

# Mitigating the socio-economic impacts of COVID-19 in Ethiopia, with a focus on vulnerable groups

## Policy Brief



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# 1 Key messages

*The overall macroeconomic impact of COVID-19 will be severe and could have long-lasting consequences on human development; protecting expenditure on social sectors is therefore crucial.*

The slowing down of the economy due to COVID-19's impact on key sectors for the country could, in the worst case, force the government to consolidate its expenditure. Cuts to key social sectors like health and education could be highly detrimental for the medium to long-term economic development of the country, potentially putting at risk development gains achieved recently by the country.

*Several segments of the population are vulnerable to health shocks resulting from COVID-19.*

Beyond the effects of the disease itself, the consequences of the pandemic extend into many other health aspects. This includes limiting access to healthcare, suspending routine health services, and negatively impacting people's psychosocial wellbeing. Amidst the many groups that are vulnerable to these shocks, frontline health workers are worthy of note as they are most likely to contract the disease and they also face challenges accessing adequate personal protective equipment. Protecting healthcare workers is also fundamental for preserving the healthcare system's capacity in the near and medium term.

*COVID-19 does not impact all social groups in the same way, which raises the risk of increased inequalities and social exclusion.*

The welfare and wellbeing of the populations that are already socially and economically excluded is particularly likely to be affected. Inequalities such as those present between sexes, urban and rural areas, wealthy and poor, or ethnic groups, are likely to widen. The good functioning of protection mechanisms that target the most vulnerable groups is crucial to ensure that no one is left behind. The constant monitoring of the spread of the disease and its consequences is also needed to ensure that the responses evolve accordingly.

*As a consequence of the economic slowdown, and the general health crisis, many households will face significant income shocks.*

This can come due to loss of employment, direct costs of the disease, or a drop in remittances. Urban populations working in the informal sector – a large part of whom are women – could be particularly affected. Consequentially, food insecurity and poverty are likely to increase. Social protection schemes like the UPSNP will be crucial for mitigating these impacts.

## 2 Introduction

### 2.1 Objectives and scope of the policy brief

The implementation of pro-poor policies, combined with accelerated economic growth over the last decades, has enabled the country to make remarkable progress in social indicators and the achievement of the Sustainable Development Goals (SDGs). The COVID-19 pandemic could derail the country's development path and put at risk the socio-economic gains the country has achieved.

This policy brief presents the results of two parallel pieces of analysis looking at the socio-economic impacts of COVID-19 on Ethiopia, with a specific focus on vulnerable groups. The first is an economic impact analysis of the crisis and the second is a socio-economic vulnerability assessment.<sup>1</sup>

The objective of the policy brief is to provide policy advice and assistance to the Government of Ethiopia and to UNICEF in responding to the COVID-19 crisis. This will be achieved by identifying the most vulnerable groups and settings, studying the implications of the socio-economic shocks stemming from the crisis, and providing recommendations for addressing its consequences, both in terms of policy options for decision makers, as well as practical actions that UNICEF can engage in.

### 2.2 Added value of the analysis

A number of studies quantifying the impact of the COVID-19 pandemic on the Ethiopian economy and assessing its effects on different groups have been already published including a comprehensive report by the United Nations and a analysis of the Planning and Development Commission.<sup>2</sup> This policy brief – and more specifically the two underlying reports that underpin its findings<sup>3</sup> – go a step further than these analyses. The macroeconomic analysis stands alone from the other economic analysis: while in other analyses, selected sectors are “switched-off” for a chosen time period, the model used here is more dynamic, extending the analysis to the demand side of the economy and through that to medium and long term development.<sup>4</sup> With regards to the vulnerability assessment, it is based on several rigorous steps. The first consisted of a review of existing literature on the health, social and economic-related impacts of COVID-19 and other infectious disease outbreaks in middle and low-income countries. This review led to an inventory of potential impacts of COVID-19, and its associated vulnerability and resilience factors. Guided by this inventory, data and information was collected on the situation in Ethiopia in order to assess the extent to which the impacts identified by the literature actually take place in the country, or are likely to take place because of the presence of the associated vulnerability and resilience factor. Data collection from documentary sources has been supplemented by interviews with UNICEF Ethiopia staff.

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<sup>1</sup> See UNICEF (2020), “COVID-19 – Socio-economic Vulnerability Assessment of Ethiopia”; and UNICEF (2020), “Socio-economic impact assessment of COVID-19 in Ethiopia”

<sup>2</sup> See United Nations (2020), “One UN Assessment: Socio-Economic Impact of COVID-19 in Ethiopia”, United Nations Ethiopia, 2020. And Planning and Development Commission (2020), “The Impact of COVID19 on Ethiopian Economic Growth”, April 2020.

<sup>3</sup> See COVID-19 - socio-economic vulnerability assessment of Ethiopia and Socio-economic impact assessment of COVID-19 on Ethiopia

<sup>4</sup> It is noted that it is expected that the Ministry of Finance will be able to use the model used for the socio-economic impact assessment and develop scenarios of its own. Training is planned to that effect.

## 3 Socio-economic impacts of COVID-19

### 3.1 The macroeconomic impacts

#### 3.1.1 Introduction

*Three scenarios have been developed in relation to developments in the global economy.* These three scenarios are, in order of severity, the baseline, pessimistic, and worst-case scenarios. These scenarios are not directly linked to the spread of the COVID-19 infection but relate rather to the global economy, as global economy developments are key to determine the extent of the economic impact on Ethiopia – more so than the extent of the disease. All scenarios incorporate the specific factor of the actual shutdown of the education sector (with its 3.4% share of GDP) – a factor that has been downplayed by other studies. According to the baseline (**optimistic scenario**), the recovery of the global economy is in line with actual studies (IMF and similar). Under the **pessimistic scenario**, the recovery of the global economy takes one year longer. Lastly, the **worst-case scenario** adds disruptions in local agricultural and construction sectors. In both the baseline and pessimistic scenarios, it is assumed that the resulting gap in government financing will not trigger fiscal consolidation that would negatively impact social sectors, namely the education and health sectors. The government will therefore be able to deal with the economic slowdown without the need to cut its expenditures and exacerbate the situation. In contrast, in the worst-case scenario, fiscal consolidation is triggered by the mounting budget deficit that is assumed.

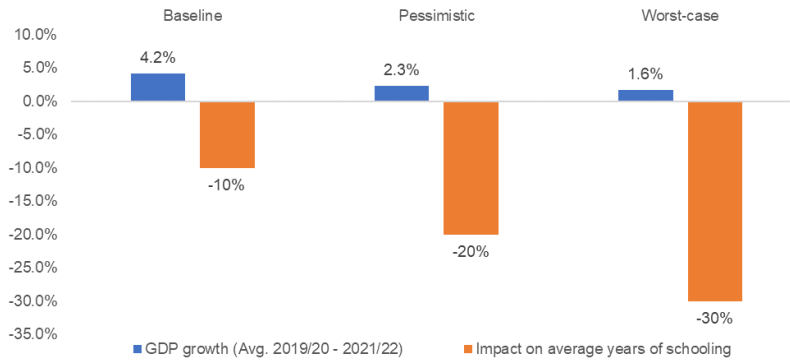
*Any analysis aspiring to assess the impact of the COVID-19 pandemic on measures of welfare, poverty and other social and health indicators must rely on macroeconomic scenarios.* The scenarios presented above consistently evaluate expected trajectories of key macroeconomic variables such as the real Gross Domestic Product and its components from the demand and production sides. This enables the assessment of fiscal space available for social programs, which loop back to measures of welfare and poverty. Falling GDP is not only reflected in a lower GDP per capita, but also in rising poverty. A lower GDP also implies a reduction in total government revenues and therefore a reduction in governments' ability to afford social programs.

#### 3.1.2 Results of the analysis

*Each scenario points to a relatively severe impact on GDP growth and government revenues*

For each scenario, the growth impact is split between the demand side and the supply side (potential output). The budget balance deteriorates on account of tax revenue losses and measures to mitigate the COVID-19 impact. The table below summarises the impact on GDP growth, government revenues for each of the three scenarios.

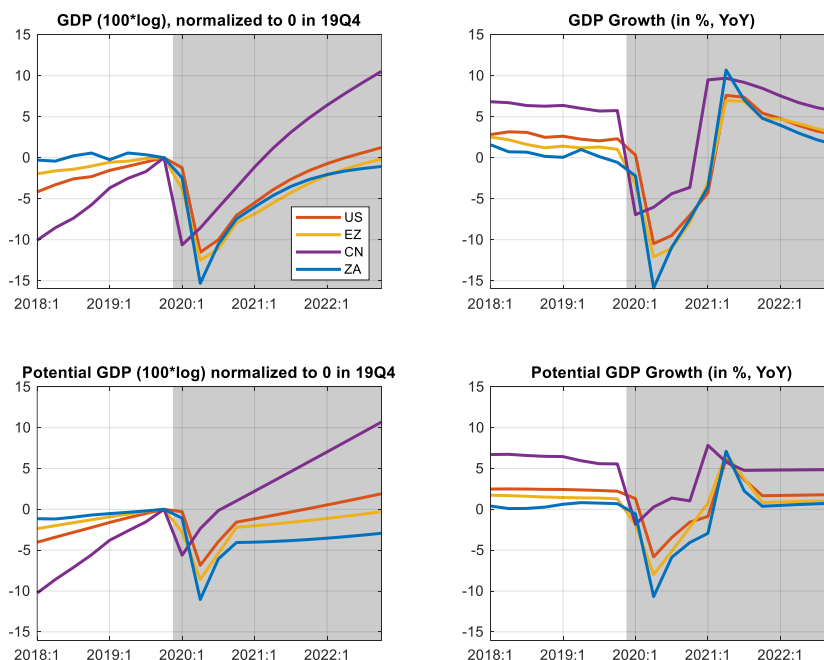
**Figure 1: Scenario comparison: GDP growth and impact on average years of schooling<sup>5</sup>**



Source: Author's calculations

*Under the baseline scenario, GDP growth would drop to only 1.7% in FY 2020/21 and would recover by FY 2021/22 (at 8.4%).* Under the baseline scenario, the economy is expected to grow by 2.4% and 1.7% in FY 2019/20 and FY 2020/21 respectively and return to a growth of 8.4% in FY 2021/22. While Ethiopia is hit by the global recession, the drop in GDP growth is far shallower in comparison to main trading partners; potential output recovers faster and continues growing at a higher growth rate. This is the consequence of the relatively limited openness of the Ethiopian economy, yet the drop in economic activity worldwide is significant enough to lower GDP growth in Ethiopia below 2% in FY 2020/21. Under this scenario, it is assumed that school dropouts as a result of school closure will cause a 10% decline in average years of schooling and that this will cause decline in the growth of the potential output by 0.15 pp. On the fiscal side, excluding grants, the budget deficit is expected to deepen to 6.8% of GDP in FY 2019/20, 6.3% of GDP in FY 2020/21 and stay elevated to 4.7% of GDP in the following three fiscal years.

