Federal Ministry
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Labour
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Evaluation of Market Systems Development Interventions for Refugee and Host Communities

in Jijiga, Ethiopia

First published (2019)

ISBN: 978-92-2-133672-3

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www.ilo.org/publns.

Evaluation of Market Systems Development Interventions for Refugee and Host Communities in Jijiga, Ethiopia

Disclaimer

This document constitutes an internal project evaluation of a one-year BMZ-funded project on “Promoting livelihoods of forcibly displaced persons and host communities” which was implemented in the Somali Region of Ethiopia. Given the limited project budget (EUR 283 630), it was not possible to conduct a full-fledged external evaluation and collect a full evidence base. The below is our best effort to evaluate the project outcomes and assess the wider impact based on qualitative data and anecdotal evidence.

Project duration: 12/2017 – 02/2019

Implementing Agency: ILO

Funding Agency: BMZ

Marlen de la Chaux & Nadja Nutz
ILO Geneva – May 2019

EXECUTIVE SUMMARY

The one-year BMZ-funded project to promote livelihoods of forcibly displaced persons and host communities focused on improving livelihoods in the livestock sector in the Somali Region of Ethiopia using the Approach to Inclusive Market Systems (AIMS) developed jointly by ILO and UNHCR. Project interventions focused on improving the access of refugee and host community livestock herders to market information, regional trader networks, and a newly opened local slaughter house as well as on improving entrepreneurial and business skills through the Start and Improve Your Business Entrepreneurship (SIYB) Training Program. Increasing fragility in the Somali region due to ethnic conflict and political turmoil resulted in a challenging operating environment and pivoting of the interventions. The evaluation finds that the interventions contributed to improving linkages between refugee and host community livestock herders and regional traders, thus enhancing access to better economic opportunity. Furthermore, within two weeks of introducing the SIYB entrepreneurship training program, 60 refugee and host community entrepreneurs had already benefited from the training, with an estimated 600 expected to be trained by end 2019. The evaluation distils three lessons learned for the implementation of market-based refugee and host community livelihoods interventions in fragile forced displacement settings, namely recognizing and working with markets distorted by aid, the importance of enabling a high degree of flexibility during implementation, and working through host communities to improve refugee livelihoods.

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SECTION 1

INTRODUCTION

Recent years have seen a growing recognition that forced displacement requires solutions that go beyond immediate humanitarian and crisis responses. Especially as refugee crises are becoming increasingly protracted, global conversations are shifting toward considerations of refugee and host community livelihoods and market-based approaches. In this context, the International Labour Organization (ILO) has joined forces with the UN Refugee Agency (UNHCR) and developed the Approach to Inclusive Market Systems (AIMS). AIMS is based on adapted market systems development principles and seeks to facilitate the inclusion of refugees and local host communities into local value chains and sectors through interventions that improve the target groups' skills and capacities ('push factors') as well as develop and improve the functioning of local value chains and the market system ('pull factors'). This report details and evaluates the implementation and impact of a BMZ-funded project employing AIMS to promote livelihoods of forcibly displaced persons and host communities in the Somali Region of Ethiopia.

Although at first glance the Somali Region with its capital city Jijiga seems like a relatively stable protracted refugee situation, with nearly 35 000 long-term displaced Somali refugees across three camps, the context became increasingly fragile during project implementation. Ethnic tensions, a change of government, and uncertainty regarding the implementation of the Comprehensive Refugee Response Framework (CRRF) that would have granted refugees freedom of movement and the right to work, created an ambiguous and fast-changing operating environment.

Nonetheless, the project conducted "A market systems analysis" (www.ilo.org/empent/Projects/refugee-livelihoods/publications/WCMS_630984/lang--en/index.htm) that identified the small ruminant livestock sector as a sector with the potential to create economic opportunities for refugees and host communities. The assessment finds three key constraints that are preventing refugees and host communities from accessing better economic opportunities in the livestock value chain. Three interventions were designed to address these constraints. First, in order to improve access to regional market opportunities, refugees and host communities were linked to information about regional markets and the requirements to be able to sell to these markets. They were supported in improving animal aggregation, which constituted a key impediment for sale to larger markets. Second, to address the lack of linkage between regional traders and refugee and host community animal herders, regional traders and traders from a newly opened slaughter house (Jijiga Export Slaughter House) were informed about the opportunities to purchase livestock from refugees and host community members. Direct linkages between animal herders and regional traders were established to ensure sustainability of this exchange beyond project duration. The third intervention targeted refugees' and host community members' weak business skills through the Start and Improve Your Business (SIYB) entrepreneurship training program.

Throughout project implementation, all three interventions had to be adapted to respond to changes in the livestock sector resulting from ethnic tensions and political fragility in the region. The evaluation finds that refugee and host community livestock herders' access to regional livestock markets and thus better economic opportunity has improved, with regional traders now regularly traveling to the camps to purchase livestock. Moreover, 60 refugee and host community entrepreneurs already benefited from the SIYB training program and an estimated further 600 entrepreneurs are expected to be trained by end 2019.

Overall, the project distils three important lessons for market-based refugee and host community livelihoods work in fragile settings. First, markets in forced displacement settings are often heavily distorted by aid, making it important to complement humanitarian work by strengthening local (host community) economies and emphasizing the sustainability of interventions. Second, market-based interventions require a high degree of flexibility in forced displacement settings, which can be achieved through strong monitoring systems, clearly articulated results chains, and adaptive management principles. Third, refugees may not come first in market-based interventions as often host communities constitute the key to enhancing local economic opportunity for all by driving growth in local sectors and value chains.

The document begins by introducing the project and the socio-political dynamics in the Jijiga region. A third part then summarizes the key constraints identified by the market systems analysis, the interventions that were designed to address them, and elucidates the implementation of each intervention. This is followed by an evaluation of the project outcomes as well as the presentation of indicative evidence on overall impact of the project. To conclude, we discuss three general lessons learned for livelihoods promotion in fragile forced displacement settings.

SECTION 2

PROJECT AIMS

The aim of the BMZ-funded project "Promoting livelihoods of forcibly displaced persons and host communities" was to test and adapt tools and approaches to promote livelihoods of forcibly displaced persons and host communities through pilots in a selected country. The approach underlying the project was the "Approach to Inclusive Market Systems" (AIMS) (www.ilo.org/aims), developed jointly by ILO and the UNHCR. Underlying AIMS is a push-pull framework, which is based on the assumption that, for people to build sustainable livelihoods, two conditions need to be fulfilled:

- There need to be opportunities in the market, either for self-employment if a certain good or service is demanded on the market, or for salaried employment if employers are looking for employees to recruit
- People need the necessary skills and competencies to exploit these existing opportunities

The push-pull approach therefore seeks to work on both sides in parallel. Push interventions aim at developing the skills and capacities of the target group to engage with the market, for instance through technical or entrepreneurial skills development, strengthening social networks or transfer of assets, while pull interventions focus on developing market systems in such a way as to expand and diversify the market opportunities available to the target group. It is important to note that while push and pull interventions work from different angles and potentially with different actors, they should be linked and complementary in a holistic approach that is founded on a thorough understanding not only of the needs of the target group but also of market realities and trends.

