

Urban Livelihoods Learning Paper

CONCERN
worldwide

ENDING
EXTREME POVERTY
WHATEVER
IT TAKES

Main lessons learned in Year 1 of Concern Worldwide's experience in Ethiopia as part of the KOICA programme

Urban Livelihood Improvement: Developing vocational skills through private sector engagement.

Context

Ethiopia has a population of approximately 132 million people, making it the 10th most populous country in the world. The percentage of the population living below the poverty line has decreased from 30% in 2011 to 24% in 2016, indicating progress in poverty reduction¹. However, recent issues such as the COVID-19 pandemic, the 2021 Northern conflict, and the 2023 Amhara crisis, along with the declaration of a state of emergency, have led to nationwide security concerns, displacement, unemployment, and inequality. These challenges have had a detrimental impact on the socio-economic development previously achieved.

According to the 2023 International Organization for Migration (IOM) Migration Report, between November 2023 to January 2024, over 3.14 million people were displaced primarily by conflict (68.7%) and drought (16.5%). The rapid influx to Ethiopia's cities has made labour issues a prominent urban problem with the government estimating an increase of over 2 million people annually into the labour market². Furthermore, an inappropriate support system has led to an imbalance between labour demand and supply, especially in Addis Ababa where the 2022 unemployment rate was high and demonstrated a significant gender gap, with women experiencing a rate 1.5 times higher than men. As a result, rapid urbanization has led to the expansion of informal settlements around urban centres, exacerbating the vulnerability of marginalized women who have been neglected. They face unemployment, insufficient income activities, poor living conditions, and reduced access to basic services. In addition, immigrants often leave behind their support systems and settle in unfamiliar environments, making it even more challenging to secure the necessary resources for their livelihoods, such as initial assets and job skills.

Programme Overview

The KOICA (Korea International Cooperation Agency) funded urban livelihood programme (April 2024 to December 2026) was developed based on a multi-sector context analysis. It is the first project in many years to be implemented in the urban context of Ethiopian capital city of Addis Ababa by Concern, with a population of 5,956,680 according to World Population Review report³. The programme is being implemented in two sub-city administrations; Yeka and Kirkos, located in the peripheries of urban centres with numerous informal settlements, and inadequate urban infrastructure such as clean water, electricity supply, and waste management.

¹ This information is from the World Bank's Poverty & Equity Brief (2023), and the 2015/2016 data is the most recent data available for measuring the poverty line. In addition, the Global Hunger Index, which measures malnutrition, child stunting, child underweight, and child mortality, has decreased from 53.6 points in 2000 to 27.6 points in 2022.

² Ethiopian Job Creation Commission (2019)

³ [Addis Ababa Population 2025](#)

The programme aims to:

1. Increase job opportunities through skill development training with private sector engagement for urban extremely poor women and youth.
2. Promote self-employment for urban extremely poor women and youth opportunities through market-driven start-up support.

In Ethiopia, according to the 2022 government statistics analysis, the female unemployment rate is 1.5 times higher than that of males (27.7%) nationwide, resulting in exacerbated limited income opportunities. As stated by the Global Gender Gap Report (2023)⁴, Ethiopian women have lower educational opportunities compared to men (85.4%), and wages are low (66.1%). Considering the statistics of urban jobs, the rate of skilled workers is 34.3%.

In the programme's identified sub-cities of Yeka and Kirkos, 1,200 households, as per the baseline study, are estimated to be living in conditions of extreme poverty with the programme objectives closely aligning with the three core criteria of Concern's 'Poverty Vulnerability Index': assets, inequality, and vulnerability. Consequently, the programme aims to support 50% of this identified population in the marginalised areas which are not supported by the Ethiopian government due to resource limitations. 600 households will be supported over the three-year implementation period, targeting 200 households each year, 85% headed by women.

The participants are now currently engaged in various businesses including petty trading, coffee and tea-making, and the sale of vegetable produce because of the programme. However, following a comprehensive labour market assessment for marginalised women and youth, areas of vocational skills training were also identified including garment manufacturing, beauty therapy, and food preparation, through two Technical and Vocational Education and Training (TVET) colleges.

