



Project for the Support to the reintegration of returnees in Ethiopia

Assessment of the business services and training market

FINAL REPORT



**SUBMITTED TO INTERNATIONAL LABOUR
ORGANIZATION - ETHIOPIA**

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Executive summary

This report presents the findings of the business and training market assessment conducted in the regions of Oromia, Amhara and Tigray. The overall purpose of the assessment is to clarify the demand of the target beneficiaries, both technical and decent livelihood needs as well as financial and non-financial service providers (and their capacity) to improve livelihood opportunities.

The International Labour Organization (ILO) is implementing a three-year project (lasting from January 2015 to December 2017) for the support to reintegration of returnees in Ethiopia. The assessment employed both quantitative and qualitative survey methodologies and captured data from a cross-section of federal and regional government officials, civil society organizations, United Nations, financial institutions, local leaders, business development service providers, psycho-social support service providers and returnee migrants. Some 647 respondents have been interviewed using quantitative surveys and another 168 using qualitative tools, for a total number of 833 respondents.

The assessment presents a challenging picture in the target regions. Many returnees are earning low income and live below the poverty line, among which 52 per cent earn nothing, while 51 per cent are not employed at all. For those who are employed, a total of 38 per cent are engaged in low yielding subsistence agriculture with very limited returns. Those engaged in retail trade are 20 per cent while 17 per cent are engaged in vocational trade. Business opportunity identification emerges as the primary area of skills considered at the core of their needs by 33 per cent of respondents. The ability (i) to make savings and (ii) to make business plans closely follow with 31 per cent and 30 per cent respectively.

On the supply side, most providers assessed have short-term training interventions averaging from one week to three months, where no follow-up is provided, there are no interventions specifically designed for returnees, group access is the most preferred form of service provision while inter-agency cooperation seems scarcely developed. Nonetheless, the regional microfinance institutions, BTVETs, BoLSAs, MSEDAs, UNDP Entrepreneurship Development Centre, WISE, and Ethiopian Employers Federation provided valuable insights for this exercise. The selection criteria include (i) existing capacity, (ii) availability of technical expertise, (iii) strategic fit and targeting, as well as (iv) willingness to adopt changes to reflect the needs of the project.

Based on the findings of this study, we recommend the following interventions:

- **awareness and sensitization sessions** with the objective to enhance the beneficiary's understanding of livelihood opportunities and programmes in their communities and stress the risks of migration;
- **interventions addressing attitudinal reconstruction;**

- **strong management information system** to enable users to generate user-friendly information for management decision making;
- **tracer study initiatives promoted by service providers.** This is a relevant follow-up component to capture lessons learnt and allow reprogramming of interventions;
- **experiential training for instructors** in novel delivery methodologies. Trainers shall take into consideration the special needs of returnees, such as attitudinal reconstruction;
- **business opportunity identification.** As it emerges from this study, the majority of respondents have a positive attitude towards entrepreneurship, but only few of them are building their career path as entrepreneurs. The programmes shall guide beneficiaries through the business opportunities generation process and help them to overcome their despondent attitude;
- **effective design of Memoranda of Understanding with institutional service providers,** which shall be outcome aligned rather than output focused;
- **provision of saving training.** This is a key requirement from most financial institutions who apply the 20-80 rule in credit application assessments. The borrowers must be able to save and to show evidence of their savings;
- **mentoring support to returnees.** Collaborate with experienced business people to provide mentoring to young beneficiaries in business shortens the learning curve and builds business confidence faster. The mentors need a short training to align to the role they must undertake;
- **enhanced access to land and workspace through joint interventions with MSEDAs and BoLSAs.** A close collaboration with these offices and the urban development bureaus should help navigate one of the pressing concerns of target beneficiaries;
- **developed linkages with the market.** Mostly important is the presence of a dedicated market outlet to include returnees engaged in business production in the local economy, and give them the fast lane to build their enterprises in a sustainable manner;
- **integration of life skills into all training programmes.** Effective partnership with local specialist organizations can guarantee the achievement of this objective. The design of specific female-only sessions is important to allow young women to speak and behave freely and favour the building of leadership, confidence and self-esteem.

Abbreviations

AEMFI	Association of Ethiopian Microfinance Institutions
BDS	Business development services
BOI	Business opportunity identification
BoLSA	Bureau of Labour and Social Affairs
BTVET	Business and technical vocational education and training
BWYC	Bureau of Women, Youth and Children
CSA	Central Statistics Agency
CCC	Community Care Coalition
EC	Ethiopian calendar
EDC	Entrepreneurship Development Centre
EEF	Ethiopian Employers Federation
EFY	Ethiopian financial year
ETB	Ethiopian birr
EU	European Union
FEMSEDA	Federal Micro and Small Enterprise Development Agency
FGD	Focus group discussion
GDP	Gross domestic product
GoE	Government of Ethiopia
ILO	International Labour Organization
IOM	International Office for Migration

KII	Key informant interview
KSA	Kingdom of Saudi Arabia
MoLSA	Ministry of Labour and Social Affairs
MoWYC	Ministry of Women, Youth and Children
MoU	Memorandum of understanding
MSE	Micro and small enterprise
NGO	Non-governmental organization
PPP	Purchasing power parity
RGDP	Regional gross domestic product
SIYB	Start and Improve Your Business
SPSS	Statistical Package for Social Sciences
ToR	Terms of reference
ToT	Training of trainers
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USD	United States dollars
WISE	Women in self employment

1. INTRODUCTION

1.1 Background

The increasing number of Ethiopian workers is representing a great challenge, with up to 3 million young Ethiopians joining the labour market every year. With the perceived limited economic opportunities and the low labour absorption capacity in the local economies, most young Ethiopians have been trekking to overseas countries to eke out a living. However, this seemingly unchecked migration was disrupted by the sudden repatriation of up to 163,018 Ethiopian migrants (100,688 male, 53,732 female and 8,598 children) from the Kingdom of Saudi Arabia (KSA) in just a four-month period, from November 2013. The KSA had previously been a major work destination for a majority of Ethiopian migrant workers for the past three decades.

Given the sudden and unprepared nature of this forced repatriation and with little or no fall-back position, the seamless reintegration of returnees has been painfully slow and remained largely unaddressed. The International Labour Organization documented the key challenges faced by the returnees including (i) lack of financial support to initiate micro or small enterprises, (ii) lack of training, (iii) lack of business development services and (iv) limited access to government services. Further still, (v) the lack of workplaces, and (vi) the generally weak structural linkages with governmental and non-governmental organizations were identified as key impediments in enhancing the livelihoods of returnee migrants (ILO, 2014)¹.

In light of these challenges, the ILO developed a technical cooperation project administered by the Country Office of Ethiopia and Somalia. The macro premise of the project is hinged on the on-going project funded by the European Union (EU) called *Development of a tripartite framework for the support and protection of Ethiopian women domestic migrant workers going to the Gulf Cooperation Council States, Lebanon and Sudan*, which addresses reintegration issues and entails awareness-raising components. The project aims to tackle the hindrances in the access to decent livelihood opportunities through the provision of business and financial services tailored to returnees and through the capacity building of national stakeholders. In fact, the overall objective of the project is to support the efforts of the Government of Ethiopia (GoE) and of the stakeholders from civil society to improve migration management and assist returnee migrant workers during their reintegration to help them finding productive and decent employment. The three specific objectives of the project are:

¹ International Labour Organization, Returnee Situation and Needs Assessment Report (ILO, 2014).

- a) to improve reintegration assistance to Ethiopian migrants through a holistic and coherent economic and social empowerment approach, with a particular focus on vulnerable groups;
- b) to improve access to legal migration through enhanced capacity of government institutions; and
- c) to sensitize communities characterized by historically large numbers of migrants to enable them to take informed decisions about migration, to create awareness and prevent irregular migration and trafficking in human beings.

The ILO will lead the reintegration component of the programme together with external collaborators, including the Danish Refugee Council, Women in Self Employment (WISE) as well as the Ministry of Labour and Social Affairs (MoLSA). **The efforts will concentrate on (i) psychosocial support, (ii) economic empowerment, (iii) institutional capacity building, and (iv) awareness raising.**

The **project aims to assist about 27,000** people including returnees, victims of trafficking, their families, and vulnerable community members within the localities where the returnees are resettling. Technical and business skills, together with **psychosocial support**, will be provided **to a subgroup of 3,000** beneficiaries. The various forms of economic and social assistance to returnees are primarily geared towards their full recovery and successful economic and social reintegration, which is a fundamental condition to obtain a gainful employment.

1.2 Political overview

Most of the repatriated migrant workers left the country without proper documentation and this has represented a great problem for the GoE. Although an indefinite ban to travel to the Middle Eastern countries has been issued by the GoE, the daring and persistent trekkers have opted for other ingenious ways to find work in other countries, by redirecting their travels mainly through Sudan and other illegal transit routes. The belief that no viable opportunities are present in the home country has fuelled the level of despondency and, in some cases, has led some returnees to choose the risky and ultimately costly option of a new migration. Beyond the travel ban, the GoE has not properly addressed this issue and migration now represents a cyclical challenge, which, if not handled well, could exacerbate the difficulty of reintegration.

The challenges experienced by the returnees have been documented by the ILO that has designed a programme titled *Support to the reintegration of returnees in Ethiopia*. The programme runs from 1st January 2015 to 31st December 2017 and it is implemented through a technical cooperation project with a funding of 5 million euros from the European Commission. The programme aims to provide returnees with necessary tailored financial and non-financial services. The ILO plans to offer a package of interventions in different ways: (i) through local service providers, (ii) through its Start and Improve Your Business (SIYB) tool, (iii) through the provision of psychosocial

support, (iv) through specialized and customized interventions that address the skills gaps of the target beneficiaries, and (v) through institutional linkages to increase the provision of employment support services.

1.3 Socio-economic situation

The economy of Ethiopia is mainly based on agriculture. This sector supplies 46.3 per cent of gross domestic product (GDP), 60 per cent of exports, and is the leading employing sector with 85 per cent of total workforce of 37.9 million. The manufacturing sector contributes 14.5 per cent while the service sector 38.9 per cent. GDP amounts to 132 billion United States dollars (USD) and per capita GDP is USD 1,455 PPP. Estimates show that 28.7 per cent of the population is below the poverty line. The service sector, which is steadily rising, employs 10 per cent of the labour force while only 5 per cent are employed in the manufacturing sector. Unemployment rate averages 24.9 per cent at the national level.

All the target regions have been affected by issues related to the migration of returnees. In the following section you find a description of their socio-economic situation.

1.3.1 Oromia

Unsurprisingly, the agriculture is the dominant sector of the economy. The sector provides foodstuffs and industrial raw materials, generates employment for about 89 per cent of the economically active population, accounts for the largest share of the export items (more than 90 per cent) and constitutes the largest proportion of regional gross domestic product (RGDP). According to the Ethiopian Calendar (EC), in 2004 RGDP growth was 8.3 per cent and the grand total revenue collected² was 2,676,166,771 Ethiopian birr (birr). This amount was 3,934,772,367 birr in 2003 and 5,373,023,915.51 birr in 2005.

During the year 2005 EC, the major sectors have registered the following annual growth rates: (i) 7.3 per cent for agriculture sector, (ii) 9.3 per cent for manufacturing sector and (iii) 10.2 per cent for services. The agriculture sector contributed for about 62.1 per cent of the total RGDP, while industry sector and services accounted for about 10.9 per cent and 27.0 per cent respectively. Of the country's total cultivated land and production obtained, Oromia's

² Source: Oromia BoFED IBEX, 2013/14.

share is very large, averaging 69.6 per cent³ of the whole cereal production. The most common agricultural crops grown in terms of volume of production and area cultivated include teff, maize, wheat and barley. Livestock plays a major role in the economy although the challenge of low outputs has troubled the sector.

The manufacturing sector is at an infant stage due to backward technological development. The annual percentage share of RGDP at current basic prices range from 4.3 per cent in 2010/11 to about 4.02 per cent in 2011/12, with an average annual growth rate of about 4.2 per cent.

While in the past 386,593⁴ traders had been licensed, the amount of licences dropped by 23 per cent to a total of 293,933. Furthermore, only 132,036 traders have had their licenses renewed, indicating a total drop of 55 per cent. The share of the informal economy is growing as a result, with most traders not formally licensed.

In terms of investment prospects, 2013 data obtained from the Oromia Investment Commission indicates that a total of **9,668** investment projects have been registered in the region with a total capital outlay of about **73** billion birr. When these projects will be fully operational, about **119,458** permanent and **185,399** temporary job opportunities will be created.

Oromia's unemployment rate is 16.7 per cent (ranging from 10.7 per cent for male to 23.9 per cent for female)⁵. The main reasons for the high level of unemployment are (i) high rural-urban migration, (ii) illiteracy and (iii) high population. However, reliable data regarding employment are not available in the region. The data above were obtained from zonal offices of finance and economic development and aim to give a general overview on the situation in the region. The figures include all those who have registered (ranging from illiterate up to degree holder) for employment at zonal level. The zones of West Shewa, Arsi, Jimma, Ilu Aba Bora and East Wellega have the highest rates of unemployment in the region. In terms of returnee migrants, a total of 46,625 were registered, but current statistics indicate a drop of 28 per cent to the current figure of 33,475. The balance of 13,150 are not traceable. The downward shift in numbers also points to a potentially recurring problem of migration, as the dearth of livelihood strategies have compelled many to return to overseas job markets. The zones of Jimma, Arsi and East Harerge registered the highest number of returnees.

