

**THE EUROPEAN UNION EMERGENCY TRUST FUND FOR STABILITY AND
ADDRESSING THE ROOT CAUSES OF IRREGULAR MIGRATION AND
DISPLACED PERSONS IN AFRICA**

Action Document for the implementation of the Horn of Africa Window
T05-EUTF-HOA-ET-40

1. IDENTIFICATION

Title/Number	Stimulating economic opportunities and job creation for refugees and host communities in Ethiopia in support of the Comprehensive Refugee Response Framework (CRRF) in Ethiopia		
Total cost	Total estimated cost: EUR 20 000 000 Total amount drawn from the EU Emergency Trust Fund: EUR 20 000 000		
Aid method / Method of implementation	<ul style="list-style-type: none"> • Indirect management with an international organisation: UNHCR • Indirect management in the context of an administrative agreement with the World Bank • Direct management through grant contract(s) 		
DAC-code	73010	Sector	Reconstruction relief and rehabilitation
	16020		Employment
	13010		Migration
	11330		Vocational training
	25010		Business support services and institutions
	15170		Women and Youth

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

The action contributes to **EU Trust Fund's objectives (1)** create greater economic and employment opportunities, **(2)** strengthening resilience of communities and in particular the most vulnerable, as well as the refugees and displaced people, and **(4)** improved governance and conflict prevention, and reduction of forced displacement and irregular migration.

The action is also aligned with the EU-Ethiopia Common Agenda on Migration and Mobility (CAMP) priority areas (3) maximising the development impact of migration and mobility, and (4) promoting international protection of those in need of it, and with the **Valletta Action Plan priority domains (1)** development benefits of migration and addressing root causes of irregular migration and forced displacement, and **(3)** reinforce the protection of refugees and other displaced persons, uphold the human rights of all migrants, refugees and asylum-seekers, support the integration of long term refugees and displaced

persons in host communities and strengthen capacities of countries of first asylum, transit and destination. It also aligns with several of the **Sustainable Development Goals, including notably goal 18**) “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”.

This action aims to support the Government of Ethiopia to shift from a 'care and maintenance' or camp-based model of refugee assistance to an approach, which emphasises refugee self-reliance, refugee mobility in-country and the integration of refugees into regional and national development processes. Framed within the Ethiopian National Action Plan for the implementation of the Comprehensive Refugee Response Framework (CRRF), based on the New York Declaration and the related policy pledges made by Ethiopia at the Leader's Summit in New York in September 2016, this action focuses on the pledges related to the local integration of refugees in protracted displacement and the expansion of the Out-of-Camp policy, as well as pledges on access to employment and work permits, education and all other benefits to which a foreigner with a permanent legal residence is entitled, including but not limited to the opening of bank accounts and acquisition of a driving license. Piloting action in these areas will support refugees' access to the full range of legal, economic and social rights as detailed under the Leaders' Summit pledges agreed to by the Ethiopian Government.

The **overall objective** of the action is to ease pressure on Ethiopia as a major host country for refugees and increase refugee self-reliance by fostering sustainable, integrated and self-reliant solutions for both refugees and host communities in Ethiopia in response to their developmental needs and aspirations.

The **specific objectives** of the action are **1) Enhanced organisational and technical capacity of ARRA, MoFEC, and other relevant Ethiopian government institutions** to organise and manage the CRRF governance structure in Ethiopia, and to implement sustainable and development-oriented responses as part of the CRRF at federal, regional and local level; **2) Facilitated transition of targeted refugees** from living in refugee camps to benefiting from integration into the Ethiopian society by supporting a selected number of refugees in the Jijiga area in a transition phase through the existing national social protection programme the “Productive Safety Net Programme” (PSNP); **3) Strengthened socio-economic development and better employment opportunities** for refugees and host communities in the Jijiga area (Somali Regional State) by supporting and piloting the implementation of Ethiopia's refugee pledges, in particular related to local integration of refugees, expansion of the Out-of-Camp policy and Documentation Pledges.

The **intervention logic** is that enhancing the capacity of key actors to work along more sustainable and development-oriented lines and supporting individuals among refugees and the host community as well as local business and SME's will stimulate sustained economic growth and provide economic and job opportunities for refugees and host communities alike in a targeted area of Ethiopia, the Jijiga area in Somali Regional State. While socio-economic opportunities are assessed and developed and beneficiaries acquire relevant skills and support to enhance their economic and job opportunities, the action will support the transition of targeted refugees into local structures by including them into the national safety net scheme, the PSNP, via an earmarked contribution to the PSNP and taking due account of the need to ensure equal treatment of refugees and members of the host community. In parallel, the action will support existing, private small/ medium scale

businesses with potential to grow, boost new sectors and create employment for both host nationals and refugees. As a result, greater self-reliance will provide refugees with perspectives for pursuing their aspirations in Ethiopia or outside Ethiopia within regular migration frameworks and at the same time living standards among host communities will be improved.

This intervention is complementary with humanitarian assistance provided to cater to the life-saving needs of refugees as well as with other long-term sustainable solutions put in place i.a. by the Ethiopian Jobs Compact.

By piloting specific actions on local integration, Out-of-Camp policy and implementation of the Documentation Pledges¹, seeking synergies with other national flagship programmes such as the Jobs Compacts and the PSNP, and testing their replication potential, the intervention will function as an important contributing vehicle to the concrete roll-out of the CRRF in Ethiopia and hence support the significant policy shift that the Government of Ethiopia (GoE) has undertaken by committing to the pledges and by agreeing to become a CRRF pilot country. Results from this innovative action and the CRRF in Ethiopia will inform the work on the development of a Global Compact on Refugees and its programme of action that will be presented by UNHCR for endorsement at the UN General Assembly in 2018.

The **geographical scope** of the action is the Somali Regional State with a focus on the Jijiga area and the refugee camps and surrounding host communities. In addition, capacity building and technical assistance will be carried out at federal level in Addis Ababa as well as at regional and local level in Somali Regional State and in selected other refugee hosting regions of Ethiopia.

2.2. Context

2.2.1. Country/regional context, if applicable

The Horn of Africa is one of the major refugee producing and hosting regions in the world. Protracted conflict and violence and persecution, combined with increasingly harsh climatic conditions, lack of income opportunities and a rapidly growing and increasingly young population, cause people to flee or migrate. Although some migrants and refugees from the Horn of Africa head for Europe, by far the majority of migrants and refugees stay within the region, with Ethiopia, Uganda, Sudan and Kenya hosting the bulk of refugees from inter alia Somalia, Eritrea and South Sudan.

Ethiopia is both a country of destination, transit and origin of migration and is therefore a key partner for the EU in the efforts to secure well-managed migration and refugee flows. With its location in the Horn of Africa, Ethiopia is surrounded by countries characterised by conflict and drought related out-flows of refugees. Large numbers of refugees are flowing out of countries such as South Sudan, Somalia, and Eritrea and seek protection and refuge in neighbouring countries, including Ethiopia. Ethiopia currently hosts 893,938 refugees (UNHCR, 30 November 2017) - the second largest refugee population in Africa surpassed only by Uganda. Despite continued political and economic challenges of its own, including recurrent droughts, ethnic tensions, unrest and political discontent on the part of some

¹ Provision of other benefits such as issuance of birth certificates to refugee children born in Ethiopia, possibility of opening bank accounts and obtaining driving licenses.

groups, which led to the State of Emergency from October 2016 to August 2017, Ethiopia continues to maintain an open-door policy towards the increasing number of refugees seeking protection in the country. Since the beginning of 2017, more than 100,000 new refugees have arrived in Ethiopia mainly from South Sudan (over 73,000) but also with continued arrivals from Somalia (over 6,500) and Eritrea (over 18,000), (UNHCR, 30 September 2017).

Ethiopia is the second most populous country in Africa with a population of around 100 million people, yearly population growth of 2,5 per cent (World Bank) and a projected population of around 138 million people in 2030 and growing to 188 million people in 2050 (UN, World Population Prospects, 2015).

Despite economic growth rates of approximately 10 per cent during the last decade, as well as good progress on several of the Millennium Development Goals in e.g. education, poverty reduction and health, Ethiopia is still one of the poorest countries in the world with a GDP/capita in 2016 at USD 759 (World Bank). Ethiopia in 2015 ranked as 174 out of 188 countries on the human development index (UNDP, Human Development Report 2016). Unemployment is high (20 per cent) and in particular youth employment is a challenge aggravated by demographics with a very young population. An estimated 2,5 million young people enter into the job market every year - a number that the labour market is currently unable to absorb.