The Approach

The programme prioritises poverty alleviation at the forefront to ensure social protection for extremely impoverished women and unemployed youth residing in urban informal settlements. Based on an assessment of the capabilities of participating households and an analysis of the labour market, Concern is utilizing two primary approaches:

1. Expanding employment opportunities for marginalised women and youth through vocational skill development engaged with the private sector.
2. Enhancing tailored start-up opportunities based on the analysis of market demand.

Concern is achieving these through the establishment of partnerships between the government, private enterprises, and participants, offering skill training and apprenticeships to enhance the stability of employment and entrepreneurship. The programme also collaborates with community-based savings and credit cooperatives and microfinance institutions, integrating them into the social-economic system to enhance social protection. In conclusion, impoverished women and youth from the most vulnerable society will gain opportunities to generate income in the formal sector, improving their livelihoods and contributing to an overall enhancement in their quality of life. Moreover, by strengthening capacity of a broader financial ecosystem, the project also contributes not only to the economic empowerment of individuals but also to reducing inequality and fostering the socio-economic resilience of the entire community.

Based on the preliminary research, key factors that hinder the livelihood and quality of life for urban populations in extreme poverty include prominent factors such as social inequality, limited access to basic services, and insufficient

⁴ [Global Gender Gap Report 2023 | World Economic Forum](#)

income. Among these factors, when compared to the current urban labour market conditions, the following situations were identified:

- Vulnerability of programme participants
- Unemployment and restricted job opportunities in urban context.
- Limited alternative income generating activities.

Based on the identified vulnerabilities during the analysis, the programme was designed as an urban-based livelihood support intervention. The preliminary assessment revealed that similar project approach largely focused on entrepreneurship promotion, with activities centred on TVET training and business start-up support.

However, it was observed that existing programmes faced challenges in linking participants directly to employment after completing technical training. To address this gap, the wage-employment modality of our programme, which links to 'Expanding employment opportunities', was designed to ensure a more practical transition. Participants complete short-term vocational trainings aligned with marketable skills, followed by on-the-job training (or apprenticeship) with private companies where prior job placement discussions were conducted. This approach aimed to facilitate a smoother pathway into employment and income generation.

The partnerships with small and medium-sized private enterprises, identified during the initial assessment, played a significant role in enabling this linkage. By supplying trained labour to these small and medium-sized enterprises, the programme not only supported the business operations of these private partners but also contributed to strengthening their operating capacity and fostering a more sustainable job-providing environment in the long term.

For the self-employment modality, which leads to the 'Enhancing tailored start-up opportunities' approach, the programme participants who were unable to acquire employable skills or who sought alternative income opportunities through entrepreneurship. Depending on whether participants had prior experience in self-employment, they were guided to develop business plans, complete relevant entrepreneurship and financial management training, and subsequently receive start-up capital support. In addition, to promote income generation through petty trading, recognised as one of the main livelihood options in urban areas, the programme collaborated with city-administrative market organisers. This partnership provided access to income generating spaces, thereby addressing the common barrier of limited capital that often prevents participants from securing a stable location for income activities.

Lessons Learned and Recommendations

1. Project Design

Training Programme and Strategic Field Adjustments: Initially, the pre-assessment suggested construction and manufacturing as the strategic training sectors. However, based on a labour market analysis and participant evaluations, the focus was shifted to manufacturing and services. Given the project's design, which incorporates annual labour market assessments and participant evaluations, sectoral adjustments may continue in the future.

Importance of Apprenticeship and Employment Linkages: Following the first year of the programme it was observed that training environments for beauty salon services and food preparation were not as well developed as expected and will therefore be replaced with alternative training areas including leather goods production, plumbing electrical installation, greenery and landscaping.

Even though these lessons were already considered during the planning stage and reflected in the Year 1, we may also consider the following points reflecting the project's broader impact and the evolving external context:

Assessment of opportunities available: When selecting participants for the subsequent year, in addition to considering individual aptitudes and preferences, it is crucial to assess the actual availability of practical training and employment opportunities. This will require careful selection of vocational training centre curricula to ensure alignment with market demand.