³ Agricultural sample enumeration 2004 EC and Central Statistical Agency, National Statistical Abstract for 2011/12.

⁴ Zonal Finance & Economic Development Statistical Abstract of 2011/12 (2004 EC) and 2012/13 (2005 EC).

⁵ Ibid.

1.3.2 Amhara

With a total population of 26 million, agriculture is the dominant economic sector of the region employing 90 per cent of the labour force and contributing for 70 per cent of the RGDP. ⁶ion is characterized by a crop-livestock mixed farming system with an average land holding of 1.7 ha. Based on CSA census (2005), the region has about 8.9 million cattle, 3.8 million sheep, 3.7 million goats, 1.4 million equines and 9.1 million poultry and supplies about 35 per cent of the national livestock population. The region is one of the major producers of teff (staple food) in the country. Barely, wheat, oil seeds, sorghum, maize, wheat, oats, beans and peas are the major crops produced in large quantities. Cash crops such as cotton, sesame, sunflower and sugarcane grow in the vast and virgin tract of the region's lowlands. The water resources from Lake Tana and all the rivers provide immense potential for irrigation development. About 450,000 hectares of arable land is irrigable and suitable for horticultural development.

A total of 362 investment projects have been licensed in the state of Amhara for a total amount of capital invested of 2.8 billion birr. These projects are expected to provide employment for 75,883 persons. Licenses were given in the areas of agriculture, industry, hotel and tourism, real estate commerce and social services and to the steel and brewery factory in Kombolcha.

The total number of returnees in Amhara is 49,423. North Wollo, South Wollo, Oromia and North Shewa were the zones with the highest incidence of returnee migrants. With limited livelihood strategies available and no appreciable direct intervention to favour full resettlement, the overseas employment still represents an attractive alternative.

1.3.3 Tigray

About 83 per cent of the population are farmers. Teff, wheat and barely are the main crops and other agricultural products include beans, lentils, onions and potatoes. The region is also known for its export items of cotton, incense, sesame and minerals. In total, 1.5 million hectares of land are cultivable, one million hectares are cultivated, while 420,877 hectares are terraced – irrigation and terrace farming are used on the steep slopes. Handicraft (gold smith, painting and wood sculptures) is another area of activity observed in the historic cities of the region.

The State of Tigray has created favourable conditions and incentives in order to attract investors. So far, we can observe 361 projects with a capital of 4 billion birr. These projects focus mainly on agriculture, industry, hotel and

⁶ CSA Census, 2005

tourism, social services, mining, construction and transport. About 200,138 persons will benefit from the job opportunities created by these projects. The region also has large farming areas suitable for the production of cash crops such as cotton and different kinds of oilseeds.

As the comparative analysis of the three regions shows, Tigray is performing better in nearly all indicators and measures including access to and utilization of fertilizer, irrigation, technology, infrastructure, and crop production.

The total registered returnees add up to 29,000⁷. Just like the regions of Oromia and Amhara, the number of returnees currently in the region is shifting since 33,000 were registered upon return in Addis Ababa. The highest number of returnees emanated from the eastern zones, nonetheless also the southern and central regions exhibited significant numbers. The north-western and western zones are the least affected areas. With the increasing use of technology, it has made it very easy for the returnees to reconnect with each other as well as their traffickers. In addition, the sharing of travel and work opportunities through the use of technology has attracted some returnees to re-migrate.

1.4. Purpose and objectives of the assessment

The ILO commissioned this study to enhance the understanding of the target groups and their environment. The assessment covered the regions of Oromia, Amhara and Tigray. The overall purpose of the assessment is to understand the need of the target beneficiaries, specifically related to technical skills and decent livelihood development, but also related to supply-side services, such as financial and non-financial service providers (and their capacity). This assessment is limited to non-financial services.

The objectives of the assessment are to:

- assess the needs and demands of the target beneficiaries in the quest for decent livelihoods;
- analyse the demand and supply of the local markets with a specific focus on the support services applicable to migrant returnees;
- analyse the potential and limitations of service providers for supporting successful reintegration of returnees;
- identify specific service providers that can be entailed in the project;

⁷ Records from Tigray Bureau of Youth and Sports Affairs.

- provide recommendations on strategic actions to be undertaken, including possible collaboration partners, to address the needs of the target group.

1.5. Scope of the assessment

The market assessment focus on the nature of interventions of the partner institutions. Five questionnaires were developed for returnees, apex bodies, regional and federal government agencies, institutional and NGO partners in the field of business support services and psychosocial service provision. The assessment also targeted key opinion leaders to gather qualitative information, which is useful for a better understanding of the findings.

The study explored the following areas:

- a) the business areas in which the returnees are mainly engaged;
- b) the specific challenges they face; and
- c) the key actors and institutions with which they interface. Gender specific considerations were investigated.

The report provides recommendations on how the ILO and its selected partners can effectively reach, mobilize and retain targeted clientele, including key interventions to achieve expected results. The areas of focus are described in table 1.

Table 1. Areas of focus

Area	Focus
<p>Returnees’ engagement in livelihood activities Current and potential opportunities, aspirations and direction.</p>	<ul style="list-style-type: none"> • attitude towards business and awareness of opportunities; • employment and income status; • main economic activities of returnees; • technical and business service needs; • accessibility to business and psychosocial support services; • main business and psychosocial challenges faced by the returnees.
<p>Government agencies Initiatives driven by regional governments to support returnees’ businesses. This will be triangulated by the Federal Government.</p>	<ul style="list-style-type: none"> • areas and nature of returnee support services in the regions; • projections of future numbers to support; • business formation and registration; • key legislations, conditions and ordinances; • existing special government initiatives that support reintegration activities; • ease the process for accessing government support; • available infrastructure that supports business growth.
<p>International agencies Main multilateral actors providing reintegration services focused on returnees.</p>	<ul style="list-style-type: none"> • product profile; programme profile; • geographical areas of operation; • nature and breadth of returnees supported; • technical support provided; • conditions for partnership with ILO; • value proposition to the ILO returnees’ reintegration project.
<p>BDS providers institutional mapping Main actors supporting returnees’ business, life skills, gender empowerment and psychosocial support.</p>	<ul style="list-style-type: none"> • product profile and areas of expertise; • geographical areas of operation; • level of engagement and breadth of support to the returnees; • fees charged for service provision; • service delivery mode; • institutional challenges

1.6. Structure of the report

The report is organized in three parts: (1) Introduction and background, (2) the main body of the report, and (3) annexes.

Part one presents preliminary information.

Part two is organized into four main parts: (i) the assessment methodology, (ii) the demand-side analysis, which covers the different aspects related to the returnee migrants' business and psychosocial demands and breadth of livelihood and skills – and (iii) the supply-side analysis, focusing on potential partner institutions. This part concludes with strategic options for institutional linkages and recommendations for programme interventions.

Part three contains supportive information such as a tabular summary of institutions surveyed, reference documents, list of participants, terms of reference and assessment survey tools.

2. ASSESSMENT METHODOLOGY

2.1 Area of study

The study was conducted in the three regions of Amhara, Oromia and Tigray, which were pre-selected according to the Terms of Reference (ToR). Data on returnee migrants has been collected from the respondents, civil society organizations and regional government offices. This was complemented by interviews with federal government and civil society representatives as well as representatives of the United Nations in Addis Ababa.

2.2 Assessment design

Given the nature of the data, a qualitative-quantitative research design is adopted. The quantitative survey specifically addresses returnees, while the qualitative intends to collect relevant information from selected returnees and other categories of potential stakeholders, such as regional government officials, federal government officials, staff of financial institutions, NGOs operating with the returnees in the target areas, and multilateral agencies.

The qualitative and quantitative parts are complementary and qualitative information favour a better understanding of quantitative data. The consultant, with the ILO institutional support, contacted BOLSA regional officials, service providers and regional BTVET offices, MSEDAs offices, Bureau of Women, Youth and Children Affairs (BWYCA), Cooperative Promotion and Marketing Development Agency, Bureau of Youth and Sport Affairs, and *woreda* (district) leaders in the respective communities. At the *woreda* level, the team relied on the endorsement of BOLSA officials, with whom it has worked to verify the various participants. At the federal level, the team was also dutifully introduced by ILO. Extreme care was taken to clarify the objective of the study before any interview could commence. It was clearly stated that the process was not in any way a beneficiary or partner selection, but an exercise to gather a clear understanding of what the project could potentially do and how to approach the different nodes and obtain quality results. In addition, a cover letter from ILO was presented by the consultant to the respondents to answer to their curiosity.

2.3 Data sources

The assessment uses both primary and secondary data sources. Primary data sources include (i) returnees in the target regions, (ii) regional government heads of departments, (iii) federal government officials, (iv) *woreda* and

kebele (neighbourhood) leaders, (v) business development services providers, (vi) representatives of financial institutions and (vii) multilateral agencies.

Secondary sources include (i) the ILO *Support to Returnees Reintegration Project* document, (ii) the *Situation and Needs Assessment* report for returnees from Saudi Arabia, (iii) the Ethiopia MSME strategy, (iv) ILO reintegration guideline, (v) socio-economic needs assessment report on Ethiopian returnees from KSA, (vi) registers of returnees in the target regions, (vii) regional profiles and development plans, (viii) reports from selected agencies, (ix) regional socio-economic profiles and reports, (x) Central Statistics Agency reports, (xi) regional statistical abstracts, (xii) returnees' reintegration reports and (xiii) records from selected organizations. National documents were reviewed to support a comprehensive understanding and use of findings in the national context.

2.4 Assessment method

Mixed methods are used to gather, analyse and triangulate quantitative and qualitative data. The techniques and tools are explained below.

2.4.1 Selection of enumeration areas

A multi-stage selection procedure is adopted to choose enumeration areas in the target regions. After the analysis of the registers of returnees obtained from the BOLSA offices from each region, respondents were selected from the *woredas*. The bowl method was used to select *woredas* and, if the selected *woreda* had less than the desired number of respondents, another one was chosen. The respondents from these *kebeles* were systematically sampled from the lists provided by BOLSA offices in the ratio of 60:40 male to female. The selection of respondents for the FGD (focus group discussion) was based on the adequate presence of returnees within a *kebele* or nearby *kebeles* to facilitate their mobility and to ensure proximity to the FGD sites.

2.4.2 Quantitative data collection methods

The Research Team administered questionnaires to the returnees during the period from 16th to 24th of September (2015). In fact, the structure of the interviews was based on pre-coded questionnaires developed by the consultants and reviewed by ILO, which had been pre-tested on the selected research team in Addis Ababa. Data from structured interviews was designed to quantify qualitative questions through the use of semantic differentials, Likert scales, and multiple choice. Furthermore, the team used inductive coding to quantify qualitative information, such as business skills to improve the livelihood, from the large *n* samples. Quantified were organized in Excel tables. Data

for the largest sample of returnees were cross-referenced using SPSS. All other quantitative analysis was done in Excel. The final versions of the adopted questionnaires are presented in annex 5.

A sample of 647 respondents participated in the assessment, with 8 per cent increase in participation with respect to the set target. The breakdown of data on respondents is presented below.

Table 2. Returnee respondents to quantitative questions by region, percentage (%)

Region	Zone	Woredas covered	Number of respondents	Percentage of women
Amhara	South Wollo	Kalu	222	35
	Oromia	Kemissie		
Oromia	Arisi	Asela	216	33
	Jimma	Dode		
Tigray	Southern Zone	Raya Azebo	209	32
	Eastern Zone	Atsbi Wonberta		
Total			647	33

2.4.3 Qualitative data collection methods

A total of 35 key informant interviews (KIIs) and 12 FGDs were conducted (see table 3 below). KIIs involved 71 respondents while FGDs involved 115 participants. Key informants included local *woreda* administration officials, regional bureau officials, multilateral agencies, business development service providers, financial institutions, NGO staff and service providers, as well as federal government officials. The qualitative sample was composed by 186 persons in total.

Table 3. Qualitative sample

Stakeholder category	Female	Male	Total	Process	Sampling Procedure
Returnees	52	63	115	FGDs	Purposive
Regional government heads of departments	2	9	11	KIIs	Purposive
Local <i>woreda</i> leaders	9	14	23	KIIs	Purposive
Federal government officials	1	7	8	KIIs, observation	Purposive
UN organisations	3	4	7	KIIs, observation	Purposive
Local partners and BDS providers	6	11	17	KIIs	Purposive
Financial institutions	1	4	5	KIIs	Purposive

Semi-structured interview responses were recorded using fully detailed hand written notes. Notes for small n interviews were fully transcribed into Evernote. Notes taken for large sample interviews or focus groups were qualitatively codified (e.g. the main answers to specific questions were reduced to short statements by the researchers) and transcribed into Excel. Qualitative data in Evernote used progressive affinity⁸ mapping to identify main issues from clusters of statements. For individual interviews, the relevant elements were summarized using the process of clustering described above. Once this was complete, data from across all interviews were compared. Qualitative data in Excel were processed by inductive codification of the main themes, whose prevalence was in turn calculated. The qualitative data collection tools are presented in appendix 5.

⁸ Affinity mapping involves a separate recording of each statement and a systematic process to cluster issues and derive findings. These are then organized according to the assessment themes.

