

World Bank Group Supports Improved Livelihoods of Urban Poor

WASHINGTON, December 16, 2015 The World Bank Groups Board of Executive Directors today approved a US\$300 million International Development Association (IDA) credit to Ethiopia for the **Urban Productive Safety Nets Project (UPSNP)**. The funds will be used to reduce poverty and vulnerability among the urban poor living below the poverty line.

Over the past decade, Ethiopia has achieved positive results in poverty reduction especially in rural areas. However, urban poverty remains a challenge. The UPSNP will help Ethiopia to further alleviate extreme poverty and improve shared prosperity, by enabling poor households to take advantage of the economic opportunities that urban development offers, as well as gain access to equitable social protection services.

“The project will help provide predictable safety nets and livelihood services for the poorest urbanites and facilitate capacity building taking into account the complex nature of urban poverty and adapting to changing circumstances,” said **Muderis Abdulahi**, World Bank Task team Leader for the project.

UPSNP will help 604,000 beneficiaries or about 55 percent of urban dwellers below the poverty line in 11 major cities (Addis Ababa Adama, Assayita, Asosa, Dessie, Dire Dawa, Gambella, Hawassa, Harari, Jijiga, and Mekele).

The project includes interventions that meet the diverse needs of beneficiaries. Able-bodied persons in eligible households will have the opportunity to participate in public works and receive safety net payments. The project will also help them gain basic financial literacy and other soft business skills, as well as various livelihood services which they can use to gain their financial independence.

For those who are unable to participate in the public works program, including the elderly, people with disabilities living in eligible households, street children, the homeless, and panhandlers, the project will deliver unconditional cash transfers as well as additional services.

Technical assistance and capacity building will also be provided under UPSNP to the Government of Ethiopia to help it effectively implement the project and develop core systems for delivery of safety nets and complementary livelihood services.

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