Jijiga, Ethiopia was selected as the target region for two reasons. First, Jijiga is one of the focus regions of the newly launched GIZ project "Qualifications and employment perspectives for refugees and host communities (QEP)", meaning that learnings from this pilot project could link to and inform QEP's activities. Second, the Jijiga region constitutes a challenging environment in which to implement market systems interventions given the low level of economic development in the region and the restrictive legal environment that prevents refugees from moving freely and engaging in formal employment. In other words, the logic underlying the selection of focus region was: If livelihoods interventions for refugee and host communities can be successfully implemented in an environment where markets are as thin as they are in Jijiga they are highly likely to also be effective in forced displacement contexts that might be more conducive to local inclusion and inclusive market systems.

SECTION 3

FROM PROTRACTED TO VOLATILE: THE SITUATION IN THE JIJIGA REGION

At first glance, Jijiga might seem like a relatively classical protracted forced displacement setting. The Somali region of Ethiopia hosts 36 916 refugees from nearby Somalia[1], which arrived in two waves in 1989/90 and 2006/07. So far a relatively restrictive legal environment for forcibly displaced in Ethiopia has meant that refugees are housed in three camps – Kebribeyah (14 685 refugees; opened 1989), Aw Barre (11 782 refugees; 2007), and Sheder (10 449; 2007). At the time of writing, refugees do not have the freedom to leave the camps nor to move freely in Ethiopia.

Furthermore, refugees are barred from obtaining work permits, opening bank accounts, and accessing land for personal and commercial use.

Map 1: Location of Refugee Camps in the Jijiga Region

1. UNHCR Data Portal, 2019. Available at : https://data2.unhcr.org/en/situations/horn/location/172

Nonetheless, refugees are extremely well integrated with the local population as refugee and host communities share Somali customs, language, and background. Over the past decades, this integration has increased as a result of inter-marriages and years of refugees and hosts living in close vicinity to each other. Whereas exit and entry for Aw Barre and Sheder refugee camps is restricted and monitored, refugees in Kebribeyah camp, the oldest camp of the three, face no restriction in accessing Kebribeyah town but are barred from moving beyond without permission, creating a higher level of integration among refugees and hosts based there.

98 per cent of the host community of the Somali Region, with Jijiga as the capital, are of Somali origin. Key economic activities include livestock trade, primarily of camels and goats (to a lesser extent cattle and sheep) as well as seasonal agriculture, with the main crops being maize and sorghum[2]. In the urban centers of the region, most host community are engaged in petty trade and small businesses.

At project inception (Dec 2017) the expectation was therefore that Jijiga would constitute a relatively stable albeit challenging (due to the protracted nature of the refugee situation) environment to work in. However, a few months after project start, three processes were set in motion that plunged Jijiga into instability and created an ever-changing and increasingly complex political and social environment, requiring a highly adaptive approach to project implementation.

2. Ethiopian Government, 2019. Available at: http://www.ethiopia.gov.et/somali-regional-state?p_p_id=56_INSTANCE_E8ilXdpW9I8o&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=1&_56_INSTANCE_E8ilXdpW9I8o_page=2

1. Launch of the Comprehensive Refugee Response Framework (CRRF)

Following the adoption of the New York Declaration for Refugees and Migrants in September 2016, Ethiopia became one of the first countries to launch the Comprehensive Refugee Response Framework (CRRF) in November 2017. Nine pledges, and a roadmap for their implementation, foresee that refugees are granted freedom of movement and the right to work (with limitations)[3]. The Somali Region was selected as a pilot region for the implementation of the CRRF's pledges, with the official CRRF regional launch in Jijiga in May 2018 creating momentum that was envisioned to lead to the implementation of the framework which would grant refugees the right to work and the freedom to move outside the camps. Yet, at the time of writing (March 2019), refugees' freedom of movement and right to work continue to be curtailed. Although the Ethiopian Parliament adopted a revised refugee law in January 2019, an important step to granting refugees the right to obtain work permits, change has yet to manifest for refugees in the Jijiga region.

Throughout project duration, the expectation of imminent change regarding refugees' right to work persisted. This created a situation of constant anticipation, as the introduction of work permits would have had substantial effects on the local economy and thus the project interventions. At the same time, the situation meant that the Government's Agency for Refugee and Returnee Affairs (ARRA) continued to closely monitor refugee movement as well as access to the camp by outside organizations, who require special permits to enter the camps. As a result, the project was faced with an opaque situation regarding the legal situation for refugees.

3. Global CRRF, 2019. Available at: http://www.globalcrrf.org/crrf_country/eth/

2. Change in Leadership of the Somali Region of Ethiopia

In August 2018, the long-time leader of the Somali region Abdi Illey resigned followed by the installation of national military in the streets of Jijiga. This caused several weeks of violent outburst, with demonstrations, killings, and lootings taking place and bringing all project activities to a momentary halt[4]. International and UN staff were momentarily evacuated due to security concerns.

Following the replacement of Abdi Illey with Mustafa Omer, a long-time critic of the repressive Illey government, the situation in the region calmed again in September[5]. Many anticipated new opportunities with a change in leadership and Jijiga saw an influx of outside investment and Somali diaspora toward the end of 2018, creating new economic potential in the region.

4. https://www.dw.com/en/ethiopia-ethnic-tensions-continue-to-smolder-in-somali-region/a-45022737
5. https://www.voanews.com/a/ethiopia-s-somali-region-hopes-new-leader-will-bring-peace/4544239.html

3. Tension at the Somali-Oromia Ethnic Border

Border disputes between the Oromo and Somali communities in the region were reignited in September 2017 and escalated throughout 2018. An estimated 1 million persons have been internally displaced as a result of violent clashes, lootings, and general tensions[6]. Throughout the project duration, tension and violence intensified. Often, roads to regional markets such as Lafa Issa (which connects Sheder and Aw Barre to larger markets such as Jijiga) and Babile were not accessible due to safety concerns. Most villages in the border region have been abandoned by Oromo and Somali alike and large IDP camps have emerged on the outskirts of Jijiga town. Trade relations between the communities have come to a standstill, which heavily affects trade flows in and out of the Jijiga region across sectors. To date, the situation is not resolved, meaning that violent clashes could re-erupt at any moment.