Proactive Consideration of Green Approaches and Green Jobs: These concepts were considered during the project initiation stage. In May 2024 discussions were held with the Ethiopia office of the Global Green Growth Institute (GGGI)⁵ regarding a long-term partnership on green jobs. Although green jobs were not included in the first year of the urban livelihoods programme, they have been incorporated into the second year, particularly in connection with ongoing urban redevelopment and landscaping projects.

Beyond technical skills development at TVET Centres, there is the potential to invite external experts to provide training in related fields such as landscaping which could create alternative income-generating and livelihood opportunities for job seekers and entrepreneurs. Those interested in entrepreneurship could leverage specialized training beyond the programme with organisations such as WISE (Women in Self Employment; a local NGO selected as a service provider by Concern to provide life and business skills training) to secure startup opportunities.

Identifying Potential Risks: Identifying potential risks is particularly important in the context of Addis Ababa, where multiple layers of vulnerability overlap. Monitoring results indicate that securing imported beauty training supplies and food ingredients remains a challenge. If procurement processes become subject to external factors, unexpected delays could pose a risk to the programme timeline.

Furthermore, during the first year of implementation, 9 programme participants were affected by the ongoing redevelopment of the city (corridor development), including displacement from their homes and the loss of livelihood spaces. To overcome this issue, Concern proposed a crisis modifier to mitigate major risks associated with displacement, for example, if a participant was engaging in the injera (Ethiopian flatbread) baking as their income generating activity, they were supported with an electric stove.

2. Programme Implementation

Based on the programme design, it is essential to identify appropriate participants and ensure stable implementation to achieve the intended objectives and carry out activities effectively:

2.1 Participant Selection

Programme participants selection processes: At the initial stage of the programme design, a baseline survey guided the decision to allocate 85% of the 200 places each year to women, reflecting the gender composition of vulnerable households in the target area. During the first year, the proportion of female participants exceeded expectations to 90% due to socio-economic factors, whilst the age distribution inclined towards older youth and adults. According to one of the in-depth interviews conducted during a field visit, middle-aged women appear to face additional barriers compared to their younger counterparts. For example, certain vocational trainings, such as tailoring, are preferred by younger participants due to issues such as deteriorating eyesight. Furthermore, even after completing training, older women often have fewer employment opportunities than younger participants.

The targeting was conducted following the below procedures:

⁵ [Ethiopia — Countries — Global Green Growth Institute](#)

- Training was provided to Complaint Response Mechanism (CRM) and Targeting Committees on project participants' selection modalities. These Committees are composed of community members, Government officials and experts from related organisations.
- Ketena⁶ level targeting committees held discussions with communities and provide list of potential; beneficiaries to woreda project participants' selection committee.
- Woreda project participants selection committee review and verify list of project participants.
- Compiled a list of potential project participants following a one-week advertisement of the programme in visible public places such as notice boards at government offices, community meeting areas and market areas.
- Together the CRM Committee and the Concern programme team received complaints, feedback and took corrective actions following training from Concern's Accountability team. There is a variation in the size of each CRM Committee corresponding with the size of the woreda, however on average it consists of 5 to 7 members. Corrective actions include examples of proposed participants relocating or those more financially stable than others.
- Woreda level workshops were conducted, to validate the selection process to ensure transparency, with participants of community members, government officials, project participant selection and CRM committees and other as required.
- Conducted home-to home validation visits to confirm the eligibility of the selected beneficiary in alignment with the project objectives.
- Compiled a final list of project participants confirmed following the completion of the entire selection process, which overseen by Concern Ethiopia MEAL (Monitoring Evaluation Accountability and Learning) team.

2.2 Delivery and Strengthening Community Partnerships

This programme is designed within the framework of public-private partnership, where diverse stakeholders and participants in the community play distinct roles. For activities to function effectively, it is essential to foster synergy across these partnerships and the roles defined within them. Key partners include TVET centres, which provide vocational training and job linkages; WISE, which supports business development for women entrepreneurs; and participants themselves, who demonstrate motivation and commitment while benefiting from various forms of support. Understanding the roles and implications of each is critical for the project's success.

- Defining and Expanding the Role of TVET Centres

TVET Centres should not be limited to providing technical education but should actively contribute to the project's core objectives; enhancing employability and expanding job opportunities for participants. Beyond supporting Competency of Certification (CoC) acquisition, TVET Centres should take on a long-term partnership role to improve livelihood opportunities, particularly in urban areas.