2.4.4 Documentary review

The review of the documents was useful to increase the consultant's understanding of the project and the context of implementation. The review also generated some additional information to compare with findings from previous analysis. The reviewed documents include: (i) the European Union Action Document for Support to the Reintegration of Returnees and to the Management of Labour Migration in Ethiopia⁹, (ii) the ILO Support to the Returnees Reintegration Project document, (iii) the ILO Reintegration Guideline, and a compilation of supportive documents such as (iv) the ILO Returnee Migrant Reintegration Needs Analysis and Situational Report (2014), (v) the IOM Socio-economic Needs Assessment ¹⁰(2014), various ILO reintegration documents and media briefs, target region investment opportunity documents, Central Statistics Agency (CSA) reports and regional statistical abstracts, the target region investment guides and socio-economic profiles, returnees registers in the target regions and a compendium of other returnees support related reports and documents.

2.5 Triangulation

For the final analysis, quantitative and qualitative data sources were triangulated under each of the assessment questions. Emerging findings were drawn by the evaluation team and were tested through three processes. The first two have already been completed and the last will be done in the final phases of this project. They include:

- a) a comparison to findings and conclusions from the previous needs and situation analysis report;
- b) a comparison to the international literature on labour market reintegration of returnee migrants;
- c) analysis of local economic and social contexts;
- d) presentation of the draft report and integration of comments from the ILO Country Office.

2.6 Facilitating factors and limitations

The **main facilitating factors** to the delivery of the assessment were discussed with the ILO Country Office and, consequently, did not adversely affect the delivery of the assignment:

⁹ European Commission, 2014, Action document for “Support to the reintegration of returnees and to the management of labour migration in Ethiopia“

¹⁰ The International Organization for Migration, Special Liaison Office in Addis Ababa, October 2014, Assessment of the socio-economic situation and needs of Ethiopian returnees from KSA

Among these factors, we find the following:

- a later approval of the field mission had led to a delayed start. This was overcome with the strong assistance of the ILO Country Office staff in mobilizing institutional stakeholders and coordinating with the BOLSA offices to reach the target returnees in each of the three regions. The timeline for the assignment was accordingly adjusted to accommodate the time wasted;
- the consultant relied on the expertise of local researchers – fluent in Amharic, Tigrigna and Oromifa – to support the work of the team. The local researchers also committed more days and enumerators to the phase of field research to achieve the required level of coverage (40 work-days against the 19 originally proposed and budgeted);
- the regional BOLSA authorities fully supported the process.

The **main limitations** can be summarized as follows:

- the majority of respondents were expecting instant support as a compensation for their involvement in the assessment: huge efforts were made to explain that this was a survey and not a means to identify beneficiaries for the programme;
- some officials wanted an immediate start of the programme in return for their cooperation. Once the consultant declined this option, some participants refused to participate in the interview;
- some financial institutions and partners were reluctant to provide detailed information. They promised to give it to a partner when discussing contractual agreements or concrete business partnerships;
- the divergent records between the registration and the actual situation of returnees were a key obstacle to this analysis. Most of the responsible officials did not have up to date registers for returnees. Due to these challenges, the uptake of respondents was based on what the officials could locate at the time of the survey. Future comparisons should consider the nature of this selection approach;
- the potential self-selection bias among informants, particularly returnees, was addressed by the evaluation team during the prototype session with the definition of clear and objective inclusion criteria;
- the risk of response bias from informants that are cognizant of the ILO's programme – and are either in search for favours or discontent – was addressed as much as possible through multiple lines of questioning and the introduction given by researchers.
- the risk of wrong answers to multiple-choice questions included in structured interviews (and therefore the risk of inaccurate picture) was mitigated by a mixed methods approach;
 - consistency of style and approach across a large research team and geographical area. The purpose of the prototype mission was to test and refine all the instruments, and to ensure that all lead enumerators were familiar with specific requirements.

2.7 Ethical considerations

The research team was highly aware of the risk to induce a recall of traumatic incidents for participants and conducted the interviews with as much sensitivity as possible. The questions were designed to avoid direct recall of potentially traumatic events by focusing on the present and future, and not directly referencing to issues related to the forced repatriation. The research team ensured that all necessary protection measures have been considered and, in some cases, participants were invited to opt out by the staff. Additionally, some participants chose not to participate while others did not complete the questionnaire.

3. STUDY FINDINGS

3.1 Socio-demographic characteristics of the returnees

A total of 647 returnees were selected for the quantitative survey across the three target regions. The sample included 248 female respondents (38 per cent) and 399 male (62 per cent). Some 46 per cent of respondents were aged between 26 and 35, while 44 per cent between 18 and 25. Up to 63 per cent of the respondents were heading households with an average of three dependents each. Descriptive statistics of the quantitative sample are reported below.

Table 4. Socio-demographic characteristics of returnees in the sample, percentage (%)

Marital status	Percentage
Married	57
Unmarried- with a partner	11
Unmarried-with no partner	21
Divorced	6
Separated	5
Total	100

Household head	Percentage
Yes	63.0
No	36.0
Don't Know	0.6
Total	99.6

Number of dependents	Percentage
1-3	35.0
4-6	46.0
7-9	15.0
10-12	3.0

>12	0.5
Total	99.5

Main religion	Percentage
Islam	63.0
Orthodox	36.0
Protestant	1.2
Judaism	0.3
Pagan	0.2
Total	100.7

Highest level of education	Percentage
No formal education at all	19.0
Can read and write	4.5
Below grade 6	19.0
Junior secondary school	22.0
Grade 9-10	29.0
Grade 11-12	3.6
Certificate	1.2
Diploma	1.2
Degree	0.5

Sex	Percentage	Age
Male	62	Average age 28 years
Female	38	Age range 16-53 years

The returnees interviewed in the quantitative study are spread across 15 *woredas* in the three target regions. The females composition is by 2 per cent below the target of 40 per cent because many declined to be interviewed. The

total number of sampled males is 398 while the females are 249 in total. The participants are aged between 16 to 53 years with an average age of 27 years. A total of 369 (57 per cent) respondents are married, 134 (21 per cent) are unmarried but live with the partner, while 70 (11 per cent) are unmarried and do not have a partner.

However, the highlight of these socio-demographic data is the low level of the education for most of the respondents, **with 43 per cent having maximum a grade 6 or below**. This implies that a significant number of returnees have very limited education and possess limited skill to improve their livelihood opportunities. Working with this group of beneficiaries can be challenging and needs innovative ideas on how to support them to become productive citizens. This aspect shall be considered for the effective implementation of the project. This report proposes some recommendations that can stimulate this nature of clientele.

3.2 Demand-side analysis

3.2.1 Psychosocial needs of returnees

Only 20 per cent of respondents indicated that they have a psychosocial need while 76 per cent replied negatively. While this may seem a positive trend, it needs to be investigated as most people are inclined to withhold their pains from the public view. Given the level of angst and despondency observed in FGDs, it appears clear the critical necessity to repair the damaged esteem and public standing. The comments in box 1 express these feelings.

Box 1

- ❖ “I am constantly insulted here that am an Arab butler. All I wanted was to earn a living. Here, there is no respect towards returnees and coupled with having no money, leaves me with nothing left here to do. I will just have to leave this community to get peace.” **FGD participant in Tigray**
- ❖ “After one incident of conflict, I was asked to show my identification by the local police. The moment they knew I was a returnee from Saudi Arabia they started harassing me and abusing me that I have imported bad manners to the community. We have no one to complain to and the situation is tough for us.” **FGD participant in Oromia**
- ❖ “My family is always asking what I have to show for all the five years I spent in KSA. I was repatriated forcefully and did not have time to prepare my belongings and money. I feel I have let them down.” **FGD participant in Amhara**

Table 5. Psychosocial needs and preferred forms of psychosocial support, percentage (%)

Psychological disorder	No.	Percentage	Preferred form of psychosocial support	No.	Percentage
None	3	1.6	Individually	250	41.1
Trauma	72	39.3	With family members	286	47.0
Addiction to drugs or substances	7	3.8	Other	1	0.2
Withdrawal and constant worry	33	18.0	Don't know	6	1.0
Personal and/or family anguish	48	26.2	No response	66	10.8
Abuse and ridicule from the community	4	2.2	Total	609	100.0
Lack of focus and direction	14	7.7			
Other	2	1.1			

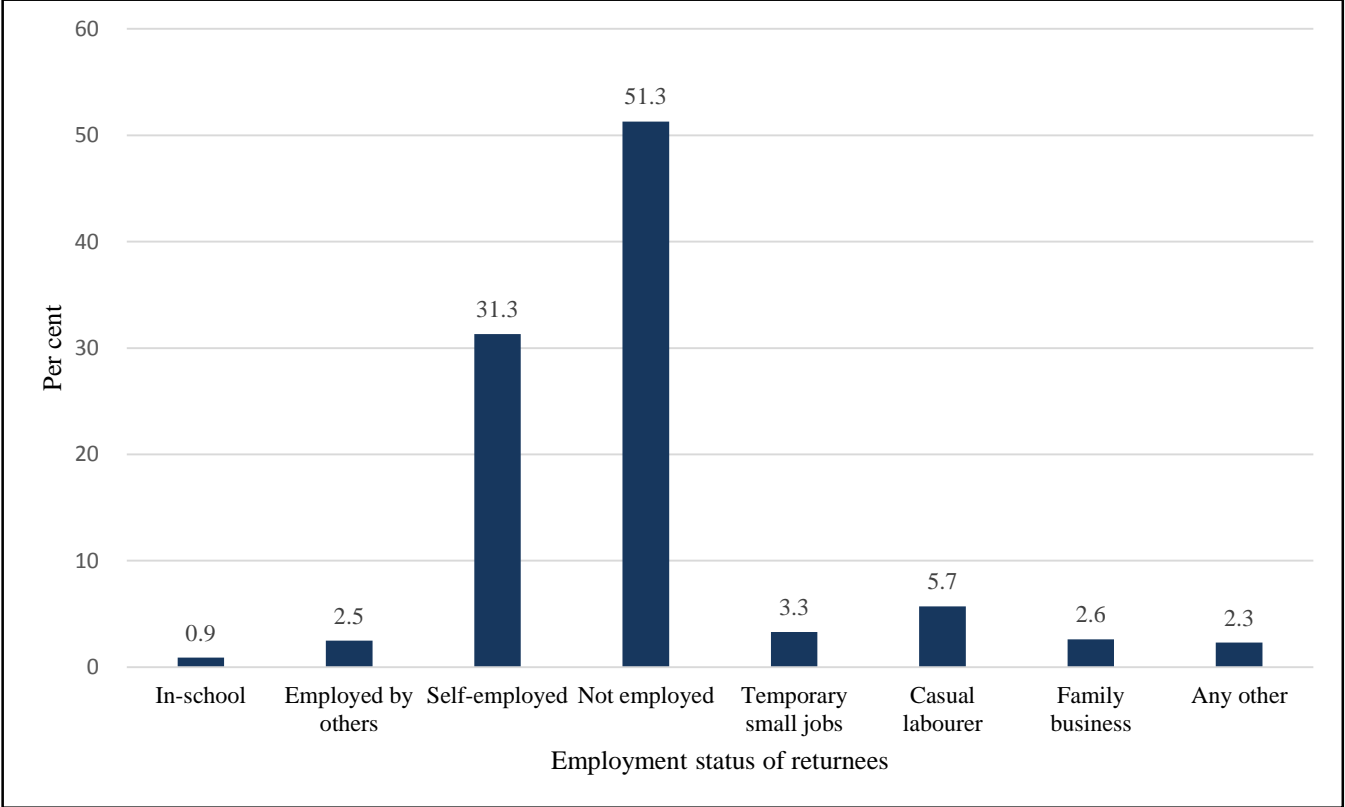
It was difficult to trace institutions with dedicated scale services to address psychosocial needs. Likewise, the returnees faced troubles to identify who could address some of these needs. This assessment identifies some of the institutions that can provide this service, although the best option would be to increase the capacities of the TVETs and embed this service therein. Admittedly, while the TVETs do not currently have in-built technical capacity, they can provide a ground for low hanging fruits and potential quick success in terms of staff numbers, geographical coverage and reach. Building the capacity of TVET's in-house technical expertise should be among the objectives of this project as it could provide significant deep-rooted institutionalized interventions that would benefit other beneficiaries in the future.

3.2.2 Employment status of returnees

A total of 51 per cent of the respondents are not engaged in any income generating activity while another 1 per cent are in school. This situation offer a fertile ground for the project and its objective to improve the livelihood

opportunities. Furthermore, only 31 per cent are self-employed while an insignificant number are engaged in temporary jobs, family labour and casual work.

