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ANNEX 3

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Federal Democratic Republic of Ethiopia for 2024 – Part 1

Action Document for the Support to sustainable and integrated responses to forced displacement and labour migration in Ethiopia

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Support to sustainable and integrated responses to forced displacement and labour migration in Ethiopia OPSYS/CRIS number: ACT-62585 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in the Federal Democratic Republic of Ethiopia
4. Programming document	Multi Annual Indicative Programme (MIP) with the Federal Democratic Republic of Ethiopia, 2024-2027
5. Link with relevant MIP(s) objectives / expected results	The Action contributes to the MIP objective of fostering inclusion and provide forcibly displaced people with gender-sensitive sustainable solutions, and migrants and returnees with well-managed migration benefits, including sustainable reintegration.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Priority area 2 – Human Development – migration and forced displacement
7. Sustainable Development Goals (SDGs)	Main SDG – 10 Reduce inequality Target 10. 3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard Target 10.7 - Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies

	Other significant SDGs: 1 , 5, 8 and 11			
8 a) DAC code(s)	43030 – Urban development and management – 45% 15190 - Facilitation of orderly, safe, regular and responsible migration and mobility – 50% 16070 - Labour rights - 5%			
8 b) Main Delivery Channel	NGOs and civil society - 20000 United Nations Office of the High Commissioner for Refugees – 41121 International Labour Organisation - 41144			
9. Targets	<input checked="" type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective
Digitalisation @		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
digital connectivity		YES <input type="checkbox"/>	NO <input type="checkbox"/>	/
digital governance		<input type="checkbox"/>	<input type="checkbox"/>	
digital entrepreneurship		<input type="checkbox"/>	<input type="checkbox"/>	
digital skills/literacy	<input type="checkbox"/>	<input type="checkbox"/>		

	digital services	<input type="checkbox"/>	<input type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES	NO	
	energy	<input type="checkbox"/>	<input type="checkbox"/>	
	transport	<input type="checkbox"/>	<input type="checkbox"/>	
	health	<input type="checkbox"/>	<input type="checkbox"/>	
	education and research	<input type="checkbox"/>	<input type="checkbox"/>	
	Migration @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line (article, item): 14 02 01 21			
	Total estimated cost: EUR 36 000 000			
	Total amount of EU budget contribution EUR 36 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Direct management through: - Grants - Procurement Indirect management with the United Nations Office of the High Commissioner for Refugees (UNHCR) and the International Labour Organisation (ILO)			

1.2 Summary of the Action

The Action aims to promote context specific Durable Solutions to forced displacement (of Internally Displaced Persons (IDPs) and refugees) thanks to an integrated, multifaceted and area based approach focusing on the promotion of better and inclusive economic and employment opportunities, access to improved and integrated basic and social services and access to personal and other documents without discrimination. The Action aims also at tackling the issue of illegal migration and will mainstream women empowerment and disability inclusion.

The Action is therefore composed of a number of well-defined separate but interlinked sub-actions, all converging to a single aim of achieving Durable Solutions in Ethiopia and promoting legal labour migration from Ethiopia:

- Sustainable inclusive urban settlement for selected host locations and surrounding rural areas ensuring that resident, refugees and IDPs are included in the integrated development plan of the Council;
- Increased resilience and self-reliance of displaced population and their host communities (including returnees) by supporting their gradual socio-economic inclusion and/or re-integration through a private sector development led approach;
- Improving better coordinated IDP policy and programming around Durable Solutions for IDPs in Ethiopia amongst key national – including Government of Ethiopia (GoE) institutions - and international partners;
- Addressing protection and skills aspects of overseas labour migration through the establishment of a competitive and workers' rights-oriented labour migration system for Ethiopians in which the capacities of Ethiopian institutions involved are strengthened

The Action falls under priority 2 of the MIP (Human Development), and contributes to its objective of of fostering inclusion and provides forcibly displaced people with gender-sensitive sustainable solutions, and migrants and returnees with well-managed migration benefits, including sustainable reintegration.

The Action contributes mainly to SDG 10 (reduction of inequalities), as well as to SDGs 1, 5, 8 and 11. The action is guided by several key government-led policies including: the Ethiopian National Migration Policy, which is under finalisation¹, the Refugee Proclamation (2019), as well as the National Comprehensive Refugee Response Strategy. The Action is also in line with the Ethiopia pledges² at Global Refugee Forum (GRF) and Ethiopia's priority areas and potential new commitments for the 2023 GRF, particularly to transform selected refugee camps into urban settlements in a manner that benefits both refugees and host communities and improving enabling environments for more investment in refugee hosting regions. The Action will support domestication and implementation of the Kampala Convention on protection and assistance of IDPs. Finally, the Action is aligned to a number of legal commitments taken by GoE on regulating of labour migration.

1.3 Zone benefitting from the Action

The Action shall be carried out in the Federal Democratic Republic of Ethiopia, included in the list of ODA recipients.

2 RATIONALE

2.1 Context

Ethiopia is simultaneously a country of origin, transit and destination for many migrants and refugees and in recent years, it has also recorded an unprecedented number of internally displaced people, mainly due to conflict and climate induced shocks. While the country has long been considered a politically and economically stable country, in the past years it has been facing several serious security crises with interrelated conflict dynamics in different areas, including in Afar, Gambella and Benishangul-Gumuz region, as well as the outbreak of conflict between Fano militia and the national army in August 2023 in the Amhara region. This, along with a two-year armed conflict in the North of the country concluded by the Pretoria Cessation of Hostilities Agreement (CoHA) in November 2022, has led to a crisis characterised by alarmingly high levels of food insecurity, gender-based violence, widespread displacement and limited access to basic services. Further to this, in Spring 2023, in-kind food aid humanitarian support was seriously affected by accusations of industrial scale corruption and diversion , which has since the end of March 2023 resulted in a pause of food aid distributions. In-kind food aid distributions for refugees resumed in October 2023.

In 2023, the country continues to register one of the highest numbers of IDPs globally, with 4.3 million IDPs (4.7 million in 2022) including 3.2 million returnees identified, according to the International Organisation for Migration (IOM).³ A significant proportion of displacements are conflict-induced (2.9 million), mainly related to ethnic and land/border disputes, while climate-induced displacement is mainly caused by drought and floods⁴.

Somali region hosts the highest number of IDPs primarily displaced by drought nationwide (66.94% of national drought caseload), and Tigray region hosts the highest number of IDPs primarily displaced by conflict (34.73% of national conflict caseload). With regard to returning IDPs, the highest caseload is in Amhara region (43.91%), followed by Tigray (38.79%) and Afar (6.02%).

Despite its own challenges, Ethiopia is also the third largest refugee hosting country in Africa, home to over 953,667 refugees and asylum seekers, mainly from South Sudan, Somalia and Eritrea⁵. The figures include also 37,555 refugees and asylum-seekers arrived from Sudan, including 1,878 Ethiopian refugee returnees⁶. According to the IOM DTM, 38,560 Ethiopians have returned from Sudan, as of October 2023 (IOM DTM). There is also a high number of Ethiopian returnees mainly from Saudi Arabia. Since May 2017 (when deportations were

¹ The policy document has been finalised in March 2023 and is awaiting final official adoption.