6. https://reliefweb.int/sites/reliefweb.int/files/resources/ethiopia_-_oromia_somali_conflict_induced_displacement_june_2018c.pdf

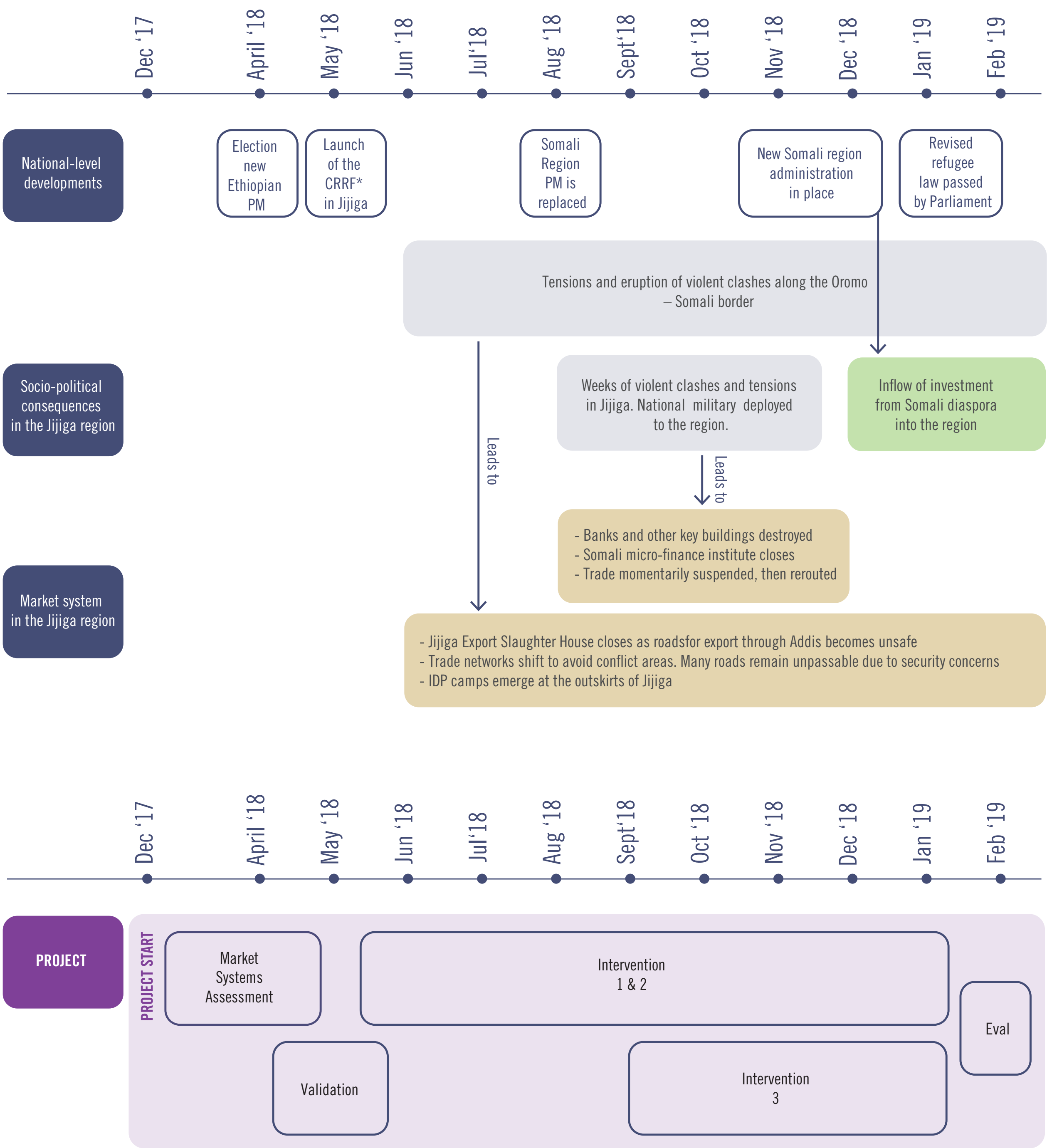
4. Implications for the project

The result of these three parallel developments was a highly dynamic and opaque operating environment. First, as the law governing refugees' right to work was being revised, a sense that refugees' legal situation could change from one moment to another persisted but also made it impossible to anticipate when this change would manifest. Moreover, outbreaks of violence and continued tension in Jijiga and the region resulted in temporary suspensions of market activity. New trade networks and routes were established ad hoc, often to circumvent unsafe regions and violence. As such, the market dynamics and value chain linkages were in constant flux and developments such as market pricing, demand, and supply remained extremely volatile and unpredictable.

Finally, and on a more positive note, the political change in Jijiga has brought new investment into the region from the global Somali diaspora. Although the impact is yet to be quantified, the city has changed visibly over the past months, with new hotels, restaurants, and shops only being a first indicator of the economic development that could ensue. New economic opportunities for refugee and host community members that were unthinkable at the start of the project are therefore emerging.

The graph below summarizes the timeline of developments and project implementation in the Somali Region.

Graph 1: Timeline of political developments and effects on the local market system



*Jijiga was selected as one of the pilot regions for the Comprehensive Refugee Response Framework
The launch created the expectation that work permits would be issued to refugees in the region shortly.

SECTION 4

DEVISING AND IMPLEMENTING PROJECT INTERVENTIONS

A. Analysis, Assumptions, and Intervention Design

The project interventions were derived from a market systems assessment of the Jijiga region based on the Approach to Inclusive Market Systems (AIMS). The market systems assessment (www.ilo.org/empent/Projects/refugee-livelihoods/publications/WCMS_630984/lang--en/index.htm) analysed the functioning of the region's market system, i.e. rules and regulations and supporting functions (e.g. access to finance, infrastructure, business development services), and identified local economic sectors with the potential to integrate and provide economic opportunities to refugee and host communities.

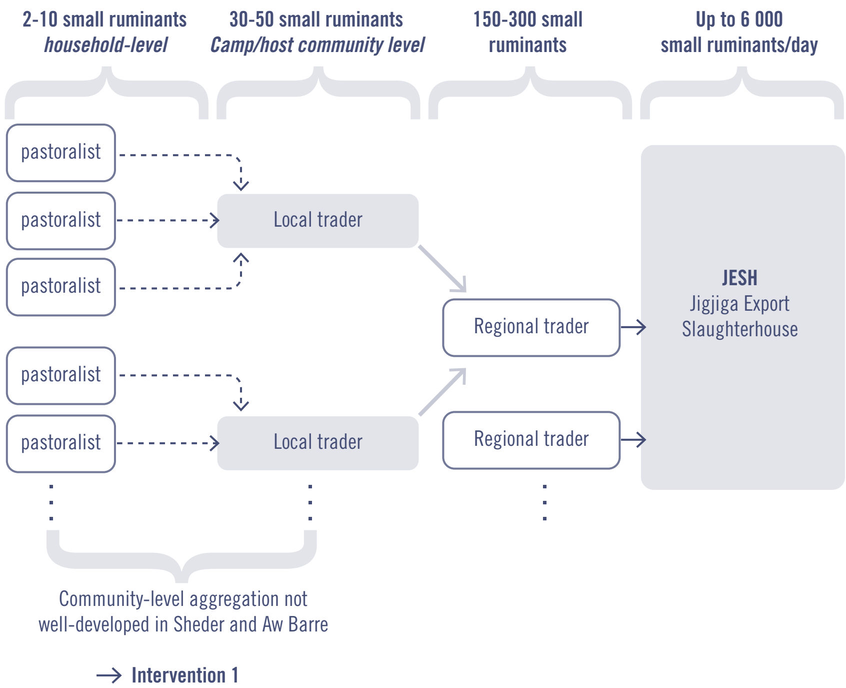
Based on data from in-depth qualitative interviews and focus group discussions with key actors (for example but not limited to: refugee and host community members, small business owners, government, BDS providers, financial service providers), the **small ruminants sector** was identified to hold the greatest potential to improve the livelihoods of refugee and host community members. Small ruminants trade is a dominant economic activity in the region and among the Somali refugee population. As such, a resilient regional value chain already existed with extensive host community trader networks supplying animals for local and national consumption as well as for export to the Middle East. The recent opening of an Export Slaughter House (JESH) in Jijiga further increased local demand for small ruminants. Moreover, refugees had begun to herd goats at small scale in the refugee camps, showing that they already possessed the relevant skills to engage in the sector.

