, Berhale, Mirqaan, Heigelle, Aftit and Ura.
- All Program intermediate and poutcome targets have been achieved.

Challenges

- Shift in policy prioritization – Within Government and co-financiers
- Delay in the operationalization of the issuance of work permits and business licenses for refugees delayed achievement of results.
- Executive agencies institutional reorganizations and frequent leaderships change
- Novelty of instrument required a lot of learning from Implementing Agencies
- Delay in planned technical assistance and communication support due to unanticipated funding shortfall.
- Mainstreaming and institutionalization of certain results and system remain a concern -such as fiduciary, environmental and social sustainability mechanisms.

Lessons

- While generating investment and creating jobs are usually government wide priorities, economic inclusion of refugees requires strong leadership and institutions.
  - Political will is a key driver on policies to manage forced displacement.
  - Alignment of policies and institutional incentives are critical to meaningfully implement and bring real change to communities affected by forced displacement.

- As a pioneer and policy-oriented program, it had to calibrate many times to address emerging issues, changing priorities and institutional needs.
- Institutional ownership, leadership and commitment have been a key driver for the results.
- In hindsight, more effort could have been made to make the case to address demand side constraints and support the private sector to create the opportunities to complement the access interventions (IPF TA).
- Communication, communication and communication.

Result Areas

Result Indicators	Unit of Measure	Base line	Actual Cumulative status as of August 31, 2025	End Target August 31, 2025	Remark
Program Development Objective Indicators					
PDO Indicator 1: Number of refugees with access to economic opportunities	Number	0	28,796	26,000	• 28,796 Rights to work issued for refugees • Resident permits = 20,907, work permits=6,604 and business license=1,285
PDO Indicator 2: Number of Ethiopians with access to economic opportunities (including # women and youth)	Number	0	27,512 (F=23,386)	25,000	• The number refers to the net jobs, determined by deducting the number of resigned employees from the total new workers employed in the 4 IPs (Bole lemi, Hawassa, Kombolcha and Mekele). • The net jobs distribution by IPs: Hawassa IP (13,013), Bole Lemi IP (9,686), Kombolcha IP (2,396) and Mekelle IP (2,417). The jobs were generated by the new and existing companies that benefit from the targeted investment facilitation undertaken under the program
PDO Indicator 3: Annual disclosure of Better Work synthesis compliance report	Yes/No	No	Yes	Yes	• Annual Better work reports for 2020, 2021, 2022, 2023 and 2024 were disclosed, independently verified and confirmed by the WB.
PDO Indicator 4: Percentage of refugee hosting communities with functional RRS local facilitation and support branches	Percent	0	100	80	• 11 Local facilitation & Support Branches were established at Buramino, Melkadida, Tsore, Asayita, Alemwach, Logiya, Berhale, Mirqaan and Heigelle. Aftit and Ura.
Intermediate Result Indicators					
IR Indicator 1.1: Promulgation of the new proclamation on refugees by the Parliament	Yes/No	No	Yes	Yes	• The proclamation was promulgated on February 27, 2019.
IR Indicator 1.2: Number of Business Licenses issued for refugees by December 31, 2024	Number	0	1,285	500	• Of the total BLs issued (1285), 239 and 1046 were verified & confirmed in EFY 2015 (2022/23) and 2017(2024/25) respectively.
IR Indicator 2.1: Signed MoUs in industrial parks supported by the Program	Number	3	76	76	• The MoUs were signed between EIC and investors who are undertaking new investment in the IPs supported by the program. The investors include both foreign & local. The sectors supported by the MoUs include garment, food processing, footwear, meat and vegetable processing, electric material assembly, automotive
IR Indicator 2.2: Targeted investment facilitations by EIC	Number	250	9,142	8,382	• The investment facilitation activities include: (i) site visits arranged for investors; (ii) processed visas; (iii) documents prepared on behalf of investors (MoUs, lease agreements); (iv) licenses issued; (v) aftercare provided resulting in successful resolution.

