

PROSPECTS Partnership

Ethiopia: Strengthening Rights, Inclusion and Dignified Opportunities



Kingdom of the Netherlands

Country Context

Ethiopia remains one of Africa's largest refugee-hosting nations, sheltering more than one million refugees. The majority originate from South Sudan, Somalia, Eritrea, and Sudan. Refugees are dispersed across 24 camps and settlements mainly in five regional states, while over 70,000 live as urban refugees in Addis Ababa. Nearly half of this population are women and girls, and children account for close to 60 percent. Alongside these groups, Ethiopia is also home to millions of internally displaced persons (IDPs), primarily uprooted by conflict, social tension, and drought, placing added pressure on communities and national systems.

The government has made significant strides toward inclusion, adopting progressive policies such as the 2019 Refugee Proclamation and working to integrate refugees into national health, education and social protection systems. In 2024 and 2025, Ethiopia has expanded its national identification program to include refugees, granting them access to the Fayda digital ID system. This breakthrough is opening the door for refugees to access bank accounts, procure SIM cards, secure business licenses, enroll children in school, and participate more fully in society.

Yet many challenges remain: Ethiopia's fragile economic situation, recurring insecurity and the immense scale of displacement continue to stretch services, infrastructure and job markets. For many displaced families, the absence of secure livelihoods and reliable protection mechanisms means that daily survival remains precarious.



Newlyweds Mussa and Jamila sit in their shelter at Sherkole refugee camp in northwestern Ethiopia, having fled conflict in their home country of Sudan in 2023.

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PROSPECTS in Ethiopia

The PROSPECTS Partnership – financed by the Netherlands and implemented by IFC, ILO, UNHCR, UNICEF, and the World Bank – is working to deepen inclusion and strengthen national systems so that forcibly displaced people can access their rights and contribute economically in Ethiopia. Key areas of intervention include:



Strengthening Protection and Social Protection through a focus on ensuring that refugees gain legal recognition and access to services. PROSPECTS is backing Ethiopia's National ID Program so refugees can obtain digital IDs (Fayda) that unlock access to critical services and essential rights. The Partnership also supports birth registration for refugee children, expanding access to legal identity from birth. In addition, PROSPECTS supports community-based health insurance and broader social protection mechanisms that include displaced populations.



Promoting Employment and Livelihoods by supporting of transition refugees and vulnerable Ethiopians from informal to formal employment. This includes supporting entrepreneurship, job placement, recognition of skills and qualifications, and private sector collaboration to create sustainable livelihoods.



Expanding Education and Training to support the inclusion of refugee children and youth in Ethiopia's public education system and vocational training opportunities. Initiatives focus on expanding access to learning, enhancing teacher training, and aligning skills development with labour market needs for both refugees and host communities.



Investing in Critical Infrastructure toward services that build resilience for both refugees and host communities, including water, sanitation and renewable energy solutions in camps and settlements. Infrastructure projects also provide opportunities for skills training and employment, especially for youth.

Outcomes and Impact

In Ethiopia, PROSPECTS is helping to turn ambition into reality by supporting communities where displacement and local challenges intersect. The Partnership responds by creating practical entry points into national systems — from legal recognition and social protection, to schools, training centres and employment pathways — so that displacement is addressed not in isolation, but as part of a broader development vision.

The approach is deliberately wide-ranging: expanding access to justice and case management, strengthening child and youth learning, and connecting people to real economic opportunities. This combination of protection, opportunity and investment is enabling families to move from dependence toward resilience.

Protection and Social Protection

- **92,351 refugees and asylum seekers** have gained national legal status
- **68,339 people** have benefited from mental health, psychosocial support and case management services
- **84,558 individuals** have benefited from national social protection schemes (safety net and recovery grants)

Education and Training

- **18,658 children** have completed formal and non-formal education programs
- **1,997 youth** enrolled in professional or skills training programs

Economic Inclusion

- **2,385 new job opportunities** supported through wage and self-employment
- **6,501 individuals** have gained work permits or business licenses
- **26,413 workdays** were created through labour-intensive infrastructural development programmes

Critical Infrastructure

- **34,028 people** have gained access to improved sanitation from the construction of the sewage management system in Alemwach camp
- **More than 300,000 refugees and host community members** have benefited from the upgrading and solarization of water supply infrastructure, enhancing the delivery of clean drinking water

Note: Some activities have relied on multi-donor contributions.

“The Ethiopian government is committed to creating a more inclusive and prosperous future for all, including refugees. We believe PROSPECTS will play a vital role in achieving this goal.” — H.E. Teyiba Hassen, Director General of Ethiopia’s Refugees and Returnees Service

Ibtisam’s Story



“Now ... I have a chance to change my life in a new way.”

Ibtisam, a Yemeni refugee in Addis Ababa, faced years of informal work and few legal rights. Through Ethiopia’s new digital ID system, she obtained a nationally recognized identity card, a business license and formal recognition. Now she runs a café in Addis Ababa with staff she has hired herself, has opened a bank account and is benefiting from a range of social services she couldn’t access before.