Yet, at the time of the assessment, in February 2018, refugees and host community members in the immediate vicinity of Aw Barre and Sheder refugee camps only participated in local trade networks on an ad hoc and unstructured basis, sacrificing bargaining power vis-à-vis local traders and subsequently profit margins on animal sales. The assessment elucidated the constraints and root causes underlying this limited access to the value chain and formed the basis of intervention design:

Root cause 1: Refugees and local host community are unaware of the improved profit margins and sales channels that would ensue from a more coordinated organizing of the refugee camps' internal livestock market. One key aspect is the aggregation of animals for bulk sale to regional traders, who travel from further away to purchase large quantities of animals at one time. At the moment, refugees and host communities forgo significant profit because they do not aggregate animals for bulk sale.

Intervention 1: Launch information campaign in and around Aw Barre and Sheder on profit opportunities associated with animal aggregation in order to incentivize better market coordination and improve bargaining power vis-à-vis traders

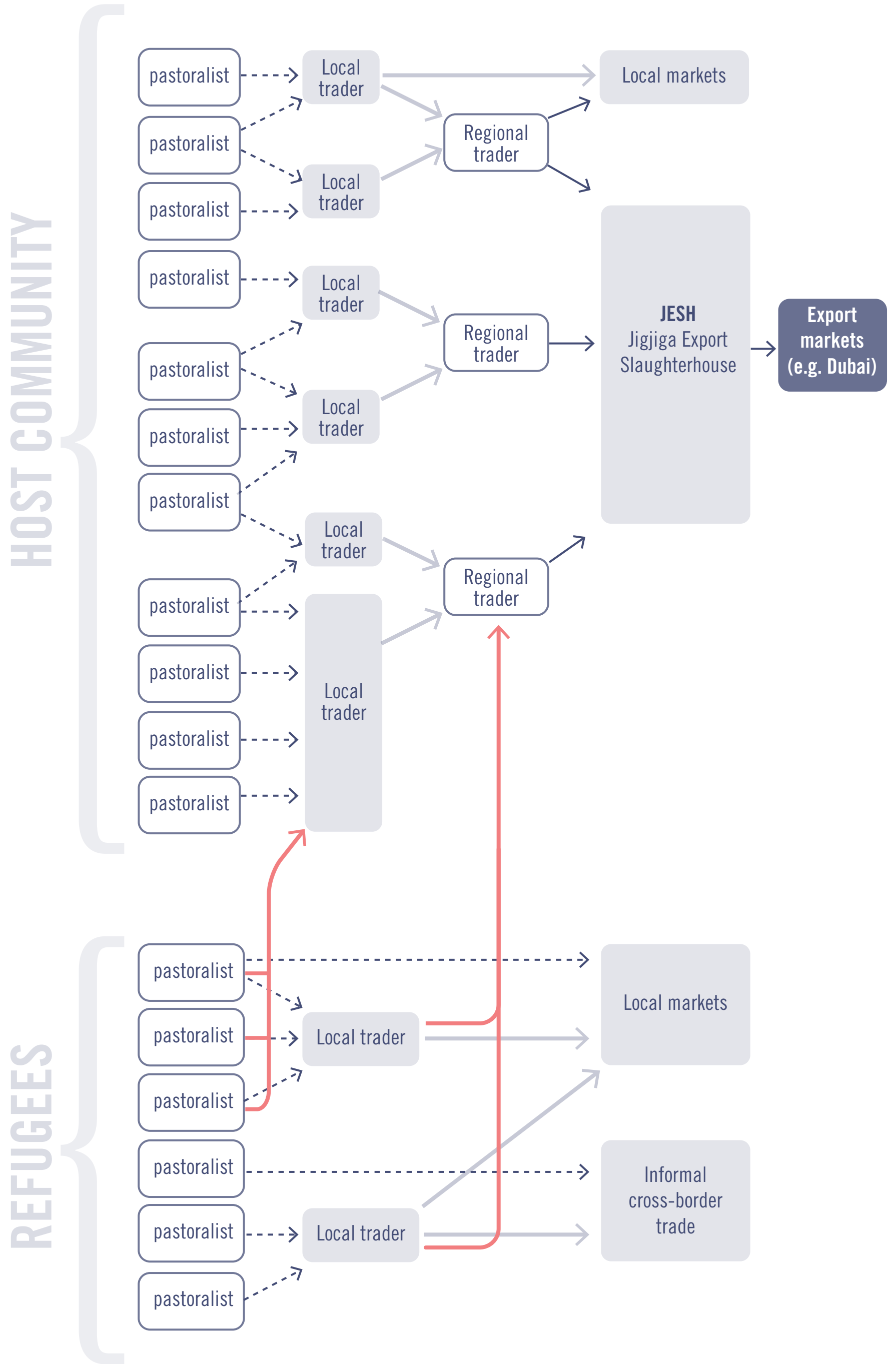
Graph 2: Addressing the aggregation problem to improve market access among refugee and host community members (Intervention 1)



Root cause 2: The newly opened Jijiga Export Slaughterhouse (JESH) is unable to meet demand for small ruminants and seeking new supplier channels. They are not aware of refugee and host community livestock herders selling animals.

Intervention 2: Create market linkages between JESH and the refugee camps and surrounding host communities to help JESH meet demand and create new sales channels for refugee and host community livestock herders.

Graph 3: Improving market linkages between JESH and refugee/host community pastoralists (Intervention 2)



Root cause 3: Refugees and local host community lack business acumen and skill to grow their small-scale small ruminants herding into a profitable business. This was identified to be a general constraint for refugee and host community entrepreneurs across sectors and in all three refugee camps.

Intervention 3: Improve refugee and host community business skills through the Start and Improve Your Business entrepreneurship training program.

Several additional constraints were identified such as access to high-quality fodder for small ruminants in the refugee camps and access to veterinary services. However, given the short duration and limited scope of the project, the above interventions were prioritized. The assessment and interventions were validated by key stakeholders in a workshop in May 2018 in Jijiga.

B. Implementation and Pivoting

Implementation began in June 2018 with a team composed of an international and a national consultant leading the market systems interventions (interventions 1 and 2) and two SIYB Master Trainers leading intervention 3. Both teams were supported through technical backstopping from ILO Geneva.