**Figure 2: Baseline Scenario<sup>6</sup>**



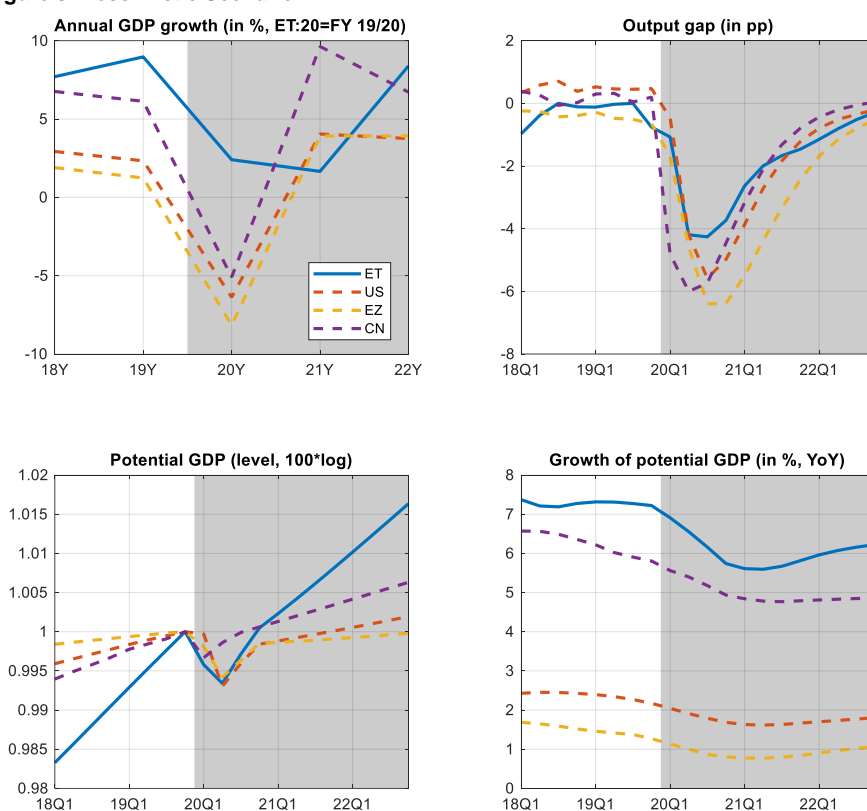
Source: Author's calculations

<sup>5</sup> The scenario results consider impact on average years of schooling as an illustration of the consequences of worsened economic performance on social outcomes, as this variable is key for the country's long-term economic potential.

<sup>6</sup> US: United States; EZ: Eurozone; CN: China; ZA: South Africa

*Under the pessimistic scenario, the drop in GDP would be more severe (-1.5% in FY 2020/21, and 6.3% in FY 2021/22), and the recovery longer.* The services sector will experience a much larger contraction (decline of 4.5% in FY 2020/21) due to larger global demand slump and slower global recovery, which will cut the activity of Ethiopian Airlines, lower tourism income and the flow of remittances. A deeper drop in GDP growth and a longer recovery of the Ethiopian economy will have a stronger negative impact on school dropouts and consequently average years of schooling, with stronger negative impact on future long-term growth. In comparison to the baseline scenario, higher school dropouts will lead to 20% decline in average years of schooling causing the future long-term growth to slow down by approximately 0.3 pp. The budget deficit is expected to reach approximately 7% of nominal GDP in FY 2019/20, 7.2% of nominal GDP in FY 2020/21 and to stay below 5% of nominal GDP in following years. Similarly to the baseline scenario, it is assumed that the budget deficit will be covered by a combination of new grants and loans from development partners and that the government will not be forced to consolidate its expenditure.

**Figure 3: Pessimistic Scenario<sup>7</sup>**



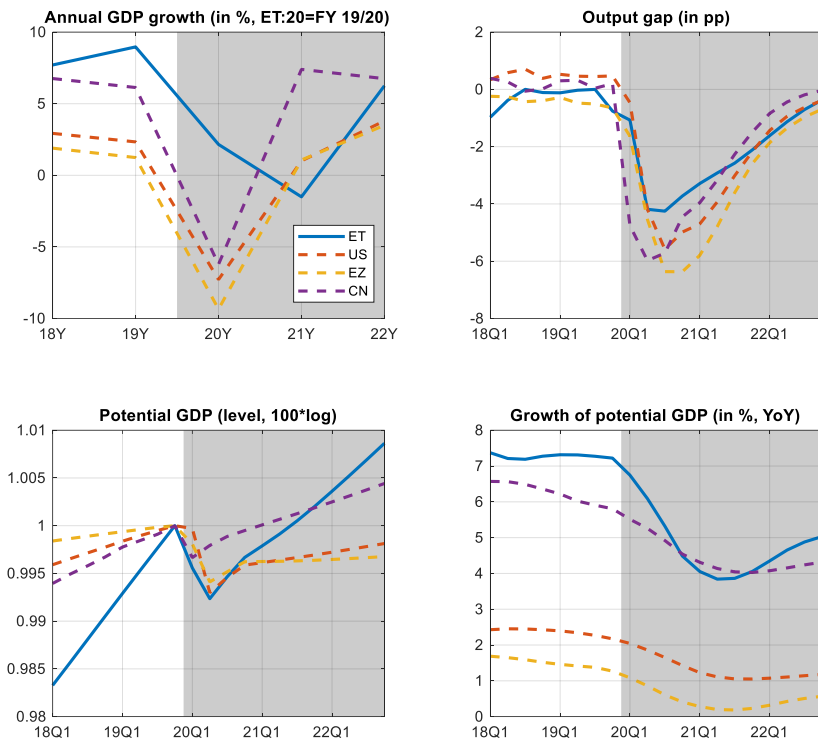
Source: Author's calculations

*Under a worst-case scenario, GDP growth would drop further (-2.7% in FY 2020/21, and 5.5% in FY 2021/22) and will be constrained for several years due to a permanent loss in the growth of potential output.* Under this scenario, the growth of potential GDP decelerates further through 2021 and GDP only slowly returns to a growth of approximately 6% several years after. There is a permanent loss in the growth of the potential output as it does not return to the pre-COVID-19 growth of between 7% and 8%. This is based on the assumption that the government does not take any active action to revert the increase in school dropouts and the corresponding decline in average years of schooling.

<sup>7</sup> US: United States; EZ: Eurozone; CN: China; ZA: South Africa



**Figure 4: Worst-case Scenario<sup>8</sup>**



Source: Author's calculations

*The impact of school closures on long-term growth will be significant across scenarios, especially in the case of expenditure consolidation (worst-case scenario).* Schools have been closed since March in Ethiopia, with potentially significant impact on schools drop out, future level of average years of schooling, and Ethiopia's economic development (text box 1 below discusses the impact of school closures on long-term growth). Quantification of the impact of school closures shows corresponding declines in average years of schooling due to dropouts. The scenario analysis highlights that fiscal consolidation (worst-case scenario) would have additional consequences for medium to long-term development, especially if it impacts expenditure on education and training. Under that scenario, it is assumed that the average years of schooling decline by 30% in coming years, causing a decline in long-term growth of 0.5 pp. Any further cut on education expenditure in this area would further exacerbate the problem.

**Text box 1: the impact of school closures on long-term growth**

A decision taken by a household about children either attending school again once they reopen or dropping out to help parents in the fields is actually a decision about investment in human capital, which has an impact on future growth prospects. This is especially critical in developing economies. It has been recognized that even relatively short-lived breaks in education processes have significant negative consequences for the future.<sup>9</sup> It is clear though that, despite the fact that teachers are being paid, the value added of the sector, i.e. the service of educating children, is not being created. While the immediate impact on GDP may not be visible from the perspective of national accounts, the medium and long-term growth prospects will be affected through the negative impact on the accumulation of human capital. Existing empirical evidence shows a clear link between the average years of schooling and the growth of total factor productivity.

<sup>8</sup> US: United States; EZ: Eurozone; CN: China; ZA: South Africa

<sup>9</sup> Latest data on education published by the Ethiopian Ministry of Education (Education Statistics Annual Abstract 2011 E.C. (2018/19) shows worsening of school drop-offs in recent years and closure of schools is probably cause further worsening of recent trends.

### 3.1.3 Key messages

*The severity of the global recession driven by the COVID-19 pandemic will cause a significant slowdown of the Ethiopian economy in the coming years.* It is almost certain that GDP growth will drop to below 3% in FY 2019/20 and there is a high probability of close to zero or even negative growth in FY 2020/21. Even if the key sectors of agriculture and construction remain relatively unaffected and the immediate damage appears to be controlled, there are medium to long-term effects that may prove more serious than actually thought, such as the impact of school closures.

*The slowing down of the economy will have a negative impact on government revenues which, together with approved measures on the expenditure side, will drive the budget deficit* (excluding grants) in the range of 6-7% of nominal GDP in FY 2019/20 and FY 2020/21. A budget deficit of this size is difficult, if not impossible, to finance issuing new domestic government debt. In order to lower the deficit (including grants) to the number expected by the latest IMF forecast (and IMF programme), the government needs to secure additional grants or concessional loans of approximately 1.5% of nominal GDP in FY 2019/20 and 2-3% of nominal GDP in FY 2020/21. Otherwise, it may be forced to consolidate its expenditure by approximately the same amount.

*Fiscal consolidation would have additional consequences for the medium to long-term economic development of the country, especially if it impacts expenditure on education and training.* Schools have been closed since March with potentially significant impact on school dropouts, future level of average years of schooling, and Ethiopia's economic development. Real-time evidence already shows that the crisis has real effects on children, including increases in child marriages, sexual violence, as well as intimate partner violence and violence against children. Any cut to expenditure in this area would exacerbate the problem.

*Overall, the assessed impacts are far more serious than envisaged in other analyses published earlier, including the IMF forecast update.* The closure of the education sector has a significant impact on long-term economic growth and must, as such, be properly included in any economic analysis. As a result of slower economic activity, the financing gap in the government budget will also be wider than expected. The government should put maximum effort in securing additional grants and concessional borrowing to prevent consolidation on the expenditure side of the budget. Should the consolidation become inevitable, the government should restrain from cutting expenditure in the education sector. This is further discussed in the recommendations section.

## 3.2 The direct health, welfare and economic impacts on the Ethiopian population, with a focus on vulnerable groups

### 3.2.1 Health impacts

#### Summary assessment

Ethiopia appears highly vulnerable to the following potential impacts on health (beyond COVID-19):

- **Reduced access to healthcare**, especially for people affected by the disease, elderly people, people already subject to stigma;
- **Interruption of and lower access to vaccination and other preventative care services**, especially for those living in areas prone to disease outbreaks;
- **Reduced access to sexual and reproductive healthcare**, especially pregnant women, and children in street situation, as well as those in institutions such as temporary shelters or orphanages;

- **Deteriorated mental health and psychosocial wellbeing**, in particular populations living in unstable living conditions, such as refugees, IDPs, children in street situation, children on the move, and children (and adults) living in institutions;
- **Reduced access to WASH**, especially populations who lack access to safe and reliable water, such as refugees, IDPs, and other populations on the move, as well as those living in informal urban settlements.
- **Worsened child nutrition outcomes**, in particular communities that already food insecure, populations in border areas, as well as those with precarious living conditions, such as refugees, IDPs, people on the move, and children in street situation.

In addition to the groups mentioned above, people with lower incomes, those living in rural areas, those living in informal settlements in urban areas, and those with pre-existing conditions such as disabilities or chronic illnesses are most vulnerable across all negative health impacts.