² Ethiopia has made a bold commitment at the first Global Refugee Forum (GRF) in 2019 by making four pledges to improve the lives of refugees and host communities 1): Jobs and Livelihoods; 2) Education; 3) Protection/Capacity; 4) Strengthening asylum system and social protection (RSD, refugee registration, civil documentation, permits; national social protection system in refugee hosting areas-particularly for vulnerable individuals); and 4) Energy/Environment (Infrastructure)

³ IOM; Ethiopia – National Displacement report 16 (November 2022-June 2023)

⁴ Disasters, mostly floods and drought, triggered 240,000 internal displacements in 2021. The most significant events were the Belg season rains in April and May, which triggered over 170,000 displacements across Afar, Oromia, Somali and SNNP. Drought triggered 54,000 in Afar, Oromia and Somali, more than twice the figure reported in 2020.

⁵ https://data.unhcr.org/en/country/eth_consulted_on_the_13/11/23.

⁶ UNHCR report - Sudan situation #31” – 10-16 October 2023

launched) and June 2023, 558,000 Ethiopian migrants were returned from KSA through large scale airlift operations. From January to June 2023, additional 39,200 illegal migrants were forcibly returned. Many Ethiopians are also returning from countries in which they end up being stranded (Yemen, Djibouti, and Somalia) with tracking that is often only an estimate, as movements happen in irregular ways (IOM).

Regardless of the high number of displacement-affected people, limited efforts have been made to build resilience of affected communities and to create a peaceful environment, resulting in secondary and tertiary displacement and increasing numbers of outward migration, which contributes to enhance vulnerabilities. To be taken into consideration that displacement affects disproportionately women and girls. Women more often than men struggle to find new livelihood opportunities in host areas, are burdened with child and elderly care, are more prone to sexual and gender based violence and finds it more difficult to access to health care services.

Deterioration of country's economy results in increased unemployment and underemployment for millions of people, particularly young. Consistent number of Ethiopians migrates in search for livelihoods opportunities, internally (towards the regional capitals or Addis Ababa) and outside the country⁷. IOM estimates that around 250,000 Ethiopians migrate annually, with trends' projections for the Eastern route toward Gulf States alone exceeding 300,000⁸, regardless of the above mentioned deportations from KSA.

The Action builds on the national policy framework around protection and durable solutions for refugees and IDPs, despite the multifaceted internal challenges the country faces and the difficulties in walking the talk, resulting in a lack of meaningful progress (see previous paragraphs):

- In 2018, Ethiopia adopted the Global Compact on Refugees (GCR) making ambitious pledges to enhance protection and development oriented solutions for refugees and host communities. This was followed by adoption of the Refugees proclamation 1110/2019 and its subsidiary legislations.
- In 2020, Ethiopia ratified the African Union Convention for the Protection and Assistance of Internally Displaced Persons in Africa ('Kampala Convention'). The Proclamation on the Protection and Assistance of IDPs in Ethiopia is still not formalised/endorsed. However, the legal protection of IDPs is dispersed over different laws and policies, like the criminal code and national disaster policy. The National Policy and Strategy on Disaster Risk Management 2013 serves as the primary humanitarian legislative document for minimising the risk and/or impact of disasters (FDRE, 2013)

In addition, in terms of regulating labour migration in Ethiopia, the main policies are Proclamation 1178/2020 "Prevention and Suppression of Trafficking in Persons and Smuggling of Persons Proclamation" and Proclamation 923/2016 "Ethiopia's Overseas Employment Proclamation" (amended in 2021). Also, especially in recent years, Ethiopia has been negotiating Bilateral Labour Agreements (BLAs) with some major destination countries. The political interest in these agreements, and their appropriate drafting and implementation, has increased dramatically after the end of the conflict in Northern Ethiopia, given the positive implications they would have on the general economic outlook of the country. The Ethiopian National Migration Policy was finalised in March 2023 and is awaiting official adoption.

This Action will therefore further enhance the EU's substantial role as a partner to the Government in support to the advancement of Ethiopia's policies in the area of anti-trafficking, legal migration, refugees' integration and IDPs' inclusion and protection. The Action will also contribute to reduction of irregular migration.

Where relevant, the Action will link up with the EU's past and ongoing humanitarian aid-funded actions supporting IDPs and refugees in Ethiopia, aimed at providing life-saving emergency multi-sectoral assistance to these vulnerable populations in different locations. Such linkage and coordination will be done with a view to developing the resilience for the targeted populations and the availability of durable solutions for them, avoiding duplication in interventions and maximising outcomes.

⁷ Adammesh Atnafu, Linda Oucho and Benjamin Zeitlyn, University of Sussex – Poverty, Youth and Rural-Urban Migration in Ethiopia, Working Paper n.17. Available at: https://sussex.figshare.com/articles/report/Poverty_youth_and_rural-urban_migration_in_Ethiopia/23407715

⁸ IOM – Migration Management Overview - June 2023

2.2 Problem Analysis

Despite the conducive policy documents and Government's pledges around protection and durable solutions for refugees, IDPs and host communities, in reality refugees are nearly completely dependent on humanitarian aid, have limited access to livelihood opportunities and suffer from an inconsistent access to basic and social services.

Ethiopia has been selected by the UN Secretary-General's Special Adviser on Solutions to Internal Displacement as a priority country for durable solutions on internal displacement.

Ethiopia faces one of the most complex human mobility environments in the world, with a range of social, economic, political, and climatic factors driving displacements of populations. These factors are exacerbated by low economic growth and failure of the economy to create sufficient jobs to cater for the growing population. The IDP situation remains very fluid, with returning IDPs and new displacements occurring concurrently. Assistance to IDPs remains weak, with camps underserved and overcrowded. Assistance to IDPs outside camps is even more limited. After the cessation of hostilities agreement, Amhara, Tigray and Afar regions saw a high number of returns (2.7 million). Returns are often of a mixed nature, ranging from voluntary to forced returns, and not necessarily to conducive areas. IDP protection responses remain rather weak, with sites being underserved and/or overcrowded. IDPs may also be in areas that cannot be reached by assistance due to insecurity or where assistance is not present. Others have currently no possibility of return to their areas of origin. Additionally, a major protection issue at the moment is the forced eviction of IDPs who had found shelter in schools.

IDPs and host communities have very limited income generating opportunities, they suffers for lack of jobs and are not linked to labour market' demands.