Intervention 1

Intervention plan (May 2018): *Information campaign in and around Aw Barre and Sheder camps to incentivize animal aggregation and improve sales volume.*

Shortly after the start of the intervention, violent conflict at the Oromo-Somali border prevented access to Aw Barre and Sheder, which are connected to Jijiga by a road that crosses through the contested territory. Access to the refugee camps was further impeded by the permits required to enter the refugee camps. Finally, the replacement of the Somali Region's leadership in August involved the replacement of all government representatives in the region. As such, the local government administrators that oversee the daily and weekly livestock markets and small ruminants sales remained vacant for several months, making it challenging to obtain the necessary support by local government to launch the information campaign in and around Aw Barre Sheder camps.

Intervention pivot (August – December 2018): *Work with multipliers in the host community and local administration (once appointed) to disseminate information on market opportunities that incentivize animal aggregation and improved market organizing.*

Since access to the camps continued to be restricted and local administration was undergoing a substantial transformation, the project pivoted to focus the intervention on key multipliers within the small ruminants herding community. The project selected host community livestock herders (primarily women) as they could be accessed without special permits. The herders were selected on the basis of their interlinkedness with the refugee population (e.g. close family and kinship ties) to ensure that they could act as multipliers and transmit information to refugee livestock herders. Several group meetings with selected livestock herders were conducted to explain the benefits of aggregating livestock for bulk sale at a better price and to spread information about new sales channels (e.g. JESH, regional markets).

Image 1: Information and discussion forum with livestock herders in Aw Barre

To supplement the information dissemination through key host community livestock herders, the project also identified the newly appointed administration (from December 2018 onwards) as key multipliers. Since each animal that is sold in the local livestock market is taxed on the spot, local administrators are not only present for each transaction but also have an interest in increasing the sales volume in their markets. As a result, the incentives of local government administrators were aligned with those of the project. In regular meetings, the project explained and updated the local administrators on the opportunities for sales increase that would ensue from better market organizing and animal aggregation in and around the camps. As most administrators were new to their role and involved in a variety of tasks, these information meetings provided a welcome opportunity for administrators to quickly understand and seize opportunities to improve the sales volume of their local markets.

Table 1: Key activities

Locality	Actors	Number of information and discussion forums
Aw Barre	Selected refugee livestock herders	2
Aw Barre	Local administration	2
Sheder	Selected refugee livestock herders	1
Sheder	Local administration	2
Lafa Issa	Local administration (for Sheder & Aw Barre regional market)	1
Kebri Beyah	Local administration	2

Intervention 2

Intervention Plan (May 2018): *Create market linkages between JESH and the refugee camps and surrounding host communities.*

A first visit to the relatively newly opened Jijiga Export Slaughter House (JESH) in late May revealed that the Slaughter House was looking to keep up with demand for halal goat meat in the Middle East. The manager of JESH was seeking new local supply channels to meet the growing demand of the markets in Dubai and Saudi Arabia. Conversations with the livestock traders working with JESH showed the formers' great interest in purchasing livestock from the refugee camps and surrounding markets, which were supply channels that they had so far not been explored. One key challenge was that JESH only purchased small ruminants in bulk (roughly 150-200 animals) and that refugee and host community herders would have to be able to aggregate such numbers (see intervention 1). However, as a trader explained: "If they [refugee and host community pastoralists] can collect the number of animals we need then I would go there even tomorrow to pick them up".

Disseminating the information about refugee and host community pastoralists to JESH and its traders constituted a first important step in establishing a linkage and traders began to perceive refugee and host communities as potential suppliers, which had previously not been the case.

Intervention Pivot (July 2018 – February 2019): *Following indefinite closure of JESH, develop and strengthen linkages between refugee/host community pastoralists and local/regional livestock markets.*

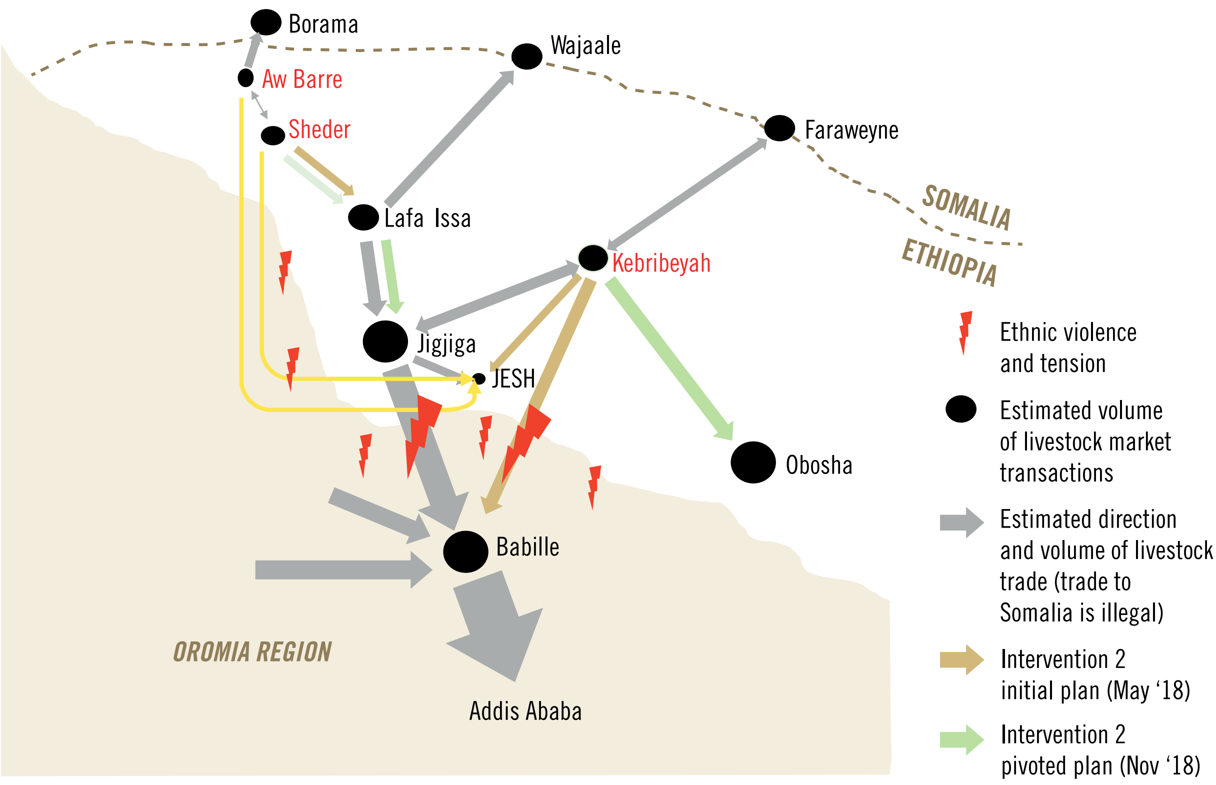
Following the renewed outbreak of violent conflict at the Somali-Oromia border, JESH stopped operations in July due to heavy losses of its shipments on the road to Addis Ababa, which crosses through the conflict region. Initially, the project made frequent follow-up calls to JESH. However, at the time of writing (March 2019), the company remains closed and the re-opening date is unclear. The project continued, in meetings with local and regional traders, to disseminate information about JESH (including the purchasing conditions, prices per animal etc.) to lay the ground for a linkage between JESH and refugee/host community livestock herders should the JESH reopen. For future projects in the region, the strengthened linkages between JESH and local livestock traders that were established through project interventions will thus constitute an opportunity for 'quick wins' once JESH reopens.

