Women Entrepreneurship Development Project (WEDP) (P122764, IDA 68140

Component 1: Access to Finance

Financial Statements and Audit Report
for the Period **July1,2024-December 31, 2024**

DEVELOPMENT BANK OF ETHIOPIA
WOMEN ENTREPRENEURSHIP DEVELOPMENT PROJECT(WEDP) (P122764, IDA 68140)

COMPONENT 1: ACCESS TO FINANCE

FINANCIAL STATEMENTS AND AUDIT REPORT FOR THE PERIOD JULY 1, 2024 TO DECEMBER 31, 2024

Kokeb & Melkamu Audit Service LLP
Chartered Certified Accountants (UK)
Authorized Auditors in Ethiopia

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF DEVELOPMENT BANK OF ETHIOPIA
WOMEN ENTREPRENEURSHIP DEVELOPMENT PROJECT (WEDP)

Opinion

We have audited the accompanying financial statements of the Women Entrepreneurship Development Project (WEDP) financed by the International Development Association Project No. P122764, IDA 51120/68140 (FROT/IDC/AID/ 15/010/00) Co-Financers: Italian Development Cooperation (FROT/IDC/AID/ 15/010/00), JAICA ET/P3 and the European Investment Bank EIB Ref. No. FI 89.795 comprising the statement of financial position as at 31 December 2024 and the Statement of Sources and Uses of Funds for the period then ended, and a summary of significant accounting policies and other explanatory information have shown from pages 3 to 9.

In our opinion, the financial statements present fairly, in all material respects, the financial position the Women Entrepreneurship Development Project (WEDP) Component 1 implemented by the Development Bank of Ethiopia together with the participating financial institutions (banks and microfinance institutions), the Statement of Sources and Uses of Funds for period covering July 1, 2024 up to December 31, 2024 in accordance with the financial management policy of Project In addition, the Project was, in all material respects, in compliance with the Financing Agreements and Contracts.

With respect to the statements of sources and uses of funds submitted during the period listed on page 4, in our opinion:

a. The statements, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

b. The proceeds of the designated account have been used exclusively for eligible expenditures and provisions and covenants of the Financing Agreement and Subsidiary Agreement have been substantially respected.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing applicable to the audit of financial statements. Furthermore, we have audited the Project's compliance with the provisions and covenants of the Project No. P122764, IDA 51120/68140 and Co-Financers: Italian Development Cooperation (FROT/IDC/AID/ 15/010/00), JAICA ET/P3 and the European Investment Bank EIB Ref. No. FI 89.795.

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accounts (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Kokeb & Melkamu Audit Service Limited Liability Partnership
Certified Accountants (UK) & Authorized Auditors/ ሠርቲፋይድ አካውንታንትስ (ዩኬ) እና የተፈቀዱላቸው ኦዲተሮች

Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies of the Project, and for such internal control as management determines is necessary to enable the preparation of a project report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the project report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Special opinion:

The financing agreement has been properly closed out.

The engagement partner on the audit resulting in this independent auditor's report is Dr. Kokeb Moges.

Kokeb & Melkamu Audit Partnership
Chartered Certified Accountants (UK)
Authorized Auditors in Ethiopia

Addis Ababa
April 2, 2025

DEVELOPMENT BANK OF ETHIOPIA
WOMEN ENTREPRENEURSHIP DEVELOPMENT PROJECT
GRANT N0. P122764,IDA 51120/68140 (F.ROT/AID 15/010/00,ETP3,FI N0 89.795)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

Currency : Ethiopian Birr

	Notes	July 1to Dec2024	June 30.2024
ASSETS			
Current assets			
Outstanding Advance due from PFI	4	-	243,566,822.67
Cash at Banks	5	-	33,503,443.14
Total assets		-	**277,070,265.81**
LIABILITIES			
Current liabilities			
Creditors		-	-
		-	-
Fund			
Restricted Fund	7	-	277,070,265.81
Total Liabilities and Fund balance		-	**277,070,265.81**