With regard to **durable solutions for refugees**, the Action will build upon the concrete opportunity for tangible community integration of refugees living in camps. The World Bank Skills Survey found that the likely sources of employment for refugees do not match their skills and aspirations (WB Skills Survey 2018⁹). In the camps, refugees rely on self employment, engaged in low skill jobs than host, and employment with NGOs, international organizations and RRS. Wages for refugees do not increase with experience and education like they do for hosts (WB Socio-Economic Survey of Refugees in Ethiopia – preliminary results, Oct. 23)

One possible targeted region could be the Somali region, in particular Kebribeyah camp. As example, Kebribeyah city has been hosting refugees for more than thirty years and is currently home to over 18,000 refugees, making up 34% of the host population of over 52,000 people. Many refugees have lived in Kebribeyah since 1993, and the cultural and language similarities contribute to their peaceful co-existence with the host community. Humanitarian support has laid a foundation of tangible but fragile development dividends benefitting both host and refugee communities. The transition towards more resilient refugees and host communities, with better access to basic services, socio-economic development opportunities is still not completed. The Action will support UNHCR and Government in establishing a comprehensive plan for the integration of selected camp(s) into urban-peri urban settlement, taking into account all relevant element of the GRF pledges, namely the ones of 2019 (particular focus to Jobs ad Livelihood and Protection/Capacity) and the new priority areas for pledge formulation namely “transform selected refugee camps into urban settlements in a manner that benefits both refugees and host communities”. The plan will also involve and secure support from regional, woreda and city council governments. It will support improved service delivery for refugees and residents. The Action will contribute to increase opportunities for refugees' contribution to local economy, being sensitive about refugees' concerns about community integration (possible threats to potential resettlement abroad) and the residual Government's caution about granting mobility and work opportunities to refugees.

On **internal displacements**, the Action will work in a number of regions in support of building resilience and self reliance of IDPs and their host communities (including possible returnees) through a market system development approach which will strengthen job creation in promising existing economic sectors and value chains. Some IDPs could bring new skills to the host communities and could increase market activity and economic interactions. They could be integrated through measures that support their self-employment and the establishment of businesses. In designing and implementing resilience building packages, the action will take gender into account to ensure women's active participation. In Ethiopia's recent conflicts and mass displacement in Metekel, Wollega, and

⁹ World Bank (2018) *Informing durable solutions by micro-data: a skills survey for refugees in Ethiopia* (<http://documents.worldbank.org/curated/en/996221531249711200/pdf/128185-WP-PUBLIC162987-SkillsReport.pdf>)

various villages in Tigray and Oromia regions, women and girls have faced violence and sexual abuse and therefore have particular needs.

The IDPs durable solution agenda, as showcased above, is a highly complex multi-stakeholder enterprise and needs to be made both relevant and feasible to the specific context in which it is being explored – and to the level of community, not just to national or even sub-national level. This is still not happening in Ethiopia. This Action will support **coordination of different relevant stakeholders** (GoE institutions, humanitarian and development actors) in promoting the implementation of the action plan for Durable Solutions for IDPs through locally generated evidence and in line with the triple nexus approach.

Finally, despite all ongoing efforts towards durable solutions, it is estimated that 250 000 Ethiopians still decide to migrate every year. Labour migrants do not receive adequate and effective protection, nor the skills needed in the labour market to ensure that they are competitive on foreign labour markets. Skills matching, and skills/qualifications/competencies recognition, is not yet a high priority for GoE. The Action will support relevant Ethiopian authorities in country and abroad to create a **competitive and workers' rights-oriented labour migration system** for Ethiopians providing skills training and ensuring protection of labour rights.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The main beneficiaries of the Action will be Ethiopians living in distressed conditions with a main focus on refugees, IDPs, returning IDPs and host communities in conflict- and/or drought- affected areas, as well as labour migrants and potential migrants. The Action will also specifically target marginalised groups, such as women (household head), children and people with disabilities.

Other key stakeholders include:

- **EU Member States (MS):** several EU MS agencies are actively engaged in the sectors and geographic areas relevant for the action, mostly supporting existing framework programmes. By providing support to migration and displacement, the EU will position itself as one of the main donors in this strategic area of intervention in terms of needs, priorities as well as political interest.
- **UN agencies:** as international partners considered for the action, i.e. International Labour Organisation (ILO) and the United Nations High Commissioner for Refugees (UNHCR), the UN Resident Coordinator office¹⁰ are key stakeholders in this Action given their mandates and current priorities on migration and displacement.
- **Civil Society:** the action also envisions the engagement, participation of and coordination with civil society actors like cooperatives, entrepreneurs associations/unions, women's associations, organisations of persons with disabilities, microfinance institutes, TVET colleges and other educational institutions, CSOs and NGOs.
- **Religious groups:** religious groups and leaders will be actively engaged and participate in community engagement or awareness-raising activities, supported by the action.
- **Private Sector:** within the private business community, companies focusing on service provision for basic and social services. In addition, Private Employment Agencies (PrEAs) and employers' associations will be involved for the definition of required skill-sets and the improvement of overseas recruitment process.
- **National, regional and local Governments (duty bearers):** as all proposed activities build on existing government policies, close coordination and collaboration with relevant government entities also at regional and local levels will be ensured as it will be key for a successful implementation and sustainability.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective of this action is to support Durable Solutions for Forced Displaced Populations in Ethiopia, including their host communities, and to develop a relevant labour migration framework for Ethiopians.

The Specifics Objectives of this action are to

1. Support sustainable local integration and inclusion of Displacement Affected Communities in selected host locations and surrounding rural villages

¹⁰ IDP Durable Solutions are coordinated by the Resident Coordinator office with the support of an IDP Solutions Advisor

2. Enhance economic transformation in conflict and migration prone regions of Ethiopia
3. Strengthen IDP policy and programming
4. Establish a competitive and workers' rights-oriented labour migration system for Ethiopians

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives are:

Contributing to Specific Objective 1

- 1.1 Comprehensive Physical Plans (Settlement Profile and Master Plan) for Sustainable and Disability Inclusive Urban Settlement created
- 1.2 Self-reliance and social cohesion of displacement affected communities' living and surrounding rural villages enhanced
- 1.3 Basic and social services (including basic psychosocial support) sustainably provided to all residents (refugees and host communities)

Contributing to Specific Objective 2:

- 2.1 Increased ability of the local economy to create jobs for refugees, IDPs, returnees and host communities in existing and/or potential economic value chains

Contributing to Specific Objective 3:

- 3.1 Better coordinated policies in support of durable solutions for IDPs in Ethiopia
- 3.2 Increased availability and access to locally generated evidence on durable solutions for IDPs in Ethiopia

Contributing to Specific Objective 4:

- 4.1 Strengthened capacity of Ethiopian institutions (in Ethiopia and abroad) to monitor labour migration and inform relevant policies and to negotiate bilateral labour agreements with selected destination countries
- 4.2 Improved skill set of Ethiopian candidates for overseas employment
- 4.3 Structured protection system for labour migrants (from pre-departure to return) in place
- 4.4 Ethiopian overseas recruitment process enhanced and professionalised

3.2 Indicative Activities

Activities relating to Outputs 1.1 to 1.3 may include:

- Analysis of IDPs' and refugees' intentions in the targeted communities to inform the activities
- Development of Environmental and Social Impact Assessments of the expansion of urban/peri-urban settlement to incorporate refugees and IDPs
- Provision of basic and social services to adequately serve all residents (including the most vulnerable such as women, children and PWD), including the displacement affected communities (wide range of services covered – health, WASH, energy, schooling, housing, recreational activities, etc...)
- Provision of accessible physical infrastructure that can be safely used by women and persons living with disabilities
- Activities to promote diversified and climate adapted livelihood opportunities (on and off farm) for displacement affected communities
- Provision of legal protection and assistance to IDPs and refugees and their hosts

Activities relating to Output 2.1 may include:

- Building market linkages amongst economic operators, including refugees, IDPs, returnees and host communities
- Provision of tailored capacity building of relevant government sectors institutions and stakeholders to enhance quality of their support for livelihood activities
- Strengthened collaboration and cooperation between the public and private sectors in economic initiatives including Gender equality and women's and girl's empowerment
- Promote productive Diaspora investment through cost-sharing approaches to expand business opportunities

- Develop and operationalise IT tools, platforms and services to facilitate information exchange, and business transactional services among local and cross-border communities

Activities relating to Outputs 3.1 to 3.2 may include:

- Development of coordination platforms around IDPs durable solution in cooperation with the Action Agenda on IDP Solutions
- Support - in collaboration with national partners - inclusion of forced displacement issues in relevant wider national initiatives such as transitional justice policy and national dialogue
- Support data collection, analysis and knowledge management around IDPs durable solutions

Activities relating to Outputs 4.1 to 4.4 may include:

- Strengthening of bilateral cooperation on labour migration by facilitating the review of existing BLAs, or the adoption of new ones, in consultation with the relevant stakeholders
- Enhancing of the ‘Ethiopia Migrant Data Management System’ (EMDMS) of the digital ‘Labour Market Information System (E-LMIS), to include a worker complaint platform and a monitoring system on BLAs and MoUs implementation
- Enhancing GoE capacity to assess skills shortages and surpluses, within Ethiopia and in destination countries, and to dialogue with foreign governments and employers’ organisations to launch skills partnerships
- Expansion of pre-departure orientation and trainings, in order to meet demand at local, regional and federal level, and enhancing of their quality
- Training and capacity building activities on labour migration management and migrant protection for GoE staff in charge of labour migration, both in Ethiopia and abroad, and establishing links with labour movements, community associations, and other protection networks abroad
- Capacity building to MoLS (Ministry of Labour and Skills), BoLSs (Bureaus of Labour and Skills at regional level) , and other relevant stakeholders at federal and regional level enabling them to implement overseas employment regulations and detect violations
- Enhancing of Private Employment Agencies (PrEAs) licensing system, developing their business model and capacity to operate in line with applicable legislation on overseas employment, and implementing accompanying measures incentivising them towards compliance

The commitment of the EU’s contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member’s meaningful contribution as early as possible. In the event that the TEI and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

- The EIA (Environment Impact Assessment) screening classified the action as Category B (for which an EIA will be undertaken) for the expansion of urban and peri-urban settlements to guide the incorporation of refugees into the local municipalities.
- Category B (not requiring an EIA, but for which environment aspects will be addressed during design of interventions relating to SO 2, 3 and 4).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment)

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1 . This implies that the proposed components will not only apply a “do no harm” and “leave no one behind” approach mainstreamed throughout the actions but also gender and social inclusion approaches to address specific needs and eliminate gender-based barriers to participation, ownership, control and access to resources and production assets and inclusivity. A systematic assessment of the particular needs of women and girls of the planned activities will be conducted and sex- and disability (where possible) disaggregated data will be collected and presented at all levels.

Gender inequalities are among the main barriers to inclusive job creation, stemming from gender-based stereotypes and prejudices impacting girls’ and women’s paid work. For that reason, the action will enforce that the planned interventions employ a comprehensive mainstreaming plan, including transformative actions across all components of their intervention based on empowerment principles. Particularly the Action will promote and support women's economic empowerment with initiatives that reduce the level of unpaid employment, and expanding community-based economic empowerment and livelihood programmes for women. Gender inclusion is also taken into consideration with the rehabilitation/construction of basic and service infrastructure. In addition, the action will ensure the participation of women in all activities and especially in decision-making processes. It will also introduce a focus on GBV and women’s empowerment – this includes protection services (including legal aid services), male engagement, women’s empowerment activities and referral to the livelihoods component through support for peer support groups, training/skills building, access to finance and support for entrepreneurial activity. Moreover, it will aim at supporting women's inclusive participation and benefits in sustainable natural resource management in targeted areas. Finally, with regard to migration, women are often disproportionately affected by abuses during the migration journey and in destination countries, and their protection needs can be different from those of migrant men. In addition, available overseas employment opportunities may differ based on gender. Therefore, the Action will apply a gender perspective in the implementation of activities benefitting labour migrants, as well as when reinforcing the capacity of relevant institutions, and ensure that both female and male migrants are equitably targeted.

Human Rights

The defence of human rights is at the center of this Action. Access to basic services and decent work is a basic human right recognized in the international legal framework and it will be supported through the Action both in displacement affected communities’ living in targeted locations and surrounding rural villages as well as in other targeted areas of substantial population movement. The Action contributes also to a long-term and comprehensive human-rights oriented approach to labour migration, guided by human rights treaties and protocols, as well as by ILO international labour standards and other relevant conventions protecting specific rights or categories of workers. Such a human rights based approach will ensure the sustainability of the gains achieved, including through awareness raising activities aiming at ensuring the population is aware of their rights (in Ethiopia and abroad) so to be able to fully exercise them. Support to duty bearers will be directed towards fulfilling their human rights commitments and building their capacity to achieve these objectives in a transparent, non-discriminatory, and accountable manner. The intervention will put in practice the principle of “leave no one behind” and “do no harm”.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that a disability perspective is integrated throughout the Action and the particular needs of people with disabilities (PWD) will be taken into consideration in the planned activities. There are about 15 Mio people with disabilities in Ethiopia (17,6%) .¹¹ As a consequence of the conflicts, the number of PWD is estimated to have largely increased (although recent data are not yet available). The Action will adequately address the needs and rights of PWDs, which are mainstreamed across the various components of this Action. The Action will support their access to

¹¹ Disability rights in Ethiopia, SIDA, 2014

basic and social services as well as economic opportunities, and will ensure that right of people with disabilities to a decent work is respected.

Reduction of inequalities

The Action adopts a beneficiary approach by targeting the needs of the most vulnerable in particular forcibly displaced population, host communities, returnees, labor migrants as well as women and girls, elderly and PWDs. By restoring their capacities, and improving their access to basic and social services and livelihoods, the Action will contribute to decreasing inequalities. Female-headed households will be given particular attention, as well as youths. Reduction of inequalities will also be ensured by mainstreaming participatory approaches and community driven mechanisms. This Action will also expand access for migrant workers to quality trainings and protection, hence reducing inequalities.

Democracy

A human rights-based approach was followed in the design of the identification of the present Action, and the five principles will further be applied in the formulation and implementation of the project: participation, accountability, non-discrimination, transparency and legality. Dialogues, reconciliation and justice are increasingly recognised as important issues in the transition to democracy and in obtaining peace.