Health		
Healthcare access	Vaccinations and other preventative care	Sexual and reproductive health
<b>High</b>	<b>High</b>	<b>High</b>
Mental health and psychosocial support	Access to WASH	Child nutrition outcomes
<b>High</b>	<b>High</b>	<b>High</b>

### Key messages

*A large percentage of the population is vulnerable to the health-related consequences of the pandemic.* These includes the potential loss of access to healthcare, interruption of routine services, and deteriorated mental health, reduced access to WASH, and worsened nutrition outcomes. Children in particular are vulnerable, with 68% of children considered deprived of basic healthcare services.<sup>10</sup> This is strongly associated with higher risk of child mortality, especially in rural areas. Availability of skilled health workers also lags behind (<8 per 15,000 inhabitants in emerging regions compared to an SDG target of 44.5)<sup>11</sup>, which is an indicator for the limited carrying capacity of the health care system. Furthermore, when care is physically accessible and available, it can still lead to impoverishment as out-of-pocket expenditures remain high and many families cannot afford treatment.

*Despite gains in recent years, Ethiopia's health outcomes continue to lag behind across many dimensions.* To name some, basic vaccination coverage remains at 43.1% (21% for children in the lowest wealth quintile), with a large proportion of vulnerable children dying due to vaccine-preventable diseases.<sup>12</sup> 59% of children are deprived from safe drinking water and diarrhoea remains the leading cause of under-five mortality in the country.<sup>13</sup> Almost half of women had access to skilled birth delivery (only 22% of those in the lowest health quintile) and contraceptive use among sexually active 15-19 year old women was only 7.4% in 2016.<sup>14</sup> Lastly, child malnutrition is estimated to contribute to over 50% of all infant deaths in Ethiopia, and chronic malnutrition is estimated to affect 37% of children under five years old.<sup>15</sup>

<sup>10</sup> Central Statistical Agency, and UNICEF. "Multidimensional Child Deprivation in Ethiopia: First National Estimates," 2016.

<sup>11</sup> Woldemichael A, Takian A, Akbari Sari A, Olyaeemanesh A (2019) Availability and inequality in accessibility of health centre-based primary healthcare in Ethiopia. PLoS ONE 14(3): e0213896. <https://doi.org/10.1371/journal.pone.0213896>.

<sup>12</sup> Ethiopian Public Health Institute, Federal Ministry of Health. "Ethiopia Mini Demographic and Health Survey," 2019.

<sup>13</sup> UNICEF. "Water, Sanitation and Hygiene (WASH)." Accessed May 14, 2020. <https://www.unicef.org/ethiopia/water-sanitation-and-hygiene-wash>.

<sup>14</sup> UNICEF and Ministry of Finance. "National Situation Analysis of Children and Women in Ethiopia," 2019."

<sup>15</sup> Ibidem.

*Therefore, while COVID-19 is a priority in the short run, maintaining access to other health services is as important for health outcomes in the medium term.* The pandemic has negatively affected the continuity of health services, for example through the suspension of vaccination campaigns. This has, in turn, increased the risk of outbreaks of other diseases. Similarly, uptake of health goods and services have also declined. For example, there was an 8.6% decrease in children treated for pneumonia compared with previous eight-month average and HIV tests decreased by 18,000 compared to the previous 3 years' average.<sup>16</sup> Moreover, the impact of COVID-19, and the desert locusts, has also led to an increase in severe acute malnutrition of 20% on average between January and February 2020.<sup>17</sup>

*Children in certain groups are particularly vulnerable to COVID-19-related impact.* As highlighted above, households in the lower wealth quintiles do not have as much access to key health services as their better off peers and have therefore worse outcomes in key variables like child mortality, malnutrition, and general deprivation. This, in turn, makes them more vulnerable to shocks resulting from the COVID-19 pandemic. Income poverty and low wealth is correlated with populations in unstable living conditions, such as refugees, returnees, internally displaced people, children in street situation, and children on the move. Furthermore, populations living in rural or remote areas are more vulnerable to these shocks as they have fewer economic opportunities and often lack access to basic health services and adequate WASH. Similarly, people living in informal urban settlements are highly vulnerable. Besides monetary poverty, inhabitants in these areas live in close proximity with each other and often lack access to adequate WASH services, which puts them at a higher risk of contracting coronavirus. High population density in these areas also raises concerns of the potential collapse of health facilities during the pandemic, disrupting service access for this population.

*Besides access to health services, living conditions are also key for determining health outcomes.* Having access to adequate WASH infrastructure, such as safely managed drinking water, piped water and sewage are key resilience factors. Similarly, having the ability to self-isolate is key in preventing contagion. On the contrary, populations living in close quarters or who lack access to reliable WASH infrastructure – such as refugees, or inhabitants of informal urban settlements – are at higher risk of contagion. It is important to note that only 11% of the population is using safely managed drinking water. The difference between rural and urban populations are large as use of safely managed drinking water is at 5% and 38% in the two groups respectively.<sup>18</sup> As a result, 60% to 80% of communicable diseases in Ethiopia are attributed to limited access to safe water and inadequate sanitation and hygiene services and diarrhoea is still the leading cause of under-five mortality in Ethiopia.<sup>19</sup> 59% of children under 5 and 56% of 5 to 17 year-olds are deprived from safe drinking water. Children living in rural areas are much more deprived than their urban counterparts (63% vs 14%, respectively). Moreover, those living in areas prone to outbreaks of other infectious diseases or areas affected by other shocks, like the desert locust invasion, are also more sensitive to disruptions resulting from the COVID-19 crisis.

*There has, however, been a significant uptake on the practice of hand washing with soap, which was very low in Ethiopia estimated at 7%.* In a recent visit to three of UNICEF-supported urban WASH projects in Sheno, Abomsa and Welenchiti, all the utilities were reporting higher revenues due to high demand for water supply as a result of COVID. On the other hand, COVID-19 has impacted supply chains at a global level, especially those for essential WASH equipment. Ethiopia

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<sup>16</sup> UNFPA, UNICEF, WHO. "Continuity of Essential Health Services During COVID-19 Pandemic in Ethiopia" May 2020.

<sup>17</sup> Ibidem.

<sup>18</sup> UNICEF and Ministry of Finance. "National Situation Analysis of Children and Women in Ethiopia," 2019."

<sup>19</sup> UNICEF. "Water, Sanitation and Hygiene (WASH)." Accessed May 14, 2020. <https://www.unicef.org/ethiopia/water-sanitation-and-hygiene-wash>.

is heavily reliant on offshore procurement of pumps and generators for WASH services, the delivery of which has been experiencing delays.

*Nutrition outcomes are particularly at risk of worsening.* UNICEF and cluster partners anticipate that the number of children to be treated for SAM in 2020 will rise by 24%, namely from the 460,000 initially planned (which includes 16,000 refugee children), to 570,000 children (of which 18,400 are refugee children). This will have implications on the number of children to be treated and will require advocacy with donors for additional USD 3.8 million funding to procure Ready to Use Therapeutic Food (RUTF).<sup>20</sup> Besides secondary effects from COVID-19, prior to the pandemic the number of food insecure people in Ethiopia was already forecasted to increase to up to 8.5 million in mid-2020. This is mainly due to the locust invasion in SNNPR, part of Oromia, Afar, Tigray, Somali regions, where children already have higher malnutrition rates and face greater difficulties accessing health and nutrition services.<sup>21</sup><sup>22</sup><sup>23</sup> Similarly, children in refugee camps are particularly at risk. 33% of camps analysed by the 2019 Standardized Expanded Nutrition Survey (SENS) had very high Global Malnutrition Rates. In over 60% of camps, child anaemia levels were of high public health significance.<sup>24</sup>

*At a systemic level, the pandemic cannot be managed and contained without access to personal protective equipment (PPE).* While significant efforts are being made to procure and distribute adequate PPE to healthcare workers, shortages are still present. Healthcare workers face a higher risk of infection; given the overall scarcity of health workers ensuring PPE is a crucial measure for protecting the long-term carrying capacity of the healthcare system as a whole. Health extension workers, who continue to carry out household visits to identify suspected cases are particularly at risk if they lack adequate PPE. In the short term, this also limits the possibility of safely re-starting essential health services, such as vaccination campaigns. Besides affecting health practitioners, lack of PPE can also affect the uptake of health services as people avoid accessing them for fear of contagion.

*Beyond physical effects, the crisis is also taking a toll on mental health.* The crisis itself is a source of high levels of mental stress and anxiety as people see their health and livelihoods threatened. A study conducted in Ethiopia by Ohio State University between 16-21 of March already showed signs of increased mental stress and anxiety due to the crisis and associated measures taken by the government. One third of respondents feared they would run out of food within a week and nearly half of those who were on medication feared they would run out in less than a week.<sup>25</sup> Containment measures such as lockdowns, school closures, transportation bans, the institutionalisation of children in street situations, and the relocation of refugees are also likely to be additional sources of stress for the populations affected by them. In the short run, these effects are also often exacerbated by the limits on personal freedom of movement and on people's ability access social and emotional support systems. In the long term, the crisis has the potential of creating long-term consequences for children's mental health on children due to the loss of a caregiver to the virus. Evidence from other pandemics also suggest that survivors are also at risk of facing discrimination due to the stigma associated to the disease. Given the country's low

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<sup>20</sup> UNICEF, "Budget Brief, Health Sector Updated with national data for 2017/18. 2020"

<sup>21</sup> Government of Ethiopia, OCHA. "Ethiopia Humanitarian Response Plan 2020." OCHA, January 28, 2020.

<sup>22</sup> Global Network Against Food Crisis, and Food Security Information Network. "2020 - Global Report on Food Crises | World Food Programme," 2020. <https://www.wfp.org/publications/2020-global-report-food-crises>.

<sup>23</sup> Ibidem.

<sup>24</sup> Ibidem.

<sup>25</sup> Khdor, Adele. "Taking Stock of Children's Mental and Psychosocial Wellbeing in Ethiopia during COVID-19." UNICEF, April 28, 2020. <https://www.unicef.org/ethiopia/stories/taking-stock-childrens-mental-and-psychosocial-wellbeing-ethiopia-during-covid-19>.

availability of mental health care (there are only 63 psychiatrists in Ethiopia)<sup>26</sup>, the crisis could be especially detrimental for individuals already suffering from mental illnesses and their families.

*Some characteristics of the Ethiopian health system provide encouraging signs of resilience in the face of current challenges.* The Federal Ministry of Health has provided clear guidelines for containing the spread of COVID-19 by releasing a National Comprehensive COVID-19 Management Handbook in April. Furthermore, health extension workers continue to provide critical health services during the crisis under the Health Extension Programme, one of the key programmes implemented by the Government to expand universal healthcare coverage in recent years. Additionally, the government has made extra facilities available including 41 treatment units, 98 isolation facilities, and 87 quarantine centres. These efforts partially mitigate concerns about the possible overwhelming of the Ethiopian healthcare system.

*Cost of treatment is normally one of the most significant barriers to access care, this is somewhat mitigated in the case of COVID-19.* COVID-19 diagnosis and treatment are provided free of charge. Moreover, policies aiming to lower financial barriers to access implemented in recent years, such as the Community Based Health Insurance, the Social Health Insurance, and the fee waiver schemes, could also be crucial for maintaining general access to healthcare services in the face of worsening economic conditions.

*The pace of infection has recently accelerated, highlighting the risk of putting unprecedented stress on the health system.* Notwithstanding the resilience factors mentioned above, and the relatively low number of cases reported so far, there are already signs of disruption of access to key health services. Models projecting the progression of the pandemic in the country estimate a peak caseload of between 1 million and 4.2 million cases. If even the lower estimate were to materialize, the disruption of access and uptake of essential health services that is already being reported would likely be aggravated due to the overburdening of care facilities and personnel.