DEVELOPMENT BANK OF ETHIOPIA
WOMEN ENTREPRENEURSHIP DEVELOPMENT PROJECT
GRANT No. P122764,IDA 51120/68140 (F.ROT/AID 15/010/00,ETP3,FI N0 89.795)
STATEMENT OF SOURCES AND USES OF FUNDS
FOR THE PERIOD COVERING 1 JULY 2024 TO 31 DECEMBER 2024

Currency : Ethiopian Birr

	Notes	July 1to Dec2024	June 30.2024
INCOME			
Transfers	6	274,894,349	1,027,117,159
Foreign exchange gain	6	61,236,845	24,887,651
		336,131,194	**1,052,004,809**
EXPENDITURE			
Expenditure (Utilized by PFIs)		610,749,928	1,869,835,272
Rescue Facility paid to MFIs		-	5,939,623
Total utilization	7	610,749,928	1,875,774,895
Bank Service Charge	7	1,700	800
		610,751,629	**1,875,775,695**
EXCESS OF EXPENDITURE OVER INCOME		**(274,620,434)**	**(823,770,885)**

Kokeb & Melkamu Audit Service LLP
Chartered Certified Accountants /CIA/

DEVELOPMENT BANK OF ETHIOPIA
WOMEN ENTREPRENEURSHIP DEVELOPMENT PROJECT
PROJECT No. 122764, IDA 51120 (F.ROT/AID 15/010/00, ET-P3,F1 No 89.795)
STATEMENT OF DESIGNATED ACCOUNTS
FOR THE PERIOD COVERING 1 JULY 2024 TO 31 DECEMBER 2024

Account Name	**DBE IDA-AF**
Account number :	**0101171300050**
Depository bank:	**National Bank of Ethiopia**
Address :	**Addis Ababa, Ethiopia**
Currency	**USD**

		USD	BIRR
Opening balance - June 30, 2023		543,627	31,475,904
Add:	Transfer from the World Bank	2,385,132	274,894,349
		2,928,759	**306,370,253**
Less:	Transferred		
	Rescue Facility paid to MFIs	(202,708)	(25,432,997)
	Transferred to PFIs	(2,726,038)	(342,172,501)
	Bank Charge	(13)	(1,601)
		(2,928,759)	**(367,607,098)**
	Foreign Exchange Gain	-	61,236,845
Closing Balance as of June 30, 2024		-	-

Koket & Melkamu Audit Service LLP
Chartered Certified Accountants /UK/

DEVELOPMENT BANK OF ETHIOPIA
WOMEN ENTREPRENEURSHIP DEVELOPMENT PROJECT (WEDP)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD COVERING JULY 1, 2024 TO DECEMBER 31, 2024

Currency: Ethiopian Birr

1. BACKGROUND

Women Entrepreneurship Development Project (WEDP) is financed by the World Bank (IDA 5112 & 6814) and implemented by the former Federal Urban Job Creation and Food Security Agency (now called the Entrepreneurship Development Institute (EDI)-Ethiopia) and the Development Bank of Ethiopia correspondingly with Special Drawing Rights of (SDR 32,200,000 and SDR 63,700,000for the credit line and additionally availed SDR 3,600,000 for the rescue facility).

The objective of the Women Entrepreneurship Development Project (WEDP) is to increase the earnings and employment of micro & small enterprises (MSE) owned or partly owned by the participating female entrepreneurs in the targeted- cities.

The Project consists of the following parts:

Part I: Access to Finance

a) Management of the established credit facility providing access to finance for working capital and investment for qualifying growth-oriented micro and small enterprises owned (or partly owned) by female entrepreneurs.
b) Provision of technical assistance to support: (i) capacity building in participating financial institutions; and (ii) an Institutional Development Plan for Development Bank of Ethiopia (DBE), including capacity building of the PMT.
c) Establishment and operation of a rescue facility ("RF") that provides funding to DBE and PFIs to allow them to offer increased financing flexibility to support viable target sub-projects adversely affected by the COVID-19 economic downturn.
d) Establishment and operation of an innovative finance facility that provides access to finance through innovative financial products that reduce or circumvent the need for traditional fixed asset collateral for qualifying growth-oriented micro and small enterprises owned (or partly owned) by female entrepreneurs.