Conflict sensitivity, peace and resilience

The Action will apply a do no harm and conflict sensitivity approach to ensure that all processes and interventions minimise negative and maximise positive effects within a given context, ensuring that no particular area/region or ethnicity is unequally targeted – to the extent possible - (in line with the Do No Harm principle), while maintaining due consideration for the general needs of the population. Given that the locations of implementation of the Action are primarily in conflict prone areas, every effort will be made to follow a conflict-sensitive approach throughout all stages of project implementation. The Action will pursue a strategy of multi-stakeholder participation, seeking to strengthen existing systems, structures and capacities at local and national level. Key sensitive decisions such as the selection of beneficiaries, locations, timing, relations with authorities, staffing profile, etc. will be carefully assessed by the IPs. In addition, basic psychosocial support will be provided to community members having psychological distress. Youth are at the centre of these conflicts as protagonists – as part of the regional government special forces in Amhara, Tigray or Somali, unidentified armed groups in the Benishangul-Gumuz (BSG), armed groups in Oromia, and as part of mobs involved in violence. Therefore, a short- and longterm strategy that seeks to understand the particular circumstances and aspirations of youth will be elaborated.

Given the fact that access and control over natural resources, e.g. land, are main causes of conflict and migration/displacement and considering the effects of displacement on the already limited and degraded natural resources in certain areas, environmental conservation and protection as well as natural resources management will be mainstreamed during the implementation of the action and will contribute to reduced tensions and conflicts in targeted communities. Practically, as internal displacement is a hallmark of emerging and protracted crises, the pursuit of Durable Solutions will invariably intersect with the implementation of the triple nexus (Humanitarian, Development and Peace – HDP).

Disaster Risk Reduction

The interventions under this action strongly consider the mainstreaming of Disaster Risk Management in terms of promoting enhanced soil, water and forest conservation, integrated water resources management and irrigated climate smart agriculture with regard to agricultural-based livelihood opportunities and sustainable expansion of Kebribeyah.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
External environment	Economic instability: internal (conflict and climate-related shocks) and external factors could lead to economic instability. This together with possible trade disruptions, could increase inflationary pressure, which would translate into higher costs for the project.	H	M	Flexibility in terms of implementation (choice, sequencing and modalities of activities) will be built into the programme in order to adjust to the evolution of the situation in a conflict-sensitive manner.
External environment	Political instability: instability could lead to further tensions and conflicts at local, regional and national levels, as well as in destination countries. That would translate into restrictive access to project areas, a possible increase in forced displacement and limitations and delays in project implementation..	M	H	Close follow-up with regional and local authorities, in depth continuous context analysis, and the mainstreaming of a conflict sensitivity approach will allow to conduct continues security assesments. IPs will maintain close relations and communications with government institutions and UNDSS to receive updated information on access and safety. Project activities such as community dialogues will act as an important mitigation measure.
External environment	Vulnerability to shocks and crises: Ethiopia, and particularly areas affected by conflict,	M	M	Conflict sensitivity approach mainstreamed in the Action to ensure flexibility in terms of implementation (choice, sequencing and modalities of activities, etc.) will be built into the

	remains vulnerable to further shocks, natural and man-made, affecting the target population. The impact of climate change, new conflicts and tensions, and COVID-19 risks exacerbating these vulnerabilities, which could have detrimental effects on the implementation of projects.			programme to adjust to the evolution of the situation in a conflict-sensitive manner.
External environment	Political environment significantly limits space for focus on accountability, and the role that international actors can play	M	M	Strengthen partnerships with national actors (EHRC, CEHRO, academia) to ensure that more sensitive elements of the IDP policy work are being driven by national actors
External environment	Weak institutional capacity: a complex, fragmented and competing institutional environment, and with often disparities in the capacity of federal and regional administrative levels, may cause delays in the implementation of projects	M	M	Through the provision of specialized technical assistance and institutional capacity development at all levels, based on capacity needs assessment, IPs will closely monitor this risk and minimise its likelihood. In addition, continued policy dialogue carried out will facilitate the early identification of potential regulatory or institutional bottlenecks. Capacity-building activities and need-based support benefitting Ethiopian relevant institutions, including the existing coordination bodies, at both regional and federal level, are also foreseen under this Action.
External environment	Migration and displacement are no longer a priority for GoE, leading to weak institutional	L	H	Continuous exchanges with relevant institutions, at both federal and regional level, will be maintained. Awareness and capacity of relevant institutions on the importance of addressing the needs of forcibly displaced persons as well as

	support and delays in implementation.			labour migration governance, and its contribution to economic growth, will be strengthened. Ownership and sustainability will be key guiding principles of this Action.
Planning, processes and systems	Coordination issues: a lack of appropriate coordination with other development partners could lead to duplication of activities, which would render this Action not relevant.	M	M	A strong governance coordination mechanisms will be established with all IPs and with the relevant institutions of the Government of Ethiopia. Coordination will also be sought with interventions supported by other partners.
Gender Equality	Insufficient or inadequate gender mainstreaming could reinforce gender inequalities and the non-realisation of human rights in the sector, and hinder the efficiency and sustainability of the action.	Medium	High	Gender mainstreaming is applied in all components. Integrate specific gender-related issues into the Action that aim at improving access to basic and social services.
External environment	Aid diversion	Medium	High	EU and implementing partner will put in place safeguarding measures to reduce the risk of aid diversion. Regular follow up with implementing partners and government counterparts on implementation of the action, coupled with monitoring missions, regular systems audits and expenditure verifications.

Lessons Learnt:

This Action will greatly benefit from the different lessons learned from previous and on-going projects on migration and forced displacement implemented in Ethiopia. The action is intending to support job creation for vulnerable groups through building lessons from previous EU-funded RESET II economic opportunity initiatives, RESET PLUS (Innovation, WASH and Youth), EUTF funded for cross-border and other projects including the ongoing STEDE in Somali region. The proposed action will place a special emphasis on consolidating best practice and transforming efforts made under EU-funded RESET II, RESET PLUS, EUTF-cross border and other ongoing projects on supporting market system development. In terms of supporting IDP policy and programming, the action build on the work done at federal and local level on the refugee agenda. The action will draw from lessons learnt from this work to ensure it is fully embedded in both the decision-making structures around the aid system in Ethiopia, and more sustainably linked to the local partners that need to be driving this work.