The unclear situation forced the intervention to pivot, and focus more heavily on linking refugee and host community livestock herders to other opportunities in the region, particularly by developing and strengthening linkages to local and regional markets. The underlying idea was that by developing such linkages, the number of off takers targeting the refugee camps and surrounding areas would increase, thereby enhancing the bargaining power (and ultimately income and livelihoods stability) of refugee and host community members vis-à-vis regional livestock traders.

As previous sections outline, due to conflict and unrest, the livestock value chain was constantly shifting and at times difficult to trace, requiring constant flexibility in our interventions. Despite such fluidity, we also found that pricing and animal sales remained relatively stable despite on-going conflict, confirming the resilience of the livestock value chain in the region.

The below graph shows a simplified version of our adaptations, focusing only on the big changes we made. In between, many smaller adaptations were implemented. For instance, we also considered developing better linkages to Babile as trade networks shifted to this large regional market. However, as conflict intensified, the value chain shifted again, this time to Obosha. Rather than chasing the different regional markets and launching information campaigns regarding the supply opportunities in refugee camps in each one, we therefore invested more time on improving information flows as well as linking traders and livestock herders at the local market level (such as Jijiga and Lafa Issa) that remained stable in the value chain and could function as immediate off-taker markets for refugee and host community pastoralists.

Map 2: Impact of conflict on small ruminants value chain and pivoting of intervention 2



Ultimately, we managed to establish a basic information campaign in the region that alerted local traders and, although to a lesser extent, regional traders to the opportunities of sourcing small ruminants from refugee pastoralists and surrounding host community members.

Table 2: Key activities

Locality	Market frequency	Number of goats/sheep traded	Price per goat/ sheep (in ETB)	Number of information campaign sessions with key livestock traders
Jijiga market	Daily	400 – 500	1700 - 1800	6
Lafa Issa	Daily	200	1400 – 2000	3
Kebri Beyah	Daily	400 – 500	1600 – 2500	4
Babille	Weekly	2 000 – 3 000	1800 – 2600	1
Obosha	Weekly	3 000 – 4 000	1800 – 2500	1

Image 2: Information session with key livestock traders in Jijiga

Image 3: Refugee and Host Community Livestock Market in Kebri Beyah

Intervention 3

Intervention: *Improve refugee and host community business skills through the Start and Improve Your Business (SIYB) entrepreneurship training program.*

The SIYB program focuses on sustainable implementation models through a training of trainers system, in which SIYB Trainers are trained and certified (by SIYB Master Trainers) to implement and advertise the training on their own accounts. Demand for SIYB trainer development was high among UNHCR and implementing partners, who felt that entrepreneurship skills development was a key need among refugee and host community populations.

The SIYB program places great emphasis on sustainable models of implementation and therefore takes care to identify organizations that have the capacity to implement SIYB in an economically viable way. However, given the uncertainty regarding the legal situation around refugees and access to the camp, a compromise was made to train both NGOs and public service providers on SIYB. Although NGOs rely on outside funding and are therefore not able to implement SIYB fully sustainably, at the time of project implementation, they were the only organizations with access to the refugee camps. Simultaneously, the project also recruited trainer candidates from the Jijiga University, the Somali Microfinance Institute, and the TVET Colleges. Although these organizations are at the moment legally allowed to only train host community members, the project decided to build the capacity of these institutions so as to be ready to deploy SIYB in the camps as soon as the legal situation regarding access to refugees by training providers changes.

Two two-week SIYB Training of Trainer workshops were implemented in September 2018 and January 2019, with a competency reinforcement workshop in February 2019 to finalize the SIYB trainer certification. Despite challenging conditions, such as frequent power cuts and on-going violence (during one of the workshops, gunshots were fired in the neighbourhood for several days), 11 SIYB Trainers were certified and 9 further trainer candidates are awaiting certification.

Three trainings with refugee and host communities have also already been conducted, benefiting a total of 60 refugee and host community entrepreneurs. These will be discussed in more detail in the next section but based on these figures, the project estimates that roughly 600 refugee and host community entrepreneurs will have benefited from the SIYB Trainings by end 2019, i.e. within 10 months of introducing SIYB in Jijiga. Given the strong demand for entrepreneurship training, the project considered the launch of an additional entrepreneurship promotion tool, namely a Business Plan Competition, in which refugee and host community members would submit joint business plans, to further strengthen social cohesion between the two groups as well as practical business skills. However, given the restrictive legal environment for refugees, the competition was postponed.

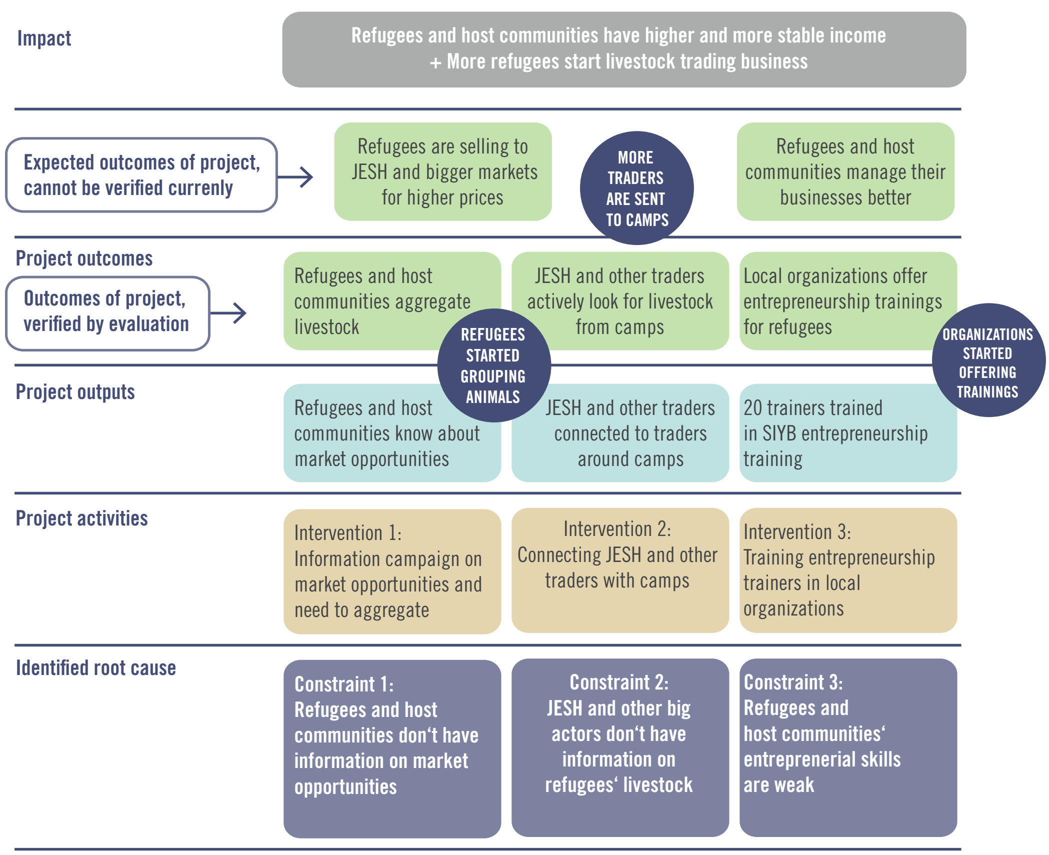
Image 4: SIYB Training of Trainer Workshop in Jijiga

SECTION 5

RESULTS AND FUTURE OPPORTUNITIES

Given the short project duration, the short period of time that has elapsed since project closure, and the difficulty of collecting reliable data in the Jijiga region, this section can only offer first reflections and extrapolations of the effects that the project may have had on improving the livelihoods of refugees and host communities in the livestock sector. The graph below summarizes the theory of change underlying the project interventions and details that this evaluation is able to partially verify outcomes of the project and offer indicative evidence on the overall impact.