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IR Indicator 2.3: Amend the forex retention policy and change in the debt equity ratio for investors to facilitate and attract investment	Yes/No	No	Yes	Yes	• The GoE has made a series of amendments on forex retention policy, particularly after the amended directive No. FXD/48/2017 was reported as EOP result.
IR Indicator 2.4: An investment promotion strategy adopted by EIC	Yes/No	No	Yes	Yes	• The strategy is actively used
IR Indicator 2.5: Number of Business to-Business (B2B) matches between suppliers and buyers in export sectors	Number	5	54	54	• The B2B companies are mainly in the textile sector, printing, packaging & catering services
IR Indicator 3.1: Environmental standards and guidelines for industrial parks developed	Number	0	1	1	• The environmental standards and guidelines for industrial parks were developed in 2020 & are in use.The guidelines are primarily focused on ensuring sustainable development and minimizing negative impacts on the environment and surrounding communities.
IR Indicator 3.2: Ethiopian Investment Board decision made on feasibility study of private sector-led participation in Bole Lemi I, Hawassa, Mekelle, & Kombolcha IPs	Number	0	5	5	• Five feasibility studies were conducted and endorsed by the EIB. The hematic areas for the five feasibility studies include: i) private sector participation in the provision of affordable housing in and around Hawassa Industrial Park ii)outsourcing labor sourcing to the private sector (Hawassa IP); iii) outsourcing Industrial Parks management to the private sector (Hawassa IP); iv) outsourcing Skill development to the private sector for Kombolcha IP and v) private sector participation in the provision of affordable housing in and around Bole Lemi L Kombolcha and Mekelle Industrial parks.
IR Indicator 4.1: Percentage of refugee hosting communities with functional grievance redress mechanisms in place	Percent	0	100	80	• 11 GRM committees were established in the all-refugee host communities where LFSBs established • The grievances and appeals committee consist of various sectors including Education, Health, and Nutrition, WASH, Livelihood, Protection, Child and SGBV, Shelter, and Environment sectors
IR Indicator 5.1: A formal domestic MoU is signed between FEAAC and the Office of the Attorney General to formalize their cooperation and sharing of information on fraud and corruption allegations, investigations and actions taken on the World Bank-financed projects and programs for FEACC to meet the requirement of the external MoU signed with the World Bank's INT.	Yes/No	No	yes	yes	• The FEAAC has conducted verification at the 4 implementing institutions and industrial parks and reporting on fraud and corruption allegations, investigations and actions taken to the Bank on bi-annual basis. • The verification shows the complaint handling mechanism including recording and reporting of complaints at the industrial parks need to be improved

Result Framework

Result Indicators	Unit of Measure	Base line	Actual Cumulative status as of August 31, 2025	End Target August 31, 2025	Remark
IR Indicator 5.2: MoLS, EIC, RRS and IPDC establish system of recording, reporting and information sharing for handling maladministration, procurement, and corruption complaints (including compiled reports on complaints	Yes/No	No	Yes	yes	• All implementing institutions have a responsible directorate and adopted mechanism like suggestion box for recording and reporting maladministration, procurement & corruption complaints.
IR Indicator 6.1 (Citizen Engagement): Share of workers reporting satisfaction with their workplace condition in the existing industrial parks	Percent	0	50.5	44	• The worker satisfaction study was conducted in 2024 by EIC and the satisfaction level was reported as 44.5 percent. • Recently (in 2025), as part of the ICR, the workers satisfaction survey was also conducted, and the satisfaction level was reported as 50.5 percent.
IR Indicator 7.1: Number of project beneficiaries reached by jobs-focused World Bank Group interventions (industrial park workers, refugees out of camp, and enterprises	Number	0	56,308	51,000	• The status refers the sum of the number of refugees accessed economic opportunities indicated at PDO indicator 1 (28,796) and the net jobs created for Ethiopians indicated at PDO indicator 2 (27,512).