Some of the lessons adopted in this action include:

- It is important establishing active steering committees, to increase impact, sustainability, and ownership of actions. If possible, existing coordination bodies should be used;

- The involvement of youth as agents of behavioural change to lead their peers and communities;
- The importance to focus on climate-and energy resilient aspects when rehabilitating/constructing basic and social infrastructure;
- The need to pay specific attention to the protection needs of vulnerable migrants, including youth, pregnant or lactating women, and victims of abuse, in all phases of the migration path;
- The need to promote international labour standards not only with employers, employees but also with relevant Government stakeholders including the Ministry of Foreign Affairs and their overseas missions, as well as with CSOs and PrEAs;
- It is crucial to establish robust monitoring mechanisms over the actual implementation of BLAs and national regulations on labour migration;
- Supporting relevant Ministries and other institutions (at both federal and regional level), as well as CSOs, in country and at destination is key in order to improve labour migration governance in a sustainable manner and enhance migrant protection and institutional ownership;
- In response to the aid diversion scandal there will be thorough discussions with implementing partners on safeguarding measures in place to reduce risk of misuse of funds, complemented by regular monitoring and enhanced control, as well as additional risk mitigation measures if and when needed.

3.5 The Intervention Logic

The underlying intervention logic for this action is that

If comprehensive physical plans (Settlement Profile and Master Plan) for Sustainable Urban Settlement are created; **if** self-reliance and social cohesion of displacement affected communities living in target settlements and surrounding rural villages is enhanced; **if** basic and social services are sustainably provided to all residents (refugees and host communities); **if** the ability of the local economy to create jobs for refugees, IDPs, returnees and host communities in existing and/or potential economic value chain is increased; **if** policies in support of Durable Solutions for IDPs in Ethiopia are better coordinated; **if** the availability and access to locally generated evidence on Durable Solutions for IDPs is increased; **if** the capacity of the Ethiopian institutions (in Ethiopia and abroad) to monitor labour migration and inform relevant policies and to negotiate Bilateral Labour Agreements with selected destination countries is strengthened; **if** the skillset of the Ethiopian candidates for overseas employment is improved; **if** structured protection system for labour migrants (from pre-departure to return) is in place; **if** the Ethiopian overseas recruitment process is enhanced and professionalised **then** there will be sustainable local integration and inclusion of Displacement Affected Communities in selected host locations and surrounding rural villages; the economic transformation in conflict and migration prone regions of Ethiopia will be enhanced; the IDP policy and programming will be strengthened; a competitive and workers' right-oriented labour migration system for Ethiopians will be established **because** a reasonable degree of political stability; absence of widespread conflict; commitment of the Government to implement IDPs policies focusing on durable solutions; commitment of Government (relevant ministries and bureaus) and RRS to the implementation of GRF pledges and political will to undertake necessary policy reforms in the sector of labour migration will have been set up through the **implementation of Durable Solutions for Forced Displaced Populations in Ethiopia, including their host communities, and the development of a relevant labour migration framework for Ethiopians.**

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To support support sustainable and integrated responses to forced displacement and labour migration	<p>1 Number of migrants, refugees, and internally displaced people or individuals from host communities protected or assisted with EU support (GERF 2.20/ IPA III RF 1.4.2.1)</p> <p>2 Number of migration management or forced displacement strategies or policies developed/revised/put in place with EU support</p> <p>3.Unemployment rate of displaced persons compared to the resident/host communities, disaggregated by sex, age group, disability status (OPSYS core indicator)</p> <p>4Percentage of beneficiaries of EU-funded interventions with increased income 6 months after EU support, disaggregated by sex, population group, disability status, age;</p> <p>5Level of compliance with labour rights and labour migrant protection, based on international and national legislation standards, of national and main destination country labour migration systems</p>	<p>1 TBD</p> <p>2 TBD</p>	<p>1 TBD</p> <p>2 TBD</p>	<p>EU intervention monitoring and reporting systems (Progress and final reports for the EU-funded intervention; Baseline and endline surveys conducted and budgeted by the EU-funded intervention ; ROM reviews)</p> <p>2</p>	<i>Not applicable</i>
Outcome 1	Sustainable local integration and inclusion of Displacement Affected Communities in host cities and surrounding rural villages supported	1.1 Proportion of (Persons of Concern) PoCs residing in physically safe and secure settlements with access to basic facilities	<p>1.1 TBD</p> <p>1.2 TBD</p>	<p>1.1 TBD</p> <p>1.2 TBD</p>	1.1 Household surveys, UNHCR and partners reports, Government Administrative Data	Political will to undertake necessary policy reforms

		1.2 Percentage of the population satisfied with essential service delivery (disaggregated by population group, age, sex, and location - urban/peri-urban/rural)			1.2 EU intervention monitoring and reporting systems (Baseline and endline surveys conducted and budgeted by the EU-funded intervention)	Political stability Government (relevant ministries and bureas) and RRS committed to the implementation of GRF pledges
Outcome 2	Enhanced economic transformation for greater resilience-building in conflict and migration prone regions	2.1 Average income of the target population (resident/host communities, including displaced persons), disaggregated by sex, migration status, age group 2.2 Number of target beneficiaries (resident/host communities and displaced persons) gainfully (self)employed, disaggregated by sex, migration status and age group (OPSYS core indicator)	2.1 TBD 2.2 TBD	2.1 TBD 2.2 TBD	2.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention 2.2 Ministry/agency administrative data. If data is not available, baseline and endline surveys must be conducted and budgeted by the EU-funded intervention.	Political stability
Outcome 3	Strenthened IDP Policy and Programming on Durable Solutions in Ethiopia	3.1 Number of policies processes supported	3.1 TBD 3.2 TBD	3.1 TBD 3.2 TBD	Government reports EU intervention monitoring and reporting systems	Political stability Commitment of the Government to implement IDPs policies focusing on durable solutions
Outcome 4	Establishment of a competitive and workers' rights-oriented labour migration system for Ethiopians	4.1 Number of BLAs or MoUs with destination countries revised or drafted with EU support	4.1 TBD 4.2 TBD	4.1 TBD 4.2 TBD	4.1 EU intervention monitoring and reporting systems (Progress and	Political will to undertake necessary policy reforms

		4.2 Number of Ethiopian labour migrants or potential migrants receiving adequate trainings and assistance (from pre-departure to return) with EU support			final reports for the EU-funded intervention) 4.2 EU intervention monitoring and reporting systems (Progress and final reports for the EU-funded intervention)	
Output 1 relating to Outcome 1	1.1 Comprehensive Physical Plans (Settlement Profile and Master Plan) for sustainable urban settlement created	1.1.1 Proportion of PoC who participate meaningfully across all phases of the Operation Management Cycle 1.1.2 Proportion of PoCs living in habitable and affordable housing	1.1.1 TBD 1.1.2 TBD	1.1.1 TBD 1.1.2 TBD	1.1.1 Participatory assessments and focus group discussions 1.1.2 Shelter and settlement survey	
Output 2 relating to Outcome 1	1.2 Enhanced Self-reliance and social cohesion of displacement affected communities living in targeted city and surrounding villages	1.2.1 Proportion of PoC who self-report positive changes in their income compared to previous year	1.2.1 TBD	1.2.1 TBD	1.2.1 Beneficiary surveys, partners report	
Output 3 relating to Outcome 1	1.3 Basic and social services sustainably provided to all residents	1.3.1. Proportion of PoC enrolled in the national education system (1.3.2. Proportion of children aged 9 months to 5 years who have received measles vaccination (UNHCR) 1.3.3. Proportion of PoC using at least basic drinking water services	1.3.1. TBD 1.3.2. TBD 1.3.3. TBD	1.3.1. TBD 1.3.2. TBD 1.3.3. TBD	1.3.1. Government and UNHCR education statistics 1.3.2. UNHCR health information system, vaccination coverage survey 1.3.3. UNHCR WASH monitoring	
Output 1 relating to Outcome 2	2.1 Increased ability of the local economy to create jobs for refugees, IDPs, returnees and host communities in existing and/or potential value chains	2.1.1 Number of jobs supported/sustained by the EU (Rural/urban (Rural ; Urban; Other (i.e. peri-urban, isolated)); Sex (Female; Male;) 2.1.2 Value of new private sector investment leveraged in the target markets (Sara)	2.1.1 TBD 2.1.2 TBD	2.1.1 TBD 2.1.2 TBD	2.1.1 EU intervention monitoring and reporting systems (Baseline and endline surveys conducted and budgeted by the EU-funded intervention) 2.1.2 EU intervention monitoring and reporting systems (Baseline and	