### 3.2.2 Welfare impacts

#### Summary assessment

A number of impacts can be expected on the welfare and wellbeing of people, including the enjoyment of human rights and social cohesion, especially for women, children and vulnerable groups.

Based on first developments under COVID-19 and vulnerability and resilience factors, the highest level of vulnerability is seen in terms of :

- **Worsened educational outcomes for girls and boys**, especially for girls and especially in the emerging regions, as well as for refugee children and for children with special needs;
- **Worsened living conditions for people with disabilities**, notably older people who are also at greater risk of COVID-19, women who suffer from double stigma and discrimination and children who have already reduced access to education; it is to be noted that people with disabilities are generally also poor and may see their meagre income sources further decrease;
- **Increased exposure of women and children to violence, exploitation and abuse**, especially children on the move (such as unaccompanied migrant children repatriated into Ethiopia and children in street situation), child domestic laborers and sex workers, and children living in institutions; but also children living in low-income families that are particularly challenged by the

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<sup>26</sup> "Mental Health Services in Ethiopia – Ethiopian Psychiatric Association," July 2018. <http://www.epanets.org/2018/07/19/mental-health-services-in-ethiopia/>.

economic crisis ; however even children and women of better-off households can experience violence.

Also of concern, even if mitigated by resilience factors, are the risks of having an increase in evictions, homelessness and a range of people without legal proof of identity, including children not registered at birth and asylum seekers without refugee status. Impacts under this category also include those related to the weakening of social cohesion, such as: a lowered population morale due to cancellation of socially important events, an increase in social tensions, discrimination and stigma of persons perceived to be affiliated with the disease, and a rise in community and political violence, riots and clashes.

Of lesser concern, but still to be monitored, are potential developments such as a reduction in access to social protection schemes, restrictions on freedom of association and expression under the pretext of emergency and a further exclusion of women from political decision-making. Such developments appear less likely given the situation before COVID-19 and the resilience factors in place, but they cannot be completely excluded.

Welfare and social cohesion					
Education	Disability	Violence against women and children		Evictions	Social protection
High	High	High		Medium	Low
Social & religious events					
Stigma	Political violence	Proof of identity	Freedoms	Women in decision -making	
Medium	Medium	Medium	Medium	Low	Low

### Key messages

*There is a high risk of educational gaps widening.* In Ethiopia, schools have been closed from 16 March 2020, and nearly 25 million pre-primary, primary, secondary, and tertiary-level learners have been staying at home<sup>27</sup>. The Ministry of Education has encouraged home schooling, including through radio and television lessons, to reach out to those families without internet access. This might not be enough to mitigate the risk of widening the educational level gaps between the poorer and the wealthier regions of the country. There was wide regional variation in primary Gross Enrolment Rate (GER), with Afar having the lowest GER at 56.9% and Gambella, Ethiopia-Somali and Addis Ababa having the highest GERs (148.2%, 135.0% and 121.3% respectively). Furthermore, there might be challenges in the post-emergency phase, when schools will be reactivated. WASH facilities are insufficient in many schools and this may create a further incentive for parents not to send children to school. Especially in rural areas, this might add up to incentives to employ children in farming work or care work, instead. The availability of teachers might be also affected by the pandemic, with negative consequences for the quality of education especially in the regions with higher Pupil-Teacher ratios (e.g. Afar – with 100 pupils per teacher in for Grade 1-4; Somali - with 113 pupils per teacher in Grade 5-8). Finally, the supply and distribution of materials is another vulnerable spot that might be put under stress by COVID-19 related disruptions in supply chains.

*Besides children living in rural areas, two groups who need special attention are children with special educational needs and refugee children.* Only 11% of children with disabilities are enrolled

<sup>27</sup> Dawit Tibebe Tiruneh. "COVID-19 school closures may further widen the inequality gaps between the advantaged and the disadvantaged in Ethiopia" *UKFIET, The Education and Development Forum*. April 21, 2020. <https://www.ukfiet.org/2020/COVID-19-school-closures-may-further-widen-the-inequality-gaps-between-the-advantaged-and-the-disadvantaged-in-ethiopia/>.

in primary education, and only 2.8% are enrolled in secondary education<sup>28</sup>. According to the United Nations refugee agency, 44% of Eritrean refugees based in Northern Ethiopia were children as of December 2019. For both groups, access to education is already more difficult and they may remain out of reach of mitigating solutions during school closures. They also risk to be neglected in the subsequent phase if resources are concentrated in general education.

*Violence against children particularly in the domestic environment was already widespread before COVID-19 and risks to increase.* Data from the multi-country Young Lives longitudinal study shows that violence against children, largely in the form of physical punishment and emotional abuse, is prevalent and normalized. The situation is subject to possible worsening due to the likely economic crisis that will follow the end of the emergency phase. In times of economic hardship for the household, children are expected to contribute to household chores and their refusal may trigger corporal punishment and other forms of abuse. The closure of schools also means that an important element of the child protection system is temporary unavailable. Community level social control mechanism that help preventing abuses, including child marriage, might become weaker. It is worth reminding that in Ethiopia there are still 40% of females aged 20-24 years married by age 18, and 14% married by age 15. Compared to progress over the past 10 years, progress will need to be six times faster if child marriage is to be eliminated by 2030.<sup>29</sup>

*Women may find themselves more isolated against gender-based violence.* Overall, 26% of Ethiopian women age 15-49 have experienced either physical or sexual violence, or both; 66% have never sought help nor told anyone about the violence.<sup>30</sup> A worrisome trend detected in the initial phase of the COVID-19 crisis has been a decreased number of calls to various services by GBV victims, while in other countries the opposite happened<sup>31</sup>. The causes of this decrease are not clear, but it is reasonable to expect that an increase in time spent at home (even without a full lockdown) and a decrease of contacts with social support networks might have worsened the sense of isolation and fear of women to report intimate partner violence. Due to COVID-19, some women have not gone to the police immediately after the incident, in time to collect medical evidence and press charges against the perpetrator. As a result, many rape cases went unreported and many women have had to endure repeated violence.<sup>32</sup>

*One-stop centres have been created by the government, but a large majority of victims of violence do not seek help.* It is also unlikely that women and children will reveal the violence to COVID-19 first responders if they are not adequately trained to gather their signals or no specific support system is provided. Prosecution is an important deterrent, which is why Ethiopian courts decided to treat domestic violence cases as urgent during the emergency phase.<sup>33</sup>

*Under the initiative of their families, or under their own initiative, children, and girls in particular, might be further prompted to migrate to urban areas.* There, they might be exploited as domestic labourers or sex workers, being further exposed to violence from their exploiters. Moreover, a large group of orphan children already lives in precarious and exploitative conditions in Addis Ababa. The presence of child domestic workers in Addis Ababa has been estimated at around 6500-7500 children. These are most often children who enjoy no rights and are not free to leave their

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<sup>28</sup> Ibidem.

<sup>29</sup> UNICEF, "National Situation Analysis of Women and Children in Ethiopia", 2019.

<sup>30</sup> Ibidem.

<sup>31</sup> CEDAW, Eighth periodic report submitted by Ethiopia under article 18 of the Convention, due in 2015, 21 November 2017.

<sup>32</sup> UNWomen, "Policy Brief. COVID-19 and Ending Violence Against Women and Girls in Ethiopia", June 2020.

<sup>33</sup> UNWomen, [From where I stand: "Due to COVID-19 people were not going to the police"](#), 1 June 2020.

Ethiopian Monitor, "COVID-19: Courts Start Handling Domestic Violence Charges as Urgent Cases" April 9, 2020: <https://ethiopianmonitor.com/2020/04/09/fed-courts-start-handling-domestic-violence-as-urgent-cases/>.



employer's home<sup>34</sup>. 19,000 sex workers were estimated in Ethiopia in 2016.<sup>35</sup> COVID-19 related movement restrictions might find children homeless and deprived of protection from charities, when such protection exists. Furthermore, the worsened economic conditions might also affect their precarious livelihoods based on petty trade. The response to the presence of children in street situations under COVID-19 might consist of bringing them into large-scale institutions where their needs cannot be properly catered to.

*In urban areas, homelessness becomes an even harsher condition.* Addis Ababa municipal authorities have demolished dozens of homes belonging to day labourers in the month of April 2020, rendering an additional 1,000 people homeless. Most of these new homeless people were already highly vulnerable as they were casual labourers in construction sites that are no longer operational due to COVID-19 shutdowns. Simultaneously, the government has begun efforts to quarantine 22,000 homeless people residing in 11 major cities in the country. This is a recognition of the vulnerability of homeless people who are unable to adhere to the most basic virus-fighting measures.

*Eviction bans may not be sufficient to mitigate the risk of increased evictions.* Even during the emergency peri-urban farmers and inhabitants of informal settlements are not being protected from evictions. Also, healthcare workers, among which many women, and also COVID-19 ex patients, may find themselves in a difficult situation if their landlords do not want to rent them accommodations any more for fear of contagion. But the majority of the population is at risk of eviction in case of increases in rental prices in association with a severe economic crisis: 60% of Ethiopians are living in rental housing. The government ban on evictions and rent increases during the Covid-19 emergency will not last indefinitely.

*For young children, the progress on right to birth registration might slow down.* At the time of the last comprehensive Ethiopian Demographic and Health survey (2016), only 3% of children under age 5 had their births were registered with the civil authorities. Progress has been made through the establishment of the Vital Events Registration Agency, now the Immigration, Nationality and Vital Events Agency (INVEA). Now there is the risk that slowing down of administrative activities under COVID-19 might create delays and that movement restrictions might discourage people from remote areas to register their child. On a positive note, this risk is being addressed through instructions to civil registrar officers to go into the communities.

*The situation of unaccompanied refugee children presents additional risks of violation of their right to proper identification documents.* This taking into account the recent changes in Ethiopia's asylum application management policy, which have made determination of individual status subject to stricter requirements. These changes affect especially Eritrean asylum seekers.

*People with disabilities, especially older people, women and children, and residents from rural areas, already face difficult living conditions and poverty and risk to be further marginalised and impoverished.* This is due to the stigma they are already associated with and because of the additional mobility challenges brought about by COVID-19. It is estimated that approximately 7.8 million people (just under 10% of the total population) live with some form of disability in Ethiopia<sup>36</sup>. Nearly a third of people with disabilities (PWD) are over 50 years old in Ethiopia implying causal relationship between old age and disability<sup>37</sup>. People with disabilities benefit from very limited

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<sup>34</sup> Abiy Kifle, "Ethiopia Child Domestic Workers in Addis Ababa: A Rapid Assessment", July 2002, ILO: Geneva.

<sup>35</sup> [http://onlinedb.unaids.org/gam/stock/shared/dv/PivotData\\_2018\\_7\\_22\\_636678151733621264.htm](http://onlinedb.unaids.org/gam/stock/shared/dv/PivotData_2018_7_22_636678151733621264.htm).

<sup>36</sup> UNICEF, National Situation Analysis of Women and Children in Ethiopia, 2019.