Graph 4: Theory of Change and Project Evaluation



1. Improving market organizing (Intervention 1)

The repeated interactions with refugee and host community livestock traders helped improve the functioning of the camp- and host community-localized markets. Specifically, by project-end, refugee and host community herders in Aw Barre and Sheder had noticeably improved their system for the aggregation of animals, which in turn allowed them to improve sales to regional markets that require a minimum number of animals per sale.

Box 1: Improving refugee livestock herders' income and resilience through market systems development

Ikran Abdullahi, a 45-year old refugee trader from Mogadishu, Somalia, has lived in Aw Barre refugee camp for the last 12 years. Ikran started off as a meat trader in the camp, buying one to two animals per day from Aw Barre market, slaughtering the animal in the Aw Barre slaughterhouse and then distributing the meat to her clients in the camp making about ETB 200-250 (USD 7-8.50) per animal. While the meat business enabled Ikran to build enough capital for her livestock business, this was not without risks. She recalls: *"While demand for meat in the camp existed, most households were unable to regularly pay for the product. We had to give them credit or else risk spoilage since there is no refrigeration facility or electricity in the camp"*. Nevertheless, the meat trade enabled Ikran to support her family of 6 as the primary income earner. Her husband, a labourer, is unable to access work opportunities in the camp.

Ikran started working with a group of women (about 10) who are buying animals from the neighbouring Lafa Issa market and selling them on to larger markets. With an initial investment of ETB 25,000 (USD 870), from her personal savings, she sought permission from the local ARRA office to travel to Lafa Issa market with the other women. At the market, they would buy between 5 and 10 animals, pay a trekker ETB 30 (USD 1) to move the animals to Aw Barre and then sell them locally at a profit of ETB 200 – 500 per animal (USD 7 -17).

"I never knew that JESH would be interested in buying animals if we aggregated them to 150 – 200 animals. We can do that every week", notes Ikran when informed about the opportunity for linking with the Jijiga Export Slaughter House. Her hope was to be paid for the animal sales by the JESH immediately in order to be able to cover her expenses and provide for her family.

At project inception, individual livestock herders were only purchasing 3-5 animals at a given time as this was the number of animals they were confident to be able to sell again locally. The livestock herders had no information on sales opportunities elsewhere, which prevented sales to larger regional markets that require 30-50 animals for a bulk purchase. Owing to the limited time and resources of the project, quantitative data could not be collected. However, anecdotal evidence and follow-up interviews showed that, once the refugee and host community livestock herders had obtained reliable information on the market prices and requirements of the larger regional markets through the project intervention, they began to group their animals into larger herds. Noticeably, the grouping was largely based on convenience and inclusive of refugee and host community herders, rather than taking place along ethnic lines. Refugee and host community livestock herders were then able to sell animals in bulk to regional traders, achieving a higher price per animal and therefore improving their income.

2. Improving market linkages (Intervention 2)

Key to market systems development is to improve the functioning of the market in a way that is sustainable, meaning that the change will endure beyond the project interventions because actors have an incentive to maintain the change. The project therefore focused on working with *market actors*, who would be able to take ownership and carry on the change introduced by the intervention for the foreseeable future. Specifically, the project worked with refugee and host community livestock herders (intervention 1) as well as local administrators, key traders in the local livestock markets, and the slaughter house (while it was operational) (intervention 2).

Image 5: Aw Barre refugee and host community livestock market with regional traders seated to the right

First indications that such market linkages were improved sustainably were evident in a final evaluation mission to Jijiga in February. Several local traders in Lafa Issa and Jijiga voiced that they had started to consider the refugee camps as a full-fledged supplier of small ruminants to local markets. Particularly in Lafa Issa, where small ruminant sales declined following ethnic violence in the immediate surrounding area, refugee livestock suddenly became an important source of supply to the market. As a result, more traders were being sent to the camps to purchase animals for re-sale at local markets[7].

7. Given seasonal fluctuations and the dispersed nature of information, it was not possible to collect statistical data.

3. SIYB Intervention

Similar to the market systems development interventions, the SIYB program focuses on establishing sustainability and ensuring that the training program remains operational after project closure. This was achieved by selecting SIYB trainer candidates who not only demonstrated the capacity to conduct trainings but also showed that they were able and willing to identify target audiences and market the training to them.

The training was highly successful: Within the first week following the two-week Training of Trainer workshop, SIYB trainer candidates conducted three trainings benefiting 60 entrepreneurs, the Jijiga University Center for Entrepreneurship and Development began to reframe its overall curriculum to incorporate SIYB modules, and the local TVET institute is exploring a similar adaptation. All of these efforts and trainings were the SIYB Trainer Candidates own inititative, without funding or other support by the ILO. To date, 11 SIYB Trainers have been certified and will be rolling out the training to refugee and host community entrepreneurs. 9 further trainers are awaiting certification. Over 60 entrepreneurs already benefited from the training within two weeks of the SIYB Training of Trainer Workshop. This gives indication on what can be expected in the future.

The project estimates that over 600 refugee and host community entrepreneurs will benefit from SIYB trainings by the end of 2019[8].

Table 3: SIYB Trainings conducted by Trainer Candidates within a week of the ToT Workshop

SIYB Trainer Candidates	SIYB Modules	Training Participants
Polytechnical University of Jijiga	Generate Your Business Idea, Start Your Business	25 participants, all students at the Polytechnical University
International Rescue Committee	Generate Your Business Idea, Start Your Business	16 participants (8 male, 8 female) from Sheder town
International Rescue Committee	Improve Your Business (with focus on record-keeping)	20 participants from Sheder camp
Jijiga TVET	▪ Exploring the introduction of SIYB into core curriculum to complement technical training	
Jijiga University Center for Entrepreneurship and Development	▪ Adapting the entrepreneurship course to incorporate SIYB modules as compulsory for all students	

In the future, the certified SIYB Trainers are equipped to conduct entrepreneurship trainings for prospective and extant entrepreneurs in the Jijiga region. Given the influx of diaspora investment and the significant growth in market opportunities for small businesses, the SIYB training offers a timely tool to equip refugees and host community members with the knowledge and capacity to start and improve their businesses. Demand for SIYB trainings is therefore expected to increase and we conservatively estimate that 600 entrepreneurs will benefit from SIYB trainings by end 2019, i.e. within 10 months of introducing SIYB. By project end, 60 refugee and host community entrepreneurs had already benefited from SIYB trainings.