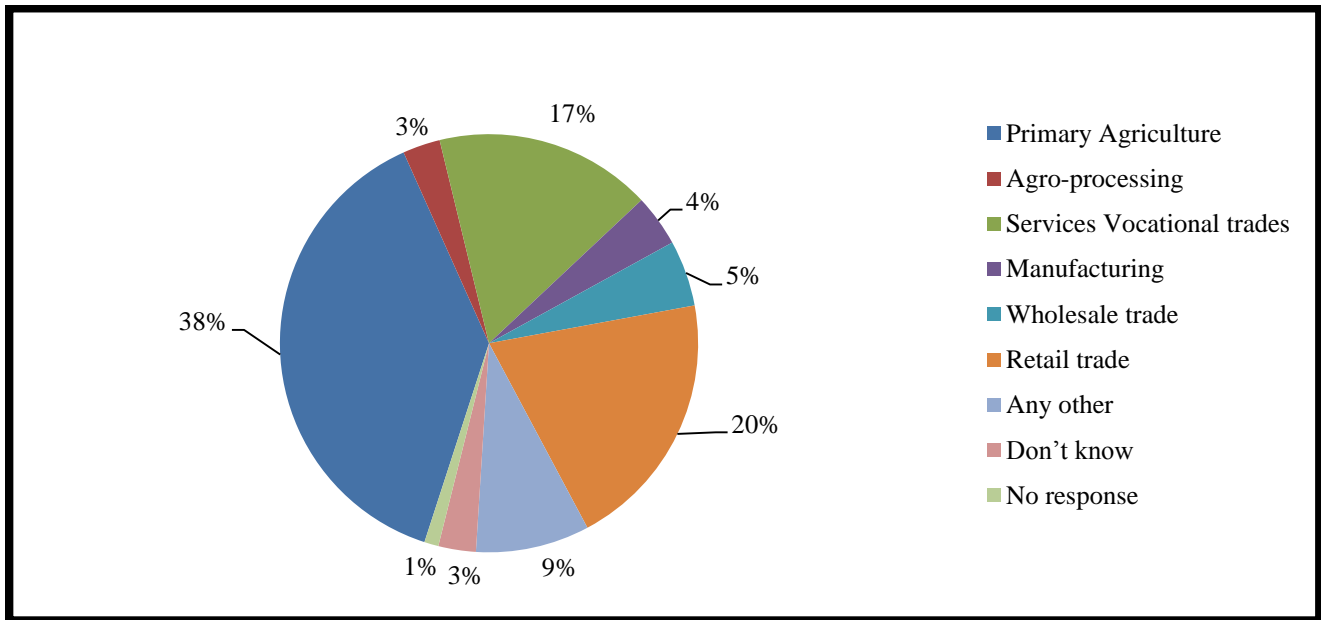
Figure 1. Employment status of returnees, percentage (%)



3.2.3 Business sectors in which the returnees are engaged

The distribution of the sectors in which the respondents are engaged is not uniform. A total of 38 per cent of respondents say to be engaged in primary agriculture activities, mainly cereal growing (teff, wheat, barley and maize), livestock businesses (poultry and cattle fattening) and horticulture (fruits and vegetables). A total of 20 per cent are engaged in retail trade and 17 per cent in vocational trades (mainly cobblestone making, food preparation, hairdressing, welding and driving). Activities that promote these three sectors have the potential to reach a significant portion of the returnees and to support them in taking the most of their livelihood opportunities.

Figure 2. Business sectors in which the returnees are engaged, percentage (%)



While agriculture is the dominant sector, incomes are generally very low representing an irritant factor to most of the people engaged in it. In most cases, people are employed in agriculture to primarily meet the consumption needs of the homesteads and have very little or absent commercial orientation. The fact that only 3 per cent of the respondents are engaged in the agro-processing activities shows the lost opportunity that a significant section of the target beneficiaries is not yet exploiting and which they could engage in especially in the value addition node of the sector. Initiatives that have the potential to increase the productivity of agriculture play a relevant role in poverty reduction and income generating strains.

3.2.4 Average monthly income

As illustrated in figure 1, half of the respondents do not earn an income, which greatly reflects the percentage of those without employment. A significant portion of the respondents (up to 85 per cent) are below the poverty line¹¹ and earn less than 1000 birr per month. This high percentage may induce returnees to seek a better livelihood elsewhere, even to take the risk of a new migration. The project should enable the target beneficiaries to earn a solid income that makes them interested in what they are doing.

¹¹World Bank website: <http://povertydata.worldbank.org/poverty/> (Poverty line = USD 1.90 PPP).

This will act as a key factor in the prevention of new waves of migration. The level of income necessary to make a decent living is highly subjective, however the project should help beneficiaries to escape from the poverty trap and build their capacity to earn a good income. The final objective should be to increase the per capita income, which is currently 550 USD per annum. During the implementation of the project, any shifts in income distribution should be monitored to identify any relevant impact.

The average monthly income distribution is shown in table 6.

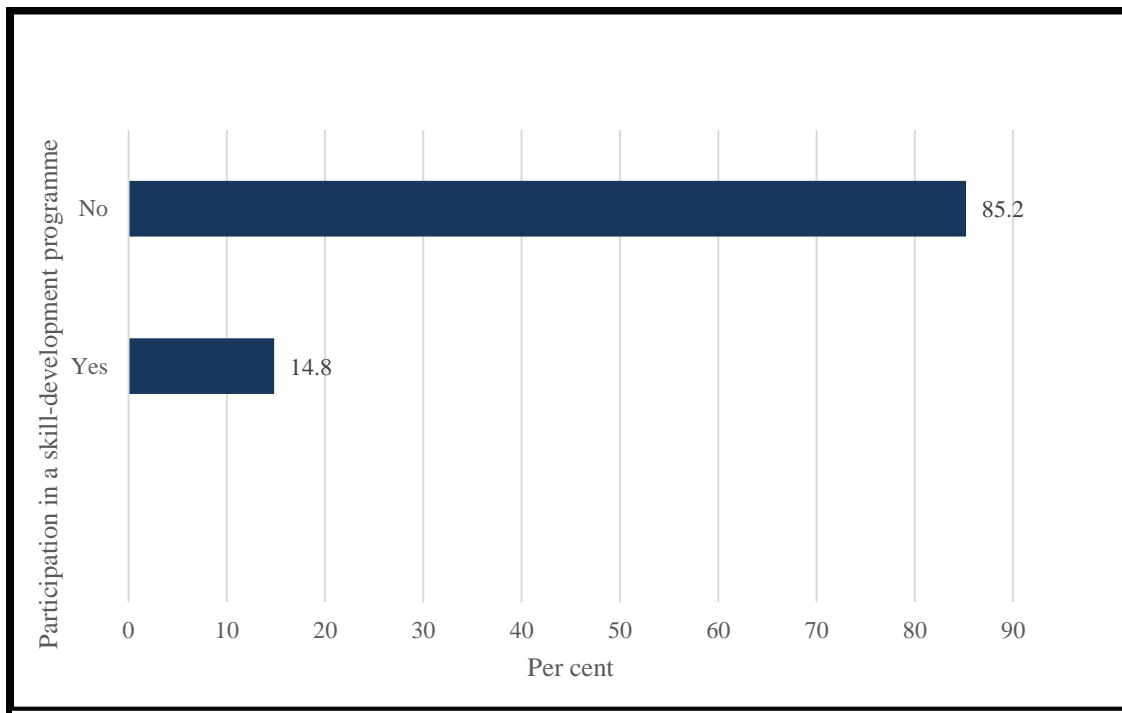
Table 5. Average monthly income (in Ethiopian birr), percentage (%)

Average monthly income	Frequency	Percentage
None	325	51.8%
At least 1000	214	34.1%
From 1001 to 2000	64	10.2%
From 2001 to 3000	13	2.1%
From 3001 to 4000	4	0.6%
Above 4000	8	1.3%
Total	628	100.0%

3.2.5 Participation in a skill-development programme

As shown in table 6, 42 per cent of respondents have limited or no education and, not surprisingly, 85 per cent have never participated in a skill development programme.

Figure 3. Participation in a skill-development programme, percentage (%)



More than the lack of access to skills development programme, we should concentrate on the identification of skills that can translate into feasible income generating opportunities. Given the presence of a series of government led programmes, it remains unclear why the target group has not accepted the offers and has remained largely apathetic to them. The project should therefore be responsible of explaining the reason why the respondents should take advantage of such options and minimize their dismissive attitude and despondency.

3.2.6 Technical skills possessed and technical skills needed

An analysis has been made to identify the technical skills possessed and those needed by the returnees. The objective is to provide a good ground to minimize repetition that could represent an irritating factor especially to the beneficiaries in a condition of anxiety.

Table 6. Technical skills possessed and needed, percentage (%)

Technical skills available to start and engage in business¹²	Number of respondents	Percentage	Technical skills you need that can improve your livelihood	Number of respondents	Percentage
None	148	28.2	Don't know	2	0.4
Agro-processing	27	5.2	No response	3	0.6
Agriculture	94	17.9	Modern agriculture	75	16.7
Textile	11	2.1	Professionalizing current skills ¹³	346	76.9
Catering service	31	5.9	Hair dressing	6	1.3
Trade	115	21.9	Don't know	13	2.9
Construction	49	9.4	No response	10	2.2
Other	44	8.4	Total	450	100.0

A total of 28 per cent of the respondents say not to have any technical skill that can be used to enhance their livelihoods. This group of respondents is a good benchmark against the opportunities that the project can showcase at the moment of enrolment. The implementing team should use extreme care to provide the beneficiaries with technical skills responding to market demand, and to mentor those who already have some technical skills to facilitate their transition to the business world.

Interventions geared to improve beneficiaries' decision-making capacity will be of critical importance to enhance their ambition and capacity to catch the income generating opportunities at their disposal. It is also a key way to

¹² Respondents could choose more than one option.

¹³ The main skills indicated included (i) food preparation, (ii) driving, (iii) craft making, (iv) leather tanning, (v) cobblestone making and (vi) construction.

demystify the thought that no opportunities are available in the locality. This perception characterize many of the returnees and their comments are reported in box 2.

Box 2

- ❖ “Most of us were born in poor families. We have been struggling all life and there is nothing for us here. Most income opportunities are already taken and there is nothing left for us.” **Returnee FGD participant in Amhara**
“I studied nothing, I am nobody and the only way I can make a living is by being a maid in KSA. At least they need my services there. There is nothing serious for me here. I will go back when an opportunity comes.” **Returnee FGD participant in Oromia**

However, the beneficiaries with some skills represent 77 per cent of the respondents and they need to **professionalize the skills they already have**. The project team and all partner institutions must understand what skills the beneficiaries possess before the provision of any intervention. It may cause additional work and costs in terms of data collection and customization and tweaking of the training material, but it will have the result to reduce the apathy and uneasiness associated with non-innovative trainings that may be perceived as a waste of time.

3.2.7 Business skills needed

The table below presents the different business skills needed by returnees.

Table 7. Business skills needed, percentage (%)

Business skills needed to improve livelihood	Number	Percentage of responses	Percentage of cases¹⁴
None	20	1.8	3.3
Business opportunity identification skills	198	17.5	32.6
Financial management & record keeping skills	145	12.8	23.8
Saving skills	191	16.9	31.4
Marketing skills	301	26.6	49.5
Business planning skills	181	16.0	29.8
Investment skills	39	3.4	6.4

Technical skills and business skills should be provided together. For instance, the need for marketing skills was highly claimed by almost half of the respondents. In the consultants' view the provision of marketing skills should entail the so-called soft marketing skills such as (i) empathy with clients and prospects, (ii) capacity to establish communication with customers and prospects and (iii) innovativeness in creating value, to stand out of the crowd. The project should desist from providing hard and technical business skill training and focus on the soft skills, more easily and promptly applicable by beneficiaries. The project should stimulate their capacity to identify business opportunities and their mindset to eventually develop pipeline business projects.

A few considerations must be taken into account when delivering a BDS. They include:

- a) **attention to the target age groups** . While exclusion may not be the best policy, the implementing partners need to be guided to address the needs of the beneficiaries served. A 18-year-old young man may have different outlook and perception of livelihood stability compared to a 35-year-old lady with four dependants;
- b) **follow-up and post training support** should be an integral part of the delivery architecture. The model should desist from the train-and-release option and instead apply the train-watch-retrain-counsel approach. The outcomes from the training need to be carefully monitored;

¹⁴ Respondents could make multiple choices.

- c) **facilitating factors, especially access to land and credit for business**, should be vigorously pursued by the implementing actors to ensure that the momentum created is not extinguished due to lack of business enhancing facilities. This could be one of the key deliverables demanded from the implementing partners and embedded in their contracts.

These considerations were widely echoed by the respondents during the focus group discussions. Some of the comments are reported in box 3.

Box 3

- ❖ “There should be a close follow-up after every training otherwise returnees may go back to the illegal migration.” **FGD participant in Tigray**
- ❖ “Training without interest-free loan and working space is meaningless.” **FGD participant in Tigray**
- ❖ “To engage in productive activity it is also mandatory to have money and working space where we lack both. Therefore, the BDS providers should address these issues.” **FGD participant in Amhara**
- ❖ “Ever since we came back, nobody has helped us apart from having endless meetings and registration.” **FGD participant in Oromia**

It is important to note that having a business or participating in vocational technical skill training is not necessarily a panacea to improve livelihoods of young people. Technical and business skills must translate into earnings, with someone able to pay for their service/product and with consequent evidence of better living conditions. The provision of trainings and the design of interventions should be based on a logic of competence acquisition rather than a logic of certificate. As noted earlier in the report, working on the attitude of the beneficiaries to modify the “expectancy mentality” must be an underlying element of any intervention to guide the beneficiaries in the right direction. Interventions shaped to help the returnees in abandoning from the state of inertia and the feeling to be eternal victims are likely to yield a respectable outcome. For this reason, it would be of interest measuring attitudinal reorientation as the programme rolls.