This component is implemented by the Development Bank of Ethiopia under sub credit agreements with local micro finances. The accompanied financial statements are related to Part I: Access to Finance component

Part 2: Entrepreneurial Skills and Technology Development

a) Design and implementation of a capacity building technical assistance program to strengthen the capacity of the implementing agencies connected with the Project, that provide direct services to the Beneficiaries, including, in particular, NPMT, FeMSEDA, One Stop Shops and TVET Colleges, and the supporting/coordinating institutions such as the City MSE Development Offices.
b)
c) Management of the delivery of business training and business development services to support female micro- and small-businessowners registered with the WEDP program.

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Part 3: Project Management, Advocacy and Outreach, Monitoring and Evaluation, and Impact Evaluation

a) Establishment and management of the NPMT within FUJCFSA (Now changed to Entrepreneurship Development Institute (EDI)-Ethiopia).

b) Advocacy and Outreach. Provision of technical assistance (consisting of consultants' services and Training) to build awareness and expand the outreach and understanding and acceptance of the Project among targeted Beneficiaries and other stakeholders. Carrying out of a program of public information disclosure about the Project, including, inter alia, organizing meetings and strengthening access to sources of information through public media such as newspapers, mobile phones, radio and television. Dissemination of results, lessons learned and good practices.

c) Monitoring and Evaluation. Development and management of a monitoring and evaluation system to collect data from all the implementing agencies to identify gaps in Project implementation, corrective actions and improved planning by (Now changed to Entrepreneurship Development Institute (EDI)-Ethiopia).

d) Impact Evaluation. Carrying out of an impact evaluation of the Project.

Component 2 & 3 shown above are implemented by the Entrepreneurship Development Institute (EDI)-Ethiopia).

The Project duration is until December 31, 2024

2. ACCOUNTING POLICIES

The Development Bank of Ethiopia, the External Fund and Credit Management Directorate, WEDP PMT follows the cash basis of accounting where transactions are recorded on the T-24 System of the Bank when the Project DA is affected in cash.

a) Income

Income is recognized when funds are actually collected from the World Bank. Gains are recorded based on translation of USD balances to ETB for reporting purpose

b) Expenditure/Utilization

Development Bank of Ethiopia, the External Fund and Credit Management Directorate, WEDP PMT does not have any expenditure except for bank charges in connection with bank charges. Expenditure/ Utilization are recorded based on the reported loan and other fund (COVID 19 grant) MFI disbursement to women beneficiaries

c) Foreign currency transactions.

Transactions in foreign currencies are translated using the exchange rate prevailing on the date of the transaction.



DEVELOPMENT BANK OF ETHIOPIA
WOMEN ENTREPRENEURSHIP DEVELOPMENT PROJECT
GRANT N0. P122764,IDA 51120/68140 (F.ROT/AID 15/010/00,ETP3,FI N0 89.795)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD COVERING 1 JULY 2024 TO 31 DECEMBER 2024

Currency : Ethiopian Birr

	July 1to Dec2024	June 30.2024
4. OUSTANDING ADVANCE DUE FROM PFI		
WASASA Microfinance Inst.	-	5,893,043
Specialized Financial & Prom. Inst. (Liyu)	-	-
Amhara Cr. & Saving Inst/Tsedey Bank	-	-
Oromia credit & Saving S.C/Siinqee Bank	-	-
Addis credit & saving institution	-	40,189,625
Harbu Microfinance Inst.	-	-
Omo Microfinance Inst.	-	43,689,024
Agar Micro Finance Inst.	-	-
Metemamen Micro Finance Inst.	-	28,323,100
Meklit Microfinance Inst.	-	31,322,931
Visionfund Minicrofinance Instit.	-	28,549,700
Peace Microfinance Inst.	-	-
Enat Bank	-	65,599,400
	-	243,566,823
5 CASH AT BANKS		
National Bank of Ethiopia		
NBE-0101171040009-Birr A/C	-	2,027,539
NBE-0101171300050 USD A/C	-	31,475,904
	-	**33,503,443**

Chartered Certified Accountants (UK) Koheb & Melkamu Audit Service LLP

6 SOURCE OF FUNDS

International Development Association (IDA-AF)