In response to the above challenges, Ethiopia has embarked on an ambitious development strategy aimed at achieving lower middle-income status by 2025 as set out in its Growth and Transformation Plan II (GTP II) 2015/16-2019/20. An important part of this plan is to ensure economic development and job creation through an industrialisation strategy, which seeks to diversify the country away from its traditional agricultural base. This involves a focus on developing the manufacturing sector, which today accounts for just over 5 per cent of GDP, and a big push for industrialisation and increased export earnings and import substitution and value addition by establishing a series of industrial and agro-industrial parks. Some of the jobs in the Industrial Parks are intended to be reserved for refugees as part of the refugee pledge on Industrial Parks and the Jobs Compact supported by the EU, EIB, DFID and the World Bank.

Nevertheless, Ethiopia is currently still to a large extent a rural country and many households depend on subsistence farming. Due to the rain-fed nature of agriculture in many parts of the country, the economy and the population is vulnerable to weather patterns and changing climatic conditions. Droughts seem to occur more frequently than in the past, contributing to recurrent failed harvests and food insecurity. In 2017, around 16,5 million people in Ethiopia depend on different food assistance programmes to handle temporary or chronic food insecurity, including the PSNP currently covering 8 million people².

The Somali Regional State located in the Eastern and South-eastern part of Ethiopia is one of nine regional states in the country. Based on the 2007 census conducted by the Central Statistical Agency of Ethiopia, Somali Regional State had a total population of 4,5 million people and the number of people is estimated to be more than six million in 2017. The ethnic composition is made up of Somali 95.6%, Oromo 2.25%, Amhara 0.69%, and Guragie 0.14% and the rest other ethnic groups.³

² 2017 Ethiopia Humanitarian Requirements Document

³ Central Statistical Agency Census Report of 2007

The collapse of the state of Somalia, several decades of conflict, and the recurrent droughts in Somalia are the main factors that since 1991 have led to the international displacement of more than one million Somalis, many of whom are captured in a protracted displacement situation. Somali Regional State in Ethiopia hosts more than 250,000 Somali refugees in eight camps of which three are located in the Jijiga area.

The influx of Somali refugees, and the long-term nature of the displacement, has led to pressure on the refugee-hosting areas of Somali Regional State with eroding social cohesion and livelihoods and occasional tensions between host communities and refugees. Dependence of both host communities and refugees on e.g. fuelwood has led to competition for scarce resources and widespread deforestation around refugee camps. On top of this, the area is characterised by complex clan and political structures and security issues related to both terrorist threats and ethnic conflict. During the past months, ethnic conflict and clashes have increased between Somalis and Oromos in a range of locations in the border areas between Somali and Oromia regional states. More recently, serious clashes between Somalis and Oromos and incidents of killings of people along ethnic lines have occurred in Jijiga town itself and in other towns on the border between the two regions.

Jijiga area is one of the areas with refugees in protracted situations, some of them having lived in camps for more than 20 years. This calls for a shift from traditional humanitarian relief to more long-term and development-oriented actions with a focus on sustainability and self-reliance. Moreover, with the relative proximity to trading routes and larger urban areas such as the regional capital Jijiga and Dire Dawa (second largest city in Ethiopia and the site of one of planned Industrial Parks supported under the Jobs Compacts), there is potential for economic integration of refugees not only into nearby host communities, but also wider markets in the area with employment potential.

2.2.2. Sector context: policies and challenges

Refugees in Ethiopia have until now generally been subjected to a comprehensive encampment policy in which refugees are hosted in one of the 27 refugee camps managed by the Administration for Refugees and Returnee Affairs (ARRA) and UNHCR and they are only on exceptional basis allowed to leave the locations. These camps are usually located in peripheral border areas of the country and often - but not always - refugees and host communities belong to the same cultural/ethnic groups. The exception to encampment has been the Out-of-Camp policy, which the Ethiopian government has supported since 2010 for some refugee populations. This has allowed some Eritrean refugees to live outside camps, normally on the condition that they can support themselves or have a sponsor. So far, no formal policy document or guideline setting out the rules and procedures for the Out-of-Camp policy has been adopted.

There are no provisions under Ethiopia's current law for local integration of refugees. The country maintains its reservations to the 1951 Convention relating to the Status of Refugees, notably to Article 17 (access to wage-earning employment) and Article 22 (access to public education). The 1995 Constitution offers only citizens the right to work, and also provides for the right to join unions, as well as to other labour rights generally. The 2004 refugee proclamation exercised Ethiopia's reservation to the 1951 Convention's right to work, placing the same restrictions on refugees as on other foreigners. This has prevented refugees from formally enjoying these rights and refugees have therefore until now not had access to

the formal labour market. Likewise, refugees are not incorporated into development plans at federal or local levels and funding for refugees and Ethiopian development projects are kept clearly separated.

With refugees - either in-camp or outside camp - not being allowed to work in the formal private or state sector, the only option left for them is economic participation either in the camps or in the informal sector in the surrounding areas (e.g. in construction, small shops, street trade, etc.). Lack of access to the formal labour market and limited livelihood opportunities in the camps, located in remote areas of Ethiopia with little economic activity and scarce resources and harsh camp conditions, are important push factors for secondary migration of Eritrean and Somalis refugees towards Europe or elsewhere. Better possibilities for refugees to participate in the Ethiopian labour market paired with the creation of sustainable economic opportunities in the areas near the camps could provide refugees and host communities with better perspectives for self-reliance in the longer term, thereby both reducing push factors and making them “productive citizens” who could contribute to the Ethiopian economy.

In addition, increased capacity of the government to provide integrated services to refugees and host communities may provide better and more durable solutions and reduce the incentive to onwards movement and also reduce potential conflict between refugees and host communities and destabilisation of refugee hosting areas. Pursuing an integrated approach, involving local governments and communities and providing services to both camps and host communities following a comprehensive local development plan could be an innovative way to ensure better and more efficient service delivery. To achieve this, it will be necessary to seek the active involvement not only of federal government but also regional and local government entities and other local structures to aim at including refugees in local development plans.

With the important global policy shift towards refugees since September 2016 and the commitment of the Ethiopian government to pilot the CRRF, there is now a window of opportunity to work towards a changed approach to the handling of the refugee population in Ethiopia. On 20 September 2016, Ethiopia made the nine pledges at the Leaders' Summit on Refugees⁴, relating to an expansion of out-of-camp policy, work permits and local integration (amongst others).

Ethiopia subsequently committed to implementing the CRRF and the nine pledges. In the follow-up, ARRA and UNHCR have taken the lead and together drafted a Roadmap to guide the implementation of the pledges. The National Action Plan for the CRRF in Ethiopia is planned to comprise the following four components: 1) Implementation of the refugee

⁴ 1.Expansion of the Out-of-Camp policy to benefit 10% of the current refugee population

2.Provision of work permits to refugees and to those with a permanent residence ID

3.Provision of work permits to refugees in areas permitted for foreign workers

4.Increase of enrolment in primary, secondary and tertiary education to all qualified refugees without discrimination and within the available resources

5.Making available irrigable land to allow 100,000 people (amongst them refugees and host communities) to engage in crop production

6.Allow for local integration for those protracted refugees who have lived for 20 years or more in Ethiopia

7.Building Industrial Parks where a percentage of jobs will be committed to refugees

8.Enhance the provision of basic and essential social services

9.Provision of other benefits such as issuance of birth certificates to refugee children born in Ethiopia, possibility of opening bank accounts and obtaining driving licenses.

pledges; 2) Strengthening the legal and policy framework; 3) Support to host communities to stimulate greater self-reliance and sustainable solutions; 4) Strengthening of coordination mechanisms.

The implementation of the nine refugee pledges and the CRRF in Ethiopia requires both policy and legislative reforms, notably a new Refugee Proclamation. It is foreseen that the new Refugee Proclamation could be presented to Parliament before the end of 2017 or in early 2018.

2.3. Lessons learnt

A number of ongoing projects funded by the EU and by other development partners address the needs of both refugees and host populations in Ethiopia in terms of i.a. better access to basic services, economic and employment opportunities and needs in relation to protection and access to justice. Common for these projects is the strategic approach in which they go beyond the short-term humanitarian assistance to refugees and address the longer-term development needs and self-reliance of both refugees and host communities. Another feature is the integrated approach to project activities in which sustainable development and protection solutions are being developed for both refugees and their host communities, hence seeking more efficient use of funding and planning and reducing tensions between refugees and host communities.