3.2.8 Understanding of the entrepreneurial attitude

When asked about market-driven entrepreneurship, 50 per cent of returnees understood the term as “starting business-based knowledge of the market” including prices, competition and opportunity, while 27 per cent did not understand the term. What this latter group understand when talking about entrepreneurship is something related to a variety of topic, such as university courses, landmark features, or cities in a foreign country. However, the fact

that 73 per cent of returnees view entrepreneurship positively while only 1 per cent view it negatively is of critical importance (see table 8).

Table 8. Attitude towards entrepreneurship, percentage (%)

Attitude towards entrepreneurship	Percentage
Positive	73
Negative	1
Don't know	25
No response	1
Total	100

Some of the reasons indicated by the supporters include the fact that it is (i) a source of income, (ii) a source of employment, (iii) an opportunity to improve people's standards of living, and (iv) a means to eradicate poverty. Similarly, those that view it negatively claimed that it requires (i) huge amounts of capital to start, (ii) someone with high level of education, and (iii) great exposure and experience to succeed. From this picture, it emerges the necessity to enable beneficiaries to clearly distinguish between necessity-based entrepreneurship vis-a-vis opportunity-based entrepreneurship. Again, attitudinal reorientation and business counselling prove to be essential.

3.2.9 Awareness of employment and business opportunities in the community

When asked about their awareness of the employment and business opportunities available in their communities, 309 respondents (53 per cent) gave positive answers, while 259 (44 per cent) replied negatively. Tables 10 and 11 illustrate these findings.

Table 9. Awareness of employment opportunities, percentage (%)

Awareness of employment opportunities	Frequency	Percentage
Yes	309	53
No	259	44
Don't know	11	2

Table 10. Availability of business opportunity in the community, percentage (%)

Business opportunities available in the community	Frequency	Percentage
Primary agriculture	174	30.5
Agro processing	79	13.8
Textiles and apparels	19	3.3
Making metal products	41	7.2
Tourism services	22	3.9
Floriculture	46	8.1
Dairy	71	12.4
None	8	1.4
Other	104	18.2
Don't know	7	1.2

The fact that 44 per cent respondents are not aware of opportunities within their locality is symptomatic of an acute lack of information and of a general laxity. The perceived lack of available options represents a risk factor that may push returnees to undertake migration again. The implementing team may need to prepare massive awareness and sensitization campaigns and to collaborate with institutional actors and service providers to **illustrate the opportunities at the disposal of returnees in their communities.**

Among the business opportunities identified by those who replied in a positive way, we find primary agriculture, dairy and agro-processing, that count for the 57 per cent. This is unsurprising as the agricultural sector employs over 80 per cent of the national workforce. The project should strategically act as a promoter of high-value crop and animal production that improve the livelihood opportunity of poorest beneficiaries.

The design of these interventions should promote both backward and forward linkages and the enlisting of key market players is strongly recommended. An example would be **partnering with a supplier of low-cost technology and valuable equipment to increase productivity while also engaging a market with high volume buyers to provide premium prices at the other end**. The self-reinforcing energy that is generated from this mechanism can provide a deep-rooted product that engages the returnees and favours sustainably.

3.2.10 Business support received for livelihoods

Among those interviewed, only 6.2 per cent have received business support for their livelihood activities with more than half having received it in the past 6-12 months. The highest percentage of them (94 per cent) have not received any support. Again, this may underline either the lack of information or the dearth of interventions. Generally, most organizations surveyed did not have any returnee-related intervention. It seems likely that returnees would easily participate in the project, nonetheless retaining them may represent the hardest challenge. To this regard, (i) accessibility, (ii) knowledge about project existence, (ii) knowledgeable providers, (iii) capacity to address specific needs, and (iv) timing were cited as the main motivations to undertake a business support programme.

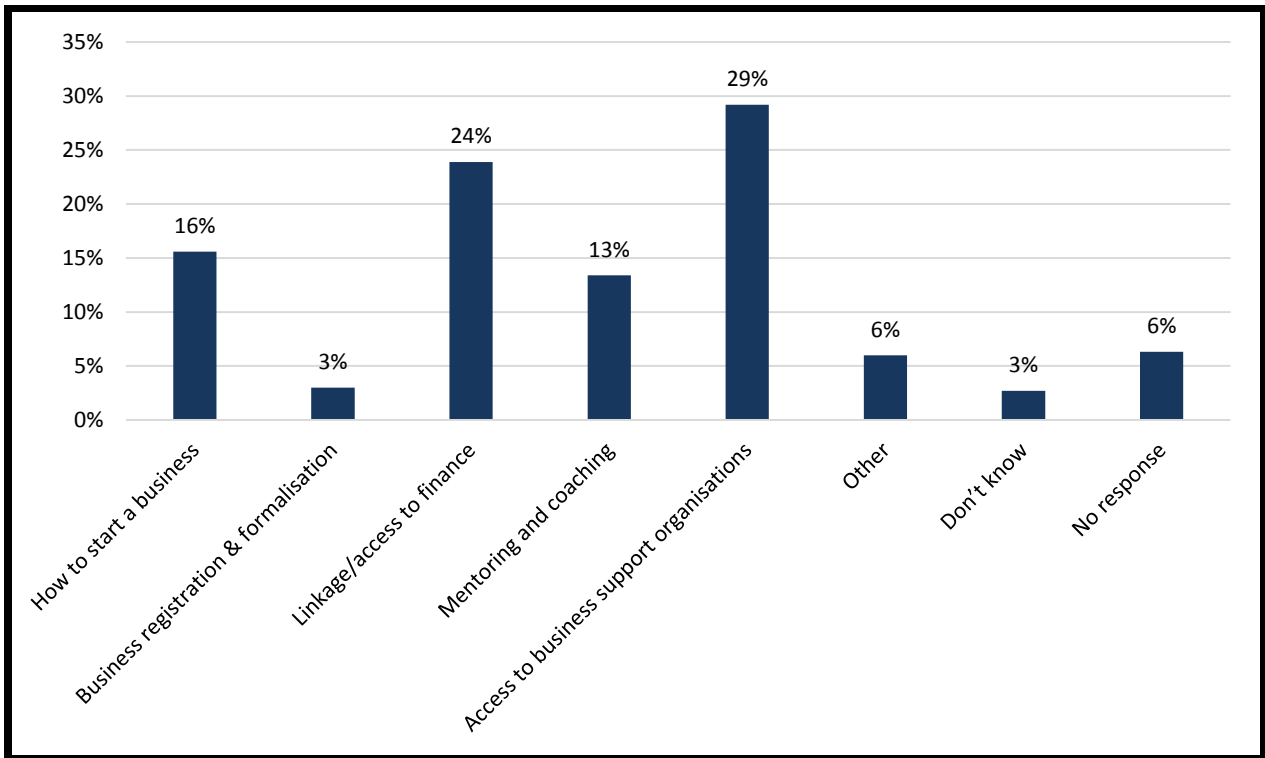
Table 11. Participation in business support programme, percentage (%)

Ever participated in any business support programme offered by service providers	Frequency	Percentage
Yes	39	6.2
No	587	93.5
Don't know	2	0.3
Total	628	100.0

3.2.11 Business services needed by returnees

To address the real needs of returnees, interventions should cover the following four major areas: (i) how to start a business, (ii) access to business support facilities (especially land and workspaces), (iii) access to finance, and (iv) mentoring and coaching. It is important to note that the target group is a largely fragile and detached segment and a good adaptation to the customers together with low costs are the striking elements for a successful service. Figure 4 provides a breakdown of business services demanded by returnees.

Figure 4. Business services demanded by returnees, percentage (%)



This report has already emphasized the need of attitudinal reorientation. Another key element is the clear setup of outcomes in the contracts of implementing partners. This should favour strategic alliances with financial institution providers¹⁵ with a greater chance to obtain a dedicated product for returnees. Furthermore, the adoption of the low-cost mentoring and coaching programme would provide a good business support to target beneficiaries that will not be forced to resort to remigration.

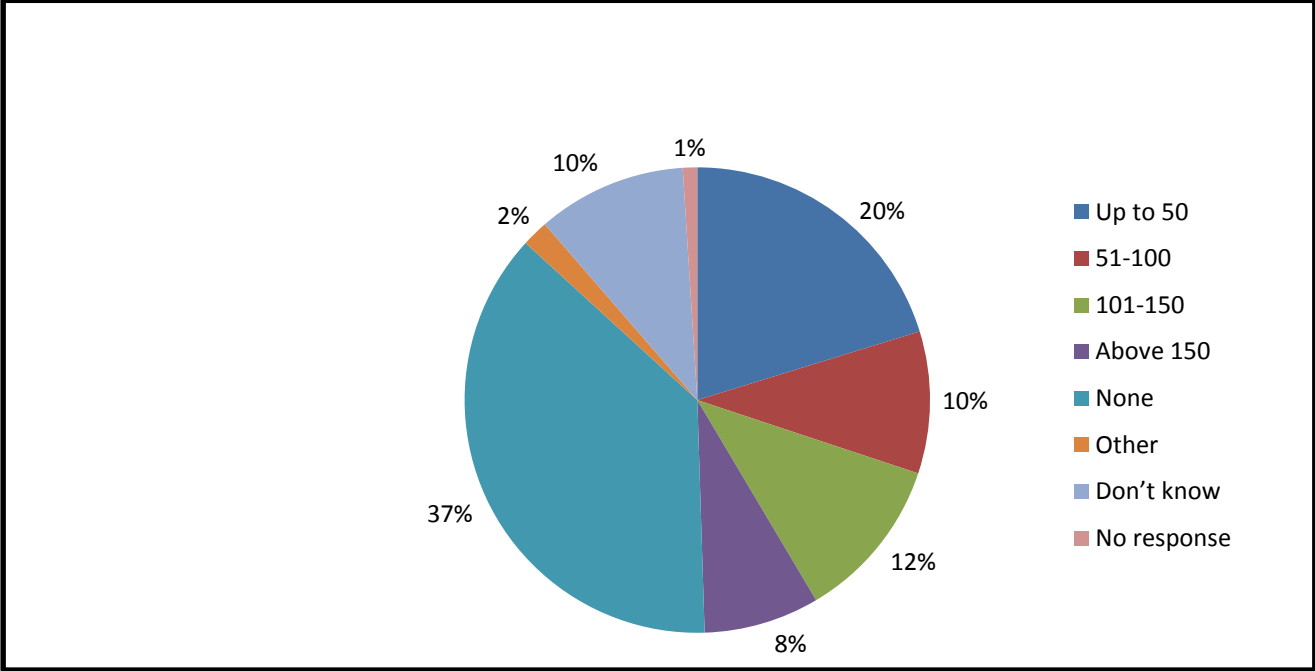
3.2.12 Willingness to pay for business services

Some 37 per cent participants in the survey are not willing to pay for the services they would consume while a total of 50 per cent are willing to give a contribution ranging from 50 birr to above 150 birr as indicated in the graph below. The willingness to pay of micro and small enterprise (MSE) clients is a reliable indicator of the relevance of these services. The jury is still uncertain about the extent to which business development service providers can – or should – cover costs of service provision from client revenues, and the extent to which costs should be borne by other parties. Nevertheless, even for a publicly funded programme, a prime qualifier for the best practices would

¹⁵ A parallel financial market assessment is being conducted.

appear to be some degree of success in picking a nominal figure of participation (cash or in-kind). This will naturally lead to the exclusion of uncommitted and unserious beneficiaries from the programme, raising the chances of positive outcomes.

Figure 5. Willingness to pay for services, percentage (%)



In the consultant’s view, a secure way of dismantling the victim mentality and related obstruction to a meaningful business career, is to levy nominal charges at entry and intermediate levels. This will favour the beneficiaries’ ownership of the process and shape their attitude towards the creation a successful enterprise career – i.e. taking personal responsibility. There is no recommended fee, however the figures presented in the graph above can provide guiding elements to the ILO and partners.

3.3 Supply-side analysis

The analysis of business support programme offers an overview on the most common provision channels. Below you find an analysis of the various supply-side facets.

3.3.1 Available business service providers

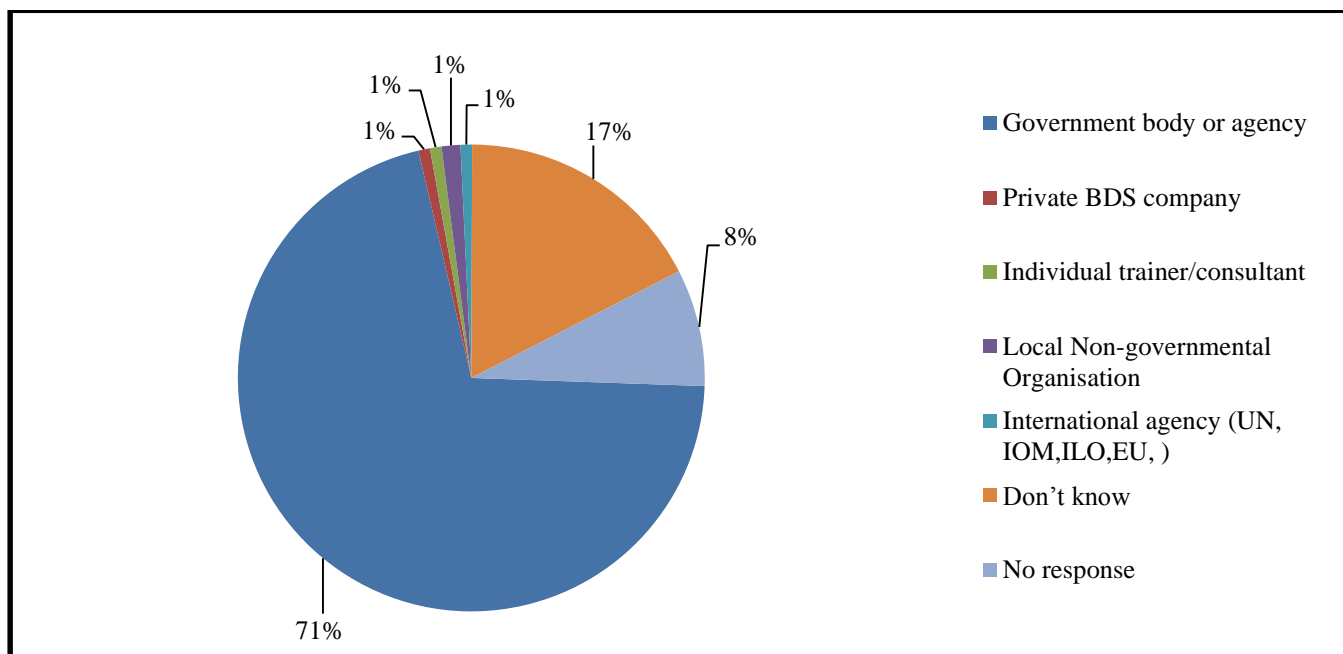
The study scoured the target regions to pick available providers of business development services. We have focused on established institutions with a track record of consistent business operations and sustained demand. The summary below reports the outstanding aspects, while specific features of institutional providers are described in annex 5.