Sources IDA-68140	USD($)	Exc Rate	Birr	June 30.2024
26/09/2024	2,385,132.13	115.2533	274,894,349	
	2,385,132.13		**274,894,349**	1,027,117,159

7 FUND BALANCE

Opening Balance	277,070,266	1,100,841,151
Prior year adjustment	- 2,449,831	
Excess of Sources over Uses	(274,620,434)	(823,770,885)
Closing Balance	**0**	**277,070,266**

DEVELOPMENT BANK OF ETHIOPIA
WOMEN ENTREPRENEURSHIP DEVELOPMENT PROJECT
GRANT N0. P122764,IDA 51120/68140 (F.ROT/AID 15/010/00,ETP3,FI N0 89.795)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD COVERING 1 JULY 2024 TO 31 DECEMBER 2024

	Disbursed							
	Beg Balance	Loan	Rescue Facility	Total Disbursed	Utilzation	Rescue Facility	Total Utilization	Outstanding
Wasasa Microfinance Inst.	5,893,043	-	-	-	5,893,043	-	5,893,043	-
Specialized Financial & Prom. Inst. (Liyu)	-	-	-	-		-	-	-
Amhara Cr. & Saving Inst/Tsedey Bank	-	-	-	-		-	-	-
Oromia Credit & Saving S.C/Siinqee Bank	-	-	-	-		-	-	-
Addis Credit & Saving Institution/Siket/	40,189,625	65,000,000	-	65,000,000	105,189,624	-	105,189,624	-
Harbu Microfinance Inst.	-	-	-	-		-	-	-
Omo Microfinance Inst.	43,689,024	-	-	-	43,689,024	-	43,689,024	-
Agar Micro Finance Inst.	-	-	-	-		-	-	-
Metemamen Micro Finance Inst.	28,323,100	20,094,967	-	20,094,967	48,418,067	-	48,418,067	-
Meklit Microfinance Inst.	31,322,931	28,873,100	-	28,873,100	60,196,031	-	60,196,031	-
Vision Fund	28,549,700	117,965,507	-	117,965,507	146,515,207	-	146,515,207	-
Peace Microfinance Inst.	-	-	-	-		-	-	-
Sidama Microfinance Inst.	-	-	-	-		-	-	-
Buussa Gonofa Microfinance Inst	-	-	-	-		-	-	-
Enat Bank	65,599,400	93,657,814		93,657,814	159,257,214		159,257,214	-
Dedebit			42,846,700	42,846,700	42,846,700			-
Adeday			1,194,849	1,194,849	1,194,849			
	243,566,823	325,591,388	44,041,549	369,632,937	613,199,759	-	569,158,210	-



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April 2, 2025

Development Bank of Ethiopia
Women Entrepreneurship Development Project
Addis Ababa

RE: Internal Control Memorandum for the Period covering July 1, 2024 to December 31, 2024

Dear Sirs,

In accordance with our appointment as auditors, we have audited the financial statements of the Women Entrepreneurship Development Project for the period covering July 1, 2024 to December 31, 2024 and we have submitted our report separately. We would like to give our findings and recommendations on certain aspects of the internal control system, and other matters which came to our attention during the course of our examination of the accounts of the Women Entrepreneurship Development Project attached hereto (pages 2-7).

It must be appreciated, however, that the matters dealt with in this memorandum are based on our normal audit procedures, which were designed primarily with the view to express our opinion on the accounts of the Project taken as a whole. Therefore, our examination cannot be expected to disclose all possible weakness in internal control and to uncover all other findings, which a more extensive special examination might reveal.

We are frequently in a position to offer constructive suggestions for improvements in accounting and control procedures but our work in these areas is not designed for the purpose of expressing an opinion on the effectiveness of the various control systems and accordingly, would not extend into all areas in which improvements may be warranted. Additionally, inasmuch as our examinations do not include a 100% detailed audit of transactions, they would not necessarily disclose all irregularities, and should any exist.

We would like to express our appreciation to the management and staff of for the assistance and courtesy extended to us during the course of the audit.

We shall be pleased to provide any further explanation that may be required.

Yours faithfully,

Kokeb & Melkamu Audit Service LLP
Chartered Certified Accountants (UK)
Authorized Auditors in Ethiopia

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