<sup>37</sup> Yetneberish Niguse (2013). "General overview of Disability in Ethiopia", *ECDD*. Cit. in M.H. Sedeto and M.J. Daar, [Socio-Economic Challenges of Persons with Disabilities: A Case Study of Ethiopia](#). Global Journal of human-social science: C Sociology & Culture Volume 19 Issue 1 Version 1.0 Year 2019.

support beyond the care of their family and are often unable to even leave their houses. The infrastructure in urban areas (roads, elevators) is not adapted to the needs of people with disabilities and support from an accompanying person is often needed, which is costly and unaffordable for many. Mental disabilities hardly receive any support. As a result, the almost totality of PwD live in poverty (95%)<sup>38</sup>.

*Marginalisation of people with disabilities could not only take place during the emergency phase but also afterwards.* The economic downturn will likely affect the already meagre employment opportunities of PwD. Companies might become less willing to spend on adjustment of workplaces. Also, informal economy activities might be negatively affected by a decrease in demand for household services or handicraft products, for instance. Even the education of children with disabilities risks to lose priority as the general educational system is challenged. The response to COVID-19 can count on a number of CSOs which are active in supporting PwD and advocating their rights, including those of women with disabilities; however, these organisations are mostly present in urban areas.

*For everyone and especially for vulnerable groups, access to adequate social protection becomes even more important.* The most important social protection programme in Ethiopia is the Productive Safety Net Programme (PSNP). It is subdivided into the Rural Productive Safety Net Programme, 2015-2020 (referred to as PSNP 4) and the Urban Productive Safety Nets Programme (UPSNP). Vulnerable groups benefit from unconditional cash transfers. Although not immune to implementation issues, the programme's implementation benefits from a well-established delivery infrastructure. It is managed by the local government and thus not dependent on internationally staffed humanitarian organizations. This represents an important resilience factor for continuity of delivery under COVID-19. Overall, the social protection infrastructure seems sufficiently decentralised and flexible to enable an adequate response. However, securing donor and government financing to cover both existing beneficiaries and an additional caseload that are vulnerable due to COVID-19 remains a considerable challenge. As of August 2020, there is an estimated 11.8 million people in need of cash and/or food transfers<sup>39</sup>. This represents a large caseload currently not covered by existing safety nets and will require substantive additional funding from both government and donors in order to leverage the existing safety net programmes. However, to date, additional financing has not been secured.

*Still, there is the risk that some vulnerable groups might not be sufficiently covered.* Pastoralist communities might be not reached. Homeless people, and street children, might be penalised by movement restrictions in urban areas and social distancing requirements. Children might be negatively affected by the interruption of school meals. There is the need to monitor the delivery of social protection measures to these specific groups.

*While ensuring material assistance, there is the need to preserve social cohesion and fundamental rights.* Stigma and discrimination towards people with infectious diseases have already been recorded in Ethiopia before COVID-19. People affected by leprosy and their families have been stigmatised to the point of requiring interventions from country leaders<sup>40</sup>. Due to stigma, new patients are reluctant to seek medical treatment at early stage. This has made the eradication of

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<sup>38</sup> National Plan of Action of Persons with Disabilities (2012-2021), Ministry of Labour and Social Affairs, April 2012, Addis Ababa.

<sup>39</sup> Humanitarian Response Plan, Mid-Year Review: [https://reliefweb.int/sites/reliefweb.int/files/resources/ethiopia\\_hrp\\_mid\\_year\\_review\\_2020\\_-\\_31\\_aug\\_final.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/ethiopia_hrp_mid_year_review_2020_-_31_aug_final.pdf)

<sup>40</sup> World Health Organisation. "The Prime Minister of Ethiopia Urges All to Fight Stigma and Discrimination against Persons Affected by Leprosy and their Family Members". WHO Ethiopia, September 18, 2013. <https://www.afro.who.int/news/prime-minister-ethiopia-urges-all-fight-stigma-and-discrimination-against-persons-affected>.

leprosy a difficult task.<sup>41</sup> People living with HIV and AIDS have been also object of stigma and discrimination<sup>42</sup>.

*For COVID-19, the stigmatization issue has become relevant for foreigners and non-local Ethiopians.* Ethiopian migrants who have been sent back to Ethiopia from the Kingdom of Saudi Arabia, Djibouti, Somalia, Sudan, and other countries over the last few weeks, besides being accused of bringing the virus, may face hostility because they bring additional needs for assistance and live in camps where COVID-19 can easily spread<sup>43</sup>. The stigmatization of repatriated Ethiopians might become a more serious issue over time, especially if some competition about shrinking jobs should arise due to the economic crisis, and if reinsertion of repatriated Ethiopian is not addressed. On the positive side, it must be acknowledged that the leadership has been vocal against stigma, prejudice, and the spreading of fake news.

*Since 2018, there has been considerable progress in reinstating media freedom and opening space for civil society, however such progress is fragile.* Because of ethnic conflicts, certain regions still see repressive measures being taken by the federal government, such as internet shutdowns. In Western Oromia, after the onset of COVID-19, the government only slowly lifted the internet and phone black out that is part of its ordinary counter insurgency tactics. This made it difficult both for citizens to obtain critical information about how to take care of themselves and their families and for the international community to “monitor disease outbreaks or provide adequate assistance.”<sup>44</sup> With a more severe spread of the disease, there might be the temptation to link public health measures with the repression of protest and to reduce the space for civil society. As far as ethnic conflicts are concerned, much depends on how inclusively Prime Minister Abiy will manage the political process until the postponed elections. Elections were due in October 2020, but now have been postponed to 2021 due to COVID-19. The opposition has surged against a further extension of the mandate and has invoked a national coalition government to manage the interim phase from October 10<sup>th</sup> 2020. Prime Minister Abiy has not accepted such solution and this preludes to a period of instability. On the other hand, an election conducted under COVID-19 would entail considerable costs to put in place the necessary public health measures.

*Also, under COVID-19, the full inclusion of women in decision-making remains a major goal.* Ethiopia has succeeded in achieving a relatively high presence of women in decision-making bodies, with the presidency and a number of key ministerial posts occupied by women. Unlike other countries, in Ethiopia, a relatively large number of women have been included in the Advisory Committee to the Ministry of Health. The Minister of Health, a woman with a medical background, is one of the most visible leaders in the crisis. Despite this relatively positive picture, there is still room for improvement in terms of consultation of women’s civil society organisations and women in general on decision affecting women’s lives.

### 3.2.3 Economic impact

#### Summary assessment

As a result of COVID-19, Ethiopian households are likely to be directly impacted by five economy-related impacts. The first three are impacts on **income** (through increased health care costs,

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<sup>41</sup> Seleshi Tessema Mulat. “Poverty, disability and stigma depress Ethiopian lepers”. Anadolu Agency, February 2, 2019 <https://www.aa.com.tr/en/life/poverty-disability-and-stigma-depress-ethiopian-lepers/1381594>.

<sup>42</sup> Laura Nyblade et al., “Disentangling HIV and AIDS STIGMA in Ethiopia, Tanzania and Zambia”, ICRW. 2003.

<sup>43</sup> IOM. “IOM Ethiopia Assists Hundreds of Returning Migrants in COVID-19 Quarantine Sites” April 28, 2020. <https://www.iom.int/news/iom-ethiopia-assists-hundreds-returning-migrants-COVID-19-quarantine-sites>.

<sup>44</sup> Laetitia Bader. “Millions of Ethiopians Can’t Get COVID-19 News” Human Rights Watch, March 20, 2020. <https://www.hrw.org/news/2020/03/20/millions-ethiopians-cant-get-COVID-19-news>.

unemployment, and reduction in remittances). Assuming these first impacts are negative, **poverty and food security** could increase.

Based on first developments under COVID-19 and vulnerability and resilience factors, the vulnerability of Ethiopia is assessed as “medium” for all impacts. A number of factors generally make Ethiopia vulnerable to all the economic impacts, but on the other hand, this vulnerability is limited by a number of mitigating factors and government responses.

- **Loss of income from COVID-19 illness/death and health care costs:** the generally high level of out of pockets (OOP) payments in Ethiopia makes the country vulnerable to this impact, even though a large part of urban population possesses health insurance. On the other hand, evidence so far suggests that the Government has borne all the cost of treatment for patients, including those requiring active treatment.
- **Loss of income from unemployment:** the structure of the economy means that employment loss will be concentrated into a few specific sectors/urban employments, and that the strong government response in the forms of measure to limit redundancies and providing safety nets would act at mitigating measures, and therefore reduce income loss.
- **Drop of income from remittances:** it is likely to be significant and possibly lasting if the global economic crisis is prolonged, but on the other hand the dependence on remittances is relatively low compared to many other countries.
- **Increase in income poverty,** as a result of the impacts above: while most of the poor – the rural poor – will not be too affected by the crisis, and as such, will not be significantly impoverished, many urban poor are at risk of falling back into poverty given the income shock experienced. Social safety nets, in particular the UPSNP, will however be available to some extent to mitigate the impacts of the current shock on poverty.
- **Food insecurity:** COVID-19 could significantly increase it, but the impact is likely to be relatively concentrated (in urban areas and selected regions) and mitigated by the UPSNP.

While the vulnerability of the country as a whole to economic impacts might not be considered extremely high, it is observed that across most impacts the urban poor or near-poor population are particularly vulnerable, especially women. Such population group faces a number of parallel economic shocks which make it highly vulnerable to the crisis. Addressing the vulnerability of Ethiopia to economic impacts will therefore require responses targeted to the urban poor population.

Economy				
Loss income from disease	Loss income from unemployment	Loss income from remittances	Increase in income poverty	Increase in food insecurity
Medium	Medium	Medium	Medium	Medium

### Key messages

*Many Ethiopian will face a significant income shock as a result of the crisis, resulting from the direct cost of the disease, the employment shock, and the drop in remittances.* These shocks are likely to impact mostly the urban population, meaning that they could be cumulative for particular groups, notably informal workers, a large part of whom are women. The share of self-employed/informally employed workers is estimated at 40%, and the Jobs Creation Commission preliminary estimates forecast a job loss of 1.34 million and an income loss for urban self-employed in services of \$265 million on average over April/May/June.<sup>45</sup>

<sup>45</sup> Jobs Creation Commission, “COVID-19: potential impact on jobs and incomes in Ethiopia, and short-term policy options”, March 2020.

*The direct income loss from COVID-19 illness/death and health care costs could be high for those affected by the disease and their families, but remains highly uncertain.* Evidence so far indicates that the government has fully covered the cost of the disease for patients, including those requiring active treatment. In parallel, the increased level of health insurance coverage in Addis Ababa notably (where most of the cases are reported), in particular through the CBHI and SHI could also help mitigate that impact. While currently patients do not bear the cost of the disease, a dramatic increase in cases, as foreseen in various scenarios, could generate catastrophic health expenditure across parts of the affected population, taking into account the generally high level of OOP (31% of total healthcare financing, or 1.3% of GDP)<sup>46</sup> in Ethiopia. On the other hand, the Government is relying significantly on donors for the financing of its COVID-19 response, so its capacity to support the cost of that response should the number of cases increase significantly is uncertain. This uncertainty about how the spread of the disease may affect costs/incomes is also compounded by the limited number of hospital beds in the country (3/10,000 inhabitants<sup>47</sup>), which could mean that the health services could simply not absorb new patients.