The characterizing elements of business support services can be summarized as follows:

- a) trainings offers are short-term and range from a one-week to a four- month period;
- b) no follow-up is provided to the trainees and post-training monitoring and tracking systems are largely non-existent;
- c) with the exception of two institutions, no specific direct support to returnees is entailed in training programmes;
- d) no tailored service portfolios targeting returnees and their needs are offered;
- e) group access to business development services is generally preferred to individual access;
- f) the services offered are largely free of charge with the exception of (i) access to land and (ii) subscription fees for some apex institutions;
- g) the largest segment of returnees served is in the 15-30 age group;
- h) the entirety of training services must be accompanied by a MoU to take part in any institutional partnership;
- i) inter-agency coordination seems to be low and the focus is mainly on outputs rather than on solid and broader outcomes.

In annex 5, you find a list of the identified institutional providers together with a description of their basic conditions for access, and the services they are offering. It should be noted that information provided here is updated to the moment of this study. Any structural changes is at the discretion of the institutional service provider whether in the short or long term. From figure 6 below, we can see that government agencies are the dominant providers and contribute 71 per cent. This is unsurprising since all the surveyed large-scale providers rely on a direct government involvement in their formulation, funding and operations. International agencies, private and NGO providers contribute 1 per cent each. As will be noted later, the involvement of government providers is the best strategy to reach a large number of target beneficiaries.

Figure 6. Providers of business development support, percentage (%)



3.3.2 Options for linkages and collaboration with partners

As the analysis in the annex illustrates, the following institutions are recommended to be partners of the project. These include the regional BTVETs, the BoLSA offices, Tigray Bureau of Youth and Sports Affairs, WISE, UNDP's EDC programme, UNICEF's CCC programme, MSEDAs and the microfinance institutions. The recommendation is based on the following key criteria:

- specific grouping of target returnees (in the age group 15-30);
- high absorption capacity with an average of 80,000 beneficiaries per programme;
- extensive reach and coverage of the entire target areas;
- a demonstrable track record of service delivery and livelihood improvement programmes (thereby providing opportunities to leverage what works and what does not work);
- willingness to make changes to adapt services to the peculiar needs of returnees.

Windows of opportunity are present in the target regions to create a collaboration and share resources and expertise with existing programmes. Any collaboration would require groundwork since early stages to ensure clarity in the identified parameters of cooperation and contributions of different partners. Any collaboration should be based on a guiding document containing all partners' responsibilities to minimize diversion of intentions. The institutions recommended for collaboration have been selected according to the following criteria: (i) their strategic fit with the ILO's support to the reintegration programme objectives, (ii) the relevance to the target beneficiaries, (iii) spread

of the programmes in the target area, and (iv) the existence of complementary opportunities useful to create an effective synergy. A detailed description is reported in section below.

3.3.3 Recommended service providers

- a) **The regional microfinance institutions.** The specific modalities are investigated in the assessment report on access to finance;
- b) **the regional BoLSA and MSEDAs** provide the overarching leadership and policy guidance related to awareness creation, access to land, access to working spaces and provision of finance guarantees.
- c) **the regional BTVETs** provide technical and skill training. They rely on facilities and expertise to quickly start the programme. Psychosocial support through BTVETs is a viable strategy provided that the staff gain appropriate expertise. It might be worth reshaping skill trainings to increase the reach of returnees, which represent a highly sensitive and generally sceptical segment of potential beneficiaries;
- d) **the Tigray Bureau of Youth and Sport Affairs** represents a key link in the provision of psychosocial support through the Ayder Hospital. This exercise has already started and 70 youth are participating. This model provides the institutional stability required and can be explored with other regional hospitals in Oromia and Amhara;
- e) **WISE** boasts an extensive expertise in guiding returnees from the rehabilitation to the reintegration stage. The used tools constitute a winning formula and their limited reach is the only drawback that can be overcome through collaboration with partners and capacity building;
- f) **UNDP's EDC programme** intends to increase the beneficiaries' appreciation of business opportunities around them while minimizing the allure of menial jobs overseas. This kind of interventions intend to adequately prepare the beneficiaries for a successful participation in a technical skill training;
- g) **the Ethiopian Employers Federation (EEF)** can provide job-matching services through its extensive employer networks. In addition, to incentivize potential employers, the EEF can conduct pre-employment counselling to potential beneficiaries. Any engagements with EEF should report the outcome of the partnership – i.e. the number of beneficiaries successfully placed in employment and earning a decent income;
- h) **the cooperative promotion agencies** can assist in the formation of market-oriented cooperatives able to respond to market stimulation. However, natural group formation and evolution should be encouraged among beneficiaries. This service provider can take part in the programme once the beneficiaries have started their businesses and the operations are well defined and stable.

4. Recommendations and conclusions

4.1 Recommendations for programme interventions

This chapter presents the observations of the consultant, which are based on the documentary review, the structured interviews and the consultations within the team. From the study, it emerges that the local context requires the design of ‘end-to-end’ solutions tailored to the returnees’ special situation instead of standardized and unsuitable offers.

a) Awareness and sensitization sessions

The fact that a majority of respondents reported to be unaware of livelihood opportunities and programmes in their communities was a relevant disclosure. Therefore, the process of participant identification should include awareness-raising workshops, mass media campaigns and events with the identified target groups and other potential returnee groups as suggested by the field team. This approach also applies to other vulnerable groups who may see the route of migration as the only viable option. Workshops and campaigns should heavily stress (i) the risks of migration, (ii) the opportunity to effectively use the resources otherwise devoted to migrate, (iii) the opportunities available in the community, and (iv) the support that can be provided to enhance one’s economic potential.

It is through this type of sessions that the entire programme may attract interested participants. The BoLSAs and Bureau for Women and Youth Affairs are well primed to reach a significant number of target beneficiaries. It is also important to clarify the objectives of the programme and to store data from attendees of awareness-raise workshops that chose not to enrol in the programme. This information might be useful to conduct a counterfactual analysis of the effectiveness of the programme during the evaluation.

ii) Interventions addressing attitudinal reconstruction

Attitudinal reconstruction is extremely important and provides the necessary building block for any other interventions. Entrepreneurship skill training should provide the returnees with the tools to understand if they wish to undertake a career as entrepreneurs. This module should be structured in a simple and straightforward way with the aim to enable beneficiaries to generate the right mindset and attitude to take good advantage of the local opportunities. The TVET instructors should train themselves to follow this methodology before they train the selected beneficiaries. WISE offers a good set of tools that are also applicable in this intervention.

iii) Develop and utilize strong management information system

The importance of effective usage of data in today's evolving business world is evident. Appropriate tools to collect and manage data and to generate user-friendly information are needed for management decision-making. Depending on availability of resources, support may be provided to procure technology infrastructure and enable the service providers to effectively execute their work. In particular, providers may be supported in (i) managing grants and other resources, (ii) conducting research and (iii) managing information related to returnees (i.e. in regard to the timing of their tutoring and their release into the world of work). It is important to note that staff capacity development should move hand-in-hand with this intervention. Furthermore, baseline data¹⁶ on each beneficiary should be carefully collected and monitored, with the aim to populate the decision-making matrix as well as the lesson-learnt log. This procedure minimizes the risk of mixing other institutional data with project-related data.

iv) Embed tracer study initiatives in service providers

As a key follow-up component, tracer studies provide information on the relevance and effectiveness of skill training programmes that prepare learners to enter the world of work. To secure a learning process, training providers should develop a practical toolkit for conducting low-cost tracer studies and including such reports in performance indicators and incentive schemes. Standardization and facilitation of data collection, analysis and reporting processes must be sought, also to allow data comparisons within and between different regions and project sites.

v) Experiential ToT for instructors

Returnees are very sensitive and prone to irritation and scepticism about what they are going through by their nature. Any attempt to introduce business training and thinking at the VTIs to handle the returnees will be a stillbirth if the principal actors do not believe to act the message themselves or are insensitive to the needs of the returnees. Knowing the content is not enough, adjusting it to mentality and technical needs and making it meaningful to the target audience is extremely crucial. It is also highly recommended that such training should be experiential in nature with students running mini-business enterprises from their chosen fields of study from the start. To effectively do that, the mandated instructors must know, act and live the message themselves. This ToT would be a ground-breaking step to get this rolling.

vi) Business opportunity identification

¹⁶ A baseline data tool should be developed and shared between all selected partners to ensure uniformity of understanding.

With the majority of respondents having a positive attitude towards entrepreneurship, but few of them actually having business as a career path, it is important to take beneficiaries through the process of generating business opportunities and give them a feedback based on the criteria of ability, experience, and resources. With the technical assistance of the implementing team, the beneficiaries' identified business opportunities should also be subjected to a finer layer of assessment, where the idea is measured on the continuum of demonstrated needs, ready market as well as a potential to provide a solid return on investment (profit motive). The selection of the right business opportunity is very important because it increases the chances of survival of an enterprise, eliminates more than half of marketing problems and is easier to implement.

vii) Memoranda of understanding with institutional service providers

The implementing team should be able to retain the institutional providers through outcome aligned and time bound Memoranda of Understanding (MoUs). It is not enough to point the returnees to available livelihood opportunities. It is critically important that the glass ceilings are broken to enable them 'grasp' the opportunities in clear terms. Beyond the agreements/MoUs, the management of each partnership will be anchored on the intended goal/outcome of the project with the prime aim to make the programme a strategic success rather than a participation success. To further clarify the joint expectations, the ILO will place the expected gain for each partner next to each objective. These will serve as a helpful reference during the negotiations of targets with each partner.

viii) Saving training

The ability to save is a key element for any growth-oriented enterprise, and the financial products available from the surveyed microfinance institutions place a high premium to entrepreneurs who have demonstrated this ability. The 20-80 rule was prominent in all the discussions held with the financial service providers, which stressed the importance to face this argument early in the process. This can be leveraged to enhance the financial inclusion of beneficiaries. All the microfinance institutions surveyed have shown their willingness to promote these products and discussions in this regard should commence before the start.

ix) Support returnees to better understand their business skills through mentoring

Businessmen will be matched with each group of returnees and assist them in the practical business challenges that they may experience. The objective is to provide personalized support to young entrepreneurs. Moreover, the mentors are expected to build self-confidence and self-reliance to reduce the risk profile of the entrepreneur and enhance their personal and commercial credentials. Obtaining high calibre mentors is extremely important to achieve a satisfactory result.

x) Enhance access to land and workspaces through joint interventions with MSEDAs and BoLSAs

Access to land and workspaces for business purposes is one of the more compelling needs of the target group. The urban authorities prescribe criteria to access land, and the most difficult to meet include the evidence of competence, the completion of requirements from MSEDAs, a complete business plan and a proof of financial assets. This should ideally be approached in a joint manner with the institutions abovementioned to increase the likelihood of success.

xi) Develop linkages with the market

Embedding the beneficiaries in the local economy is necessary to enable the building of their enterprises in a sustainable manner. Similarly, working with dedicated labour placement institutions would be very helpful. As noted in the sixth recommendation, the service level agreements should specifically stipulate the outcomes and the number of returnees to support.

Returnees will always face key barriers and demotivating factors at the moment to establish and grow a business. Sexual harassment and exploitation is highlighted as a risk for young women. The ILO should integrate life-skills into the training services provided by the project, in partnership with local specialist organizations. We suggest that the trainings provide also female-only sessions, to allow young women to speak freely. Leadership, confidence and self-esteem building should be emphasized during these sessions. Seemingly, WISE has a strong expertise in this area and could be enlisted to provide technical leadership.

4.2 Conclusions

This study has identified and described feasible options to successfully run the project. The final choices and decisions shall be taken by the ILO, and the right of providers shall be selected on the basis of their knowledge of the local situation and the assessment of their capacity at the time of decision.

