



## **Refugee Integration and Self-reliance (RISE)**

### **Pilot Project Report January – September 2019**

October 2019

## Project Summary

<b>Pilot Project</b>	Refugee Integration and Self-reliance in Ethiopia(RISE)
<b>Project Period</b>	01 January to 30 September 2019
<b>Project Lead</b>	SNV Netherlands Development Organisation
<b>Partner</b>	Tulip Addis Water Filter
<b>Project Budget</b>	EUR 308,706.00
<b>Reporting Period</b>	01 January to 30 September 2019
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# **Refugee Integration and Self-reliance in Ethiopia (RISE)**

## **Pilot Project Report**

### **January – September 2019**

## **Introduction**

Large movements of refugees driven by violence, conflict, disasters and environmental change, etc are creating considerable challenges for countries of first destination. Ethiopia is one of large refugee hosting countries in the world where 928,663 (50.2% women) are hosted throughout the camps. Like other refugee hosting countries, Ethiopia faces structural challenges in accommodating such caseload, which sometimes restrict automatic mobilisation of resource to assist these people right away. The continuity of assistance is also a huge burden to the country when there is an ongoing entry of new comers from neighbouring countries.

The wider socio-economic consequences of forced migration have triggered intense debates globally on how to develop appropriate and sustainable policy responses to these challenges. Among other factors, these challenges include the consideration of fast-growing working-age refugee population exerting an increasing demographic pressure on the host community at large.

The Government of Ethiopia is one of the first country to initiate implementation of the Comprehensive Refugee Response Framework (CRRF), which focuses on measures to ease refugee pressure on host countries and support their self-reliance. In light of this, Netherlands Ministry of Foreign Affairs initiated the 'Dutch chapter', which specifically targets the provision of jobs for refugees with Dutch companies to support the job compact pledge.

Refugee Integration and Self-reliance in Ethiopia (RISE) has been piloted from January – September, 2019 in Addis Ababa, with funding secured from Dutch Government. This initiative primarily aimed at role of private sector as a means of support towards self-reliance of urban refugees. Though the landscape of private sector engagement with refugees and host communities is new to the country, SNV leveraged on its existing private sector partners and identified a potential Dutch affiliated company (i.e. Tulip Addis Water Filter) , who was willing and able to create employment opportunity to refugees and host communities.

RISE pilot phase seeks to contribute to the self-reliance and integration of refugees and host communities with 50% women through enhanced employability, inclusive Dutch affiliated private company, engagement and access to necessary documents and services. RISE has three interrelated outcomes:

1. Improved performance of refugees' and host community inclusive Dutch affiliated business (Tulip Addis Water Filter)
2. Increased employment of refugee and host community in Addis Ababa
3. Enhanced protection and socio-economic integration of refugees

This document reports pilot proceedings and understanding about how to help refugees become more self-reliant, through increased economic opportunity or employment. The project's implementation is documented in following sections highlighting achievements, partnership with key stakeholders, challenges met and conclusion.

## Achievement

Having equipped RISE with staffing, the project started operation by institutionalising mutual commitment with imminent stakeholders of Government (signed Letter of Understanding), private sector (contractual agreement) and EKN's endorsement of private sector co-funding (Donor). The institutionalization process has fostered effective partnership in building common understanding, formalisation of relationship, prioritization so as to catalyse the job creation agenda of RISE project.

Ethiopia currently hosts over 900,000 refugees (July 2018), primarily from neighbouring South Sudan, Somalia, Sudan and Eritrea, as well as smaller numbers of refugees from DRC, Burundi, Yemen and minority groups. The Ethiopian Government Agency for Refugees and Returnees (ARRA) has well-structured communication channel to reach to the refugee community – that is through refugee representatives (who are associated by nation, sector, area of concern –protection, etc). Through ARRA's support, the project realised the importance of using this channel to work with urban refugees residing in Addis.

The first refugee meeting held by SNV laid an enormous foundation to fit the project into the refugee community and introduce its objective of job creation agenda. SNV met Addis Ababa based refugee representatives (65) from clusters of Yemen, Eritrea, Burundi, Somali, DRC, South Sudan, Sudan, and Minority Groups. Through participatory method, SNV partnered with **eleven** nominated refugee representatives and discussed the following areas:

- i) strengthening employability capacity of refugees ;
- ii) Strengthening private sector inclusive approach of absorbing incremental hire of refugees; and
- iii) Fostering workplace protection and integration.