*Given the structure of the Ethiopian economy, the drop in incomes due to employment losses could be relatively concentrated in informal urban employment.* The urban unemployment rate in Ethiopia is approximately 20%. Like in many other SSA countries, this number is expected to increase as a result of the COVID-19 crisis. That impact though is likely to be relatively limited because the economy is largely agriculture-based. Partly for that reason, the Government has imposed only a partial lockdown, so most economic activities not affected by international economic slowdown and disruptions in international travel are able to continue. In that context, impact is mostly focused in the tourism/hospitality area as Hotels and Restaurants employ 422,057 workers and Ethiopian Airlines employs around 17,000 workers<sup>48,49</sup>. Specific industries with a high export component such as the flowers or the textile and garment industries might also be impacted.<sup>50</sup> This said, if there was a move imposing a fuller-scale lockdown, the income/employment impact would become much more severe, as affecting agriculture employment as well.

*The strong government response so far is also an important resilience factor.*

The impact is also likely to be mitigated by the strong government response aiming at limiting redundancies and secondly by the social protection measures in place, in particular the UPSNP. The UPSNP was recently scaled up to 580,000 beneficiaries of which 93,120 receive Direct Income Support. The expansion of programme to 16 additional cities over the next two months is under consideration at an estimated cost of \$134 million.<sup>51</sup> Ethiopian laws though provide several protections for job creation and workers' rights.<sup>52</sup> Several protections are provided by the comprehensive Labour Proclamation (Proclamation 377/2003) that governs employment issues. , as part of the State of Emergency imposed in April, banned companies from laying off workers.<sup>53</sup> This follows the issuance in March of a COVID-19 Response Protocol by the Ministry of Labour and Social Affairs setting a series of rules for companies to help protect of workers. For example, under the protocol, all workers who occupy non-essential services are to receive temporary loan and to be

<sup>46</sup> Ministry of Health. "Ethiopia Health Accounts, 2016/17", September 2019.

[http://www.moh.gov.et/ejcc/sites/default/files/2020-01/Ethiopia%207th%20Health%20Accounts%20Report\\_2016-17.pdf](http://www.moh.gov.et/ejcc/sites/default/files/2020-01/Ethiopia%207th%20Health%20Accounts%20Report_2016-17.pdf).

<sup>47</sup> World Bank. "Hospital beds (per 1,000 people)" The World Bank Group.

<https://data.worldbank.org/indicator/SH.MED.BEDS.ZS>.

<sup>48</sup> Kaleyesus Bekele. "Hoteliers, tour operators seek government's assistance to stay afloat" The Reporter, April 4, 2020.

<https://www.thereporterethiopia.com/article/hoteliers-tour-operators-seek-governments-assistance-stay-afloat>.

<sup>49</sup> Logistics Update Africa. "Ethiopian Airlines fighting for survival amid Covid-19: Tewolde Gebremariam" April 24, 2020

<https://www.logupdateafrica.com/ethiopian-airlines-fighting-for-survival-amid-covid19-tewolde-gebremariam-aviation>.

<sup>50</sup> Jobs Creation Commission, "COVID-19: potential impact on jobs and incomes in Ethiopia, and short-term policy options", March 2020.

<sup>51</sup> International Monetary Fund. "Policy Responses to COVID-19" Policy Tracker, 2020 <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#E>.

<sup>52</sup> Human Development Report, 2018.

<sup>53</sup> Samuel Gebre. "Ethiopia Prohibits Company Layoffs Under State of Emergency" Bloomberg, April 11, 2020

<https://www.bloomberg.com/news/articles/2020-04-11/ethiopia-prohibits-company-layoffs-under-state-of-emergency>.

provided written insurance that they will be re-employed when the situation gets better. Additionally, on April 30, the Council of Ministers approved another set of economic measures to support firms and employment. These include forgiveness of all tax debt prior to 2014/2015, a tax amnesty on interest and penalties for tax debt pertaining to 2015/2016-2018/2019, and exemption from personal income tax withholding for 4 months for firms who keep paying employee salaries despite not being able to operate due to Covid-19.<sup>54</sup>

*Incomes will also be affected by the global drop in remittances resulting from the global recession, especially if the global slowdown continues.* According to the 2016 Demographic and Health Survey<sup>55</sup>, on average, 6.8% of households received international remittances, but the reliance is particularly high for the urban vulnerable. The World Bank is predicting a decline in remittance flows to SSA of above 20% in 2020.<sup>56</sup> Ethiopia is vulnerable to a decrease in income from remittances, which in 2019 amounted to USD 3.8 billion<sup>57</sup>, given that the Ethiopian diaspora highly concentrated in a few countries very affected by the crisis (Canada, Saudi Arabia, United States, Israel, and Italy).<sup>58</sup> The more the global economic crisis and recession is prolonged, the more likely the impact could be severe. On the other hand, Ethiopia's dependence on remittances is lower than many other SSA countries. For example, as a share of GDP, remittances amount to 0.6% while in neighbouring Kenya and Sudan they amount to 2.9% and 1.4% respectively.<sup>59</sup> Even though many households, including rural households, rely on remittances to absorb shocks and build their assets. Urban households, in particular the near poor and informal workers which may in parallel suffer from employment loss and reduced income from employment, will be particularly vulnerable to a drop in remittances.

*Women will be particularly affected by the income shock, in particular the one channelled through a decrease in urban employment.* While the income-shock in relation to the disease and remittances is likely to be relatively gender-neutral, the loss of income due to employment is likely to affect women in particular. Under the current scenarios in which the employment effect is concentrated mostly around tourism and specific export-orientated industries, informal workers and women will be particularly vulnerable. In the three most affected sectors, more than 80% of workers are women. Women constitute 74% of employment in tourism.<sup>60</sup> 80% of the workers in the rapidly growing textile and garment sector in Ethiopia are women<sup>61</sup> and women represent 85% of workers in the floriculture industry.<sup>62</sup> The vulnerability of women to the income losses is accentuated by the fact that significant gender gaps in wages and productivity exist in Ethiopia, including in the tourism industry.<sup>63</sup> Meanwhile, women constitute an important proportion of domestic workers, many of whom have been sent home for fear of infection by the virus.

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<sup>54</sup> International Monetary Fund. "Policy Responses to COVID-19" Policy Tracker, 2020 <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#E>.

<sup>55</sup> Central Statistical Agency of Ethiopia – The DHS Program, ICF. Demographic and Health Survey 2016, July 2017.

<sup>56</sup> World Bank. "World Bank Predicts Sharpest Decline of Remittances in Recent History" April 22, 2020 <https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history>.

<sup>57</sup> Lorine Towett. "Remittance Earning Ethiopia USD 3.82 Bn" Weetracker. April 1, 2019. <https://weetracker.com/2019/04/01/remittance-earning-ethiopia/>.

<sup>58</sup> World Bank. "Migration and Remittances Data", The World Bank Group. <https://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>.

<sup>59</sup> World Bank. "Migration and Remittances Data", The World Bank Group. <https://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>.

<sup>60</sup> Tesfayenesh Lema Aregaw. "Trade and Gender in the Services Sector of Ethiopia" Expert Meeting on Trade as a Tool for the Economic Empowerment of Women. May 23, 2016. [https://unctad.org/meetings/en/Presentation/ditc\\_gender\\_2016p2\\_Tesfayenesh\\_en.pdf](https://unctad.org/meetings/en/Presentation/ditc_gender_2016p2_Tesfayenesh_en.pdf).

<sup>61</sup> Industrial. "Women in the textile and garment sector in Ethiopia trained in labour law" November 29, 2018. <http://www.industrial-union.org/workshop-explains-labour-laws-to-ethiopian-women-in-the-textile-and-garment-sector>.

<sup>62</sup> Flowerweb. "Ethiopia floriculture industry" <https://www.flowerweb.com/nl/topic/Ethiopia-Floriculture-Industry>.

<sup>63</sup> UNWTO. "Global Report on Women in Tourism" World Tourism Organisation. October 2019. <https://www.e-unwto.org/doi/pdf/10.18111/9789284420384>.

*The loss of income could lead to an increase in income poverty, in particular in cities.* A recent WB poverty assessment has underscored that close to 90% of the poor lived in rural areas in 2016, compared to a rural population share of 80% in 2011.<sup>64</sup> In addition to the large number of poor households in the country, the number of 'near poor' is significant in Ethiopia. Many studies have highlighted the transitory effects of 'poverty escapes' in Ethiopia, with many households regularly falling back into poverty following shocks.<sup>65</sup> Given that the COVID-19 income shock is mostly concentrated in urban areas, the pace of urban poverty reduction seen in recent years is likely to be affected. The World Bank estimates that a shock across the country that reduces household consumption by 10% would, all else being equal, raise the poverty rate by 6 percentage points (from 23.5 to 29.5), eliminating all the gains made on poverty between 2011 and 2016. In urban areas, such a shock would raise poverty by about 3.5 percentage points, pushing an estimated 800,000 people below the poverty line.<sup>66</sup> This also suggests that in the event of a more severe lockdown restricting economic activities across the country, the risk that many near poor or people living at subsistence level drop in poverty would be very significant. Social safety nets, in particular the PSNP, are available to mitigate the impacts of the current shock on poverty, but their limited coverage and their reliance on donor support imply that they could be insufficient to play that role should the shock become more severe and lasting. The urban near poor who experienced income drops are particularly vulnerable. For them, as well as recent migrants in cities, one observed coping strategy is to return to rural areas, with the risk of falling back into poverty.

*The combination of income shock as well as possible disruptions in food supply – so far limited - could also impact food insecurity.* Ethiopia is one of the most food insecure countries in the world. It scores 91 out of 113 on the Global Food Security Index 2019.<sup>67</sup> The Global Report on Food Crises<sup>68</sup> notes that 28,7 million people were facing some level of food insecurity. Food security is foremost a rural issue in Ethiopia, however it touches also the urban population. According to the WFP Food Security and Vulnerability Analysis 2019, Amhara Region experienced the highest percentage of food insecure households (36.1%), followed by Afar (26.1%) and Tigray (24.7%). According to the same report, nearly 22.7% of rural households and 13.9% of urban households are food insecure. Food security in Ethiopia is highly affected by shocks, and households spend in parallel a large share of their expenditure on food. While overall the urban population is less food insecure, informal/non-salary workers working in sectors such as services are highly vulnerable, a high concentration of vulnerable households engages in casual labour (30.9%), informal trade in the service sector (29.2%), and crop production (27.6%).<sup>69</sup> In Addis Ababa, for example, prices of key staples rose between 50-100% between February and March 2020.<sup>70</sup> This is also the case of dairy products with dairy feed prices estimated at 40% high than before the crisis. Recent projections from the National Disaster Risk Management Committee estimate that 30 million people could experience food consumption gaps as a result of the COVID-19 crisis.<sup>71</sup> The recent locust

<sup>64</sup> Bundervoet, Tom et al. "Ethiopia Poverty Assessment - Harnessing Continued Growth for Accelerated Poverty Reduction" The World Bank Group. April 2020 <http://documents.worldbank.org/curated/en/992661585805283077/Ethiopia-Poverty-Assessment-Harnessing-Continued-Growth-for-Accelerated-Poverty-Reduction>.

<sup>65</sup> See for example: ODI. "Understanding and supporting sustained pathways out of extreme poverty and deprivation: Ethiopia" February 2018. <https://www.odi.org/publications/11083-understanding-and-supporting-sustained-pathways-out-extreme-poverty-and-deprivation-ethiopia>.