5. ANNEXES

The list of supporting documents is the following:

1. Profile of institutions assessed
2. Returnees Survey Tool
3. Focus Group Discussion Tool
4. Key Informant Interview with Apex bodies
5. Key Informant Interview with local partners and BDS providers' Survey Tool
6. Key Informant Interview with Federal and Regional Offices
7. List of interview participants in the different regions

Annex 1

a) Civil society organizations

Name	Relevant services provided	Target areas	Numbers served & staff/partners	Target group	Pricing	Conditions precedent
Agar Ethiopia	<ul style="list-style-type: none"> • Rehabilitation (shelter with 60 beds, food, psychosocial medication) • Reintegration (cattle and start-up kits up to 10,000 birr) • Basic skill-training in business, computer skills, pottery, hair dressing, food preparation, poultry, tailoring, leather processing and driving • Reunification with family 	<ul style="list-style-type: none"> • Wello, Jimma and Aarsi • Has 60 bed shelter facility in Addis Ababa for returnees 	<ul style="list-style-type: none"> • Handles 150-200 returnees per annum • Uses external trainers • Works with IOM and has an 80,000 USD grant • Works with CCRD • Works with Finnish government which provided 50,000 USD grant • Works with St. George beer company for work placements 	<ul style="list-style-type: none"> • Psychosocially affected returnees 	<ul style="list-style-type: none"> • Free services 	<ul style="list-style-type: none"> • Handles a beneficiary from 3 to 12 months • Main work is in rehabilitation • Can get referrals for psychosocial rehabilitation • Can obtain clients who have undergone rehabilitation and are ready to venture out on their own • The beneficiary numbers handled are generally very small • Has limited scope of operations around Addis Ababa • Not recommended
World Vision – Amhara	<ul style="list-style-type: none"> • Education • Health & family planning • Food security • WASH • Sponsorship in school • Feeding centres • VSLA program 	<ul style="list-style-type: none"> • Amhara, Addis and SNNP (child trafficking programs) 	<ul style="list-style-type: none"> • Has 18 project sites (up to <i>woreda</i> level) 	<ul style="list-style-type: none"> • Reaches 500 people in a single <i>woreda</i> • Maximum of 3,000 people in a <i>woreda</i> • Focus is mainly on children 	<ul style="list-style-type: none"> • Free services 	<ul style="list-style-type: none"> • Most projects are winding down by March 2016 • Not worked with returnees • Value proposition would be in promotion of the VSLA model, where they organize, provide initial capital, follow-up and tool kit

- **Not recommended**

Name	• Relevant services provided	• Target areas	• Numbers served & staff/partners	• Target group	• Pricing	• Conditions precedent
Association of Ethiopia Microfinance Institutions	<ul style="list-style-type: none"> • Standards and skill-training in microfinance for MFIs • ToTs for product development • Research and assessments 	• Countrywide	<ul style="list-style-type: none"> • Data N/A 	• MFIs	<ul style="list-style-type: none"> • 5,000 birr per annum for subscription • Trainings and capacity building charged on a case need basis 	<ul style="list-style-type: none"> • Not involved in any direct service provision • May not be of structural value to the program at this time • Not recommended
Ethiopian Employers Federation	<ul style="list-style-type: none"> • Lobby and advocacy • Research on labour issues 	• Countrywide	<ul style="list-style-type: none"> • 13 branch offices • 17 affiliate associations • partners with MoLSA, ILO and Ministry of Industry 	<ul style="list-style-type: none"> • Employers with at least one salaried worker • Business licence 	<ul style="list-style-type: none"> • 100–500 birr per annum as subscription fees • Charges management fees for other work 	<ul style="list-style-type: none"> • Can promote awareness on labour migration challenges with stakeholders and beneficiaries • Can be mainly used to link skilled returnees to employers through job-matching • Can provide interface with other employers on employment issues • Recommended
UNDP (Entrepreneurship Development Centre)	<ul style="list-style-type: none"> • Entrepreneurship Training Workshop (ETW)-6 days • Customised short business training (demand based, with at least 50 pax per training) 	• Tigray, Amhara, Oromia and SNNP	<ul style="list-style-type: none"> • Has 6 staff and 240 business counsellors • 24,000 to be trained until August 2016 • 50,000 to be trained in 2016-2017 	<ul style="list-style-type: none"> • Already established businesses for ETW • Start-ups for customised trainings 	<ul style="list-style-type: none"> • 400 birr per pax per day • 1,500 birr for each trainer per day (5 trainers per training) 	<ul style="list-style-type: none"> • The ETW is beyond the scope of the returnees • Focus should be on enlisting their attitudinal oriented short trainings in business • Recommended

Women in Self Employment (WISE)	<ul style="list-style-type: none"> Leadership & management skills Self-development Health education Business management and creative thinking Vocational skills (bakery, housekeeping, apparel making and basic computer training) Post-training support (market linkages and one-on-one counselling) 	<ul style="list-style-type: none"> Addis Ababa directly and all other regions indirectly 	<ul style="list-style-type: none"> Has reached 30,000 women and 850 men (weavers) 18,000 reached through provision of various trainings Has 12 full-time staff and 11 part-time staff Works with 194 service providers across the country where it does not physically reach Has already trained 1,150 returnees (20% male) in life skills and business management 	<ul style="list-style-type: none"> Women (97%) Returnees 	<ul style="list-style-type: none"> Charges cost recovery from upstream clients 	<ul style="list-style-type: none"> Excellent potential partner with right skill set to deliver business training, psychosocial counselling services and mindset change Limited in reach but has potential collaborators on its list Can be used to provide ToT in BTVETs in business skills training and mindset change Can be used to provide ToT to other organisations working with returnees Can be used to develop customized training materials Highly recommended
UNICEF	<ul style="list-style-type: none"> Social welfare program where referrals are made for children at risk to foster care Has a services linkage model in Oromia and SNNPR Child protection services through use of the para-professionals 	<ul style="list-style-type: none"> Oromia, Amhara, Tigray, SNNPR 	<ul style="list-style-type: none"> Targets 2,500 beneficiaries Works with para social workers to professionalize work of CCC 	<ul style="list-style-type: none"> Children (0-12 years) 	<ul style="list-style-type: none"> Free 	<ul style="list-style-type: none"> Can work with ILO on standardization package of reintegration manual to include children returnees ILO can identify families with minor returnees and link them up for support under the UNICEF programme as part of psychosocial assistance As a synergy area, ILO can pick up the returnees who have accessed the 100,000 USD loan managed by Bokia to provide BDS training

International Office for Migration (IOM)	<ul style="list-style-type: none"> • Facilitation on arrival • Transportation within Addis Ababa • Transportation fee to their places - 100 USD for first batch arrivals and 50 USD for subsequent batches • Post arrival healthcare • Accommodation at the transit centre • Meals • Non-food items (blanket, soap, shoes, modes, diapers, sanitary towels, condoms) • 35,000 USD revolving fund for enhancing access to finance 	<ul style="list-style-type: none"> • Amhara, Oromia 	Tigray,	<ul style="list-style-type: none"> • Two rounds of 60 beneficiaries each, totalling 120 	Returnees	Free services	<ul style="list-style-type: none"> • Has strong CCC para-professionals in Amhara and Tigray. These could be used to provide psychosocial support to returnees • Recommended • The revolving fund will be phased out in the next two months. Amhara Credit and Savings will continue after that • Has profiled needs of returnees and documented it in a report. ILO can benchmark and share information • Collaboration should be on migration information sharing basis • If ILO targets repatriated, then it can leverage the services IOM provides at arrival • Not much structural collaboration seen beyond sharing information • Not recommended
Confederation of Ethiopian Trade Unions	<ul style="list-style-type: none"> • Training in leadership, gender, contract negotiation • Collective bargaining for workers • Legal migration awareness 	<ul style="list-style-type: none"> • Countrywide • Focus is on the 9 industry federations of agriculture, telecoms, hotels, chemicals and mining, construction, insurance, foods and 	<ul style="list-style-type: none"> • 918 basic trade unions served • 500,000 members served • 2,500 pax in half a years. • Partners include ILO, USAID, 	Trade unions	<ul style="list-style-type: none"> • Membership fees • Charges consultancy rates when engaged in other work 	<ul style="list-style-type: none"> • No specific work with returnees yet • Their services will be useful at the follow-up stage when work placements have been secured by returnees 	

beverages, transport
and textiles

IOM, Habco,
Norway Embassy

- Can provide technical guidance at the anti-trafficking committee at the national level
- **Recommended but at a much later stage when beneficiaries have settled in their jobs/businesses**

b) Federal agencies

Name	Relevant services provided	Target areas	Numbers served & staff/partners	Target group	Pricing	Conditions precedent
Federal Cooperative Development Agency	<ul style="list-style-type: none"> • Organising different forms of cooperatives in the country • Capacity building of established cooperatives 	<ul style="list-style-type: none"> • Countrywide 	<ul style="list-style-type: none"> • 67,511 primary cooperatives • 322 secondary cooperatives (113 are savings and credit cooperatives with 1.8 million households and 4.5 billion birr in savings) • 50,423 are savings cooperatives 	<ul style="list-style-type: none"> • Primary and secondary cooperatives 	<ul style="list-style-type: none"> • Subscription fees amounting to 150 birr per annum 	<ul style="list-style-type: none"> • No credible service can be deduced from this institution at this time • Not recommended
Ministry of Women, Youth and Children Affairs	<ul style="list-style-type: none"> • Policy formulation • Part of the national task force on anti-trafficking 	<ul style="list-style-type: none"> • Countrywide 	<ul style="list-style-type: none"> • Works through the regional bureaus 	<ul style="list-style-type: none"> • Women, Youth and Children 	<ul style="list-style-type: none"> • Free services 	<ul style="list-style-type: none"> • Apart from providing them with information of what the project is doing, the office may not provide much value to the project • Not recommended
Federal Micro and Small Enterprise Development Agency	<ul style="list-style-type: none"> • Policy guidance to regional MSEDAs 	<ul style="list-style-type: none"> • Countrywide 	<ul style="list-style-type: none"> • Works through regional MSEDAs • Countrywide, it has 24,000 workers • Targets to reach 200,000 returnees although they are 	<ul style="list-style-type: none"> • As per regional MSEDAs 	<ul style="list-style-type: none"> • Free services 	<ul style="list-style-type: none"> • Can provide guidance to regional MSEDAs to target returnees • ILO should work closely with the regional MSEDAs and

Ministry of Labour and Social Affairs	<ul style="list-style-type: none"> Authorized focal institution for the issue of returnees Prevention of Human Trafficking is a priority area of the ministry in the 2nd Growth and Transformational Plan (GTP2) Public mobilization through awareness creation 	<ul style="list-style-type: none"> Country wide 	<ul style="list-style-type: none"> not seen as a special case Works with IOM on a 35,000 USD access to finance programme targeting 60 beneficiaries Works mainly through regional BoLSAs 	<ul style="list-style-type: none"> All citizens in employment or those seeking employment 	<ul style="list-style-type: none"> Free services 	<ul style="list-style-type: none"> inform FEMSEDA about the work done Not recommended Information sharing Contribution to the national policy debate about returnee issues ILO should work closely with the regional BoLSAs and inform MoLSA about work being done Not recommended
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c) Oromia region

Name	Relevant services provided	Target areas	Numbers served & staff/partners	Target group	Pricing	Conditions precedent
Bureau of Technical, Vocational Education and Training	<ul style="list-style-type: none"> Short term training in cobble stone, food preparation, textiles and garments, among others BDS training for one week Has already trained 150 returnees in meal preparation and general house keeping with a 5,000,000 birr regional budget 	<ul style="list-style-type: none"> Oromia 	<ul style="list-style-type: none"> 13 TVET institutes Provides training for up to 90,000 people per year 	<ul style="list-style-type: none"> For the formal TVET education, requirement: grade 10 completed (students who could not meet the entrance for government university can access this service). For the short term no requirement 	<ul style="list-style-type: none"> Free but beneficiaries meet own food, transport and lodging expenses 	<ul style="list-style-type: none"> Can be enlisted to provide technical training Can be enlisted to provide industrial extension and placements Recommended