Lessons learned indicate that project activities and services that involve both refugees and host communities may have a positive impact on the relationship between refugees and hosting populations and can contribute to addressing the general perception among host populations that they are worse off than many refugees with regard to access to basic services. Training and support for small-scale livelihood activities have not always proved successful in terms of subsequent employment or better self-reliance. Efforts will be made to ensure thorough assessments and matching of labour supply and demand and targeting of project activities towards economic sectors and skills where there is a demand. A deep understanding of legal, economic, and social and cultural factors and the specificities of the Somali region is also required to ensure successful outcomes. Special attention to the needs of vulnerable groups among refugees and host communities, in particular women, youth and children, is also needed.

A key lesson is also the need to engage the government at all levels to ensure the necessary understanding of and buy-in to the strategic approach of the action. While the government has already committed at the highest level to work towards enhancing the self-reliance of refugees and allow for some refugees to live outside refugee camps, there is still a need to work closely with different government partners to implement this in practice. Continued engagement and dialogue with regional and local governments and host communities will be particularly important.

2.4. Complementary actions

Humanitarian assistance targets refugees and their hosts and other persons in need of humanitarian assistance. This action is complementary to the work of humanitarian actors, in particular DG ECHO.

The **Jobs Compact** supported by the EU, EIB, World Bank and DFID - and embedded in one of the nine pledges - brings support to Ethiopia's industrial transformation through the

development of three industrial parks that are expected to create 100,000 jobs of which 30,000 will be reserved for refugees who will be offered the legal rights and opportunities for employment either in industrial parks or outside.

The **Regional Development and Protection Programme (RDPP) in Ethiopia** funded with EUR 30 million from the EU Trust Fund and rolled-out in Ethiopia jointly by the EU Delegation and the Netherlands addresses integrated solutions for refugees and host communities in four thematic areas: (1) services (water, energy and education), (2) livelihood and job creation, (3) access to justice and legal aid, and (4) capacity building of local stakeholders.

The World Bank funded USD 100 million **Development Response to Displacement Impacts Project in the Horn of Africa (DRDIP)** has the objective of improving access to basic social services, expand economic opportunities and enhance environmental management for host communities impacted by refugee presence in targeted areas of Ethiopia.

The **Integrated basic services for refugees and host communities** project funded with £40 million from DFID and implemented by UNICEF.

The **EU AMIF** funded project on strengthening the protection of and durable solutions for migrants, asylum-seekers, refugees and their host communities in Ethiopia through improved national data on refugees. The project, which will be implemented by a consortium led by The Netherlands and with the participation of UNHCR and other UN organisations, will i.a. support the creation of a new, unified biometric data registration system for refugees in Ethiopia and support access to civil registration for refugees.

The planned DFID funded intervention **Strengthening Refugee and Host Population Economies – SHARPE** which will follow a market systems development approach and seek to develop market systems within specific sectors in certain refugee hosting areas.

The Netherlands funded **Addressing Root Causes (ARC)** with a budget of EUR 9,5 million and addressing livelihoods, basic services and protection in refugee hosting areas in Tigray and Somali Regional States and in Addis Ababa.

Component IV of the **RESET Plus** intervention funded under the EU Trust Fund will support a pilot project on rural to urban transition in two RESET clusters in Amhara and Somali regions in order to facilitate linkages between rural, unemployed youth and women with new employment opportunities in towns and cities.

2.5. Donor co-ordination

A number of other donors, including Denmark, the Netherlands, the World Bank and Australia, also plan to support the CRRF process in Ethiopia both with regard to capacity building and implementation of specific activities. The World Bank has also recently launched a USD 1,4 billion IDA18 Sub-Window for Refugees and Host Communities from which an allocation for Ethiopia of USD 170-215 million has been proposed in addition to a contribution of around USD 45 million from the country's national IDA allocation.

Close coordination between the different donors will be required to ensure that the funding

and the support to CRRF in Ethiopia is used in an efficient way with best possible impact and value for money. The planned CRRF governance structure and in particular the CRRF coordination unit will in itself be an important instrument to ensure good coordination of activities and funding. Moreover, UNHCR in Ethiopia has recently initiated a comprehensive mapping of activities in refugee hosting areas. This tool is expected to be regularly updated and maintained within the CRRF structure. Coordination among key donors is also already taking place at Addis Ababa level and implementing partners are pushed to ensure coordination and exchange of experience at project level in the field.

3. DETAILED DESCRIPTION

3.1. Objectives

The action has being designed taking into account that local integration and Out-of-Camp policy are complex and gradual processes with legal, economic, social and cultural dimensions, which impose considerable demands on both the individual and the receiving society.

The **overall objective** of the programme and the **specific objectives** are as follows:

The **overall objective** is to:

Ease pressure on Ethiopia as a major host country for refugees and increase refugee self-reliance by fostering sustainable, integrated and self-reliant solutions for both refugees and host communities in Ethiopia in response to their developmental needs and aspirations.

The **specific objectives** of the action are:

- 1. Enhanced organisational and technical capacity of ARRA, MoFEC, and other relevant Ethiopian government institutions** to organise and manage the CRRF governance structure in Ethiopia, and to implement sustainable and development-oriented responses as part of the CRRF at federal, regional and local level.
- 2. Facilitated transition of targeted refugees** from living in refugee camps to benefiting from integration into the Ethiopian society by supporting a selected number of refugees in the Jijiga area in a transition phase through the existing national social protection programme the “Productive Safety Net Programme” (PSNP).
- 3. Strengthened socio-economic development and better employment opportunities** for refugees and host communities in the Jijiga area of Somali Regional State by supporting and piloting the implementation of Ethiopia’s refugee pledges, in particular those related to local integration of refugees, expansion of the Out-of-Camp policy and the “Documentation Pledges”.

3.2. Expected results and main activities

The **expected results** are:

Expected result 1 (Component 1): An efficient, well-coordinated and inclusive governance structure for the CRRF in Ethiopia is up and running at federal level with adequate technical competencies and knowledge to effectively implement integrated and sustainable

development-oriented solutions for refugees and host communities as per the CRRF and the nine pledges. An appropriate CRRF structure is in place at regional and local level in Somali Regional State, to underpin concrete implementation of activities in refugee hosting areas.

To achieve expected result 1, activities will have to be implemented focusing on the following two subcomponents:

1) Support to the CRRF governance structure

The development and support of the organisational capacity of the CRRF governance structure at federal level, including steering committee, coordination unit and technical working groups, and appropriate CRRF coordination structures established at regional and local level.

Examples of activities:

Capacity building and technical assistance activities to GoE institutions at federal and regional/local level involved in the management and implementation of the CRRF, including the following:

- Initial rapid assessment of gaps and needs with regard to capacity building and technical assistance to support the work of the CRRF governance structure, including to GoE institutions at federal, regional and local level. This also includes a mapping of ongoing/ planned capacity building financed by other donors.
- Support to the CRRF coordination unit at federal level with technical assistance to ARRA, MoFEC and other GoE institutions to support the establishment and daily operation of an efficient CRRF structure, including the coordination unit and the technical working groups.
- Support to the regional and local government in the Jijiga area with:
 - Technical assistance to manage and implement the CRRF in the region, including regional and local development partners;
 - Assessments (in coordination with other mapping exercises) of the existing capacity of regional and local authorities to provide service delivery, infrastructure, private sector development and local development and governance; and identification of critical gaps.
 - Support to the regional and local governments in other major refugee hosting regions through building on the experiences and CRRF structures established in the Jijiga area, organisational capacity enhancement and technical assistance to relevant authorities in other regional states hosting major refugee populations targeting implementation of pledges covered by this action.

2) Strengthening of the humanitarian-development nexus

Support will be provided to enhance the technical capacities of relevant GoE institutions and key partners involved in the development and implementation of integrated and sustainable

development-oriented solutions for refugees and host communities. Technical capacities will be built at federal, regional and local level, focusing on the pledges supported by the action mainly on local integration, Out-of-Camp policy and relevant Documentation Pledges.

To strengthen the humanitarian-development nexus linked mainly to achieve result 1 and 3 of the action, UNHCR as the implementing agency in charge of result 1 is expected, to include as implementing partner a strong and relevant entity in the form of the Regional Durable Solutions Secretariat in East and Horn of Africa (ReDSS). The aim of including ReDSS is to bring in analytical and process capacity; building main stakeholders capacities to foster localised approaches; better engage local actors and communities to ensure ownership, local relevance and social cohesion; and involve the private sector and civil society. Other development actors or individual experts with expertise and experience in socio-economic development aspects of refugees and host communities may also be engaged.