8. This is based on the assumption that organizations such as IRC conduct on average two trainings per month with approximately 20 participants, i.e., 400 training beneficiaries from March to December 2019. Since several organizations with similar training schedules were trained in SIYB, we conservatively estimate 600 training beneficiaries until year end.

SECTION 6

DISTILLING LESSONS LEARNED FOR MARKET-BASED LIVELIHOODS FOR REFUGEES AND HOST COMMUNITIES

The aim of this project was to test and adapt tools and approaches to promote livelihoods of forcibly displaced persons and host communities through pilots. In addition to capturing how the project impacted local refugee and host community livestock herders, it is therefore also important to reflect on what insights the project can offer on approaches to market-based refugee and host community livelihoods more broadly. Three key insights can be distilled:

1. Seizing opportunities where humanitarian interventions can complement market systems development

At the very centre of market-based interventions is the premise that they improve market functioning sustainably so that refugees and host communities benefit from and amplify ensuing business and labour market opportunities long after the project has ended. To ensure such sustainability means working with local market actors. However, in forced displacement settings, local market actors are often sparse, either to begin with or because they have been crowded out by the heavy influx of aid.

Reflect market distortions in analysis and planning

We found it key to reflect such distortions in the analyses and assessments that form the basis of intervention designs. Specifically, it is important for market-based interventions to work on improving the host community markets, sectors, and value chains that will endure beyond the presence of humanitarian actors to complement service provision and interventions targeting refugees directly by humanitarian actors.

In the case of Jijiga, the protracted situation of Somali refugees in the region meant that aid and the presence of humanitarian actors had become institutionalized and taken-for-granted by refugees and host communities. In and around the three refugee camps in Jijiga, a culture that humanitarian agencies would take care of all immediate needs had taken hold. Refugees, for example, were expecting to receive per diems in order to attend the SIYB entrepreneurship training, rather than accepting to pay for a service that would be instrumental to helping grow their business. It was important to be aware of such expectations in order to adapt the intervention by framing SIYB differently to “regular” trainings that refugees were receiving and justifying participation costs.

Identify entry points to complement humanitarian interventions through AIMS

Moreover, it is worthwhile to reflect on innovative approaches to channel the involvement of aid agencies in local markets so that local innovation and investment is stimulated. Aid can, for instance, de-risk business creation and enable individuals to be more innovative and shoulder higher risk than they would otherwise be able to as aid support constitutes a safety net to fall back on. In the specific case of Jijiga, the slaughter house had been funded partly by an international donor, before being taken over by a private sector operator. The initial, large-scale investment was risky and required the support of the development community, yet over time, provided an important strategy to boost local livestock markets.

Rather than steering clear of aid-distorted sectors, which may be impossible in forced displacement sectors, the lesson learned in the project is instead to recognize and map the involvement of the aid sector in the local market and to seize opportunities where humanitarian initiatives can be complementary to market systems development.

2. Market-based interventions require a high degree of flexibility in forced displacement contexts

Many protracted forced displacement contexts may, at first glance, seem relatively stable as they have settled into an implicit permanence despite the transience of forced displacement. However, as the case of Jijiga shows, even protracted situations are often highly dynamic and it is therefore important to design market-based interventions that can be adapted to change. The ILO provides a summary of the key principles of adaptive management (www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_seed/documents/briefingnote/wcms_537422.pdf) and others also explain how they are key to market systems development (beamexchange.org/guidance/management/adaptive-management/). Concretely, we found that in our case, analysis was not only important at the on-set of the project but also throughout in order to identify and understand changes in the environment as soon as they occurred. Market-based interventions therefore need to ensure that even during implementation, the team maintains an analytical capacity that provides the basis on which to pivot as needed.

Specifically, markets and trade flows can change rapidly in fragile settings, requiring a constant re-assessment of whether interventions are still targeting the right people as well as key segments of the value chain and the market system. The dynamic nature of markets in fragile settings can be managed with strong monitoring systems that allows project staff to not only keep track of the changes but to also understand their underlying *root causes.* Similarly, a well-articulated theory of change for each intervention will enable pivoting and adaptation without losing sight of the impact that the project is aiming to achieve. Finally, an adaptive management approach to implementation is integral in order to respond effectively to change.

3. Improving local host community market systems is key

Many refugees, particularly when they are camp-based, are located in remote and resource-poor regions. As a consequence, the local markets into which refugees could be integrated are often extremely thin and the host community struggles with weak market functioning. In many cases, market-based interventions therefore first work on strengthening the functioning and labour absorption capacity of local host community markets before working on integrating forcibly displaced into said markets. In other words, at the outset, refugees may not be front and centre of market-based livelihoods interventions but only benefit once the local host communities have been supported in building better-functioning markets.

Instead, it might be important to adopt a two-pronged strategy, as is the heart of the AIMS approach: working to strengthen local host community market systems and value chains (‘pull’) and simultaneously preparing refugees (and host communities) to be able to seize the economic opportunities that ensue from better functioning local value chains (‘push’).

SECTION 7

CONCLUSION

This project was a testing ground for market-based approaches to promoting refugee and host community livelihoods. We implemented the ILO-UNHCR Approach to Inclusive Market Systems (AIMS) in Jijiga, Ethiopia and found it to be a powerful avenue for creating and linking refugees and host communities to more and better economic opportunity. Although this document is not an exhaustive evaluation, it provides a first assessment of what is possible with the Approach to Inclusive Market Systems.

The Jijiga region was certainly not an easy context with political change and social turmoil heavily affecting project implementation. What is more, the forced displacement situation in Jijiga is protracted and has witnessed decades of humanitarian aid. Our work in Jijiga therefore demonstrates how AIMS constitutes a concrete actionable strategy for transitioning from a humanitarian to a development approach in addressing forced displacement.

However, we also end this assessment with a word of caution: Much remains to be done if we are to align humanitarian and development approaches systemically in forced displacement contexts. On the one hand, it is important for development actors to recognize that although humanitarian approaches to forced displacement are distinctive, humanitarian organizations have often accrued substantive contextual knowledge and legitimacy. As such, the latter can have an important convening and facilitation role to support development organizations who may be new to a forced displacement setting or to working with refugees as a target population. On the other hand, humanitarian approaches can, if not carefully designed, undermine market-based interventions. Rather than working in parallel or worse, weaken the other's efforts, it is therefore key to identify and understand respective roles. At a practical level, in the context of this project, the success of our interventions was also a result of our work to develop relationships and shared understandings as well as ensure regular communication and information exchange with humanitarian actors.

At a more general level, we hope that this document provides useful insight into the hands-on strategies associated with implementing the Approach to Inclusive Market Systems in forced displacement contexts. We look forward to seeing how the lessons learned and best practices distilled from this specific context will be applicable to other forced displacement contexts.

ISBN 9789221336723