		2.1.3 Number of beneficiaries with access to financial services with EU support: (b) people (all financial services)			endline surveys conducted and budgeted by the EU-funded intervention) 2.1.3 EU intervention monitoring and reporting systems (Baseline and endline surveys conducted and budgeted by the EU-funded intervention)	
Output 1 relating to Outcome 3	3.1 Better coordinated policies in support of durable solutions for IDPs in Ethiopia	3.1.1 Number of roundtables/workshops/conferences organized by the EU-funded intervention to promote debate on a draft policy/law addressing displacement or return issues 3.1.2 Number of institutions /stakeholders benefitting from capacity building on durable solutions to displacement 3.1.2 Number of institutions /stakeholders benefitting from capacity building on durable solutions to displacement	3.1.1 3.1.2	3.1.1 3.1.2	Minutes of meetings Trainings/workshops participants lists and evaluations Pre and post learning evaluations	
Output 2 relating to Outcome 3	3.2 Increased availability and access to locally generated evidence on durable solutions for IDPs in Ethiopia	3.2.1 Number of researches/ gap analysis conducted at local level/on specific themes related to forced displacement 3.2.2 Status of availability of quantitative and qualitative data provided by the EU-funded intervention on the impact of the displacement situation, e.g. with regard to perspectives for solutions, protection, basic services, housing, employment, and environment	3.2.1 TBD	3.2.1 TBD	Reports/researches published by the EU-funded intervention; Progress reports for the EU-funded intervention	
Output 1 relating to Outcome 4	4.1 Strengthened capacities of Ethiopian institutions (in Ethiopia and CoD) to monitor labour	4.1.1 Number of policies, measures, regulations, supported by	4.1.1 TBD	4.1.1 TBD	4.1.1 EU intervention monitoring and reporting systems (Progress and	

	migration and inform relevant policies	the EU to establish / modernise labour market information systems 4.1.2 Number of policies that incorporate labour market data made available with EU support	4.1.2 TBD	4.1.2 TBD	final reports for the EU-funded intervention) 4.1.2 EU intervention monitoring and reporting systems (Progress and final reports for the EU-funded intervention; Baseline and endline studies conducted and budgeted by the EU-funded intervention)	
Output 2 relating to Outcome 4	4.2 Improved skill set of Ethiopian candidates for overseas employment	4.2.1 Number of people trained by the EU-funded intervention who increased their knowledge and/or skills (disaggregated by sex and age) 4.2.2 Number of VET plans/programmes jointly revised or drafted by education regulators, VET institutions and social partners (employers' and workers' organisations) with support of EU and adopted	4.2.1 TBD 4.2.2 TBD	4.2.1 TBD 4.2.2 TBD	4.2.1 EU intervention monitoring and reporting systems (Progress and final reports for the EU-funded intervention; Database of beneficiaries/participants ; Pre- and post-training test reports) 4.2.2 EU intervention monitoring and reporting systems (Progress and final reports for the EU-funded intervention; Baseline and endline studies conducted and budgeted by the EU-funded intervention)	
Output 3 relating to Outcome 4	4.3 Structured protection system for labour migrants (from pre-departure to return) guaranteed	4.3.1 Number of mechanisms/ policies/ initiatives supported or implemented by EU-funded interventions to prevent or eliminate child labour and any form of forced labour 4.3.2 Number of individuals trained by the EU-funded intervention with increased knowledge on legal and administrative provisions for	4.3.1 TBD 4.3.2 TBD 4.3.3 TBD	4.3.1 TBD 4.3.2 TBD 4.3.3 TBD	4.3.1 EU intervention monitoring and reporting systems (Progress and final reports for the EU-funded intervention) 4.3.2 EU intervention monitoring and reporting systems (Baseline and endline surveys conducted and budgeted	

		<p>eliminating child labour and any form of forced labour</p> <p>4.3.3 increased percentage of women migrants who are aware of their rights and how to find redress if their rights are violated (through complaints and grievance mechanisms).</p>			<p>by the EU-funded intervention)</p> <p>4.3.3 EU intervention monitoring and reporting systems (Progress and final reports for the EU-funded intervention; Baseline and endline studies conducted and budgeted by the EU-funded intervention ; ROM reviews)</p>	
Output 4 relating to Outcome 4	4.4 Ethiopian overseas recruitment process enhanced and professionalised	<p>4.4.1 Number of employment services staff trained by the EU-funded intervention with increased knowledge and/or skills for supporting jobseekers, disaggregated by sex and disability status</p> <p>4.4.2 Number of government, workers' and employers' organisation representatives trained by the EU-funded intervention with increased knowledge and/or skills for social dialogue</p>	<p>4.4.1 TBD</p> <p>4.4.2 TBD</p>	<p>4.4.1 TBD</p> <p>4.4.2 TBD</p>	<p>4.4.1 EU intervention monitoring and reporting systems (Database of beneficiaries/participants ; Pre- and post-intervention test reports)</p> <p>4.4.2 EU intervention monitoring and reporting systems (Database of beneficiaries/participants; Pre- and post-intervention test reports)</p>	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Government of the Federal Republic of Ethiopia.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

N/A

4.4 Implementation Modalities

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹².

4.4.1 Direct Management (Grants)

(a) Purpose of the grants

The grants will contribute to achieve Specific Objectives 2 "Enhance economic transformation in conflict and migration prone regions of Ethiopia" and Specific Objective 3 "Strengthen IDP policy and programming".

(b) Type of applicants targeted

Public bodies, international organisations, NGOs, economic operators, research institutions

The part of the action under the budgetary envelope reserved for grants may, partially or totally and including where an entity is designated for receiving a grant without a call for proposals, be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

For Specific Objective 2:

- Proven experience in successful socio-economic inclusion of vulnerable communities affected by internal displacement and/or people prone to migration and returnees through access to finance, climate resilient income generating opportunities, legal aid
- Proven experience in addressing needs of most vulnerables including PwDs
- Proven experience in inclusion of women in decision making mechanism and management of resources and businesses

For Specific Objective 3:

- Previous experience in research and analysis, capacity development, policy dialogue and coordination in the field of Durable Solutions for displacement population in Ethiopia at national and regional level.