Examples of activities can include:

- Technical assistance, including possibly secondments, to the CRRF structure, including relevant government institutions at federal level, and in particular to those technical working groups working on pledges targeted by the action to support and facilitate a development-oriented refugee response focused on self-reliance and integrated programming for refugees and host communities, by:
 - Conducting relevant assessments and generate reliable data to identify how best to implement the action's targeted pledges;
 - Bringing in development and private sector specialists to: (i) support the collective effort and inform medium to longer term planning; (ii) advise on the implementation of newly adopted policies, such as Out-of-Camp policy; (iii) recommend relevant and innovative approaches to efficiently implement the pledges; (iv) support the inclusion of refugees in national development plans; (v) advise on economic development strategies and involvement of the private sector; (vi) ensure coordination among all relevant stakeholders in the sector.
- Technical assistance to GoE authorities at regional/local level to:
 - Support authorities, including Bureau of Finance and Economic Development (BoFED) and other relevant regional and local authorities in the geographical locations where project activities will be implemented, in monitoring the implementation of the pledges as planned;
 - Support the inclusion of refugees in Local Economic Development (LEDs) and education plans and enhance the capacity of regional/local government agencies to absorb refugees in local structures and provide adequate service delivery for both refugees and host communities in an integrated manner;
 - Support the use of existing coordination structures or - in the absence of such structures - set-up new structures involving relevant authorities and local stakeholders.

Expected result 2 (Component 2): Facilitated transition of targeted refugees from living in

refugee camps to benefiting from integration into the Ethiopian society by supporting them via the existing national social protection programme (PSNP).

To achieve expected results linked to the subsequent component 3, inclusion of refugees and host communities into national, regional and local development programming is essential. In addition, refugees need to have the right to work and freedom of movement to be allowed to build their self-reliance and resilience in Ethiopia. To achieve this result, the action will put special emphasis on increasing self-reliance for both refugees and host communities, factoring in appropriate economic, environmental and social considerations, while ensuring local relevance and social cohesion.

While putting in place activities and actions to build self-reliance and enhance the economic opportunities of both refugees and host communities, refugees need to be given enough time to transition from their camps to local communities and become self-reliant. This transition must be a gradual and well-planned process in which some of the capacity enhancement and skills development preparing refugees for a life outside the camp, may take place while they are still living in the camp. However, once the step has been taken and refugees decide to leave the camp under local integration or Out-of-Camp pledges, an initial social safety net mechanism may be needed, in particular to support the most vulnerable refugees.

The GoE, with the support from development partners and donors, has put in place one of the largest social protection systems in Africa, the Productive Safety Net Programme (PSNP). PSNP is a social assistance scheme that provides monthly cash or cash and food transfers for six months every year in exchange for participation in Public Work Schemes (5 days per month per six months). Those unable to work receive the transfer unconditionally for 12 months (at present 1.1 million beneficiaries).

The activity under this result is to financially support the PSNP with additional, earmarked funding in order to include a pre-defined number of the refugees from the refugee camps in the targeted woredas who would be most in need of support if living outside the refugee camp. It will be ensured that PSNP beneficiaries (both former refugees and locals) who meet specific selection criteria have access to relevant support - i.e. skills development/training, financial support, etc. - from the action's component 3.

Refugees' access to the PSNP in the Jijiga area will function as a pilot financed under this action and will be based on applicable PSNP rules and will take due account of opportunities and challenges linked to the general implementation of PSNP in the Jijiga area. Special attention will be paid to ensuring that targeting eligible refugees under this component is based on sound analysis and that it will be those refugees most in need of support who become beneficiaries.

Emphasis will be placed on sustainability and directing the refugees benefiting from PSNP towards self-reliance. Support to refugees under PSNP is a pilot, transitory instrument and not a life-long support mechanism. Appropriate exit strategies and prior assessments of needs and desires of refugees, including their willingness to live outside the refugee camps, will therefore be needed.

Expected result 3 (Component 3): Strengthened socio-economic development and better economic and employment opportunities for refugees and host communities in the Jijiga area of Somali Regional State.

The intervention will focus on stimulating economic development and better economic and job opportunities at the “medium level” targeting in particular the segment of small and medium-sized enterprises (SMEs) both in the immediate local host community close to the refugee camps and in the wider urban area around Jijiga. The latter could also include SME’s working as subcontractors in the value chain to larger industries in the area, including the planned Industrial Park in Dire Dawa. Activities carried out by humanitarian actors that encourage work, i.e. in the field of income generation, will be taken into account. The action will take the specific needs of women into consideration, and pay particular attention to youth.

By focussing on employment generation, a key dimension of economic integration, the intervention needs to focus on two streams of action in order to: **(i)** increase the ability of the local/regional economy to create jobs for various skills categories as per already existing and/or potential economic value chains (increase local labour demand); and **(ii)** ensure that the skills levels of the available pool of persons match the type of skills required by the economy (improve the labour market supply).

Examples of activities that aim at increasing local labour demand are as follows:

- Socio-economic assessment and value chain analysis of specific sub-sectors of the economy in the area, including market assessments and labour market analysis. Existing SMEs will be analysed to assess opportunities and limitations and support businesses with a promising potential to grow.
- Establishment of a Technical Assistance Unit in the region to trigger business development and job creation by providing support and advice to SMEs, other business entities and individual beneficiaries on:
 - Promotion of entrepreneurship
 - Facilitate access to finance
 - Financial support to third parties
 - Support the establishment of a revolving fund to promote business development
 - Capacity building for micro finance institutions and other relevant finance institutions to better reach the target group
 - Provide entrepreneurial mentorship and advisory services
 - Support access/ linkages with markets (local, regionals)
 - Serve as a platform to connect different stakeholders by organising sector events, visits, workshops etc.

Examples of activities aiming at improving labour market supply are:

- Skills profiling of refugee and host community populations, including mapping of studies already undertaken in other projects.
- Skills acquisition. Improving the employability of the targeted population both for those who are looking for wage employment and for those who want to become self-employed. The entire spectrum of skills acquisition will be considered from very basic training for those with weak educational background to more advanced technical and business training for beneficiaries with a secondary/tertiary school background. Priority will be given to including refugees in the formal Ethiopian training and education system in order to provide as much as possible sustainable and predictable

access to certified education. This includes demand driven technical and vocational training building on existing TVET structures in Jijiga and based i.a. on the input and needs of the private sector employers, including industrial culture for those seeking employment in large companies/factories and for those seeking self-employment.

- School-to-work transition: Support and facilitate this transition to reduce the reliance on informal networks and connections, and to expand social and labour mobility. Availability and quality of information plays a key role in the labour market, for job seekers to identify relevant opportunities and for employers to find adequate workers.

In addition to activities indicated above, there are other general activities that need to be conducted in order to ensure social and economic integration, legal rights and adequacy of services. These activities include:

- Local integration strategy, based upon the skills and socio-economic assessments, with proposed actions to support local integration taking into account the three inter-related dimensions of local integration, namely: (1) legal processes, (2) economic processes, and (3) social and cultural processes.
- Facilitate the issuance of relevant documents: Support refugees' access to ID cards and other relevant documents such as work permits, driving licenses and other documents and certificates required to underpin the benefits enjoyed by refugees' under the local integration and Out-of-Camp pledges. The setting-up of a one-stop-shop mechanism to be accessed by refugees in or nearby the relevant refugee camps could be considered under this activity.

The **target group** for the entire intervention will be refugees and host communities living in the Jijiga area in Somali Regional State and targeted government institutions and businesses, in particular the following:

- Key government ministries, agencies and stakeholders working with refugees and local development at national, regional and local level;
- Refugees in refugee camps in the Jijiga area who could be eligible for local integration, i.e. they have lived for 20 years or more in Ethiopia as defined in the refugee pledge on local integration. Support may also be available for Somali refugees in the Jijiga area who have stayed less than 20 years in Ethiopia;
- Refugees in camps in the Jijiga area who could be eligible to benefit from living outside the camps as defined in the refugee pledge on expansion of the Out-of-Camp policy;
- Host community populations living in the refugee hosting areas of the Jijiga camps and selected host community populations living in the larger urban area of Jijiga;
- Chambers of commerce, business associations, owners of small/medium business, traders etc. Involvement of the private sector, chambers of commerce and other relevant actors with expertise and commercial thinking in running businesses will be a key priority.