These nominees served as contact agents between SNV and refugees becoming a main tool for information dissemination and other related areas, as and when required. In fact, the pilot phase witnessed a greater role of effective coordination among the representatives in communicating with their communities and incurred more streamlining of RISE work across other refugee sectors. For instance, child protection sector meeting is cognizant of RISE schedule. Additionally, deeper engagement of representatives on RISE work enabled provision of clarity towards ambiguities raised from refugees( re: RISE objectives ) and sensitise their community to attend to RISE meetings, and capacity building sessions.

At a macro level, such partnership further fostered informative and strategic discussions for RISE to understand the urban refugee climate and how this is translated into an effective refugee labour market development programming. SNV became sole partner of ARRA's job creation based coordination forum.

Despite the legislative changes that facilitate access to formal job opportunities to refugees, the formal market still remains be silent in recruiting refugees; though anecdotally, low paying informal hiring system has been working for both refugees and employers. Granting of work permits by Government is **work-in-progress** due to non-finalised processes related to multidimensional and dynamic nature of refugee integration (ARRA 2019).



Eritrea refugee representatives attending introductory meeting with RISE



Refugee participating practical training

Refugees are not just passive victims. They have skills, talents, and aspirations. While many are in need of assistance, they have capacities as well as vulnerabilities. Rather than assuming a need for indefinite care and maintenance, RISE intervention aimed to **formally** nurture such capacities.

Beyond capital, SNV recognizes that addressing refugee labour market development require significant investment to structure and match opportunities for engaging refugees

and host communities ; if economic inclusion and long-term solutions are to be met. At a minimum, SNV understands that private sector actors need to cover reasonable costing to mitigate the financial risks of these efforts.

Taking bold step, SNV, through its RISE project led an ice breaking path of matching the refugee labor supply with the created demand from a company - Tulip Addis Water Filter. The matching process involved four layers of participatory processes in going beyond job availability concept that is – *finding the right person for the right job*.

The recruitment processing included the following steps along with result highlight:

- Design of job specification for Sales person position
- Consultation meeting with refugee representative to advert throughout the refugee communities residing in Addis
- Receipt of expression of interest from 360 refugees( 235 women)
- 197(120 women) shortlisted - 1<sup>st</sup> round applicant verification by refugee representatives
- 127(93 women) shortlisted - 2<sup>nd</sup> round applicant verification by ARRA
- 94(62 women) identified - 3<sup>rd</sup> round applicant shortlisting by Refugee representatives and SNV (priority given to women and people living under extreme conditions)
- 40(27 women) refugees selected – via interview by Tulip Addis with support of SNV
- 28 candidates received offer letter
- 21 (15 women) refugees recruited and started work at 7 shop outlets
- 27 host communities recruited to work with refugees.
- 2<sup>nd</sup> round recruitment is in progress
- **So far, the recruited refugees and host communities managed to sell over 8000 water filters. Both the refugees and Tulip Addis are happy with the progress made so far**
- Currently, the total staff hired by Tulip Addis has reached 48 ( 44% refugees and 56% nationals)
- RISE pilot is being used by ARRA as evidence

## Working With Private Sector

Fostering self-reliance is seen by RISE as a more sustainable strategy to tackle refugee migration than humanitarian assistance. Ethiopia's recently issued refugee proclamation brings a growing recognition that empowers refugees to have an important role in the economy. Indeed, understanding and supporting refugee livelihoods is impossible without considering the private sector: refugee livelihoods are therefore linked with the private sector.

Especially in urban settings, promoting the livelihoods of refugees will become feasible only when their economic activities are based on 'market-based opportunities': 90% of jobs in developing



countries come from the private sector (World Bank, 2013). Therefore, SNV Ethiopia recognizes the centrality of private sector in assisting refugees through providing new economic opportunities and enhancing existing income generation activities for refugees to reduce reliance on aid, e.g. through labour market approaches.

SNV partnered with a private company named Tulip Addis Water Filter Company to consider urban refugee workforce planning in its five year business expansion vision in Addis and beyond. In this way, refugees could be integrated into the supply chain, without disrupting the existing labour market.