<sup>66</sup> Tom Bundervoet & Arden Finn. "Ethiopia Poverty Assessment: What can it tell us about likely effects of the coronavirus?" World Bank Blogs. April 16, 2020. <https://blogs.worldbank.org/african/ethiopia-poverty-assessment-what-can-it-tell-us-about-likely-effects-coronavirus>.

<sup>67</sup> The Economist. Intelligence Unit. "Global Food Security Index: Ethiopia" December 2019. <https://foodsecurityindex.eiu.com/Country/Details#Ethiopia>.

<sup>68</sup> World Food Programme. "2020 - Global Report on Food Crises" April 20, 2020. <https://www.wfp.org/publications/2020-global-report-food-crises>.

<sup>69</sup> World Food Programme. "Comprehensive Food Security and Vulnerability Analysis." 2019 [https://reliefweb.int/sites/reliefweb.int/files/resources/wfp\\_ethiopia\\_cfsva\\_report\\_june\\_2019.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/wfp_ethiopia_cfsva_report_june_2019.pdf).

<sup>70</sup> Atlantic Council. "Earth Day 2020 call for action: Mitigating the global food crises associated with COVID-19" April 21, 2020. <https://atlanticcouncil.org/blogs/geotech-cues/mitigating-the-impacts-of-global-food-crises-associated-with-covid-19/>.

<sup>71</sup> Jobs Creation Commission, "COVID-19: potential impact on jobs and incomes in Ethiopia, and short-term policy options", March 2020.

invasion is another point of concern. Ethiopia's Oromia and Somali regions are hit hardest by this disaster resulting in nearly 200.000 hectares of croplands and 1.3 million hectares of pasture damaged with a loss of 356.000 tons of grains.<sup>72</sup> On the other hand, the fact that Ethiopia is not too dependent on food imports and that most agriculture is subsistence-based means that international trade restrictions should have a limited impact on food security. As a mitigating tool, the PSNP has played a critical role in ensuring the food security of chronically poor families and protecting them from the depletion of resources in case of shocks. The Government has also recently announced plans to scale-up the PSNP, including the UPSNP, and to provide food aid in Addis Ababa. Informal/non-salary urban workers working in sectors such as services, which are hit hard by COVID-19, are particularly vulnerable to food insecurity.

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<sup>72</sup> Food and Agriculture Organization. "Ethiopia: Desert Locusts drive one million to food insecurity" April 13, 2020. <http://www.fao.org/ethiopia/news/detail-events/fr/c/1270924/>.



## 4 Conclusion

*The overall macroeconomic impact will be severe, and have long-lasting consequences on human development, potentially putting at risk development gains made recently by the country.* There is a high probability of close to zero or even negative growth in FY 2020/21. Even if the key sectors of agriculture and construction remain relatively unaffected and the immediate damage seems controlled, there are medium to long-term effects that may prove more serious than actually thought. The slowing down of the economy will have a negative impact on government revenues, which together with approved measures on the expenditure side will drive the budget deficit (excluding grants) in the range of 6-7% of nominal GDP in FY 2019/20 and FY 2020/21. To finance this deficit, the government needs to secure additional grants or concessional loans. Otherwise, it may be forced to consolidate its expenditure. Such fiscal consolidation would have additional consequences for the medium to long-term economic development of the country, especially if it impacts expenditure on education. Schools have been closed since March with potentially significant impact on school dropouts, future level of average years of schooling, and Ethiopia's economic development. Any cut to expenditure in this area would exacerbate the problem.

*Many households will face a significant income shock as a result of the crisis, resulting from the direct cost of the disease, the employment shock, and the drop in remittances.* Given the structure of the Ethiopian economy these shocks are likely to impact mostly the urban population, meaning that they could be cumulative for particular groups, notably informal workers, a large part of whom are women. The impact is likely to be mitigated to some extent by the strong government response and the social protection measures in place, in particular the UPSNP. This said, if there was a move towards a fuller-scale lockdown, the income/employment impact would become much more severe, affecting agriculture employment as well. Women will be particularly affected by the income shock as more than 80% of workers in the three most affected sectors are women. The loss of income could lead to an increase in income poverty and food insecurity, in particular in cities, where the pace of urban poverty reduction seen in recent years is likely to be affected.

*Several population groups are vulnerable to health shocks associated with COVID-19.* Beyond the effects of the disease itself, the consequences of the pandemic extend into many other health aspects. The access to and uptake of health services are likely to be reduced due to the crisis, and essential routine services such as vaccinations are already subject to disruptions to lack of adequate PPE, bans on transportation, and unwillingness to take up care due to fear of contagion. Measures taken to contain the spread of COVID-19 thus far, also have had unintended negative health consequences. The pandemic is taking a toll on the populations' psychosocial wellbeing, and it is also likely to have long term consequences on mental health. Across the board, people in precarious living conditions, such as refugees and returnees, inhabitants of informal urban settlements, rural populations, and children in street situation, as well as frontline healthcare workers are particularly vulnerable. The government's response so far is encouraging. However, as active cases continue to rise, the overall ability of the system to cope with an aggravated pandemic is yet to be seen and the situation should be monitored closely.

*Since COVID-19 does not impact all social groups at the same level, there is a risk of an increase in inequalities and social exclusion of those who are already at the margins.* Not only the health or the purchasing power are likely to be affected by COVID-19, but the welfare and wellbeing of the population more generally. Since COVID-19 does not impact all social groups at the same level, there is a risk of an increase in inequalities and social exclusion of those who are already at the margins. Gaps between generations, sexes, urban and rural areas, ethnic groups risk to be

widened. The existing weaknesses or uneven presence of welfare services and protection mechanisms between rural and urban areas may be revealed. The functioning of those protection mechanisms that work well might be disrupted temporarily or permanently. Movement restrictions and confinement might increase isolation of those who already suffer from marginalisation. In order to avoid that, there is the need for the government, civil society and UNICEF constantly monitor the situation of the most vulnerable groups, and engage in outreach measures and targeted support, so that no one is left behind. The spread of the disease and the response evolve over time, therefore the assessment needs to remain dynamic and ongoing.

*The poorest will be the most affected and vulnerable, confirming that COVID-19 is not a social equalizer.* The most obvious group to suffer are people affected by the disease, patients and their families. Looking at the gender dimension, the crisis poses a clear risk for women and girls, especially women who are socially isolated, victims of intimate partner violence, with heavy care responsibilities, who are likely to see their challenging situation being exacerbated. Women who depend on childcare for continuing paid work, or who need SRH services, will be especially affected by disruptions in such services.

Elderly people, people with disabilities or with chronic illnesses, who depend on others for their daily life, risk to be left behind, and even further stigmatised, while they run specific health risks. At the same time, children and young people are also paying a high price. Children belonging to the most vulnerable segments of youth, such as children with special educational needs, children on the move, children in street situation or in institutions, might more easily fall prey of exploitation and abuse while receiving decreased educational and care support.

Populations in urban and rural areas will be affected differently by the crisis. In urban settings, the crisis will hit severely those who are at the margins and already suffer from precarious living conditions: people in street situation (especially women and children), refugees, asylum seekers, and children on the move. Those who have an insecure job or make a livelihood in the informal sector, urban slum dwellers, peri-urban farmers already exposed to evictions, domestic workers already subject to exploitation and abuse risk paying a high price as well. At the same time, rural remote areas, pastoral communities in particular, and communities where food insecurity is already a dramatic reality, might see their living conditions worsen. In addition, there is a risk that the crisis will aggravate existing tensions in areas prone to social unrest or ethnic conflicts.

**Table 2 Overview of most vulnerable groups to socioeconomic impacts of COVID-19 in Ethiopia**

Groups	Health	Welfare and social cohesion	Economy
Low income households	<ul style="list-style-type: none"> <li>• Worsened access to primary health care;</li> <li>• Worsened access to vaccination programs and other preventative measures;</li> <li>• Worsened access to sexual and reproductive health and rights;</li> <li>• Worsened access to specialized health care;</li> <li>• Worsened child nutrition;</li> <li>• Worsened mental health.</li> </ul>	<ul style="list-style-type: none"> <li>• Worsened living conditions for people with disabilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of income due to COVID-19 illness/death and health care costs;</li> <li>• Increased income poverty.</li> </ul>
People affected by the disease	<ul style="list-style-type: none"> <li>• Worsened access to primary health care;</li> <li>• Worsened access to specialized health care.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased social tensions, discrimination and stigma of persons perceived to be affiliated with the disease.</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of income due to COVID-19 illness/death and health care costs.</li> </ul>
Elderly people	<ul style="list-style-type: none"> <li>• Worsened access to primary health care.</li> </ul>	<ul style="list-style-type: none"> <li>• Worsened living conditions for people with disabilities.</li> </ul>	
People with disabilities and/or chronic illnesses	<ul style="list-style-type: none"> <li>• Worsened access to primary health care;</li> <li>• Worsened access to vaccination programs and other preventative measures;</li> <li>• Worsened access to specialized health care;</li> <li>• Worsened mental health.</li> </ul>	<ul style="list-style-type: none"> <li>• Worsened educational outcomes for girls and boys;</li> <li>• Worsened living conditions for people with disabilities;</li> <li>• Increased exposure of women and children to violence, exploitation and abuse.</li> </ul>	
Orphan children, children in institutions	<ul style="list-style-type: none"> <li>• Worsened mental health;</li> </ul>	<ul style="list-style-type: none"> <li>• Increased exposure of women and children to violence, exploitation and abuse;</li> </ul>	

Groups	Health	Welfare and social cohesion	Economy
Women and girls (including: <ul style="list-style-type: none"> <li>working women;</li> <li>pregnant women;</li> <li>socially isolated women;</li> <li>women with heavy care responsibilities;</li> <li>women already exposed to Intimate partner violence;</li> <li>female health and social workers.)</li> </ul>	<ul style="list-style-type: none"> <li>Worsened access to WASH services;</li> <li>Worsened access to sexual and reproductive health and rights;</li> <li>Worsened access to primary health care.</li> </ul>	<ul style="list-style-type: none"> <li>Worsened educational outcomes for girls and boys;</li> <li>Worsened living conditions for people with disabilities;</li> <li>Increased exposure of women and children to violence, including harmful practices and FGM, exploitation and abuse;</li> <li>Increased exclusion of women from decision-making.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of income due to increased unemployment, in particular in certain sectors.</li> </ul>
People living in street situations (especially women and children)	<ul style="list-style-type: none"> <li>Worsened access to specialized health care;</li> <li>Worsened access to WASH services.</li> </ul>	<ul style="list-style-type: none"> <li>Increased exposure of women and children to violence, exploitation and abuse.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of income due to COVID-19 illness/death and health care costs;</li> <li>Increased food insecurity reflecting disruptions in food chains.</li> </ul>
Refugees and asylum seekers, IDPs, foreigner, repatriated Ethiopians, and other people on the move (especially women and children)	<ul style="list-style-type: none"> <li>Worsened access to WASH services;</li> <li>Worsened access to specialized health care;</li> <li>Worsened child nutrition;</li> <li>Worsened mental health.</li> </ul>	<ul style="list-style-type: none"> <li>Worsened educational outcomes for girls and boys;</li> <li>Increased exposure of women and children to violence, exploitation and abuse;</li> <li>Increased social tensions, discrimination and stigma of persons perceived to be affiliated with the disease;</li> <li>Increase of people without legal proof of identity.</li> </ul>	<ul style="list-style-type: none"> <li>Increased income poverty.</li> </ul>
People in the informal sector	<ul style="list-style-type: none"> <li>Worsened child nutrition.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in evictions.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of income due to increased unemployment, in particular in certain sectors.</li> </ul>
Peri-urban farmers		<ul style="list-style-type: none"> <li>Increase in evictions.</li> </ul>	
Domestic workers and caregivers		<ul style="list-style-type: none"> <li>Increased exposure of women and children to violence, exploitation and abuse;</li> <li>Increase in evictions.</li> </ul>	