Micro and Small Enterprise Development Agency	<ul style="list-style-type: none"> One-stop shopping programme at the <i>woreda</i> MSE offices including 6 <i>kebeles</i> in Adama ., Applicant nomination and loan facilitation Applicant must have 20% of the loan as pre-saving to show commitment Works with EDC and DOT to provide BDS and technical training 	Oromia	<ul style="list-style-type: none"> Targets 80,000 next year 	Mainly youth (15-29)	Free services	<ul style="list-style-type: none"> Can work with the agency for a matching fund for manufacturing equipment Access to loan and trainings Preparation of business plans Prefers working with groups (minimum of 2 and maximum of 50 per group) ILO should work in capacitating the one-stop programme Facilitating access to working spaces Recommended
Bureau of Women and Children Affairs	<ul style="list-style-type: none"> Women mobilisation Women attitudinal change training Creating awareness on children and gender issues 	Oromia	<ul style="list-style-type: none"> Works closely with the health, agriculture and justice bureaus Has permanent structures up to <i>woreda</i> level 	Women and children	Free services	<ul style="list-style-type: none"> Can work with them in creating awareness Can provide guarantees to borrowers at Oromia Microfinance Focus is mainly on children and women Value would be in awareness creation and loan access, which is already captured in BoLSA and MSED A respectively Not recommended
Oromia Credit and Savings Cooperative	<ul style="list-style-type: none"> Loans Voluntary Savings Insurance Funds Transfer Services Training and Consulting 	Oromia	<ul style="list-style-type: none"> Has 244 branches 2 billion birr loan portfolio Has a network affiliation with AEMFI and INAFI 	Borrowers seconded from MSE Development Agency	12.5% per annum	<ul style="list-style-type: none"> Applies 20-80 principle where borrower must have 20% savings before they borrow Can work with ILO on provision of in-kind credit

and establishment of a loanable fund

- Beneficiaries must have permanent residence
- Can work with ILO on provision of orientation training on how to run a business, how to keep business records and how to save

d) Tigray region

Name	Relevant services provided	Target areas	Numbers served & staff/partners	Target group	Pricing	Conditions precedent
Bureau of Technical and Vocational Training	<ul style="list-style-type: none"> • Short term training in cobble stone, food preparation, textiles and garments • BDS training for one week • Has already trained 150 returnees in meal preparation and general house keeping with a 5 million birr regional budget 	<ul style="list-style-type: none"> • Tigray 	<ul style="list-style-type: none"> • 90,000 planned for EC 2008 • 2% will be returnees • Works with 28 colleges • Prefers to use the five big colleges of Michew, Mekelle, Adigrat, Axum and Shire 	<ul style="list-style-type: none"> • Critical food insecure • Returnees • Unemployed 	<ul style="list-style-type: none"> • Free but beneficiaries meet own food, transport and lodging expenses 	<ul style="list-style-type: none"> • Can be enlisted to provide technical training • Can be enlisted to provide industrial extension and placements • Has dedicated some resources to address returnee issues already • Willing to adopt specific interventions for returnees • Recommended

Micro and Small Enterprise Development Agency	<ul style="list-style-type: none"> • Applicant nomination and loan facilitation¹⁷ . Must have a guarantor • Applicant must have 20% of the loan as pre-saving to show commitment • Works with EDC and DOT to provide BDS and technical training 	• Tigray	<ul style="list-style-type: none"> • 80,000-100,000 clients per annum • Has 6 staff at regional level and 52 staff at <i>woreda</i> level • Has a one-stop service at <i>kebele</i> level for a total of 107 <i>kebeles</i>. 	• 14-30 years	• Free services	<ul style="list-style-type: none"> • Focus on the eastern and southern zone where there is a high concentration of returnees • Can work with the agency for a matching fund for manufacturing equipment • Access to loan and trainings • Prefers working with groups (minimum of 2 and maximum of 50 per group) • Highly recommended
Cooperative Promotion and Marketing Development Agency	<ul style="list-style-type: none"> • Cooperative promotion • Advice on tools and equipment • Advice on market conditions • Organizing and building capacity of cooperatives 	• Tigray	<ul style="list-style-type: none"> • Has 14 staff at each <i>woreda</i> • Focus is mainly in rural areas • Works with 3,000 cooperatives • Partners with the legal bureau, youth affairs and Dedebit 	• All intending to form a cooperative or those who have formed one	• 60 birr for legal entity registration	<ul style="list-style-type: none"> • Has no work experience with returnees so far • Apart from providing advice on sources of equipment and tools as well as cooperative formation, this does not seem to be well placed to provide solid value to the project • Can be used in the future when the beneficiaries have sorted the pressing livelihood needs of starting and earning an income • Recommended with a caveat: beneficiaries should have completed key initial interventions and started their businesses

¹⁷ Without collateral for the manufacturing sector is 200,000 birr while for other sectors is 100,000 birr.

Bureau of Women Affairs	<ul style="list-style-type: none"> • Women mobilization • Women attitudinal change training • Creating awareness on gender issues 	• Tigray	<ul style="list-style-type: none"> • Works closely with the health, agriculture and justice bureaus • Works closely with Tigray Women's Association • Has permanent structures up to <i>woreda</i> level 	• Women	• Free services	<ul style="list-style-type: none"> • Can work with them in creating awareness • The bureau is incapacitated in executing its mandate as its budgetary allocations can only cater for staff salaries • However, the bureau can provide attitudinal change training on migration and its effects on families. This could be one of the trainings under the psychosocial component • Can provide guarantees to borrowers at Adedai • The work done can also be provided by BoLSA • Not recommended
Bureau of Youth and Sports Affairs	<ul style="list-style-type: none"> • Awareness creation • Linkages to BTVETs • Linkages to small scale industries 	• Tigray	<ul style="list-style-type: none"> • Works with agriculture, Labour and Women bureaus • Also works with UNICEF, TDA, TYA, Youth Federation and REST 	• Youth of 15-30 years	• Free services	<ul style="list-style-type: none"> • Has register of 29,000 returnees at the regional level • Leads the regional anti-trafficking coordinating committee • ILO can work with them on secondment of beneficiaries to small-scale industries for jobs and access to markets • Recommended
DECSI Microfinance	<ul style="list-style-type: none"> • MSE product • Rural package • Urban package (Household based loan up to 30,000 birr). Government guarantees the 	• Tigray	<ul style="list-style-type: none"> • Has 152 branches (93 branches in urban areas) • 750,000 savers • 350,000 active clients • 2 billion birr loan portfolio 	• Borrowers seconded from MSE Development Agency	• 13-15% per annum	<ul style="list-style-type: none"> • Applies 20-80 principle where borrower must have 20% savings before they borrow • Priority is given to urban based MSEs

	<ul style="list-style-type: none"> borrowing and no need for collateral Regular loan product of up to 60,000 birr (no collateral needed as long as the borrower has an ID and a fixed place of abode plus a recommendation from MSED) Savings product In-kind credit for inputs 		<ul style="list-style-type: none"> Has a staff at each of the one-stop shop Has 800 million portfolio 			<ul style="list-style-type: none"> Can work with ILO on provision of in-kind credit and establishment of a loanable fund Beneficiaries must have permanent residence Can work with ILO on provision of orientation training on how to run a business, how to keep business records and how to save Can work with ILO on finance related mindset change Recommended
Adedai Microfinance	<ul style="list-style-type: none"> Loans Savings Money transfer 	Tigray (in East, South-East, South, West and South-West)	<ul style="list-style-type: none"> 19 branches in Tigray with 5 staff in each branch Heavily controlled by the Tigray Women's Association Has 300 million savings and 120 million loan portfolio 48,000 active clients 18,000 borrowers Minimum of 500 birr and maximum of 50,000 birr 	<ul style="list-style-type: none"> Main target is women (70%) Has worked with some returnees in Wokro, Alanata and Raya Azebo 	<ul style="list-style-type: none"> 12.5% per annum 9% can be negotiated on matching funds 	<ul style="list-style-type: none"> ILO can work with them on provision of matching credit facilities at subsidized rates Prefers serving group based borrowers (3-7 members) and collateral is not a requirement Plans to expand to 100,000 birr as maximum amount loaned Main source of funds is Women's Associations at grassroots (56 million birr) Owned 87% by TWA and others are nominal shareholders Highly recommended

Bureau of Labour and Social Affairs	<ul style="list-style-type: none"> • Employment connection with employers • Psychosocial support 	Tigray	<ul style="list-style-type: none"> • Has counsellors at <i>woreda</i> level (52 <i>woredas</i> in total) • Reaches 900,000 households through the Community Care Coalition 	All citizens	Free services	<ul style="list-style-type: none"> • Has a database and profile of 11,211 returnees based on skill, age, background and <i>woreda</i> level. ILO can start with this in beneficiary selection • Can provide psychosocial support through <i>woredas</i> • Can provide awareness sessions to beneficiaries • Can be used in facilitating the access to land • Recommended
Adonay	<ul style="list-style-type: none"> • Psychosocial support and awareness sessions • Short term trainings in bee-keeping, sheep herding, poultry keeping and cow herding/milking are provided • These trainings average 3-4 days 	Tigray (in Artsi Womberta)	<ul style="list-style-type: none"> • Has 4 full-time staff • Works with UNICEF and received 4 million birr grant to train youths • Relies on facilitators from Mekelle University to provide tailored training • Has served 350 clients 	Youth	Free services	<ul style="list-style-type: none"> • Staff capacity is limited • Over-reliance on external service providers would be a risky platform • Limited scope of geographical coverage • No evidence of facilities to deliver large scale interventions (2 computers, fax machine, and a photocopier) • Not recommended

e) Amhara region

Name	Relevant services provided	Target areas	Numbers served & staff/partners	Target group	Pricing	Conditions precedent
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Bureau of Labour and Social Services (BoLSA)	<ul style="list-style-type: none"> Information on business opportunities Referral to the BTVETs and MSEs Data collection 	Amhara	<ul style="list-style-type: none"> 46,625 returnees (49% are female). These are normally passed on to the regional BTVET 	All citizens in the region	Free	<ul style="list-style-type: none"> Access to database of returnees Advocacy work in helping secure work spaces and land. Access to employers through job fairs. Main disadvantage is its low budget for such interventions Recommended
Technical Vocational and Enterprise Development Bureau	<ul style="list-style-type: none"> Offers trainings in weaving, woodwork, leather, software programming/ICT among others The trainings are short term and range from 5 days to 3 months 	Amhara	<ul style="list-style-type: none"> 700,000 with 271,000 from urban centres Plans to reach 980,000 next financial year Has 140 staff at the bureau, 40 at each of the 10 zones and 167 at <i>woreda</i> level. 	15-29 years	Free but beneficiaries meet own food, transport and lodging expenses	<ul style="list-style-type: none"> Main target is 15-29 years age group Has 10 polytechnic colleges and 68 other colleges Technical expertise in handling returnees Need to install the psychosocial service component through a ToT Retooling of facilitators in delivery approach Recommended
Bureau of Women, Youth and Children Affairs	<ul style="list-style-type: none"> Awareness activities on GBV Preventive anti-trafficking information dissemination Registration and profiling of returnees Capacity building for organisations working with women and youth 	Amhara	<ul style="list-style-type: none"> Works through different organizations to provide support Works with the MSE Agency Works with all microfinance institutions 	Women and Youth	Up to 30 years for youth and all ages for women	<ul style="list-style-type: none"> Facilitating workspace and land for beneficiaries is a key area for partnership with ILO Awareness on remigration issues Advantage of having structures up to <i>woreda</i> level Has budgetary constraints to focus on returnees

			<ul style="list-style-type: none"> Works with UNICEF on children matters 			<ul style="list-style-type: none"> Potential areas of interest mainly covered under BoLSA and MSEDAs Not recommended
Amhara Credit and Savings Institution	<ul style="list-style-type: none"> Transfer of money Savings mobilisation Credit provision Provides finance in rural areas where conventional banks are inaccessible Initially a credit led but now a savings led organisation 	Amhara	<ul style="list-style-type: none"> Has a branch in each <i>woreda</i> 368 offices in Amhara 817 satellite offices in different <i>kebeles</i> Has served 270 returnees in South Wollo with 2.2 million birr 3.4 million savers 1.3 million borrowers Has 30.2 billion portfolio Has 621,482 birr agreement with IOM to provide loans to 60 returnees 4 individual and 4 groups worth 131,000 birr provided already 	<ul style="list-style-type: none"> Savers 80% of customers are in rural area 	<ul style="list-style-type: none"> 20% for individual loans (Government can be a tripartite partner to guarantee this) Group lending has no collateral 	<ul style="list-style-type: none"> Proof of residence is key for beneficiaries Intensive preparation of returnees before access is key especially in business planning Credit service provision dedicated to returnees for product of rural electrification and small tractors is a potential collaboration area Can provide pre-loan training in financial literacy before credit provision Highly recommended
Industry and Urban development bureau	<ul style="list-style-type: none"> Allocation of production and marketing areas in form of land and workspaces 	Amhara	<ul style="list-style-type: none"> Production/manufacturing sectors, which include woodwork and leather production, oriented businesses get 5 years land lease Foods and beverages get 5 years land lease 	All citizens	<ul style="list-style-type: none"> Land rent fee depends on city 1 birr per sq.km is minimum charge 8 birr per sq.km is maximum charge 	<ul style="list-style-type: none"> Prefers groups in land allocation Beneficiaries need to be organised in MSMEs ILO needs to work with city councils or municipal councils in the framework provided by the regional bureau ILO needs to recommend priority areas of support within the framework of the regional state guidelines

- Urban agriculture (fattening, poultry) get 15 years
 - Confirmation of skill attainment by applicant is emphasized before application for land
 - Applicant must show evidence of business plan and proof of investment money (loan offer letter or bank statement)
 - **Recommended but through tripartite arrangement with BoLSA and MSED**
- Cooperative Promotion Agency
- Awareness
 - Regulation of cooperatives
 - Training and capacity building
 - Feasibility studies
- Amhara
- 20 staff for each zone
 - 35 staff in each *woreda*
 - 1 promoter for every 3 *kebeles*
 - Works with 12,000 cooperatives of 22 types
 - 2,825 are savings cooperatives
 - Rest are irrigation, artisans and poultry cooperatives
- Savers and cooperators
- Registration fee of 60 birr (depends on type)
- Can be useful in the formation of multipurpose cooperatives (especially those for inputs and marketing)
 - These cooperatives could be anchored in accessing land and work spaces
 - Opportunities for honey production, food processing and cattle fattening can be explored
 - However, multipurpose cooperatives need to have at least 125 members
 - If economic activity needs more capital, the cooperative has to raise more members
 - Given the advantages of groups in accessing workspaces and loans, the agency can be used to form these groups

- **Recommended but at a later stage in the project cycle**