Professionally, this company is private limited company working on production and distribution of water filter cases in Ethiopia. They aim to get low-cost water filters to the poorest households to help ensure a safe drinking water supply. The company's inclusive model considers the sale of table top water filters at affordable price, thus catering demand creation effort among people living under poverty.

By end of 2020, Tulip's business expansion towards local manufactory will enable further reduction of price and reach to serve the East African market. In 2018, the company had established a joint venture with Netherland headquartered company named Basic Water Needs to develop market for joint products.

Under RISE project, the job placement of new refugee incumbents was aligned to the company's vision of expanding its market share i) in Addis Ababa - through the opening of new sales distribution sites and ii) in Bahir Dar Industrial Park - through the setup of local manufactory plant to produce local water filters. This strategy paved way for placing new recruits to work in an integrated manner with host communities. With the decision of opening **ten sales outlets**, the company underwent study to map refugee concentration in Addis Ababa so as to identify suitable location – that is win-win solution for the business and refugees as well.

The company carefully selected shop sites that is in close proximity to refugees' residential areas. To date seven of the outlet shops are officially opened which automatically fostered the placement of 21 refugees to start operation as of 10<sup>th</sup> of June 2019. While three more

remains, the selected candidates have been provided with job offer letter, job-entry and sales related capacity building trainings.



One of Tulip's sales outlet - Lafto area

Following a thorough capacity gap assessment, the project assisted Tulip's management in company restructuring, development of revised organogram, administration tools along with seconded assistance to support company transition towards the new ways of working.

### Launch of sales outlet opening

On the 19th May 2019, the opening of the sales outlet was launched in the presence of Mrs.



**Tulip company, newly hired refugees, Government, Donors and SNV celebrating the launch event**

Marike Peters and Mrs. Lidya Tujuba (Embassy of the Kingdom of the Netherlands), Ato Wagaye Tilahun (ARRA - Government Agency for Refugees and Returnees Affairs) and SNV staff members. During the event, representatives met newly recruited refugees and host communities, while appreciating the ice breaking path of the created employment opportunity, through Dutch Government funding.

## Challenge

For RISE, the main storyline on employment creation is equipping young vulnerable refugees for productive employment and link them to available jobs. In light of this, RISE invested in the capacity of private sector to absorb the productive refugee labor supply and succeed in an effective and efficient job creation work. However, the relatively low conceptual understanding of various institutions (including private sectors) has constrained the effective formulation and implementation of the year 2018 refugee proclamation (no turnout).

The relatively low or zero exposure of refugees towards formal employment coupled low adherence to workplace policy has challenged SNV and private company (Tulip) in dealing with loss of institutional memory as a result of high staff turnover (paused the pace of sales shop opening at 7 from target of 10). To address this challenge, SNV through its in-house capacity and external source provided trainings to refugees like work ethics, life skill, psychosocial support and orientation towards employment. Additional capacity building trainings like sales management, water filter installation (manipulation), minor water filter maintenance was given



to refugees and host communities. About 60% of Tulip's training was on-job training and through coaching.

In parallel terms, SNV invested in capacitating the private company to uphold better administration and management of its resources (that includes refugee staff). As a result, the company underwent restructuring, shuffling of management, refinement of human resource manual, production of organisational tools to monitor workflow, reporting and accountability.

Additionally, the project surfaced barriers to growth and scale, such as insufficient budget to take the project towards multi-year programming. SNV Ethiopia is producing a documentary film on the pilot's success; it evidences the possibility of refugee engagement in the Ethiopian labour market. The documentary film is expected to build the confidence of new entrants so as to gear the RISE programming towards business continuity. In parallel, it will also inform existing stakeholders to lift up the initiative to another level.

## Lessons

**Adherence to 'inclusive' thinking:** Ensure engagement of all refugee representatives from different nations fosters inclusiveness. Refugee Representatives were reluctant at first contact as their previous experience with other agencies was only for adhoc training with no further contact. The subsequent consultation and follow-up from RISE team has won their attention and requested SNV to permanently serve as contact agents.

### Exploring more from refugees:

Tulip and SNV recognized that there is untapped knowledge and experience among refugee community that private companies can leverage for the success of their business and thereby contributing to the formal economy

### Attending to refugee sector:

Refugees felt valued and their voice heard due to the respectful and active participation of refugees in the whole process.