The three refugee camps in the Jijiga area Kebribeyah, Aw-Barre and Sheder currently host a total of around 37.000 Somali refugees, and the surrounding host communities in Awbare and Kebribeyah woredas have populations of around 416,000 people.

The main selection criteria for support under this action are:

- Refugees in protracted displacement who have lived in Ethiopia for more than 20 years and who are therefore eligible for local integration as defined in the government's pledge on local integration;
- Refugees who have lived less than 20 years in Ethiopia, but are also in protected displacement and could qualify to be part of the expansion of Out of Camp policy as defined in the government's pledge;
- A portion of the refugees under the local integration scheme and possibly the Out-of-Camp scheme - those most in need of support and with the weakest prospects of self-reliance - will be eligible for support under the PSNP as part of the gradual transition from dependency in a refugee camp to self-reliance outside the camp;
- Host community populations living in refugee hosting areas around the Jijiga camps and in Jijiga town with priority given to youth and those who have completed a certain level of primary and secondary education;
- Local businesses, SME's etc. with the potential to grow, boost new sectors and committed to create employment for both host nationals and refugees.

Selection and targeting of refugee and host community beneficiaries in the Jijiga area will be implemented in a manner, which takes account of the need to ensure equal treatment of refugees and host community members and - wherever possible - in an integrated approach to reduce the risk of tension and enhance the social cohesion in the area. While basically the same selection criteria will apply, specific vulnerability and protection issues for refugees may need to be taken into account in some cases.

The action could support up to 10.000 refugees through different activities under the pledge on local integration as defined by the government. An estimated 15.000 additional refugees could benefit from support under this action in relation to the pledge on expansion of the Out of Camp policy. At national level, the government has committed to expand the Out of Camp policy to 10 per cent of the total refugee population, which corresponds to more than 85.000 persons with the current total number of refugees in Ethiopia. It is estimated that around 35.000 people from the host community could benefit from the action - approximately 8 per cent of the host population in the woredas surrounding the three refugee camps. Hence, the total, estimated number of individual beneficiaries is 60.000 persons⁵. In addition, SME's, government institutions and other entities will also benefit from support under this action.

Each component under the action will start with an Inception Phase lasting no more than six months and concluded with an Inception Report. During the Inception Phase, recruitments, project agreements etc. will be concluded and assessments, baselines, indicators, targets, implementation plans will be further developed, detailed and revised, where necessary.

⁵ The estimated number of beneficiaries will be further verified during the Inception Phase.

3.3. Risks and assumptions

Risks	Risk level (H/M/L)	Mitigating measures
Continued ethnic conflict and volatile security situation in the Jijiga area and around refugee camps affect implementation of activities.	H	Political dialogue with the Government is ongoing. Follow the security situation closely and assess if project activities are feasible or whether they may need to be postponed or, in the event of long-term instability, may ultimately need to be shifted to another geographical location.
Possible tensions between refugees and host communities and structures dealing with both communities impeding an integrated approach	M	Political dialogue with the Government is ongoing. The programme is using an inclusive and integrated approach targeting both refugees and host communities, applying "do-no-harm" principles and implementing economic and social development initiatives to support nearby communities to avoid conflict related to access to economic resources.
Low capacity of local authorities and organizations to understand and engage in the proposed activities	H	Support the CRRF governance structure with capacity building and technical assistance at federal, regional and local level. Capacity building specifically addressing the needs and gaps at local level as part of the action.
Delays in the issuance of ID cards for refugees and in the adoption of the new legislation required to implement the refugee pledges.	L	Political dialogue with the Government is ongoing and GoE expects adoption of the new Refugee Proclamation within the next few months. The programme is earmarking resources to ensure that the CRRF governance structure and the members of its governing body are empowered to create a conducive legal framework.
Lack of interest from new actors, such as private sector stakeholders, national and international entrepreneurs, etc., to participate in the action.	L	The programme will support and engage with relevant local business/private sector to increase their abilities to create jobs for various skills as per existing and/or potential economic value chains.
Lack of coordination among IPs leading to duplication of efforts and reducing the impact of the programme	L	Continuous support to and dialogue with the government to underpin the importance of putting in place the necessary enabling legal framework, coordination and implementation capacities.

The assumptions for the success of the action including achieving the objectives of the

project are:

- A1: Clear commitment of the Government, local communities, businesses, finance institutions implementing partners to provide tailored services to refugees and host communities a increasing economic opportunities in the selected areas;
- A2: Implementing partners have adequate knowledge of market supply and demand and of private sector development to help identify profitable economic opportunities for the targeted population;
- A3: The right to work and freedom of movement is going to be granted to targeted refugees without restrictions/limitations.
- A4: Early issuance of ID cards for refugees to facilitate the practical implementation of the refugee pledges.

3.4. Cross-cutting issues

Capacity building. Enhancing the capacity of government authorities at all levels involved with refugees and host communities is the first of the three components of the action and a cross-cutting issue which goes across components. It is expected to improve the capacity and coordination mechanism of both central and regional/local authorities, e.g. of local authorities needed for the provision of integrated solutions and to help stimulate a positive business environment for entrepreneurship and public-private partnerships.

Youth. The rapid population growth is producing significant shifts in the demographic profile of the country. In Ethiopia, 45% of the population is under 15 and 60% is under 25 years old. Vulnerable youth, including young women, face several challenges in accessing livelihood opportunities, thus the risk of being trapped in marginal employment or being pushed into irregular migration. Not only are opportunities for income and wage jobs limited, but many youth also have low levels of literacy and work-relevant skills and limited access to livelihood assets. Interventions in support of productive engagement of youth in market systems - both from refugees and host communities - are key to the sustainable development of the country. Improving knowledge and technical skills for youth through vocational training, facilitating access to credit and markets, coaching new entrepreneurs, to enable them to safe jobs in different sectors are also vital to engage in gainful opportunities.

Gender mainstreaming. Throughout the action, gender equality must be ensured. Gender mainstreaming and women's economic empowerment should be at the core of the action, and therefore implementing agencies will be encouraged to implement actions whereby investments in women-owned business or businesses that provide services targeted female clients are encouraged, female networks are strengthened, specific technical training is provided etc. Gender indicators will be disaggregated whenever possible.

Decent job agenda. Following the four interrelated and mutually supportive pillars that comprise the Decent Job Agenda - i.e. employment, rights at work, social protection and social dialogue - the action will work towards promoting work that is productive and delivers a fair income, security in the work place, creates platforms for people to express their concerns, etc. Labour and industrial relations will be enhanced throughout component 3 to ensure that private-public partnerships are encouraged to follow the country's decent job agenda.

3.5. Stakeholders

The action is built on an integrated approach in which different implementing partners will work on specific components of the project. The action will ensure and follow participatory methods, which will accommodate different stakeholders and seek close partnership with different government institutions at local, woreda, regional and federal level.

Key stakeholders include UNHCR, ARRA and Ministry of Finance and Economic Cooperation (MoFEC), the ones envisaged to co-chair the CRRF Steering Committee in Ethiopia. Prime Minister's Office and relevant line ministries together with regional and local (woreda/kebele) GoE authorities are also important parties in the CRRF process.

Local businesses associations, SMEs, micro finance institutions, TVETs and other education institutions and the target group among refugees and host community populations, including refugee associations and local community associations are also important stakeholders. CSO's and implementing partners with field experience in refugee and host community settings in Ethiopia and research institutions with expertise in durable solutions and refugee/host community relations are also stakeholders.

For the PSNP, at the federal level, the Ministry of Agriculture and Natural Resources (MoANR), in close partnership with Ministry of Labour and Social Affairs (MoLSA), will be responsible for the management and coordination of the programme. Food Security Coordination Directorate (FSCD) will ensure the timely transfer of resources to beneficiaries and will release resources to implementing partners in a timely manner based on their approved annual plans and budgets. MoFEC will be responsible for financial management and reporting, and for channelling resources to regions. FSCD – which will be strengthened with the addition of a programme management advisor, a food management specialist and other technical specialists as needed – will coordinate all other aspects of the programme and will appoint focal points for Systems Development, Livelihoods, Public Works, Financial Management and Food Management.

Donors, including the EU Delegation and ECHO, World Bank, other UN agencies, EU Member States and other countries active in the CRRF process, are also relevant stakeholders.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement, if relevant

The signature of a financing agreement is not envisaged.