⁶ Ketena is the smallest administrative division in Ethiopia.

The assessment of capacity for TVET as well as Private Partners has provided valuable insights into partner capabilities and their alignment with industry demands. If the project team finds the survey and expert involvement beneficial, further collaboration such as additional labour market analyses may be considered in the second year.

- Mobilising Effective Community Partnerships

Sessions conducted by WISE are expected to generate positive synergies that contribute to the overall success of the project. For trainees participating in vocational training, it was noted that participants had not received sufficient training on workplace safety and gender-based issues. Accordingly, verification is needed to ensure these elements are integrated into next year's curriculum. Furthermore, it is recommended to collaborate with existing partners such as WISE might help effectively incorporate a gender-sensitive approach, including measures to address GBV.

- Ensuring Consistent Engagement and Building Sustainability Through Accountability Mechanisms

During the first year of training, we observed several dropouts. Some participants failed to obtain certification, while others faced personal challenges such as health issues, caregiving responsibilities, or economic hardship. Learning from this experience, the project team incorporated additional measures such as signing informal agreements (each participant, Concern and government office) to ensure mutual accountability and responsibility over the project. Also, immediately before the final stage of the participant selection process, instructors from the TVET centre were invited to conduct an orientation session in advance. This session aimed to broaden participants' understanding of the training topic and curriculum planned for the year, provide clarity on the overall direction of the programme, and stimulate their interest and expectation while fostering appropriate attitudes before the training began.

Given that participants change each year and only receive support during a one-year engagement, it is recommended that structured performance tracking mechanisms be established for former participants. These could include regular follow-ups, peer networking opportunities, and joint workshops with similar initiatives. Individualized agreements could also be introduced between Concern Worldwide and each participant in the second-year intake to enhance accountability through clearly defined roles, responsibilities, and mutual expectations.

Testimonials

Case study 1

Hawa is 31 years old and lives in Yeka with her husband and 2 young children. For the past 4 years Hawa has been making coffee, however the business was very school with limited workspace, a lack of equipment and difficulties in managing her time to take care of her children and make food for the family.

"Since participating in Concern's programme I have seen a big difference in my livelihood options with a cash grant allowing me to scale up my old coffee selling business and allow me to expand into soup, sugar and bottled water. Now I have all the equipment I need for my business. I am also part of an equb (a traditional savings group), which helps me save money regularly and as a result I have gained financial freedom. I can now feed my children and take part in social activities such as weddings and gift-giving, which makes me feel more connected to my community. One of the most valuable things I have learned has been how to manage my finances. Before, I earned a maximum of 300 birr per day, but I didn't track my income, expenses, or savings, I just



Programme participant Hawa and her young child preparing her coffee business. Photo: Min Hee Lee/Concern Worldwide

spent the money as it came in. Now, I have all the equipment I need for my business. I am also part of an equb (a traditional savings group), which helps me save money regularly and as a result I have gained financial freedom. I can now feed my children and take part in social activities such as weddings and gift-giving, which makes me feel more connected to my community.

One of the most valuable things I have learned has been how to manage my finances. Before, I earned a maximum of 300 birr per day, but I didn't track my income, expenses, or savings, I just spent the money as it came in. Now, I understand the importance of putting money aside and budgeting. Now I earn up to 500 birr per day. Daily, I am saving 250 birr through equb, depositing 150 birr into my personal savings, and using the remaining 100 birr for my children's needs."

Case study 2

Meseret is 52 years old and lives in Kirkos with her sister and 3 children. Meseret spent 12 years in Dubai working as a maid but came home to Ethiopia and ran a small cosmetics business. Unfortunately, the shop was suddenly demolished due to a local construction project.

"The process happened so quickly that I didn't even have time to collect payments from my customers. As a result, I lost my livelihood and remained unemployed for 2 years. Thankfully I was selected to be one of Concern's programme participants for vocational skills TVET training. It has been incredibly helpful, allowing me to gain valuable knowledge and hands-on experience in clothing repair and garment making. This is the first time I have been introduced to this field, and I am truly happy to be learning these new skills."



Programme participant Meseret at a TVET centre.
Photo: Min Hee Lee/Concern Worldwide