



### Country Context

Over the past two decades, Ethiopia has made impressive progress in addressing needs, risk and vulnerabilities and reducing poverty through targeted investments and economic growth, including through its Growth and Transformation Plan.<sup>1</sup> Human development indicators have seen good progress during the same period. At the same time, the absolute number and proportion of the population requiring social protection or humanitarian assistance is on an upward trend, and it is not clear that development and resilience gains made over the last few years can be sustained amidst trends of population growth and recurrent climate driven events, such as the 2016 El-Niño-driven drought.

Existing policy frameworks and initiatives such as assistance provided through the annual Humanitarian Requirements Document (HRD) providing critical humanitarian assistance to an average of 5 million people per year, and the Productive Safety Net Programme (PSNP) have been successful, but neither possesses the transformative character required to reduce vulnerabilities comprehensively and over the long term.

Ethiopia is the fifth largest refugee-hosting country in the world, with 801,079 refugees from various countries, including South Sudan, Somalia, Eritrea, Sudan, Yemen. An estimated 330,000 South Sudanese refugees were registered by the end of 2016, with an additional 125,000 refugees from South Sudan potentially arriving in 2017 due to the ongoing conflict. To address refugee issues, it is crucial to provide a greater focus on responding to root causes of crisis, while providing immediate humanitarian response. It is about ensuring continuum of humanitarian and development assistance to both refugees and host community.

**There is an opportunity for Ethiopia to showcase its leadership in achieving a set of collective outcomes and creating best practices. If evidence can be shown over several years of programming in Ethiopia that a more integrated approach gradually reduces humanitarian spending, including from domestic resources, it will assist Ethiopia on its path to become a Middle-Income Country by 2025, and to realize the Sustainable Development Goals (SDGs) by 2030.**



### Potential and existing institutional arrangements for Collective Outcomes

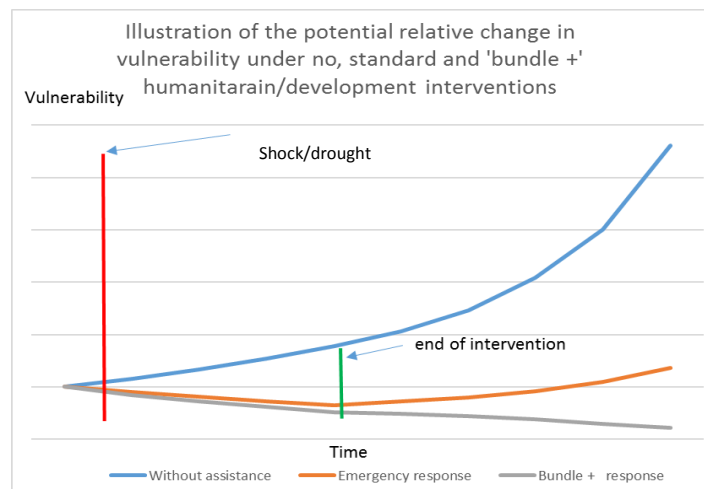
Together with the Government of Ethiopia (GoE), the humanitarian and development communities are exploring ways to bridge the divide. Leadership and institutional mechanism are key to facilitate joint problem statements, and the identification, implementation and financing of collective outcomes. The Government's policy leadership is essential to make the nexus agenda work.

The GoE, the Development Assistance Group (DAG) and Ethiopia Humanitarian Country Team (EHCT) are looking at establishing a system, leveraging the existing country-led strategic mechanisms. Currently, under the overarching DAG, the sub-classification of the development coordination structure is two pronged: Donor-only Technical Working Groups and joint Government-Donor Sector Working Groups. On the humanitarian side, the EHCT and its emergency clusters work in close coordination with the GoE mechanism, including the National Disaster Risk Management Commission as well as emergency units within the line ministries.

The Administration for Refugee and Returnee Affairs (ARRA) works closely with UNHCR and other counterparts in providing support to refugees in the country. The UN Country Team, the Ethiopia Humanitarian Country Team (EHCT) and the Refugee Task Force as well as donor, NGO and inter-agency meetings at the national, field and camp levels are the coordination mechanisms to ensure support to refugees is provided in a coherent manner to achieve sustainable results.

**The Bundle+ Approach:** A small multi-stakeholder Nexus group<sup>2</sup> was formed under the leadership of the Resident/Humanitarian Coordinator to explore strategies on the development-humanitarian sphere, which identified a potential way forward to define an integrated architecture.

Specifically, the Nexus group developed and identified a "bundle+ approach." The approach proposes to integrate humanitarian and development interventions in a selected geographical area, with the aim to reduce vulnerability and risk while providing relief to crisis-affected populations.<sup>3</sup>



<sup>1</sup> The proportion of the population below the national poverty line dropped from 45.5% in 1995 to 23.4% in 2013, and a targeted drop to 16.7% is sought through the Government's Growth and Transformation Plan II (GTPII) by 2025. Large gains were also made in the Gross National Income (GNI) per capita, from USD130 p/capita to USD590 in only ten years, between 2005 and 2015.