4.2. Indicative operational implementation period

The period of implementation will be 48 months, whilst the overall execution period (including a closure phase of no more than 12 months) will not exceed 66 months from the date of approval of this Action Document by the Operational Committee of the EU Trust Fund.

4.3. Implementation components and modules

The envisaged implementation mode is **Indirect Management** and **Direct Management**.

Indirect management with UNHCR (Component 1):

Component 1 will be implemented under Indirect Management with UNHCR to implement specific objective 1. UNHCR is expected to include the civil society partner Regional Durable Solutions Secretariat in East and Horn of Africa (ReDSS) as implementing partner to contribute to the implementation of activities under component 1. UNHCR has a distinct mandate for the protection of refugees and has a leading role in coordinating and facilitating the roll-out of CRRF in Ethiopia, whereas ReDSS has analytical skills and expertise in the field of durable solutions and displacement in the Horn of Africa.

Indirect Management with the World Bank (Component 2):

Component 2 will be implemented under Indirect Management by the World Bank or a relevant UN organisation. The European Union is currently one of ten donors contributing to the Multi Donor Trust Fund that supports the PSNP. These ten donors contribute to a single national programme implemented by the government with a single planning, implementation and monitoring system. To implement component 2, an agreement will be signed with the selected partner for the specific area targeted under this action.

If inclusion of selected refugees into PSNP is eventually not feasible in the short term, an alternative safety net mechanism for targeted refugees in the Jijiga area benefiting from local integration and Out-of-Camp under this project will be developed and implemented by Direct Management through a grant contract with implementing partners without the need for an amendment.

Direct Management for Component 3:

Component 3 will be implemented by Direct Management through a direct award of a grant to a consortium of organisations to implement specific objective 3. The consortium will as minimum have combined expertise in development and humanitarian issues, business development and job creation and proven experience in Ethiopia and in Somali Regional State. Participants in the consortium should be organisations with expertise related to the activities under component 3 and could be private sector entities, foundations, civil society organisations, international organisations, EU Member States' development agencies etc. Priority will be given to involving entities with expertise in private sector development.

If considered appropriate to the specific context and to increase the level of competition beyond negotiating with one party or consortium, 3-4 organisations may be invited to submit proposals. The potential candidates will be identified following a prior manifestation of interest.

A Steering Committee composed of the EU Delegation to Ethiopia (chair), the ECHO Office in Ethiopia, ARRA, MoFEC, UNHCR and possibly other pertinent government institutions and representatives of refugee and host communities will ensure the joint oversight of the programme and provide strategic guidance. An annual report produced by the implementing partners on the implementation of the action will be discussed in the Steering Committee.

4.4. Indicative budget

Component	Amount in EUR
Component 1: Capacity building and technical assistance to CRRF structure and GoE institutions (specific objectives 1)	4 200 000
Component 2: Facilitate transition of refugees from camps to integration in Ethiopian society through the PSNP (specific objective 2)	5 000 000
Component 3: Socio-economic development and employment opportunities for refugees/host communities in Jijiga area (specific objective 3)	10 000 000
Monitoring, audit and evaluation	600 000
Communications and visibility	200 000
Total	20 000 000

4.5. Monitoring, evaluation and audit

Different levels of monitoring are foreseen for the programme. External monitoring will be done through EU Results Oriented Monitoring (ROM) exercises at least once every two years, while Implementing Partners (IP) will be in charge of the regular monitoring of their components. In addition, joint monitoring exercises with the EU, relevant government agencies and other relevant partners will be conducted regularly.

Due to the innovative nature of this project, a sizable budget has been allocated for the evaluation and learning of the action. A baseline survey and two external evaluations (mid-term and final) will be managed by the EU Delegation and implemented through services contracts.

Audits and expenditure verification assignments will be carried out in conformity with the risk analysis in the frame of the yearly Audit Plan exercise conducted by the European Commission. The amount allocated for external evaluation and audit purposes is shown in the budget at section 4.4.

Evaluation and audit assignments will be implemented through service contracts making use of one of the Commission's dedicated framework contracts or alternatively through the competitive negotiated procedure or the single tender procedure.

All projects implementing this action will have to integrate the EUTF Monitoring and Learning System - MLS (T05-EUTF-HOA-REG-28) for the reporting of selected output and outcome indicators, as well as to take part in case study exercises and the learning strategy developed by the MLS. The project implementing partners will be requested to provide regular (at least quarterly) data to the MLS in a specific format, which will be introduced during the contract negotiation stage.

The projects implementing this action will *at least* have to report against a selected number of the EUTF output indicators existing at the present date (see list in annex). The monitoring of these indicators will therefore have to be included in the projects' M&E systems (in addition to all other indicators existing in the project's logical framework). As more output and outcome indicators are

being developed by the MLS, the projects might be requested to include additional indicators in the course of implementation of the action.

4.6. Communication and Visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action. Appropriate contractual obligations shall be included in the procurement of contracts. The Communication and Visibility Manual for European Union External Actions shall be used to establish the Communication and Visibility Plan and the appropriate contractual obligations.

Annex I: Mapping against EUTF strategic priorities, Valletta Action Plan and the United Nations Sustainable Development Goals

EU Trust Fund Strategy	Valletta Action Plan	United Nations Sustainable Development Goals
Four main areas of intervention	Five priority domains, and 16 initiatives	17 goals
<p>1) Greater economic and employment opportunities</p> <p>2) Strengthening resilience of communities and in particular the most vulnerable, as well as refugees and displaced people</p> <p>3) Improved migration management in countries of origin and transit</p> <p>4) Improved governance and conflict prevention, and reduction of forced displacement and irregular migration</p>	<p>1) Development benefits of migration and addressing root causes of irregular migration and forced displacement</p> <ol style="list-style-type: none"> 1. enhance employment opportunities and revenue-generating activities 2. link relief, rehabilitation and development in peripheral and most vulnerable areas 3. operationalise the African Institute on Remittances 4. facilitate responsible private investment and boost trade <p>2) Legal migration and mobility</p> <ol style="list-style-type: none"> 5. double the number of Erasmus scholarships 6. pool offers for legal migration 7. organise workshops on visa facilitation <p>3) Protection and asylum</p> <ol style="list-style-type: none"> 8. Regional Development and Protection Programmes 9. improve the quality of the asylum process 10. improve resilience, safety and self-reliance of refugees in camps and host communities <p>4) Prevention of and fight against irregular migration, migrant smuggling and trafficking of human beings</p> <ol style="list-style-type: none"> 11. national and regional anti-smuggling and anti-trafficking legislation, policies and action plans 12. strengthen institutional capacity to fight smuggling and trafficking 13. pilot project in Niger 14. information campaigns <p>5) Return, readmission and reintegration</p> <ol style="list-style-type: none"> 15. strengthen capacity of countries of origin to respond to readmission applications 16. support reintegration of returnees into their communities 	<ol style="list-style-type: none"> 1) End poverty in all its forms everywhere 2) End hunger, achieve food security and improved nutrition and promote sustainable agriculture 3) Ensure healthy lives and promote well-being for all at all ages 4) Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all 5) Achieve gender equality and empower all women and girls 6) Ensure availability and sustainable management of water and sanitation for all 7) Ensure access to affordable, reliable, sustainable and modern energy for all 8) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 9) Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation 10) Reduce inequality within and among countries 11) Make cities and human settlements inclusive, safe, resilient and sustainable 12) Ensure sustainable consumption and production patterns 13) Take urgent action to combat climate change and its impacts 14) Conserve and sustainably use the oceans, seas and marine resources for sustainable development 15) Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss 16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels 17) Strengthen the means of implementation and revitalise the global partnership for sustainable development

ANNEX II: INDICATIVE LOGFRAME MATRIX OF THE ACTION

Please note that indicators and activities will be further defined during the inception phase.

	Intervention logic	Indicators	Sources and means of verification	Assumptions
Overall objective:	Ease pressure on Ethiopia as a major host country for refugees and increase refugee self-reliance by fostering sustainable, integrated and self-reliant solutions for both refugees and host communities in Ethiopia in response to their developmental needs and aspirations	<ul style="list-style-type: none"> <input type="checkbox"/> New refugee proclamation developed and functional with clear provisions for local integration and out-of-camp policy. <input type="checkbox"/> Integration of refugees' matters into the local development plans of the targeted areas. <input type="checkbox"/> # of jobs created by type (full-time, part-time, seasonal or jobs ad-hoc on demand, disaggregated by age and sex) and sector/sub-sector <input type="checkbox"/> % increase of (non-aid) household income level/self-reliance solutions of target groups (disaggregated by sex and type) <input type="checkbox"/> % increase in workers' satisfaction levels regarding working conditions/opportunities (by type of work and disaggregated by age and sex) 	<ul style="list-style-type: none"> <input type="checkbox"/> Baseline study <input type="checkbox"/> Programme's mid-term and final evaluations <input type="checkbox"/> Programme monitoring data/reports <input type="checkbox"/> National refugee legislation/proclamation <input type="checkbox"/> Local development plans 	<ul style="list-style-type: none"> <input type="checkbox"/> The right to work and freedom of movement is going to be granted to targeted refugees without restrictions/limitations. <input type="checkbox"/> Security situation in the targeted area does not worsen.