Groups	Health	Welfare and social cohesion	Economy
Population of informal settlements in urban areas	<ul style="list-style-type: none"> <li>Worsened access to WASH services;</li> <li>Worsened access to primary health care.</li> </ul>	<ul style="list-style-type: none"> <li>Worsened educational outcomes for girls and boys;</li> <li>Increase in community and political violence, riots and clashes.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of income due to COVID-19 illness/death and health care costs;</li> <li>Increased income poverty;</li> <li>Increased food insecurity reflecting disruptions in food chains.</li> </ul>
Urban households			<ul style="list-style-type: none"> <li>Loss of income from remittances due to global downturn and exodus of migrant workers from host countries.</li> </ul>
People living in rural, remote, or otherwise underserved areas, especially pastoral communities, food insecure communities and population in border areas	<ul style="list-style-type: none"> <li>Worsened access to primary health care;</li> <li>Worsened access to vaccination programs and other preventative measures;</li> <li>Worsened access to WASH services;</li> <li>Worsened access to sexual and reproductive health and rights;</li> <li>Worsened child nutrition.</li> </ul>	<ul style="list-style-type: none"> <li>Worsened educational outcomes for girls and boys;</li> <li>Interrupted access to social protection, such as cash transfers, school meals or other social safety net programs;</li> <li>Increase of people without legal proof of identity.</li> </ul>	<ul style="list-style-type: none"> <li>Increased food insecurity reflecting disruptions in food chains.</li> </ul>
Populations of communities characterized by frequent civil unrest (including Somali and Oromia regions)		<ul style="list-style-type: none"> <li>Increase in community and political violence, riots and clashes;</li> <li>Restrictions on freedom of association and expression under the pretext of emergency.</li> </ul>	

## 5 Recommendations

### 5.1 Health

- **The monitoring of healthcare service delivery should continue.** Evidence of disruption to healthcare access and delivery will be key for both assessing the secondary health effects of the crisis, as well as determining priority interventions in the aftermath of COVID-19. It is likely that the currently observed disruptions in delivery and uptake of healthcare will result in children being deprived of specific health services, which will need to be addressed after the crisis.
- **The monitoring of side-effects of containment measures, beyond healthcare access, should continue and adequate government responses should be advocated for.** School closures, for example, have a direct effect on the health of adolescent girls, as they are associated with an increase in child marriages, and a reduced access to sexual and reproductive health services like menstrual hygiene interventions.
- **The government should work to resume the provision of critical health services.** The crisis has led to the suspension or disruption of key interventions, such as vaccination campaigns, are crucial for lowering preventable deaths of children. The implementation of school-based menstrual health interventions faces similar challenges. Finding alternative ways of resuming these interventions is crucial for preserving health outcomes.
- **WASH interventions that target vulnerable populations should be prioritized.** Populations living in informal settlements in urban areas are particularly vulnerable as they often live in close quarters, lack access to safely managed water sources, and face a higher risk of contracting the disease due to high population density. Populations living in camps such as refugees and IDPs (such as high population density, lack of access to piped water or hand washing facilities), and therefore should also be given priority. Looking into the sustainability of the situation in the medium term, it is also important to provide access to basic WASH services in key facilities like primary health posts and schools; this is particularly limited in predominantly rural regions like Somali.
- **The government should prioritize the dissemination of accurate medical information,** to encourage good personal hygiene and health practices to curb the spread of the disease, particularly in rural areas where take up of handwashing habits is lower. Simultaneously, improving the population's understanding of the virus is also important for preventing the development of discrimination or stigma against survivors; a phenomenon that is often associated with outbreaks of infectious diseases.
- **The government should ensure healthcare workers have access to adequate PPE.** Frontline workers are at the greatest risk of contagion. Protecting them is crucial for maintaining the healthcare system's capacity (in the short and medium term), curbing the spread of the disease, and promoting uptake of essential healthcare services. In the medium term, maintaining access to PPE is also necessary to be able to resume the delivery of key interventions such as vaccination campaigns.
- **The government should sustain efforts to lower financial barriers to access healthcare.** Schemes covering economically vulnerable populations, such as the Community-Based Health Insurance have been fundamental for expanding access to care in recent years. Given expectations of worsening economic conditions, such schemes could be crucial for preserving access to healthcare for economically vulnerable households.
- **The government should work with development partners to supplement nutrition support.** The caseload for wasting is expected to increase substantially, which will have implications on the number of children to be treated. Children in camps, pastoral communities, living border areas, or in families working in the informal sector are particularly vulnerable to

these shocks. The combination of COVID-19 related effects and factors such as the desert locusts invasion has direct implications on the level of support needed.

- **The government should improve the availability and accessibility of mental health and psychosocial support (MHPSS) services, especially for children.** Ethiopia is notably underserved in terms of mental health, with few health facilities offering mental health services and almost none offering services specific to children. The crisis is likely to have long lasting implications for parents, caregivers, and frontline workers such as medical personnel. Children might be particularly impacted for reasons ranging from the loss of freedom of movement and domestic violence, to the loss of a parent or caregiver. These interventions should target children in particularly dire circumstances, such as children in street situation, refugees, or returnees. Children in these groups are more likely to need mental health and psychosocial support and simultaneously more likely to be deprived of access.
- **The government should sustain expenditures in public health.** Economic projections suggest that the crisis will have a negative effect on the country's fiscal space, and at the same time it will likely take a toll on the country's overall health outcomes. Maintaining expenditure and investments in public health during and after the crisis is important not only to save lives in the short term, but also to protect the country's future human capital.

## 5.2 Welfare

- **Social protection remains a critical component of the COVID-19 response. The government and its partners should promote additional financing, adaptation and scaling up of cash transfers** to minimize human suffering in the post-COVID-19 crisis. In the different response measures, women should be targeted given their high vulnerability to the income losses from informal employment.
- **The government and its partners should carefully check how COVID-19 related restrictions might affect access of vulnerable groups to social protection mechanisms** (PSNP and other ones) and predispose mitigating measures. Attention should be paid especially to disabled people, people living in rural remote areas, homeless people and people working in the informal sector. The Government and PSNP should monitor enrolment and uptake of benefits and envisage outreach work to ensure that the hardest to reach are fully included.
- **The government and its partners should prevent isolation of elderly people, especially those with disabilities**, by ensuring that they have adequate access to information, health care, impairment aids and transport also under COVID-19 related restrictions.
- **With the help of its partners, the government should develop protection programs and interventions aimed at supporting children and young people**, in order to avoid that they remain deprived of essential support that normally comes from schools and can bear the negative psychological consequences of the COVID-19 crisis. Such programs should provide safe spaces where children and young people can express their concerns regarding relations with adults at home and outside home. The programs should also prevent through social outreach work that parents neglect education of their children and direct them to exploitative work, and help them meeting economic challenges that cause such exploitation.
- **Civil society, with the support of international partners, should perform monitoring and advocacy activities in order to prevent that COVID-19 becomes an excuse for a "cleaning" of streets from destitute children and adults** which is done without respect of their human rights and dignity and does not provide them with adequate alternatives. In the case of children, it would be important to prevent that this translates into more being put in large care institutions unable to cater for their needs.
- **The government should, with the support of its partners, gradually take out children from institutions through reintegration programs and, in the short term, monitor children's**

**living conditions in such institutions** from the point of view of health and psychosocial conditions. It should ensure that workers of these institutions have adequate instructions, equipment and support to implement COVID-19 related prevention measures in a child-friendly way.

- **With the support of partners such as UNICEF, the government should accompany social support measures for vulnerable people with campaigns to prevent stigma and discrimination**, especially towards repatriated Ethiopians, people with disabilities, and people who suffer COVID-19 and their families, as well as health care workers. UNICEF and other partners should also support directly NGOs who defend the rights of these people.
- **Civil society, with the support of international partners, should advocate with the government the importance of involving women and women's NGO in the design and implementation of policies and programmes concerning the response to COVID-19** impacts on gender-based violence, education, health care. The aim is to consider women not only as a vulnerable target group but also as key actors and partners. On the other hand, men should be involved in interventions so that the issue of sharing caring responsibilities and eliminating gender-based violence is addressed at the roots.

### 5.3 Economy

- In view of the more severe slowdown than expected and the higher financing gap, and bearing in mind that the country has received some support from the World Bank and the IMF, **the Government should pursue steps to mobilise additional grants and concessional borrowing**, and engage in discussions on debt restructuring which will be essential in order to limit the size of expenditure consolidation.
- Should some consolidation be required, **the government should in particular refrain from cuts in the education budget and other crucial services including routine healthcare**, given long-term consequences on human capital and growth. UNICEF should direct its advocacy efforts with the government and partners in this direction.
- **In view of shielding vulnerable groups from income shocks, the government should extend measures to protect employment to informal sectors/workers**, as opposed to limit it to traditional recovery policies aimed at formal labour. The response will need to address two dimensions: first, the immediate consumption effect of the loss of income (poverty/food insecurity) and secondly adverse behavior which could result in longer-term impoverishment and negative growth effects (i.e. informal microentrepreneurs and businesses, in the face of severe revenue losses, may be forced to sell their productive assets to make ends meet). **In view of the evolving nature of the crisis, the government should emphasize the real-time monitoring of the socioeconomic impacts of COVID-19 on households and use that as a bases to inform further measures.**
- **The government should continue taking steps to shield firms in formal employment sectors from lasting damage.** A fiscal stimulus package including, for example, extended credit facilities to strategic sectors affected by reduced demand for exports, like manufacturing and horticulture, may be needed depending on the severity and length of the crisis. This package could also include increasing unemployment insurance, reducing payroll and income taxes, and extending paid sick leave, or develop worker retention programmes.
- **The government should consider forms of Temporary Income Support, as already being discussed, targeted to vulnerable urban communities**, with a particular focus on those engaged in casual labour, and having lost their employment. This response should include cash and in-kind transfers to address the immediate income loss and the resulting poverty and food insecurity. **As much as possible, this expanded urban social protection should use existing structures (i.e. UPSNP) rather than new ones.** The potential for a long-term increase in poverty and food insecurity calls not only for emergency relief but also



continued/scaled up and coordinated delivery capacities of social protection and humanitarian crisis response programs. In that respect, **the Government, should design response measures that strengthen social protection systems in the medium and long term.**

- **In these different response measures, women should be targeted given their high vulnerability to the income losses from informal employment.** Measures to consider or to extend could include credit to women entrepreneurs, workplace measures aimed at protecting women from harassment, unfair dismissal, etc., childcare benefits/childcare services at community level and not only for those in formal employment.
- **The government, with the support of organisations such as the World Bank, should take steps to limit the expected drop in remittances from abroad.** The Ethiopian government has been proactively engaging with the Ethiopian diaspora in mobilising support. Measures to reduce barriers to mobile money transfers could be particularly critical in that respect, as they would facilitate remittance flows to protect the most vulnerable families and communities, some of which already being promoted by the diaspora.