¹² www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.4.2 Direct Management (Procurement)

Procurement will contribute to achieve part of Specific Objective 2 “Enhance economic transformation in conflict and migration prone regions of Ethiopia”. It will support building market linkages amongst economic operators, including refugees, IDPs, returnees and host communities and will promote a Market System Development approach to create jobs and increase incomes.

This call has been launched on 5 February 2024 under a suspensive clause prior to the adoption of this Decision. This is justified because the service provided will need to be in place for scoping activities and groundwork preparation before the entity(ies) implementing activities relating to output 2.1 start their actions.

4.4.3 Indirect Management with an entrusted entity

4.4.3.1

A part of this action may be implemented in indirect management with United Nations Office of the High Commissioner for Refugees (UNHCR). This implementation entails activities relating to Specific Objective 1 “Support sustainable local integration and inclusion of Displacement Affected Communities in selected host locations and surrounding rural villages”. The envisaged entity has been selected using the following criteria:

- Previous demonstrable experience and technical competence in the field of durable solutions and integration of refugee communities
- Good working relations with Government
- Large presence in Ethiopia and already established offices in the target regions;
- Human resources, organisational capacity and expertise to carry out the tasks;

In case the envisaged entity would need to be replaced, the Commission’s services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.4.3.2

A part of this action may be implemented in indirect management with International Labour Organisation (ILO). This implementation entails activities relating to Specific Objective 4 “Establish a competitive and workers’ rights-oriented labour migration system for Ethiopians”. The envisaged entity has been selected using the following criteria:

- Extensive experience and technical competence in promoting the rights of all workers, including migrant workers
- Good working relations with Government
- Significant experience and technical expertise in labour migration;
- Experience in supporting Ethiopia to strengthen labour migration governance frameworks and practices;
- Significant presence in Ethiopia
- Human resources, organisational capacity and expertise to carry out the tasks
- Technical, organizational and institutional capacity to collect labour migration data and analyse them

In case the envisaged entity mentioned above would need to be replaced, the Commission’s services may select another replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.4.4 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case the activities in direct management – procurement, as described in section 4.4.2 cannot be implemented due to circumstances outside of the Commission’s control, the part of the action will be implemented in indirect management with an entrusted entity which will be selected with the following criteria

- Proven experience in successful socio-economic inclusion of vulnerable communities affected by internal displacement and/or people prone to migration and returnees through access to finance, climate resilient income generating opportunities, legal aid
- Proven experience in addressing needs of most vulnerables including PwDs

- Proven experience in inclusion of women in decision making mechanism and management of resources and businesses
- Presence in Ethiopia

The implementation entails part of Specific Objective 2 “Enhance economic transformation in conflict and migration prone regions of Ethiopia”.

4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.4	
Specific Objective 1 “Support sustainable local integration and inclusion of Displacement Affected Communities in selected host locations and surrounding rural villages” – composed of	16 000 000
Indirect management with UNHCR - cf. section 4.4.3.1	16 000 000
Specific Objective 2 “Enhance economic transformation in conflict and migration prone regions of Ethiopia” – composed of	11 500 000
Grants (direct management) – cf. section 4.4.1	8 000 000
Procurement (direct management) – cf. section 4.4.2	3 500 000
Specific Objective 3 “Strengthen IDP policy and programming” – composed of	1 000 000
Grants (direct management) – cf. section	1 000 000
Specific Objective 4 “Establish a competitive and workers’ rights-oriented labour migration system for Ethiopians” - composed of	6 500 000
Indirect management with ILO - cf. section 4.4.3.2	6 500 000
Grants – total envelope under section 4.4.1	9 000 000
Procurement – total envelope under section 4.4.2	3 500 000
Evaluation – cf. section 5.2	500 000
Audit – cf. section 5.3	
Contingencies	500 000
Totals	36 000 000

4.7 Organisational Set-up and Responsibilities

A Programme Steering Committee (PSC) will be established for oversight and overall coordination and monitoring of the Action's implementation process. The Steering Committee will meet at least twice a year to discuss strategic issues and provide direction in addressing programme implementation challenges. Annual reports produced by the IPs on the implementation of the Actions components will be presented and discussed in the PSCs. The composition and mandate of the Steering Committee will be decided by the European Commission services and implementing partners upon signature of contracts. It will include relevant Government stakeholders at federal and regional level.

Implementation of specific components of this Action , may be monitored and given strategic direction through existing coordination mechanisms, where possible.

The work of the PSC will be supported by the Programme Technical Committee, which will meet at least 4 times a year and whose composition will mirror the PSC, but at technical level. It will be primarily responsible for providing technical guidance on the implementation of activities and enhancing coordination and cross-fertilization of ideas among organisations engaged in the implementation of the programme.

Implementation will also be governed by regular monthly coordination meetings among relevant implementing partners and stakeholders of each project component. Agenda and written minutes of those meetings have to be shared with the EU Delegation for information and advice.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

4.8 Pre-conditions

N/A

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Some of the data will be drawn from regular surveys made by government agencies and the DTM conducted by IOM, while other data will have to be provided by the implementing partners. Details are referred to in the logframe.

In the initial phase, the indicative logical framework agreed in the contracts and/or the agreements signed with the IPs must be complemented with baselines, milestones and targets for each indicator under each actions component. In addition, a gender analysis and a conflict assessment will be conducted at the beginning of the each components intervention.

Progress reports provided by the IPs should contain the most recent version of the logical framework agreed upon by the parties and show the current values for each indicator. The final report should complete the logical framework with initial and final values for each indicator.

The final reports, financial and descriptive, will cover the entire period of the implementation of each action.

The performance of the programme will also be closely monitored by the PSC.

5.2 Evaluation

Having regard to the importance of the action, a mid term and final evaluation may be carried out for this action or its components via independent consultants contracted by the Commission or through a joint mission with one or several implementing partners.

A mid-term evaluation will be carried out for problem solving and learning purposes, in particular concerning the effectiveness and complementarity of the action with other initiatives but also to be able to adjust the components action/part of the action in case of a changing context.

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that progress on issues tackled under this Action are part of an ongoing process. All evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination¹³. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options);

Action level (i.e. Budget Support, blending)		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action
Group of actions level (i.e. top-up cases, different phases of a single programme)		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Contribution Agreement with UNHCR
<input checked="" type="checkbox"/>	Single Contract 2	Grant contract (Specific Objective 2)
<input checked="" type="checkbox"/>	Single Contract 3	Procurement (Specific Objective 2)
<input checked="" type="checkbox"/>	Single Contract 4	Grant contract (Specific Objective 3)
<input checked="" type="checkbox"/>	Single Contract 5	Contribution Agreement with ILO
Group of contracts level (i.e. series of programme estimates, cases in which an Action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)		
<input type="checkbox"/>	Group of contracts 1	