<sup>2</sup> DFID, EU/ECHO, Irish Aid, OCHA, RCO, Save the Children, Tufts University, UNAIDS, UNDP, UNHCR, UNICEF, WB, WFP

<sup>3</sup> The figure below illustrates the theoretical impact of a bundled approach, whereby households facing equal levels of vulnerability experience the same shocks. Households represented by the blue line received no assistance and their vulnerability becomes extreme over time;

households represented by the orange line have their vulnerability mitigated by emergency assistance but increasing at the end of the intervention; whereas households represented by the grey line receive support through a bundled approach, mitigating their immediate needs and increasing their longer term resilience, contributing to a downward trend in vulnerability.



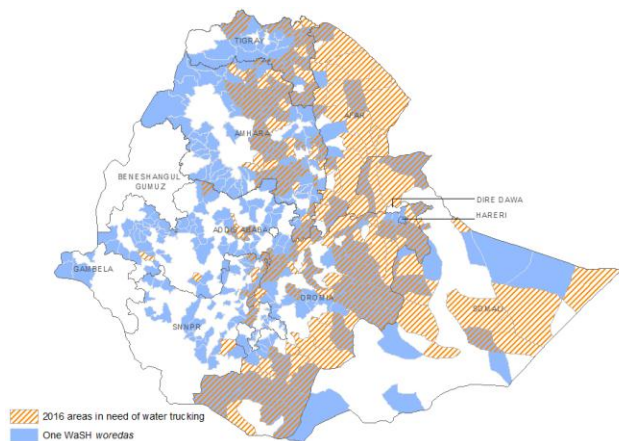
### Example of Collective Outcomes in Ethiopia



**Drought Response** – The 2016 El Niño drought response operation is an example how to bridge the humanitarian-development nexus and to successfully leverage government systems and framework with international support and funding. With UN coordinated support, the response was delivered through the GoE development systems. Significant domestic public resources were made available to organize the monumental response, which places Ethiopia, still a Least Developed Country, in a special category.

#### Focus on “resilient water supply”:

To improve water supply coverage, the GoE and development partners designed the ONEWASH programme in 2013. However, as shown in the map below, there was insuffi-



cient overlap between the *woredas* (districts) covered by the programme and drought-affected *woredas* in need of water trucking.<sup>4</sup> Given the high financial requirement for the 2016 El Niño drought response, development financing (around 30% of the HRD 2016 WASH target) was therefore mobilized from this national scheme. Aside from life-saving water supply interventions such as water trucking and water point rehabilitation, a concerted effort was made to provide “resilient” water supplies to more than 1.3 million people as part of the WASH cluster response.



**Integration of Refugees** – The GoE plans a range of initiatives to decrease the vulnerability of refugee communities and to reduce their dependency on humanitarian assistance. This includes:

**The ‘Ethiopian Jobs Compact’:** The EU, European Investment Bank, WB and DFID have agreed to work with the GoE and partners on this initiative aimed at the creation of industrial parks that could employ up to 100,000 individuals, with 30% of the jobs to be reserved for refugees. The project also funds training, housing and support for the settling of refugees in new communities and financing for the greening of industrial parks.



### Barriers to achieving Collective Outcomes

**Mindset and conceptual difficulties in prioritization:** There is a need for a mindset shift from the existing response model to a shock management model. This entails articulating priorities around prevention, livelihoods, recovery and resilience alongside life-saving interventions.

**Planning in ‘silos’:** Ethiopia’s humanitarian-development policy frameworks and initiatives (PSNP, HRD, the Disaster Risk Management Strategic Programme Investment Framework and Climate Resilience Green Economy Strategy) are currently being implemented in isolation from each other. For example, food and cash delivered through the PSNP (supported by the WB and key development partners) and humanitarian relief food (supported by humanitarian donors) fall under different ministries.

**Fragmentation of data:** There is a need to improve the sharing of situational analysis between humanitarian and development actors, including the UN and WB.

**Lack of flexibility of financing mechanisms:** A continued funding approach as opposed to a financing/investment approach and lack of/inadequate flexibility of financing mechanism is another obstacle.



#### Solutions to transcend the humanitarian-development divide

A recent **lessons learned exercise**, conducted by the EHCT, which includes development partners, recommended to: Develop a common five-year vision to link humanitarian and development systems under national leadership; initiate joint planning and review of priorities between the EHCT, the DAG and the UNCT; and analyze a mapping of development and humanitarian structures and programmes to identify overlaps, gaps, and complementarities.

Ethiopia is also striving for holistic solutions to addressing the needs of refugees and host communities, and made important **pledges at the 2016 Leader’s Summit on Refugees in New York**, reiterating the country’s commitment to a new approach:

- Expansion of the Out of Camp Policy to benefit 75,000 refugees, or 10 percent of the current total refugee population in Ethiopia.
- Increased enrollment of refugee children, within available resources, from approximately 148,361 to 212,800 students.
- Local integration for protracted refugees who have lived in Ethiopia for 20 years or more, to benefit at least 13,000 refugees living in camps.
- Strengthen, expand, and enhance basic and essential social services for refugees.<sup>5</sup>

<sup>4</sup> In 2016, 381 *woredas* were covered by the ONEWASH programme and 197 *woredas* were in need of water trucking, with an overlap of 114 *woredas*.

<sup>5</sup> This is not the full list of pledges made by Ethiopia at the Summit.