Specific objective 1:	<p>1. Enhanced organisational and technical capacity of ARRA, MoFEC, and other relevant Ethiopian government institutions to organise and manage the CRRF governance structure in Ethiopia, and to implement sustainable and development-oriented responses as part of the CRRF at federal, regional and local level</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Timely implementation of the pledges as per action documents <input type="checkbox"/> % level of implementation of pledges 	<ul style="list-style-type: none"> <input type="checkbox"/> Baseline study <input type="checkbox"/> Programme's mid-term and final evaluations <input type="checkbox"/> Programme monitoring data/reports 	<ul style="list-style-type: none"> <input type="checkbox"/> Implementation partners have adequate knowledge/capacities to implement the action focusing on private sector economic opportunities. <input type="checkbox"/> Federal, regional and local authorities are committed to the action
Expected result 1.1	<p>ER 1.1. An efficient, well-coordinated and inclusive governance structure for the CRRF in Ethiopia is up and running at Federal level</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Co-management mechanisms are formally established through MOUs <input type="checkbox"/> Comprehensive co-management mechanisms and roles of all stakeholders formally defined established and operational/functional <input type="checkbox"/> Existence of cooperation and coordination among stakeholder groups 	<ul style="list-style-type: none"> <input type="checkbox"/> MOUs <input type="checkbox"/> Coordination meetings' minutes <input type="checkbox"/> ToRs and co-management mechanisms documentation <input type="checkbox"/> Programme monitoring data/reports 	<ul style="list-style-type: none"> <input type="checkbox"/>
Expected result 1.2	<p>ER 1.2. A technically skilled CRRF governance structure at Federal level to support effectively the implementation of integrated and sustainable development-oriented solutions for refugees and host communities.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> No. of people trained at federal, regional and local level on local integration, socio-economic development and other related sectors relevant to the implementation of the action (disaggregated by sex) <input type="checkbox"/> No. of coordination/technical meetings on the pledges relevant to the action (out-of-camp policy, local integration, documentation) <input type="checkbox"/> Timely implementation of the project's component 3 as per action plan. <input type="checkbox"/> No. of partnership engagements/MoUs with private sector/ TVETs 	<ul style="list-style-type: none"> <input type="checkbox"/> Training reports <input type="checkbox"/> Coordination meetings' minutes <input type="checkbox"/> Research documents <input type="checkbox"/> Programme monitoring data/reports <input type="checkbox"/> MoUs 	<ul style="list-style-type: none"> <input type="checkbox"/>

<p style="text-align: center;">Expected result 1.3</p>	<p>E.R. 1.3. An appropriate CRRF structure in place at regional and local level in Somali Regional State to underpin the action's implementation in refugee hosting areas.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Comprehensive co-management mechanisms and roles of all stakeholders formally defined established and operational/functional <input type="checkbox"/> Regular coordination/management meeting established <input type="checkbox"/> Timely and adequate support received from the CRRF Federal structure <input type="checkbox"/> Timely implementation of the project's component 3 as per action plan. <p>Number of local development plans that include refugee' matters.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> MOUs <input type="checkbox"/> Coordination meetings' minutes <input type="checkbox"/> ToRs and co-management mechanisms documentation <input type="checkbox"/> Programme monitoring data/reports <input type="checkbox"/> Training reports <input type="checkbox"/> Local development plans 	<ul style="list-style-type: none"> <input type="checkbox"/> Capacity of regional and local authorities are built on time to efficiently implement the action <input type="checkbox"/> Security situation is stable
<p style="text-align: center;">Activities (may include)</p>	<p>ER1.1:</p> <ul style="list-style-type: none"> • Initial rapid assessment of gaps and needs with regard to capacity building and technical assistance to support the work of the CRRF governance structure, including to GoE institutions at federal, regional and local level. • Support to the CRRF secretariat/coordination unit at federal level with: (i) Technical assistance to ARRA, MoFEC and other GoE institutions to support the establishment and daily operation of an efficient CRRF secretariat, including the coordination unit and the technical working groups; and (ii) Technical and financial resources to facilitate the coordination with and engagement of relevant stakeholders to the CRRF process at all levels. <p>ER 1.2:</p> <ul style="list-style-type: none"> • Technical assistance to: (i) support the collective effort and inform medium to longer term planning; (ii) advise on the implementation of newly adopted policies, such as Out-of-Camp policy; (iii) recommend relevant and innovative approaches to efficiently implement the pledges; (iv) support the inclusion of refugees in national development plans; (v) advise on economic development strategies and involvement of the private sector; (vi) ensure coordination among all relevant stakeholders in the sector. <p>ER 1.3:</p> <ul style="list-style-type: none"> ○ Technical assistance to manage, implement and monitor the CRRF in their region, including regional and local development partners; including supporting the inclusion of refugees in Local Economic Development (LEDs) and education plans; ○ Technical and financial assistance to coordinate and engage all relevant partners at regional and local level using existing local structures. 		<ul style="list-style-type: none"> • Baseline study • Programme's mid-term and final evaluations • Programme monitoring data/reports 	

Specific objective 2:	Facilitated transition of targeted refugees from living in refugee camps to benefiting from integration into the Ethiopian society by supporting a selected number of refugees in the Jijiga area in a transition phase through the existing national social protection programme the “Productive Safety Net Programme” (PSNP)	% of targeted refugee population under the local integration/ out-of-camp pledges receiving PSNP support (by type of support and disaggregated by sex)	<input type="checkbox"/> Programme’s mid-term and final evaluations <input type="checkbox"/> PSNP monitoring data/reports in Somali region	<input type="checkbox"/> GoE supports the inclusion of most vulnerable refugees that meet PSNP criteria into the national PSNP programme
Expected result 2.1	ER 2.1. Support most vulnerable refugees in the targeted areas with social protection support through the “Productive Safety Net Programme” (PSNP)	<input type="checkbox"/> Number of refugees included in the PSNP by type of support (disaggregated by age and sex)	<input type="checkbox"/> Programme’s mid-term and final evaluations <input type="checkbox"/> PSNP monitoring data/reports in Somali region	
Activities (may)	<input type="checkbox"/> Financial support to the PSNP with additional, earmarked funding in order to include pre-defined number of refugees from the targeted refugee camps who be most in need of support living outside refugee camps.		<input type="checkbox"/> Baseline study <input type="checkbox"/> Programme’s mid-term and final evaluations <input type="checkbox"/> Programme monitoring data/reports	
Specific objective 3:	Strengthened socio-economic development and better employment opportunities for refugees and host communities in the Jijiga area of Somali Regional State by supporting and piloting the implementation of Ethiopia’s refugee pledges, in particular those related to local integration of refugees, expansion of the Out-of-Camp Policy and the “Documentation Pledges”	<input type="checkbox"/> # of jobs created by type (full-time, part-time, seasonal or jobs ad-hoc on demand, disaggregated by age and sex) and sector/sub-sector <input type="checkbox"/> [ref: Number of refugees involved in gainful employment in the formal and informal sector – IGAD RF SO3] <input type="checkbox"/> <input type="checkbox"/> % increase in workers satisfaction's levels in the working opportunities in the targeted area (by type of work and disaggregated by age and sex) <input type="checkbox"/> % increase of income level of youth and women working in targeted communities (disaggregated by sex)	<input type="checkbox"/> Baseline study <input type="checkbox"/> Programme’s mid-term and final evaluations <input type="checkbox"/> Labour market assessment <input type="checkbox"/> Value chain assessment <input type="checkbox"/> Skills and expectations assessment (WB)	<input type="checkbox"/> Political stability is ensured in the region <input type="checkbox"/> Local and regional government are committed to work towards local integration <input type="checkbox"/> No tensions between host communities and refugees arise during the implementation of the action