**Engaging refugees into discussions is important!**

**Refugee integration:** Refugees are economic actors - integrating refugees into the supply chain is vital in guaranteeing long-term and sustainable livelihoods.

**Partnering with refugee representatives:** Engaging refugee representatives from the initial stage is critical to channel information to the wider refugees and help identify the right refugees as per job requirements.

**Pilot project conversion to scaled-up project:** to reap further gain, SNV and ARRA recognized that such ice breaking pilot needs close follow up and further collaboration to see result and inform decisions.

**Inviting new entrants into job creation sector:** Given SNV's pioneer role, the institutionalization process has been linear to enable the pilot span nine months. During this period, no stakeholder approached SNV to complement the initiative – it is important to highlight that additional efforts of partnering with potential stakeholder is required in order to have the concept of 'job creation' reach maturity.

**Rethinking the role of private sector:** the role of the private sector is more shaded though it exists at national, regional and local levels. Taking the evidence from Tulip company, it is wise to say that the private sector can build range of engagements and motives for involvement with refugees. This leads to conclude that refugees can themselves be regarded as part of that private sector; they can be producers, consumers, employees, beneficiaries, lenders, borrowers, and social entrepreneurs.

The background of Tulip owner (Ato Getaw Mekonnen) - a former refugee proved again that refugees and host communities can be important customers to Ethiopian businesses.

## Sustainability

Economic growth and job creation are contributory towards each other. As labour productivity gains are sustained, employment growth is expected to pick up in the long run. To reach to this concept, the Ethiopian government promoted the importance of refugee's engagement in the country's labor market development agenda.

The recent refugee proclamation laid a highly enabling platform to promote refugee's access to productive employment throughout the country. This is an important macro level strategy for a sustainable response to enable refugees participate in and contribute effectively to the economy and society of Ethiopia. As labour



Eritrean and Yemeni refugees feeling happy and valued

productivity gains are sustained, employment growth is expected to pick up in the long run. While programmes that enable access to labour markets may entail costs in the short run, there can be considerable long-term benefits, including ensuring social cohesion.

RISE, throughout its pilot phase, increasingly focused on empowering refugees as agents of their own lives and become economic contributors to their household from accessing employment. This is evidenced in the change of household income which in turn led to assure household consumption (food and necessities), increase their purchasing power of the household members, access social capital, feel dignified and contribute to the macro economy (RISE monitoring report, 2019).

The evidential indicators can lead to assume that refugee's livelihood is highly dependent on the role of private sector. Such actors are inherently well-positioned to enhance and scale up effort like RISE, given their strategic capabilities and inclusive business models. There is promising momentum in private sector engagement to demonstrate the lift up of economy in considering the labour supply of refugees and host communities residing in country. In the post pilot phase, Tulip Company will continue working with ARRA with regards to ensuring refugee employment and successful integration.

## Conclusion

The mass influx of refugees coming to Ethiopia has no doubt accelerated the formalisation of legislative initiatives to turn into parliament endorsed proclamation. Taking similar path, the evidence gained from RISE will speed up the release of directives and regulations to formalise all legal aspects- related to refugees work permit status. SNV will continue to engage with ARRA to support the promotion of national and or regional dialogue on the labour market implication of large influxes of refugees and the importance of providing enabling environment for these groups to access the labour market as means of livelihood. As a short-term strategy, RISE has closely work with ARRA to influence the adoption of the work permit regulation to support the selected refugees (under RISE). This evidence will feed into the long-term planning exercise undertaken by ARRA and other responsible Government bodies in providing work permits and other legal requirements for refugees.



The recruited sales person explaining how to use the water filter

Designing skill building programs that recognize refugees' skills and matching them with the market demand will both improve refugees' quality of life and contribute to the economy. In the coming period, Tulip Water Filter Company will closely work with ARRA thus becoming one of their job creation partner. In parallel, the company will continue working to standardise its human resource policies to consider decent work principles, human rights and refugee law, as applicable and in consultation with labour affiliated organisations (for instance ILO, employment agencies, etc).

*'Building upon what there is'* should be one of the fundamental principles for development practitioners. Interventions that aim to promote refugees' sustainable livelihoods must be based on a sound evidence; in the case of refugee labour market development there is a sound RISE pilot to learn from. SNV further commits where possible and appropriate, to share evidence and solid experience from the pilot phase.