Expected result 3.1	E.R. 3.1. Increased ability of the local/regional economy to create jobs for various skills as per existing and/or potential economic value chains	<input type="checkbox"/> Number of newly created business (disaggregated by sex of business owner) <input type="checkbox"/> Number of existing business and companies supported and enlarged (disaggregated by sex of business owner)	<input type="checkbox"/> Baseline study <input type="checkbox"/> Programme's mid-term and final evaluations <input type="checkbox"/> Labour market assessment <input type="checkbox"/> Programme monitoring data/reports	<input type="checkbox"/> Private sector, national and international entrepreneurs, show interested and commitment to participate in the action.
Expected result 3.2	E.R. 3.2. Increased labour demand driven skills of the labour force in the area	<input type="checkbox"/> % increase in enrolment to demand-driven TVET courses <input type="checkbox"/> Number of people (refugees and host communities) trained by type of training (disaggregated by age and sex) <input type="checkbox"/> % and number of people participating in internships/training programme being employed (disaggregated by age and sex) [IGAD RF SO3]	<input type="checkbox"/> Baseline study <input type="checkbox"/> Programme's mid-term and final evaluations <input type="checkbox"/> Labour market assessment <input type="checkbox"/> Programme monitoring data/reports	<input type="checkbox"/> Targeted population (refugees and host communities) are committed to increase their skills in order to engage in wage employment opportunities.
	E.R. 3.3. Support refugees' access to relevant documents (work permits, driving licenses, etc.) required to underpin the benefits enjoyed by refugees' under the local integration and out-of-camp.	<input type="checkbox"/> Number of refugees supported through the one stop shop (disaggregated by age and sex). <input type="checkbox"/> Number of refugees accessing relevant documents (disaggregated by type of document: work permit, driving license, bank account, etc.) (disaggregated by age and sex) <input type="checkbox"/> Number of refugees accessing permits and licenses to operate livelihood-oriented activities [IGAD RF SO3] <input type="checkbox"/> Percentage of issuance of identity documents, and birth and death certificates to refugees [IGAD RF SO2]	<input type="checkbox"/> Baseline study <input type="checkbox"/> Programme's mid-term and final evaluations <input type="checkbox"/> One-stop shop reports <input type="checkbox"/> Programme monitoring data/reports	<input type="checkbox"/> The legal framework is put in place and implemented to ensure refugees have access to relevant documents/permits.

Activities (may include)	<p>E.R. 3.1:</p> <ul style="list-style-type: none"> • Socio-economic assessment and value chain analysis of specific sub-sectors of the economy in the area, including market assessments and labour market analysis. Existing SMEs will be analysed to assess opportunities and limitations and support businesses with a promising potential to grow. • Establishment of a Technical Assistance Unit in the region to trigger business development and job creation by providing support and advice to SMEs, other business entities and individual beneficiaries on: Promotion of entrepreneurship, Facilitate access to finance, Financial support to third parties, Support to the establishment of a revolving fund to promote business development, Capacity building for micro finance institutions and other relevant finance institutions to better reach the target group, Provide entrepreneurial mentorship and advisory services, Support access/ linkages with markets (local, regionals), and serve as a platform to connect different stakeholders by organising sector events, visits, workshops etc. <p>E.R.3.2:</p> <ul style="list-style-type: none"> • Skills profiling of refugee and host community populations, including mapping of studies already undertaken in other projects. • Skills acquisition activities i.e. demand driven technical and vocational training building on existing TVET structures in Jijiga, including industrial culture for those seeking employment in large companies/factories and for those seeking self-employment. • School-to-work transition activities. <p>E.R.3.3:</p> <ul style="list-style-type: none"> • Local integration strategy, based upon the skills and socio-economic assessments, with proposed actions to support local integration taking into account: (1) legal processes, (2) economic processes, and (3) social and cultural processes. • Activities that facilitate the issuance of relevant documents (work permits, driving licenses and other documents and certificates required to underpin the benefits enjoyed by refugees' under the local integration and Out-of-Camp pledges) 	<ul style="list-style-type: none"> <input type="checkbox"/> Baseline study <input type="checkbox"/> Programme's mid-term and final evaluations <input type="checkbox"/> Programme monitoring data/reports 	
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Annex III: EUTF HOA indicators as part of the Monitoring and Learning System

Annex - List of Output Indicators for the EUTF HoA																				
Indicator ID	EUTF HoA proxy indicators	Disaggregations: type of action									Target groups									
											Gender		Type of beneficiaries			Age group				
		Male	Female	Refugee	IDP	Host community	Returnee	Migrant in transit	Age group											
1. Greater economic and employment opportunities																				
1.1	Number of jobs created	Permanent position	Short-term job	Cash for work	Incentives to civil servants	Self-employed	Unspecified													
1.2	Number of job placements facilitated	"	"	"	"	"	"													
1.3	Number of MSMEs supported	Access to finance	Business development	Training	Provision of equipment	Market access	Unspecified													Not relevant
1.4	Number of people assisted to develop economic income-generating activities	Funding	Business development service	Entrepreneurship programme	Financial education programme	Unspecified														
1.5	Number of people benefiting from professional trainings (TVET) and/or skills development	Professional training	Skills development scheme	Internship/Apprenticeship	Unspecified															
1.6	Number of industrial parks and business infrastructure created, expanded or improved																			Not relevant
2. Strengthening resilience																				
2.1	Number of social infrastructure built or rehabilitated	Health	Education	Water	Sanitation	Housing	Domestic energy	Legal	Unspecified											Not relevant
2.2	Number of people receiving one basic social service	Health	Education	Water	Sanitation	Housing	Domestic energy	Legal	Nutrition	Unspecified										
2.3	Number of people receiving nutrition assistance	Social protection schemes	Technical training in agricultural practices	Support to agricultural production	Agricultural inputs	Land development	Unspecified													
2.4	Number of people receiving food security related assistance																			
2.5	Number of local governments that adopt and implement local disaster risk reduction strategies																			Not relevant
2.6	Hectares of land benefitting from improved agricultural management	Irrigation	Rehabilitation	Improved Management	Unspecified															Not relevant
3. Improving Migration Management																				
3.1	Number of projects by diaspora members																			Not relevant
3.2	Number of migrants in transit protected or assisted	Protection measures	Medical and psycho-social assistance	Shelter	Food	Legal assistance	Unspecified													
3.3	Number of migrants, or potential migrants, reached out by information campaign on migration and risks linked to irregular migration																			
3.4	Number of voluntary returns or humanitarian repatriation supported	Transportation	Pre-departures counselling	Assistance to obtain travel documents	Return ticket	Travel escorts	Assistance upon arrival													
3.5	Number of returning migrants benefiting from reintegration packages	Used for income-generating activities	Used for medical assistance	Used for education	Used for housing support	Unspecified														Not relevant
3.6	Number of refugees and forcibly displaced persons benefiting from a legal integration process																			Not relevant
3.7	Number of institutions (National and local) and Non-State actors directly supported through capacity building on migration management	Capacity building	Operational support	Unspecified																Not relevant
3.7 bis	Number of individuals trained on migration management	State actors	Non State actors																	Not relevant
3.8	Number of early warning systems created																			Not relevant
4. Improved governance																				
4.1	Number of staff from governmental institutions and internal security forces trained	Ministry workers	Judges	Justice actors	Policemen	National guards	Unspecified													
4.1 bis	Number of institutions and non-State actors benefiting from capacity building on security, conflict prevention and human rights	Capacity building	Operational support	Unspecified																Not relevant
4.2	Number of people participating in conflict prevention and peace building activities	Community dialogue	Civilian mediation	Peacebuilding actions	Awareness raising activities	Unspecified														
4.3	Number of victims of trafficking, assisted or referred to assistance services	Medical assistance	Psycho-social assistance	Counselling	Accommodation	Legal counselling	Family tracing	Support to travel documents	Assistance to voluntary return	Unspecified										
4.4	Number of cross-border cooperation initiatives created / launched or supported																			Not relevant
4.5	Number of strategies, policies and plans developed and / or directly supported	Geographical Scope			Nature of the output				Type of support											Not relevant
4.6	Number of refugees benefiting from an Out-of-Camp																			Not relevant
CROSS-CUTTING																				
5.1	Number of multi-stakeholders groups and learning	Type of actors			Goal of the group/platform															Not relevant
5.2	Number of planning, monitoring and/or learning tools set up, implemented and / or strengthened	Studies	Needs assessments	Market/skills assessments	Reporting and Statistics systems	Unspecified														Not relevant